The Actual Harm Requirement and the Federal Trademark Dilution Act: Ringling Brothers-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development

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THE ACTUAL HARM REQUIREMENT AND THE FEDERAL TRADEMARK DILUTION ACT: RINGLING BROTHERS – BARNUM & BAILEY COMBINED SHOWS, INC. v. UTAH DIVISION OF TRAVEL DEVELOPMENT

I. INTRODUCTION

On January 16, 1996, President Clinton signed into law the Federal Trademark Dilution Act ("FTDA"), thereby amending the existing trademark statute, the Lanham Act. The FTDA provides


2 Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (1996) (codified at 15 U.S.C. § 1125(c)). The Act states the following: (1) The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to - (A) the degree of inherent or acquired distinctiveness of the mark; (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used; (C) the duration and extent of advertising and publicity of the mark; (D) the geographical extent of the trading area in which the mark is used; (E) the channels of trade for the goods or services with which the mark is used; (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought; (G) the nature and extent of use of the same or similar marks by third parties; and (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register. (2) In an action brought under this subsection, the owner of the famous mark shall be entitled only to injunctive relief as set forth in section 1116 of this title unless the person against whom the injunction is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark. If such willful intent is proven, the owner of the famous mark shall also be entitled to the remedies set forth in sections 1117(a) and 1118 of this title, subject to the discretion of the court and the principles of equity. (3) The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register shall be a complete bar to an action against that person,
a cause of action for federal trademark dilution by entitling the “owner of a famous mark . . . to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.” Courts have differed as to their interpretation of the language “causes dilution” and its bearing on the FTDA’s relief requirements. Some courts have held that relief under the FTDA will only be granted if the senior user can provide evidence that its mark has actually been diluted by the junior user. Other courts have granted the plaintiff relief upon a simple likelihood that its mark will be diluted by the defendant’s mark.

In Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development, the Fourth Circuit held that the Utah Division of Travel Development (“Utah”) did not dilute the famous mark of Ringling Bros.-Barnum & Bailey Combined Shows, Inc. (“Ringling”) because Ringling failed to demonstrate that it had suffered actual economic harm due to Utah’s use of its mark.4 However, in Nabisco, Inc. v. PF Brands, Inc.,5 the court rejected the Ringling court’s interpretation of the FTDA and held in favor of the plaintiff. The Nabisco court interpreted the FTDA to simply require a “likelihood of success” that the plaintiff’s mark will be diluted.6

with respect to that mark, that is brought by another person under the common law or a statute of a State and that seeks to prevent dilution of the distinctiveness of a mark, label, or form of advertisement. (4) The following shall not be actionable under this section: (A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark. (B) Noncommercial use of a mark. (C) All forms of news reporting and news commentary.

3 Id.
4 170 F.3d 449.
5 191 F.3d 208 (2d Cir. 1999).
6 Id.
II. HISTORY OF TRADEMARK DILUTION LAW

The trademark dilution theory was first introduced in the United States by Frank Schechter in 1927.\(^7\) Schechter sought to prevent the dilution of "coined, arbitrary or fanciful words or phrases that have been added to rather than withdrawn from the human vocabulary by their owners, and have, from the very beginning, been associated in the public mind with a particular product."\(^8\) Schechter’s model defined dilution simply as "any use of an identical or sufficiently similar mark"\(^9\) and that "the preservation of the uniqueness of a trademark should constitute the only rational basis for its protection."\(^10\) Schechter did not consider any other harmful effects of the junior’s use of the mark other than its necessary destruction of the senior mark’s former absolute uniqueness as a product symbol.\(^11\) He defined the injury to the original mark as "the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods."\(^12\) This proposal effectively creates a property right in gross in such unique marks because the use of all marks which diminish this uniqueness, even in the absence of any other type of harm to the unique mark, would be prohibited.\(^13\)

In 1946, Congress passed the Lanham Act.\(^14\) The Lanham Act extended the infringement cause of action to any junior use of a

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8 Id. at 829.

9 Id. at 825.

10 Id. at 831.

11 Schechter, 40 Harv. L. Rev. 813, 825 (1927).

12 Id.

13 Ringling v. Utah, 170 F.3d at 454.

14 15 U.S.C. § 1114(1)(a) (1994). This section provides that: (1) Any person who shall, without the consent of the registrant - (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any
mark that “is likely to cause confusion, or to cause mistake, or to deceive,” but did not include Schechter’s proposal for dilution protection.  

However, Schechter’s dilution concept did influence a number of state legislatures. In 1947, Massachusetts became the first of many states to enact a state antidilution statute. According to the Massachusetts Act, “Likelihood of injury to business reputation or of dilution of the distinctive quality of a trade name or trade-mark shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services.”

At the time the Federal Trademark Dilution Act was signed into law in January, 1996, twenty-eight other states had adopted antidilution statutes similar to that of Massachusetts. Although goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.

16 Act of May 2, 1947, ch. 307, s 7a, 1947 Mass. Acts 300 (codified as amended at Mass. Gen. Laws Ann. ch. 110B, s 12 (West 1996). “Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this chapter, or a mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.”

17 Id.

the state antidilution statutes vary in detail, they all share four important features. First, each statute protects against dilution of marks which possess a distinctive quality. This expands upon Schechter’s proposal which only protected against dilution of coined arbitrary or fanciful marks that the public associated with a particular product from the very beginning of their use. Second, the statutes grant relief if the senior user of the mark can demonstrate that the junior user has caused a “likelihood of dilution” of the mark at issue. Third, the statutes contain no express reference to harm of the senior mark’s economic value, therefore defining dilution in terms susceptible to the interpretation that it consists solely of a loss of the mark’s distinctiveness. Fourth, the statutes provide only injunctive relief.

After observing the operation of the dilution concept in the individual states, Congress decided to incorporate the concept into federal law. In 1995, Congress voted to amend the Lanham Act to include the FTDA and on January 16, 1996, President Clinton signed the bill into law. The FTDA differs from the state antidilution statutes in two respects. First, the FTDA does not incorporate the “likelihood of dilution” test, using the language

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n.18 (1997). In addition, Ohio has recognized dilution as a grounds for injunctive relief as part of its common law. Id. See Ameritech, Inc. v. American Info. Tech. Corp., 811 F.2d 960, 965 (6th Cir. 1987).

19 Many state dilution statutes followed the model state trademark act which states, “Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this Act, or mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.” Model State Trademark Act § 12 (1964), reprinted in, J. Thomas McCarthy, 3 McCarthy on Trademarks and Unfair Competition § 22:8 (4th ed. 1999).

20 Ringling Bros. v. Utah, 170 F.3d at 454.

21 Frank I. Schechter, 40 Harv. L. Rev. 813, 829 (1927).

22 Ringling Bros. v. Utah, 170 F.3d at 454.

23 Id.

24 Id.

“causes dilution” instead.26 Second, the FTDA provides dilution protection only if the use by the junior user “begins after the mark has become famous.”27

III. SUBJECT OPINION: RINGLING BROS.-BARNUM & BAILEY COMBINED SHOWS, INC. v. UTAH DIVISION OF TRAVEL DEVELOPMENT

A. Case Facts

Ringling filed a claim under the FTDA alleging that Ringling’s “famous” circus trademark slogan, THE GREATEST SHOW ON EARTH (“GREATEST SHOW mark”), had been diluted by the State of Utah’s commercial use of its trademark slogan, THE GREATEST SNOW ON EARTH (“GREATEST SNOW mark”), used as an advertisement for the state’s winter sports attractions.28 Since 1872, Ringling and its predecessors have described their circus to the public as the “Greatest Show on Earth.”29 In 1961, Ringling federally registered its GREATEST SHOW mark for entertainment services in the nature of a circus.30 The Ringling circus travels throughout the United States and performs approximately 1,000 shows annually to approximately 12 million people in 95 cities.31 The Ringling circus exposes more than 70 million people each year to its GREATEST SHOW mark in connection with its circus.32 In the fiscal year ending in January 1997, Ringling realized revenues exceeding $103 million from goods and services bearing or using the GREATEST SHOW mark.33 In the fiscal year ending in January 1997, Ringling spent approximately $19 million to advertise its GREATEST SHOW mark in print advertising, radio, television, videos, outdoor

26 Id.
27 Id. (emphasis added).
28 Ringling Bros. v. Utah, 170 F.3d at 451.
29 Id.
30 Id.
31 Id.
32 Id.
33 Ringling Bros. v. Utah, 170 F.3d at 451.
billboards, direct-mail, press announcements, posters, program books, souvenirs, and joint promotions with other companies. 34

The Utah Division of Travel Development is an agency of the State of Utah. 35 Since 1962, Utah has used its GREATEST SNOW mark in connection with its tourism services. 36 With the exception of three years, Utah has used its mark in magazine advertisements since 1962. 37 Utah has also authorized the Utah Ski Association to use the GREATEST SNOW mark to promote Utah tourism. Utah’s primary use of its GREATEST SNOW mark in Utah is on motor vehicle license plates. 38 Over the past fifteen years, Utah’s yearly budget for winter advertising, including the use of the GREATEST SNOW mark, has ranged from $300,000 to $450,000. 39

In 1975, Utah registered its mark with the State of Utah and renewed its registration in 1985 and 1995. 40 In 1988, Utah applied for registration of its mark in the United States Patent and Trademark Office. 41 Utah was granted federal registration of its mark on January 21, 1997. 42

B. Procedural History

On June 6, 1996, Ringling commenced this action against Utah in Virginia District Court. 43 Ringling alleged that Utah’s use of its GREATEST SNOW mark “diluted” Ringling’s GREATEST SHOW mark in violation of the FTDA. 44 Before trial, the district court granted Utah’s motion to strike Ringling’s demand for a jury trial. 45 After a bench trial, the district court held in favor of Utah. 46

34 Id.
35 Id.
36 Id.
37 Id.
38 Ringling Bros. v. Utah, 170 F.3d at 451.
39 Id.
40 Id.
41 Id.
42 Ringling Bros. v. Utah, 170 F.3d at 452.
44 Id. at 614.
45 Ringling Bros. v. Utah, 170 F.3d at 453.
After looking at the language of the FTDA, the district court concluded that in order for Ringling to prevail on its dilution claim, it must prove (1) it owns a famous mark, (2) that Utah adopted its mark after Ringling’s mark had become famous; and (3) that Utah’s mark diluted Ringling’s mark by “blurring” it. The court found that Ringling had demonstrated that its GREATEST SHOW mark was famous and that Utah adopted its mark after it became famous. Therefore, the court found that the dispute turned on whether Utah’s mark dilutes or has diluted Ringling’s mark. To resolve this issue, the court attempted to determine how the concept of dilution can be detected or measured.

The court concluded that dilution by blurring occurs when consumers mistakenly associate the famous mark with the goods and services of the junior mark. The court then examined Ringling’s attempt to prove dilution of its mark. The court determined that dilution by blurring can be shown through proof that the use of a junior mark has caused less of a demand for the products or services bearing the famous mark or for use of the famous mark in co-promotions. Ringling conceded that this did not occur in this instance but instead attempted to prove dilution using survey evidence and through the use of a balancing test.

Ringling’s survey evidence demonstrated that within Utah only 25% of the survey respondents, compared to 41% nationwide, associated the incomplete statement THE GREATEST ______ ON EARTH solely with Ringling. Ringling claimed that this survey evidence was proof that its mark had been diluted by Utah’s use of its mark in the state of Utah. However, the court concluded that this evidence only indicated that Utah’s mark was widely known in

46 Id.
48 Id.
49 Id.
50 Id.
51 Ringling Bros. v. Utah, 955 F. Supp. at 616.
52 Id.
53 Id.
54 Id.
55 Ringling Bros. v. Utah, 955 F. Supp. at 616 (emphasis added).
56 Id.
Utah\textsuperscript{57} and not that the people of Utah associated the mark with Ringling.\textsuperscript{58} In fact, the evidence demonstrated that 46\% of respondents in Utah, compared to 41\% elsewhere, associated the GREATEST SHOW mark with Ringling.\textsuperscript{59}

Thus, the court concluded that the power of Ringling’s famous mark to identify and distinguish the circus was as strong within Utah, where the junior mark is ubiquitous, as it was outside of Utah, where the junior mark was essentially unknown.\textsuperscript{60} The survey indicated that Utah’s use of the mark did not lessen the capacity of Ringling’s GREATEST SHOW mark to identify and distinguish the Circus.\textsuperscript{61} The court found that the survey provided no direct evidence that Ringling’s famous mark had been diluted and instead held that the survey evidence did not support a finding of dilution.\textsuperscript{62}

Ringling took the position that the FTDA will grant relief for blurring whenever a junior mark is identical or sufficiently similar to the famous mark so as to cause consumers to make a mental association between the two marks.\textsuperscript{63} Ringling contended that, although not identical, the similarity between the marks was so strong and obvious that the required “mental association” between the two existed and that its mark no longer immediately called to mind its circus in Utah.\textsuperscript{64} Therefore, Ringling argued that it was

\textsuperscript{57} Ringling Bros. v. Utah, 955 F. Supp. at 617.  
\textsuperscript{58} Id. at 618.  
\textsuperscript{59} Id.  
\textsuperscript{60} Ringling Bros. v. Utah, 955 F. Supp. at 617.  
\textsuperscript{61} Id.  
\textsuperscript{62} Id. See Patrick M. Bible, Defining and Quantifying Dilution Under the Federal Trademark Dilution Act of 1995: Using Survey Evidence To Show Actual Dilution, 70 U. Colo. L. Rev. 295, 314-315 (1999) (As proof of the existence of mental association, a litigant may offer testimonial evidence from consumers. Survey evidence provides a more scientific means of demonstrating trademark dilution. It is often used to prove a likelihood of confusion, since it is directed to the subjective mental associations and reactions of prospective purchasers. However, the creation and administration of surveys causes problems such as inaccuracy. As a result, courts tend to view survey evidence with a fair amount of skepticism, sometimes leading to the exclusion of the survey’s findings).  
\textsuperscript{63} Id. at 616.  
\textsuperscript{64} Ringling Bros. v. Utah, 955 F. Supp. at 617.
entitled to relief under the FTDA because consumers’ mental association with its mark had been weakened. 65

The district court rejected Ringling’s contention that mental association alone between the two marks constitutes dilution under the FTDA. 66 The court held that dilution by blurring occurs only when consumers “mistakenly associate or confuse the marks and the goods or services they seek to identify and distinguish,” and “this may be shown by proof that the use of a junior mark has caused a lessening of demand for the products or services bearing the famous mark.” 67

Recognizing that direct evidence of blurring may often be difficult to present, the court also analyzed Ringling’s claim using a multi-factor balancing test first used by Judge Sweet to determine dilution under the New York State dilution statute. 68 This test balances factors such as (1) the similarity of the marks, (2) the similarity of the products or services covered by the marks, (3) the sophistication of consumers, (4) predatory intent, (5) renown of the senior mark, and (6) renown of the junior mark. 69 After analyzing and balancing these factors, the court determined that Ringling failed to prove dilution through blurring. 70 The court was most concerned with the fact that the recreational activities covered by the marks were not substantially similar and that the marks themselves were clearly different due to the use of the terms “show” versus “snow.” 71

On appeal to the circuit court, Ringling challenged the district court’s holding that Utah’s mark did not dilute Ringling’s mark and thus was not in violation of the FTDA. 72 Ringling argued that

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65 Id. at 614.
66 Id. at 616.
67 Ringling Bros. v. Utah, 170 F.3d at 453.
68 Ringling Bros. v. Utah, 955 F. Supp. at 616.
70 Ringling Bros. v. Utah, 955 F. Supp. at 621.
71 Id. at 619.
72 Ringling Bros. v. Utah, 170 F.3d at 465. The district court first concluded that the FTDA did not provide a right to a jury trial. Looking at the Seventh Amendment to the United States Constitution, the court noted that except where a defendant ‘willfully intended . . . to cause dilution’ the only remedy available
the district court erred in interpreting the FTDA to require further proof that in making the mental association between the marks, consumers must mistakenly associate or confuse the marks and the goods or services they seek to identify and distinguish. Ringling further argued that the court erred in interpreting the FTDA to require proof of actual dilution. Specifically, Ringling challenged the district court’s interpretation of the statutory meaning of “dilution,” the court’s rejection of its survey evidence as insufficient to prove “dilution,” and the court’s rejection of its dilution claim under Judge Sweet’s Mead Data analysis.

C. Fourth Circuit Review

Agreeing with the district court’s finding that Ringling presented undisputed evidence proving that its mark achieved “famous” status before Utah began to use its mark, the appeals court focused on the issue of whether Utah’s mark had “diluted” Ringling’s mark. The court of appeals agreed with the district court in rejecting Ringling’s interpretation that the FTDA is violated simply if consumers develop a mental association between the famous senior mark and the junior mark. The appellate court also found that a successful dilution claim under the FTDA requires proof of (1) a sufficient similarity between marks to evoke in consumers a mental association of the two that (2) causes (3) actual harm to the senior marks’ economic value as a product-identifying and advertising agent. The court came to this conclusion by looking at the immediate legislative record and the broader

73 Id.
74 Id.
75 Id.
76 Id. at 452.
77 Ringling Bros. v. Utah, 170 F.3d at 453.
78 Id.

to the plaintiff who brings a claim under the FTDA is an injunction. The court went on to hold that “when an injunction is available to remedy dilution, the Seventh Amendment does not compel a jury trial.

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background out of which the basic concept of dilution emerged and has evolved in state and federal trademark law.\(^7^9\)

1. Interpretation of the FTDA

The court began its interpretation of the FTDA with the above discussion of the history of the dilution concept. The court examined the concept proposed by Schechter and followed the evolution of the concept to its embodiment in the FTDA.\(^8^0\) The court paid special attention to the interpretation and application of the state antidilution statutes because of the light shed "upon the significance of key contrasting provisions of the [FTDA]."\(^8^1\) The Ringling court focused its analysis on determining whether there was support for Ringling’s contention that "dilution under the [FTDA] required no more proof than sufficient similarity of junior mark to senior mark to evoke in consumers an ‘instinctive mental association’ of the two."\(^8^2\) The court did not attempt to perfectly synthesize the varying approaches to the interpretive problem taken by different courts, but did make observations which it felt were relevant to interpreting the statute.\(^8^3\)

\begin{enumerate}
\item State Antidilution
\end{enumerate}

As discussed above, the dilution concept was first seriously purposed by Frank I. Schechter. According to Schechter, the legal harm that his dilution proposal sought to prevent was simply the mark’s uniqueness as a word-symbol outside the human vocabulary as developed by the mark’s owner.\(^8^4\) Schechter simply assumed that all “unique” marks had economic value or selling power.\(^8^5\) As a result, under Schechter’s model dilution could be proven by a simple showing that a junior mark is sufficiently

\(^7^9\) Id.
\(^8^0\) Ringling Bros. v. Utah, 170 F.3d at 456.
\(^8^1\) Id.
\(^8^2\) Id. at 458.
\(^8^3\) Id.
\(^8^4\) Ringling Bros. v. Utah, 170 F.3d at 456.
\(^8^5\) Id.
similar to a protected mark. Schechter’s proposal did not require a showing of economic harm for relief to be granted. Such a dilution model effectively provides property rights in gross to the owner of the protected and unique mark.

At the time the state dilution statutes were enacted the dilution concept was only expressed in the form proposed by Schechter. However, none of the state statutes adopted Schechter’s proposals exactly. Instead, the typical state statute formulation prohibited the use of a mark that created a “likelihood of . . . dilution of the distinctive quality of a [senior] mark . . . notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services.” The statutes did not elaborate on this definition or define its terms, thus causing much confusion in the courts.

In its examination of how state courts interpreted the state dilution statutes, the Ringling court found that state courts refused to read the “distinctive quality” language of the typical state dilution statutes as being essentially synonymous with the “uniqueness” language of Schechter’s proposal. As a result, state courts refused to provide the high level of protection equivalent to an in gross property right in the mark as suggested by Schechter. Instead, the Ringling court found that state courts often referred to Schechter’s identification of the senior mark’s “selling power” and the “whittling away” of that power and the economic value
associated with it as being the concerns which the antidilution statutes were to protect against. 95

According to the Ringling court, the biggest problem in interpreting the state statutes is determining how to prove that the junior mark’s use has harmed the senior mark’s selling power. 96 It is obvious that the public must make some mental association between the two marks and according to state dilution statutes, this association and any resulting harm only needs to be proven as a future likelihood. 97 However, the question that has not been answered is “how, in the absence of any consumer confusion as to source, can harm to the senior mark’s selling power traceable to the junior mark’s use be proven even as a likely future fact?” 98

The Ringling court cited three different approaches to solving the problem of proving that the junior’s use has or is likely to dilute the senior’s mark. 99 The first approach, used during the period of judicial hostility to the statutory dilution concept, assumed that the required harm could only be shown by evidence of some form of product-diverting consumer confusion. 100 Using this approach, courts consistently found proof of dilution lacking. 101 The second approach was developed by Judge Sweet in his often cited Mead Data concurrence. 102 This approach assumed “that likelihood of harm to the selling power must be proven, and that such harm could occur in the absence of any consumer confusion.” 103 Judge

95 Id.
96 Id. at 457.
97 Id.
98 Id.
99 Id.
100 Ringling Bros. v. Utah, 170 F.3d at 457.
101 Id. (citing Cue Publishing Co. v. Colgate-Palmolive Co., 45 Misc.2d 161, 168, 256 N.Y.S.2d 239, 245-46 (N.Y.Sup.Ct.), aff’d, 23 A.D.2d 829, 259 N.Y.S.2d 377 (1965) (Evidence failed to demonstrate that defendant’s use of the mark “Cue” for toothpaste diluted plaintiff’s registered mark “Cue” for entertainment guide. The action was brought under the New York State dilution statute)).
103 Id.
Sweet developed a series of contextual factors which could be used to determine if such a likelihood of harm existed.  

The third approach was seen as the most drastic by the *Ringling* court. Usage this approach, some courts have taken the position that a likelihood of harm may simply be presumed from the identity or sufficient similarity of the marks. The *Ringling* court suggested that courts have taken this position because they consider likelihood of harm to a mark’s selling power to be incapable of inferential proof. According to *Ringling*, “this approach interprets the state statutes as creating property rights in gross in the senior mark” because instead of requiring proof of a likelihood of dilution, this approach only requires a “sufficient similarity” between the two marks.

After examining the different courts’ interpretations of the state dilution statutes, the *Ringling* court came to the conclusion that a “general agreement has emerged that “dilution” under the state statutes involves as an essential element some form of harm to the protected mark’s selling power – its economic value – resulting otherwise than by consumer confusion from the junior mark’s use.” The *Ringling* court claimed that by requiring proof of only a “likelihood of dilution” rather than actual dilution under state antidilution laws, courts have been able to avoid defining the type

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104 *Id.* This test balances factors such as (1) the similarity of the marks, (2) the similarity of the products or services covered by the marks, (3) the sophistication of consumers, (4) predatory intent, (5) renown of the senior mark, and (6) renown of the junior mark. After analyzing and balancing these factors, the court determined that Ringling failed to prove dilution through blurring.

105 *Ringling Bros. v. Utah*, 170 F.3d at 457.

106 *Id.*

107 *Id.*

108 *Id.* citing *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc.*, 855 F.2d 480, 484 (7th Cir. 1988) (in applying an Illinois statute to uphold an injunction against use of “Greatest Used Car Show on Earth” slogan, court held that “[w]ithout a likelihood of confusion there is no effective way to measure [Ringling’s] loss of audience or potential growth,” but the court presumed a likelihood of harm for injunctive purposes”).

109 *Ringling Bros. v. Utah*, 170 F.3d at 458.
of economic harm to the senior mark’s “selling power” that is required to prove statutory dilution.  

ii. Federal Antidilution

The *Ringling* court interpreted the FTDA by looking at its relation to the state statutes and their interpretation. Comparing the two statutes the *Ringling* court emphasized that the FTDA provides a remedy only for “actual dilution,” not a mere “likelihood of dilution” as described by the state statutes. The court also recognized that by defining dilution as “the lessening of the capacity of a famous mark, to identify and distinguish goods or services,” the FTDA, unlike the state statutes, makes it perfectly clear that its aim is to protect the mark’s selling power rather than its distinctiveness. In light of these two points, the *Ringling* court interpreted the requirements for a proof of dilution under the FTDA as being (1) a showing of a sufficient similarity between the junior and senior marks to evoke an “instinctive mental association” of the two by a relevant universe of consumers which (2) is the effective cause of (3) an actual lessening of the senior mark’s selling power, expressed as “its capacity to identify and distinguish goods and services.”

The *Ringling* court then examined how Ringling’s interpretation of the FTDA fits in with its own. The court saw Ringling’s interpretation as insisting that the FTDA does not require independent proof that either the economic value of the senior mark has sustained actual harm or that the junior’s use is the cause of the harm shown. Instead, Ringling contended that the FTDA

\[\text{110} \text{Id.}\]
\[\text{111} \text{Id.}\]
\[\text{112} \text{Id.}\]
\[\text{113} \text{15 U.S.C. § 1127 (1999). “The term “dilution” means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception.}\]
\[\text{114} \text{Ringling Bros. v. Utah, 170 F.3d at 458.}\]
\[\text{115} \text{Id. at 459.}\]
requires only proof of a sufficient visual similarity of the marks to evoke an “instinctive mental association” between the two marks. 116  

The court noted that Ringling’s interpretation could be accepted only if the FTDA was intended to protect the senior mark’s distinctiveness or singularity as a word symbol. 117 Such an interpretation describes the property right in gross model of dilution originally proposed by Schechter. 118 The court did not think that Congress would have intended, without making its intentions perfectly clear, to create an unlimited in time property right in gross for famous marks. 119 The language of the FTDA states that to succeed on a dilution claim both specific harm to the senior mark’s economic value in the form of a “lessening of capacity . . . to identify and distinguish goods and services,” and a causal connection between that harm and the “commercial use” of a replicating junior mark must be shown. 120 The Ringling court concluded that the FTDA certainly does not support the property right in gross interpretation. 121  

Although the FTDA requires proof of actual harm to the senior mark’s economic value caused by the junior mark’s use, the court indicated that it would accept Ringling’s interpretation if it permitted both cause and harm to be judicially presumed as fact from the sufficient similarity of the two marks. 122 While this process has been used by some state courts in interpreting state antidilution statutes which only require proof of likelihood of dilution, such a process could not be used under a statute requiring proof of actual harm already caused by use of a junior mark. 123  

Such a presumption cannot be made because there are many factors that may cause a mark to lose its distinctiveness rather than

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116 Id.
117 Id.
118 Id.
119 Ringling Bros. v. Utah, 170 F.3d at 459.
120 15 U.S.C. §§ 1125(c)(1); 1127.
121 Ringling Bros. v. Utah, 170 F.3d at 459.
122 Id.
123 Id.
the junior party’s use of the mark. 124 Actual harm cannot be presumed because there is no guarantee that economic harm will result from the junior’s use of the mark. 125 It is possible that some junior uses will have no effect at all upon a senior mark’s economic value. 126 This could be due to various reasons such as a lack of exposure or a general consumer disinterest in the products used in connection with the marks. 127 In addition, the court rejected the argument which claims that because there is no way in which to prove that actual economic harm has occurred, only a likelihood of dilution is required. 128 According to the Ringling court, the fact that it may be difficult to prove actual harm does not support a judicial presumption that it has occurred. 129

Ringling’s principal argument in support of its interpretation is that if the FTDA requires proof of any form of economic harm, it is only threatened harm and not actual harm. 130 Ringling argued that the FTDA’s intended meaning should be interpreted so as to only require a mere “likelihood of dilution” as the state dilution statutes do, even though a literal interpretation does not support such a reading. 131 From this interpretation runs the argument that future harm can be more easily proven than can a showing of the actual, consummated economic harm required by the district court’s interpretation. 132

The argument that the FTDA only requires a mere threatened, future economic harm focuses on the word “capacity” in the FTDA’s definition of the word dilution. 133 The FTDA defines dilution as the “lessening of the capacity of a famous mark to identify and distinguish goods or services.” 134 The argument

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124 Id.
125 Ringling Bros. v. Utah, 170 F.3d at 457.
126 Id.
127 Id. at 460.
128 Id.
129 Id.
130 Ringling Bros. v. Utah, 170 F.3d at 460.
131 Id.
132 Id.
133 Id.
follows that the word “capacity” is used to denote the ability of a mark to continuously over future time “identify and distinguish,” even if it has not yet suffered any lessening of that ability. The Ringling court rejected this interpretation as going against the FTDA’s plain meaning.

The Ringling court held that the interpretation of the word “capacity” to indicate future harm contradicts both the word’s ordinary intrinsic meaning and its use in context. The court saw the word capacity as having a neutral temporal meaning. To determine the meaning assigned to a word, the context in which it is used must be examined. As used in the FTDA, the Ringling court found that “capacity” refers to “former capacity.” The conduct prohibited by the FTDA is that which “lessens” capacity, not that which “will” or “may” lessen, and “another person’s . . . use” that causes dilution, not merely threatened use that “will” or “may” cause dilution. Unlike only the injunctive relief provided by state statutes, the FTDA provides compensatory and restitutionary relief. As a result, the court found that the FTDA focuses not only on the prevention of future harm but also on relief for consummated economic harm. Most importantly, the FTDA’s conscious refusal to include the words “likelihood of dilution” indicates that it only intended to protect against actual dilution.

The above reasoning led the Fourth Circuit to conclude that a violation of the FTDA consists of (1) a sufficient similarity of marks to evoke in consumers a mental association of the two that

135 Ringling Bros. v. Utah, 170 F.3d at 460.
136 Id.
137 Id.
138 Id.
139 Id.
140 Ringling Bros. v. Utah, 170 F.3d at 460.
142 Ringling Bros. v. Utah, 170 F.3d at 461.
144 Ringling Bros. v. Utah, 170 F.3d at 461.
145 Id.
146 Id.
147 Id.
(2) causes (3) actual harm to the senior marks' economic value as a product-identifying and advertising agent.  

2. Ringling's Survey Evidence

To prove that Utah's use of its mark dilutes Ringling's famous mark, Ringling introduced the survey evidence described above. Ringling presented its survey evidence to support its interpretation that the FTDA provides relief if an instinctive mental association between the two marks could be shown among consumers. While the Fourth Circuit did not agree with the district court's finding that the survey results failed to show that consumers made the requisite threshold mental association between the marks, this was not an issue because the court did not agree that a mental association between marks, by itself, could provide a foundation for relief under the FTDA. The court found that if a party only relies upon evidence of the mental impressions evoked in consumers upon viewing the marks, then those impressions must go beyond mere recognition of a visual similarity of the two marks to allow a reasonable inference that the junior mark's use has caused actual harm to the senior mark's selling or advertising power. The court found that Ringling did not meet this standard.

3. Mead Data Standard

While the Fourth Circuit did adopt some of the contextual factors used by the Mead Data court to prove a likelihood of dilution, as a whole it rejected the use of such factors to prove dilution under the FTDA. The court could not see how a test used to prove "likelihood of dilution" under state statutes could be

148 Id.
149 See supra notes 55-59.
150 Ringling Bros. v. Utah, 170 F.3d at 463.
151 Id.
152 Id.
153 Id. at 463.
used to determine actual dilution under the FTDA. The court singled out the factors of consumer confusion, consumer sophistication, and predatory intent as being factors which have no bearing on proving actual harm and effective causation. The only factors which the court felt may have any relevance when analyzing dilution under the FTDA are mark similarity and possibly degree of "renown" of the senior mark. Nevertheless, the court found that the district court's use of the Mead Data factors had no ultimate prejudicial effect on Ringling.

4. Problems with Proving Actual Dilution Under the Ringling Court's Interpretation

The Ringling court acknowledged that it is indeed difficult to prove actual dilution. However, it concluded that the concept of actual dilution is a viable one and that means of proving actual dilution are available. Specifically, the court found three general means of proving dilution. The most obvious indicator of actual dilution is "proof of an actual loss of revenues, and proof of replicating use as cause of dilution by disproving other possible causes." The court also condoned the use of a "consumer survey designed not just to demonstrate 'mental association' of the marks in isolation, but further consumer impressions from which actual harm and cause might be rationally inferred." The contextual Mead Data factors such as the extent of the junior mark's exposure, the similarity of the marks, and the firmness of the senior mark's hold, were found by the court to be indirect evidence that might complement other proof.
5. The Ringling Court’s Answer to the Commentators

In a footnote, the Fourth Circuit answered critics of its reading that the FTDA requires a showing of actual dilution.\textsuperscript{164} The court cited numerous scholarly articles which have examined the issue of whether the FTDA requires a showing of actual dilution as opposed to likelihood of dilution.\textsuperscript{165} The articles conclude that the FTDA only requires a showing of a likelihood of dilution for relief and are criticized by the \textit{Ringling} court for their failure to provide adequate analysis of their interpretations.\textsuperscript{166}

The court first examined the analysis of the author of one of the leading treatises in the field, J. Thomas McCarthy.\textsuperscript{167} According to McCarthy, “the [FTDA] does not require proof of an actual lessening of the strength of the famous mark: only that there is a lessening of the capacity or the ability of the mark to be strong as a commercial symbol and identifier.”\textsuperscript{168} However, the court placed little value on McCarthy’s analysis due to its failure to provide further clarifying analysis.\textsuperscript{169}

The \textit{Ringling} court also cited an article by Courtland L. Reichman which determined that although the FTDA requires actual dilution on its face, a showing of a likelihood of dilution is adequate due to the use of the word “capacity” to indicate that the mere ability of a junior user’s mark to dilute the senior’s mark is actionable.\textsuperscript{170} In addition, the court looked at a article written by Robert N. Klieger which stated that the plain meaning of “the [FTDA] creates an actual dilution requirement – junior use of a

\begin{itemize}
\item \textsuperscript{164} \textit{Ringling Bros. v. Utah}, 170 F.3d at 461 n.6.
\item \textsuperscript{165} Id.
\item \textsuperscript{166} Id.
\item \textsuperscript{167} Id.
\item \textsuperscript{168} \textit{Ringling Bros. v. Utah}, 170 F.3d at 461 n.6 (citing 3 J. Thomas McCarthy, \textit{McCarthy on Trademarks and Unfair Competition}, § 24:94 at 24:151).
\item \textsuperscript{169} Id.
\item \textsuperscript{170} \textit{Ringling Bros. v. Utah}, 170 F.3d at 461 n.6 (citing Courtland Reichman, \textit{State and Federal Trademark Dilution, 11 Franchise L.J.}, 111, 132 (Spring 1998)).
\end{itemize}
mark must actually dilute the senior mark.” However, Klieger then stated “Of course, Congress did not intend to require ... a showing of actual dilution.”

The Ringling court agreed with the plain meaning interpretation of the FTDA by Klieger & Reichman. However, the court explained that, unlike the two commentators, it was bound to that plain meaning due to the Supreme Court’s “plain meaning rule.” The “plain meaning rule” states that “If words convey a definite meaning, which involves no absurdity, nor any contradiction of other parts of the instrument, then that meaning, apparent on the face of the instrument, must be accepted.” Abiding by the plain meaning of the FTDA as it and others have determined the meaning to be, the Ringling court found that in order to receive relief under the FTDA a showing of actual dilution must be made. This Ringling standard has been adopted by many courts both inside and outside of the Fourth Circuit.

IV. COURTS IN AGREEMENT WITH THE FOURTH CIRCUIT

A. United States Court of Appeals for the Seventh Circuit

The Seventh Circuit recently adopted the Ringling court’s holding that relief under the FTDA requires a showing of actual dilution in Syndicate Sales, Inc. v. Hampshire Paper, Corp. In Syndicate Sales, the court considered whether Hampshire Paper’s floral funeral bouquets diluted the floral funeral bouquets produced by Syndicate Sales. While Syndicate Sales had been producing...
its bouquets since 1960, Hampshire Paper had only been producing its bouquets since 1994. In 1994, Hampshire Paper produced two types of bouquets which contained teardrop-shaped handles along with round buckets and bases with triangle supports which were very similar to the bouquets already being produced at the time by Syndicate Sales. In addition, the lattice work on the handles of the bouquet buckets made by Hampshire Paper was very similar to the lattice work on the buckets made by Syndicate Sales.

Syndicate Sales filed a claim under the FTDA alleging that by manufacturing bouquets similar in appearance to its own, "Hampshire Paper is trading on Syndicate Sales’ reputation, thereby diluting its allegedly famous trade dress." In stating what the plaintiff must prove to succeed on a claim of dilution under the FTDA, the Seventh Circuit cited the test developed by the Ringling court. The Seventh Circuit agreed that for the plaintiff to succeed on a claim of dilution under the FTDA the "plaintiff must provide sufficient evidence that (1) the mark is famous; (2) the alleged infringer adopted the mark after the mark became famous; (3) the infringer diluted the mark; and (4) the defendant’s use is commercial in commerce." While the Seventh Circuit did not examine whether actual dilution had been shown, it did indicate that a showing of actual dilution would be required to obtain relief under the FTDA.

179 Id.
180 Id.
181 Id.
182 Id.
184 Id. (citing Ringling v. Utah, 170 F.3d 449, 452 (4th Cir. 1999).
185 Id. The main issue before the Seventh Circuit was whether Syndicate’s trade dress in its bouquet was famous. The district court found that even if Syndicate’s trade dress was famous, it was only famous among wholesalers and retail florists. The district court held that fame in such a niche market cannot be sufficient to establish fame for purposes of the FTDA. However, the Seventh Circuit disagreed with this ruling and held that fame may be construed to a particular market. The court came to this conclusion by examining the language of the FTDA.
B. United States District Court for the Southern District of Florida

The requirement that a showing of actual dilution be made in order for relief to be granted under the FTDA was also adopted in *Carnival Corp. v. SeaEscape Casino Cruises, Inc.* In *Carnival*, Carnival Corp. alleged that SeaEscape’s slogan, “SeaEscape to a Ship Full of Fun!” to describe its six-hour gambling cruise, infringed and diluted its “Fun Ship” mark to describe its ocean liners which offer cruises of typically seven days. The court used the *Ringling* factors cited in *Syndicate* as being the requirements which the plaintiff must satisfy if it is to be granted relief under the FTDA. However, as in *Syndicate* the court did not ultimately make a decision as to whether the distinctive quality of the senior’s mark was diluted because the court found that the mark at issue was not famous as required for relief under the FTDA.

According to the FTDA, when determining whether a mark is distinctive and famous, the court may consider “the degree of recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought.” The court acknowledged that though the market in which the bouquets were sold was very narrow, when the defendant uses a mark in the same field as the plaintiff, the narrowness of the market is not as important. The case was remanded to determine whether, in the market as the Seventh Circuit defined it, the trade dress of Syndicate Sales was sufficiently famous.

187 *Id.*
188 *Ringling v. Utah*, 170 F.3d 449, 452 (4th Cir. 1999).
189 *Syndicate v. Hampshire*, 193 F.3d at 639.
190 *Carnival v. SeaEscape*, 74 F. Supp.2d 1261. In order to prove that its “Fun Ship” mark was famous, Carnival used a consumer survey. The survey results revealed that when used without the mark “Carnival,” consumers only identified the “Fun Ship” mark as being associated with Carnival less than 5% of the time. Due to this lack of association, the court held that the “Fun Ship” mark was less distinct and less famous than the “Carnival” mark and therefore less deserving of protection.

In a further attempt to prove that its “Fun Ship” mark was famous, Carnival introduced evidence of a survey of consumers who were “very or somewhat interested in taking a cruise ship vacation in the next three years.” In this
C. United States District Court for the District of Maryland

The Fourth Circuit’s requirement that actual economic harm be shown in order to prevail on a claim of dilution under the FTDA was recently followed by the United States District Court for the District of Maryland. In *World Gym Licensing, Ltd. v. Fitness World, Inc.*, the court held that Fitness World’s use of its “Fitness World” mark and globe symbol infringed on World Gym’s “World Gym” mark and globe symbol. However, the court found that Fitness World did not dilute World Gym’s mark.

The court held that for relief to be granted under the FTDA, the plaintiff’s claim must satisfy the three factor test of *Ringling*. To establish dilution the court held that the plaintiff must prove that: 1) defendant has made use of a junior mark sufficiently similar to the famous mark to evoke in a relevant universe of consumers a mental association of the two that 2) has caused 3) actual economic harm of the famous mark’s value by lessening its former selling power as an advertising agent for its goods or services. The court assumed that World Gym’s marks are famous and that the name Fitness World evokes “a mental association” with World Gym Fitness Centers. Thus, the court saw the question as being whether Fitness World’s use of its mark caused actual economic harm.

Survey, 68% of the respondents stated that they were familiar with the “Fun Ship” slogan and 58% were able to associate the slogan with Carnival. These results indicate that the “Fun Ship” mark has achieved a level of fame in the niche-market of consumers intending to purchase a cruise. While such niche market fame may be adequate to support a claim under the FTDA if the marks are used in the same market segments as the *Syndicate* court held, the *Carnival* court held that such fame would not be sufficient where the marks are used in different market segments. The *Carnival* court held that consumers wishing to gamble for a few hours on a riverboat were not in the same market segment as those wishing to purchase a multi-day cruise on a large ocean liner.

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192 Id.
193 Id.
194 Id. at 625 (citing *Ringling Bros. v. Utah*, 170 F.3d at 460.)
195 Id.
harm to the World Gym mark’s value, i.e. “whether its former selling power as an advertising agent for World Gym’s goods or services has been lessened.”

World Gym claimed that the difficulty it will have in licensing its trademarks if Fitness World and others can use its marks without charge is sufficient proof that it has suffered economic harm. To determine if World Gym’s claim was sufficient to prove that it had suffered actual harm the court looked to the Ringling opinion. According to Ringling, actual harm to a mark may be shown through 1) proof that an actual loss of revenues has occurred; 2) a skillfully constructed survey; and 3) such relevant contextual factors such as the extent of the junior mark’s exposure, the similarity of the marks, and the firmness of the senior mark’s hold.

After examining the evidence provided by World Gym in its attempt to prove that it suffered direct economic harm, the court found the evidence insufficient to provide the proof that Ringling demands. World Gym’s evidence did not indicate an actual loss of revenues, presented no survey evidence, and failed to explore any of the contextual factors mentioned by the Ringling court. As a result, the court found that Fitness World’s use of its marks did not dilute World Gym’s marks.

D. United States District Court for the District of New Jersey

In American Cyanamid Co. v. Nutraceutical Corp., the United States District Court for the District of New Jersey examined whether Nutraceutical’s Solaray and Kal products diluted American Cyanamid’s Centrum products. The dispute centered

197 Id.
198 Id.
199 Id.
200 Id.
201 World Gym v. Fitness World, 47 F. Supp.2d at 625.
202 Id.
203 Id.
upon Nutraceutical’s use of labels incorporating colors of the visual spectrum. Nutraceutical claimed that American Cyanamid’s labels are not sufficiently similar to its own and that American Cyanamid’s trademark is not famous as required by 15 U.S.C. § 1125(c)(1). For purposes of the motion the court was deciding, the court accepted that Centrum’s trademark was famous and identified the key issue as being whether Nutraceutical’s labels were sufficiently similar to Centrum’s trademark to be capable of diluting its mark.

The court stated that it would find the marks to be sufficiently similar if consumers regarded the marks as “essentially the same” or made an “instinctive mental association” between the two marks. After examining the marks, the court found that the only real similarity between the marks was the use of colors in the general order in which they appear in the visual spectrum. The court found that the overall impressions created by the marks were distinct from one another and that Nutraceutical’s mark was incapable of triggering a mental association in the minds of the consumers between the two marks.

However, the court found that in addition to the marks not being sufficiently similar, American Cyanamid’s failure to offer “any evidence of actual lessening of Centrum’s selling power through its mark’s capacity to identify and distinguish goods and services” was equally destructive of its case. American Cyanamid’s dilution claim failed as a matter of law because it offered “no evidence by which a jury could find actual dilution.”

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205 Id. at 382.
206 See supra note 2.
208 Id.
209 Id.
210 Id.
211 Id. at 394.
E. The United States District Court for the Central District of California, Southern Division

The actual dilution requirement of the *Ringling* court was again followed by the United States District Court, C.D. Cal, Southern Division. In *Playboy Enterprises, Inc. v. Netscape Communications Corp.*, the court examined whether Netscape infringed and diluted Playboy’s trademarks “Playboy” and “Playmate.”213 Playboy claimed that Netscape “infringed and diluted its marks by marketing and selling the group of over 450 words, including “Playboy” and “Playmate,” to advertisers, by programming the banner advertisements to run in response to the search terms “Playboy” and “Playmate” and by actually displaying the banner advertisements on the search results page.”214 Playboy contended that Netscape’s use of its marks diverted users from its official web site and those it sponsors to other adult entertainment sites.215 The court found that Netscape did not infringe Playboy’s marks because Playboy did not show that confusion among consumers was likely to result from Netscape’s use of the marks.216

In determining whether Netscape diluted Playboy’s marks, the court followed the reasoning set forth in *Ringling*.217 The court held that the three part *Ringling* test must be satisfied in order to establish a claim of dilution.218 The court rejected Playboy’s claim of dilution due to a lack of evidence indicating that Netscape’s use


214 *Id.*

215 *Id.*

216 *Id.*

217 *Id.* citing *Ringling v. Utah*, 170 F.3d 449.

218 *Playboy v. Netscape*, 55 F. Supp.2d at 1075. The *Ringling* court interpreted the requirements for a proof of dilution under the FTDA as being (1) a showing of a sufficient similarity between the junior and senior marks to evoke an “instinctive mental association” of the two by a relevant universe of consumers which (2) is the effective cause of (3) an actual lessening of the senior mark’s selling power, expressed as “its capacity to identify and distinguish goods and services.”
of Playboy’s marks caused Playboy actual harm.219 The court found that Playboy failed to present evidence of any lessening of the capacity of the marks to identify and distinguish Playboy’s goods and services as a result of Netscape’s conduct.220

F. United States District Court for the Eastern District of Wisconsin

The Eastern District of Wisconsin addressed the actual dilution requirement in National Football League Properties, Inc. and Green Bay Packers, Inc. v. Prostyle, Inc.221 The National Football League and the Green Bay Packers football team claimed that Prostyle diluted its marks by selling unauthorized merchandise.222 The main issue in this case was whether survey evidence provided by the Green Bay Packers to demonstrate dilution should be excluded.223 According to Prostyle, the survey evidence should not be admitted because the survey essentially asked only one question, “What, if anything, do you think of when you see this shirt?”224 The court held that the Green Bay Packer survey was not admissible because it lacked sufficient control questions or control shirts and was not as comprehensive as required by the court.225 The court was also concerned that the survey evidence did not meet the requirements set forth in Ringling for succeeding on a federal dilution claim.226 The court cited Ringling for the propositions that if a claim of dilution relies “only upon evidence of the mental impressions evoked in consumers upon viewing the marks,” the impressions must go beyond the recognition of the marks’ similarity and “allow a reasonable inference that the junior mark’s use has caused actual harm to the senior mark’s selling or

219 Id.
220 Id.
222 Id. at 666.
223 Id.
224 Id. at 668.
225 Id.
ACTUAL HARM REQUIREMENT

advertising power.” Thus, a survey used to prove dilution should be designed “not just to demonstrate ‘mental association’ of the marks in isolation, but further consumer impressions from which actual harm and cause might rationally be inferred.” The Green Bay Packers’ failure to show actual harm also influenced the court’s decision to exclude the evidence.

IV. COURTS WHICH DISAGREE WITH THE FOURTH CIRCUIT

A. United States Court of Appeals for the Second Circuit

The Ringling court’s requirement that actual harm be shown in order to prove dilution has been rejected by the Second Circuit. In Nabisco, Inc. v. PF Brands, Inc., PF Brands moved to enjoin Nabisco from selling and distributing an “orange, bite sized, cheese-flavored goldfish-shaped cracker” that closely resembled PF Brands’ trademark Goldfish cracker. The district court found in favor of PF Brands and granted a preliminary injunction on the federal and state dilution claims, but not on the federal trademark infringement or state unfair competition claims. In finding that Nabisco’s fish-shaped cracker would likely dilute PF Brand’s fish-shaped cracker, the court used the six-factor Mead Data test. The court also concluded that “a showing of a likelihood of dilution will automatically establish irreparable harm.” Nabisco’s appeal claimed that, among other things, dilution cannot be found without

227 Id. (citing Ringling Bros. v. Utah, 170 F.3d at 463).
228 Id.
229 Id. The court claims that in I.P. Lund Trading v. Kohler Co., (163 F.3d 27) the court reached the same conclusions as the Ringling case concerning the necessity of showing actual harm in a dilution case. However, this is not correct. I.P. Lund rejected the requirement of showing that “the use of a junior mark has caused a lessening of demand for the product or services bearing the famous mark.” I.P. Lund Trading v. Kohler Co., (163 F.3d at 49 (1st Cir. 1998).
230 Nabisco, Inc. v. PF Brands, Inc., 191 F.3d at 212.
232 Id. at 201 (citing Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1035 (2d Cir. 1989) Sweet, J. concurring).
233 Id. at 210 (citing Deere & Co. v. MTD Prods., Inc., 860 F. Supp. 113, 122 (S.D.N.Y. 1994)).
documentation of actual injury, consisting of an actual reduction in the senior mark’s selling power.\textsuperscript{234} Relying on the reasoning of the \textit{Ringling} court, Nabisco asserted that proof of dilution under the FTDA requires proof of an “actual, consummated harm.”\textsuperscript{235} The Second Circuit rejected Nabisco’s argument, citing its disagreement with the Fourth Circuit’s interpretation of the FTDA in \textit{Ringling}.\textsuperscript{236} The Second Circuit was unable to determine if \textit{Ringling} supported the narrow interpretation that “courts may not infer dilution from contextual factors (\textit{Mead Data} factors such as degree of mark and product similarity, etc.), but must instead rely on evidence of actual loss of revenues or the skillfully constructed consumer survey,” or the broader interpretation that “the actual consummated dilution element would require not only that dilution be proven by a showing of lost revenues or surveys but also that the junior mark be already established in the market place before the senior user can seek an injunction.”\textsuperscript{237}

The Second Circuit did not agree that a showing of actual revenue loss should be required to gain relief under the FTDA.\textsuperscript{238} The court explained that if a famous mark has continually been diluted for an extended period of time, it may be difficult for the senior user to show diminished revenues because there would be

\begin{itemize}
\item 234 \textit{Nabisco v. PF Brands}, 191 F.3d 208 at 214 (2d Cir. 1999). Nabisco’s primary contentions on appeal were that: (1) Pepperidge Farm failed to show likelihood of success in proving dilution, because, in the market context (a) consumers would not associate the two products, and (b) Nabisco’s mark was not substantially similar to Pepperidge Farm’s; (2) the antidilution statutes were adopted to protect against dilution by the use of a similar mark on a non-competing product and do not apply to trademarks on competing products, which are governed instead by the infringement standard; (3) Nabisco’s use of a fish is not a “trademark use” and is thus not actionable under the antidilution statutes; (4) dilution cannot be found without documentation of actual injury, consisting of an actual reduction in the senior mark’s selling power.
\item 235 Id. at 223 (citing \textit{Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development}, 170 F.3d at 464 (4th Cir. 1999).
\item 236 Id.
\item 237 Id. (citing \textit{Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development}, 170 F.3d at 457, 464-65).
\item 238 Id.
\end{itemize}
no way in which to measure what the revenues would be without the junior mark’s influence.\textsuperscript{239} Also, any diminished revenues that could be shown would be speculative and it would be difficult to prove that the loss was due to the dilution of the mark.\textsuperscript{240} The Fourth Circuit’s suggestion that survey evidence be used to show proof of dilution was also rejected by the Second Circuit because it determined that such evidence could be easily manipulated.\textsuperscript{241}

The Second Circuit further disagreed with the Fourth Circuit in its rejection of the belief that the alternative to a proof of actual harm is reliance on inflexible “judicial presumptions.”\textsuperscript{242} The Second Circuit saw no reason why the owner of a famous mark could not rely on persuasive circumstantial evidence of dilution of the distinctiveness of its marks without being obligated to show lost revenue or engage in an expensive battle of unreliable surveys.\textsuperscript{243} The Second Circuit took the view that the use of circumstantial evidence does not involve presumptions, instead (as in virtually all other areas of the law) the use of such evidence allows for fact finding by drawing logical inferences from other established facts.\textsuperscript{244}

The Second Circuit also rejected the Fourth Circuit’s broader reading which requires not only that dilution be proven through a showing of lost revenues or surveys, but also that the junior be already established in the marketplace before the senior can seek an injunction.\textsuperscript{245} The \textit{Nabisco} court believed that the Fourth Circuit read the FTDA too literally in focusing on the fact that it uses the terms “causes dilution” rather than referring to “likelihood of dilution.”\textsuperscript{246} According to the Second Circuit, this “excessive literalism” defeats the intent of the statute.\textsuperscript{247} Despite the FTDA’s use of the present tense in the language “causes dilution,” the court

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\textsuperscript{239} \textit{Nabisco} v. \textit{PF Brands}, 191 F.3d 208 at 223.
\textsuperscript{240} \textit{Id.} at 224.
\textsuperscript{241} \textit{Id.}
\textsuperscript{242} \textit{Id.} at 224 n.5 (citing \textit{Ringling v. Utah}, 170 F.3d at 464).
\textsuperscript{243} \textit{Id.} at 224.
\textsuperscript{244} \textit{Nabisco} v. \textit{PF Brands}, 191 F.3d 208 at 224 at n.5.
\textsuperscript{245} \textit{Id.} at 224.
\textsuperscript{246} \textit{Id.}
\textsuperscript{247} \textit{Id.}
\end{flushleft}
found it plausible that the statute intended to provide injunctive relief so as to prevent the harm before it occurs.\footnote{Id.}

The Second Circuit also came to the conclusion that the Fourth Circuit’s reading of the FTDA harms both the senior and junior users.\footnote{Id.} The senior user is harmed because the statute can only be invoked after an injury has occurred and only provides injunctive relief, not damages.\footnote{Id.} The junior user would also be disadvantaged by the Fourth Circuit’s interpretation of the \textit{Ringling} decision because such an interpretation prevents the junior user from knowing whether it will be prohibited from using its new mark until after it actually implements the mark in the marketplace.\footnote{Id.} As a result, the junior user will be obligated to spend a large sum of money to introduce its mark to consumers without the judicial assurance that the mark will not be enjoined.\footnote{Id.}

The Second Circuit failed to make a conclusion as to its interpretation of \textit{Ringling}’s exact holding. Instead, the court rejected \textit{Ringling} and interpreted the FTDA as providing relief before dilution has actually occurred.\footnote{Id.} As a result, the Second Circuit agreed with the district court in holding that PF Brands is likely to succeed in establishing that Nabisco’s use of its goldfish shape in an orange, cheddar-cheese-flavored, bite-sized cracker dilutes the distinctive quality of PF Brand’s previously famous mark, consisting of a goldfish-shaped orange, cheddar-cheese-flavored, bite-sized cracker.\footnote{Id.}

\footnote{Id.} \footnote{\textit{Nabisco v. PF Brands}, 191 F.3d 208.} \footnote{Id.} \footnote{Id.} \footnote{Id.} \footnote{The court came to this conclusion after examining extrinsic factors adopted by the Second Circuit in \textit{Polaroid Corp. v. Polaroid Electronics Corp.}, 287 F.2d 492, 495 (2d Cir. 1961). The factors considered in \textit{Nabisco} were distinctiveness of the mark, similarity of the marks, proximity of the products and likelihood of bridging the gap, interrelationship among the distinctiveness of the senior mark, shared consumers and geographic limitations, sophistication of consumers, actual confusion, adjectival or referential quality of the junior use, harm to the junior user and delay by the senior user, and effect of the senior user’s prior laxity in protecting the mark. \textit{Nabisco v. PF Brands}, 191 F.3d 208.}
B. United States Court of Appeals for the First Circuit

The First Circuit court of appeals addressed the necessity of showing actual dilution under the FTDA in *I.P. Lund Trading v. Kohler Co.*[^255] I.P. Lund Trading (Lund) claimed that Kohler’s Falling Water faucet, a faucet which resembled Lund’s VOLA faucet, diluted the VOLA faucet’s trade dress under the FTDA.[^256] The district court granted Lund’s request for an injunction finding that Lund had fulfilled the FTDA’s requirement of showing that Kohler’s mark had caused a lessening of demand for its product or services bearing its famous mark.[^257]

The First Circuit rejected the district court’s requirement that a lessening of demand for the product or services bearing the famous mark be shown.[^258] It reasoned that a showing of actual harm was not required because “demand for one product is almost always lessened whenever a competing product achieves a measurable degree of success.”[^259] The court also found that blurring refers to the identification of a product which is not the same thing as a lessening of demand.[^260]

The court concluded that the test for dilution is whether consumers of the particular product are likely to view the senior product with the famous mark as being the same as the junior product bearing the similar mark.[^261] However, the court was reluctant to apply the FTDA in this case because it was unsure if Congress intended product design trade dress to be covered by the FTDA and if the FTDA may even be constitutionally applied to trade dress cases.[^262] The court’s determination that Lund’s product was not famous allowed it to reject the dilution claim and avoid

[^256]: Id. at 32.
[^258]: I.P. Lund v. Kohler Co., 163 F.3d at 49.
[^259]: Id.
[^260]: Id.
[^261]: Id. at 50.
[^262]: Id.
having to determine if the FTDA would apply and how dilution must be proven in this situation. However, it did reject the *Ringling* requirement of having to demonstrate actual harm.

C. United States Court of Appeals for the Ninth Circuit

1. Panavision International, L.P. v. Toeppen

In *Panavision International, L.P. v. Toeppen*, 263 the Ninth Circuit addressed the requirement of proving actual dilution under the FTDA. In a footnote, the court defined blurring as occurring "when a defendant uses a plaintiff’s trademark to identify the defendant’s goods or services, creating the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff’s product." 264 The court cited *Ringling Bros.-Barnum & Bailey, Combined Shows, Inc. v. B.E. Windows, Corp.* 265 for this proposition which in turn cited *Deer & Co. v. MTD Prods., Inc.*, 266 a case decided before the FTDA was even enacted.

Panavision claimed that Toeppen’s use of its “Panavision” mark as the address for Toeppen’s “Panavision.com” web site diluted Panavision’s mark. 267 Toeppen claimed that he was not diluting the capacity of the Panavision marks to identify goods or services. 268 He argued that even though Panavision cannot use Panavision.com as its domain name address, it can still promote its products on the Internet by using some other address and then creating a web cite using its trademarks internally. 269
The court found that a web site domain name is more than just an address, it is an identifier of the entity that owns the web site. The court found that potential customers would be discouraged if they could not find Panavision’s web page using the address “Panavision.com” and as a result, the value of the “Panavision” mark was diluted. In conclusion, the court found that “Toeppen’s registration of Panavision’s trademarks as his domain names on the Internet diluted those marks within the meaning of the FTDA, and the California Antidilution statute. The court did not make a distinction between the requirements of the FTDA and the California state antidilution statute.

2. Avery Dennison Corp. v. Jerry Sumpton

The Ninth Circuit also addressed the requirement of showing actual dilution in *Avery Dennison Corp. v. Jerry Sumpton*. Avery Dennison sued Sumpton for trademark dilution under the FTDA. Mr. Sumpton is the president of a company which offers “vanity” e-mail addresses to users. Most of the addresses registered by Sumpton are common surnames. Avery Dennison sells office products under the registered marks “Avery” and “Dennison,” respectively. Avery Dennison objected to Sumpton’s maintenance of domain name registrations for avery.net and

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270 *Panavision International, L.P. v. Toeppen*, 141 F.3d 1327 (9th Cir. 1998).
271 *Id.*
273 *Avery Dennison Corp. v. Jerry Sumpton*, 189 F.3d 868 (9th Cir. 1999).
274 *Id.* A claim was also bought under the CA dilution Act. The CA dilution Act grants relief if the plaintiff can demonstrate that “likelihood of injury to business reputation or of dilution of the distinctive quality of a mark . . . notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.” Cal.Bus. & Prof.Code § 14330.
275 *Id.* at 872.
276 *Id.*
277 *Id.* at 873.
dennison.net, claiming that they diluted Avery Dennison’s marks “Avery” and “Dennison.”

The court cited *Panavision* for the standard under which the FTDA would grant relief. However, as discussed above the *Panavision* court derived its definition of dilution by blurring from a case that was decided under a state dilution statute. The court agreed with *Panavision*’s interpretation of the FTDA which provides relief if the plaintiff can establish that (1) the mark is famous; (2) the defendant is making commercial use of the mark in commerce; (3) the defendant’s use began after the plaintiff’s mark became famous; and (4) the defendant’s use presents a *likelihood* of dilution of the distinctive value of the mark. Without implementing this standard, the court found that the district court’s grant of summary judgment was unwarranted because a reasonable finder of fact could infer that dilution does not occur with the .net address extension used by Sumpton in the marks he registered.

D. United States District Court for the Southern District of Texas, Houston Division

The District Court for the Southern District of Texas, Houston Division, addressed the requirements of relief under the FTDA in *Elvis Presley Enterprises, Inc. v. Capece*. In *Elvis Presley Enterprises*, the owner of the trademarks and publicity rights belonging to the estate of Elvis Presley sued the owners of a

278 Dennison v. Sumpton, 189 F.3d at 874.
281 *Id*. at 1324 (emphasis added).
282 *Id*.
283 Elvis Presley Enterprises, Inc. v. Capece, 950 F. Supp. 783 (S.D. Tex. 1996) *rev’d on other grounds* 141 F.3d 188 (5th Cir. 1998). The court found that (1) district court failed to consider impact of defendants’ advertising practices on their use of the service mark and misapplied doctrine of parody; (2) “The Velvet Elvis” mark infringed plaintiff’s marks; (3) action was not barred by laches; and (4) plaintiff was entitled to injunction.
nightclub which operated under the service mark “The Velvet Elvis” alleging unfair competition, infringement, and dilution. 284

According to the court, to prevail on a claim of dilution, the plaintiff must establish ownership of a distinctive mark and a “likelihood of dilution.” 285 The court found that Capece did not dilute the marks owned by Elvis Presley Enterprises because there was “very little likelihood that Defendants’ parody will weaken the association among the “Elvis” or “Elvis Presley” trademarks and products marketed by Elvis Presley Enterprises.” 286

E. United States District Court for the Southern District of New York

In Conopco, Inc. v. Cosmair, Inc., Conopco requested that Cosmair be preliminarily enjoined from selling or advertising its ROMANCE fragrance. 287 According to Conopco, (the licensee of Calvin Klein) Cosmair (the licensee of Ralph Lauren) attempted to infringe and eventually destroy its federally registered trademark in the “icon bottle.” 288 Conopco alleged that Cosmair’s ROMANCE perfume, which is sold in a bottle that has a similar shape and appearance as Conopco’s “icon bottle,” will dilute the distinctive quality of the ETERNITY perfume bottle in violation of the FTDA. 289

The Conopco court cited Nabisco in holding that in order to prevail on a claim of dilution under the FTDA the two elements

284 Id.
285 Id. at 797 (emphasis added) citing Hormel Foods Corp. v. Jim Henson Productions, Inc., 73 F.3d 497, 506 (2nd Cir. 1996). Hormel involved a claim under the NY state dilution statute. The statute stated that “Likelihood of injury to business reputation or of dilution of the distinctiveness quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered or in cases of unfair competition notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.” N.Y.Gen.Bus.Law § 368-d (McKinney 1984).
286 Id. at 798.
288 Id.
289 Id. at 257.
that must be shown are “(1) ownership of a famous mark; and (2) a likelihood of dilution.”  According to Conopco, a likelihood of dilution is determined by applying the six factor test of *Mead Data*. After an examination of the *Mead Data* factors, the court was not convinced that Conopco could establish a likelihood of dilution. The court held that the bottles are dissimilar, are purchased by sophisticated and discriminating consumers, that there was no evidence of bad faith on the part of Cosmair, and that there was no evidence that the ETERNITY bottle was a strong mark. Due to Conopco’s failure to show that the ETERNITY bottle is famous within the FTDA, or that the ROMANCE bottle or trade dress is likely to lessen the ability of the ETERNITY mark to be an indicator of source, the court did not grant Conopco’s request for a preliminary injunction under the FTDA.

F. United States District Court for the Eastern District of Pennsylvania


The court cited the proposition that “dilution by blurring occurs when a defendant uses a plaintiff’s trademark to identify the defendant’s goods or services, creating the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff’s


291 *Id.* at 258 n.23 citing *Mead Data v. Toyota Motor Sales*, 875 F.2d at 1030.


293 *Id.*


295 *Id.* at 1455.
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product” from Panavision International, L.P. v. Toeppen. Using this definition of blurring along with the Mead Data factors, the court found that Times Mirror was likely to prevail on its dilution claim.

V. ANALYSIS

The Fourth Circuit’s Ringling decision makes it much more difficult for the plaintiff to succeed on a claim of trademark dilution under the FTDA. In fact, no court has found for the plaintiff using the Fourth Circuit standard. While this standard may be difficult to satisfy, it is the correct one as dictated by FTDA’s language and history.

A. The Language of the FTDA Supports the Actual Dilution Requirement

The language of the FTDA clearly indicates that relief will only be granted if the junior use of the mark “causes dilution of the distinctive quality of the mark.” When Congress passed the FTDA it was well aware that 25 states had dilution statutes of their own and was most certainly aware that those state statutes provided relief if the junior mark caused a likelihood of dilution of the senior mark. It is clear that Congress deliberately left out the word “likelihood” in its drafting of the FTDA. Reading the FTDA

296 Id. at 1459 (citing Panavision, 141 F.3d 1316).
297 Id. at 1460.
as it was drafted by Congress, no conclusion is possible other than that a showing of actual dilution is required for relief under the FTDA.

The FTDA defines dilution as the “lessening of the capacity of a famous mark to identify and distinguish goods or services.”¹ When Congress did not use the word “future” in its definition of “blurring,” it is clear that Congress did not intend the FTDA to provide protection for the loss of the future capacity of a famous mark to identify and distinguish its source.² Such an interpretation of the word “capacity” in the definition of “blurring” excessively reads into the plain meaning of the statute. If Congress intended to protect a famous mark’s future capacity to identify its source, it would have included language to that effect. Interpreting “capacity” to provide protection against the lessening of the future capacity of a famous mark to identify its source is unfounded. Not only does this interpretation give a new meaning to the language of the statute as a whole, it also gives a new and unintended meaning to the word “capacity” as used in the statute. The statute does not preface the word “capacity” with any temporal modifiers so as to make the statute read “future capacity of a famous mark to identify and distinguish goods or services.”


²Courtland L. Reichman, State and Federal Trademark Dilution, Franchise L. J. 111, 132 (Spring 1998) (noting that the FTDA appears to require a showing of actual dilution but supporting the less stringent requirement that a plaintiff only needs to demonstrate a likelihood of dilution because the interpretation squares with the definition’s use of the word ‘capacity’, which indicates that it is the junior user’s ability to dilute that is actionable, not actual dilution in the marketplace”). Cited in Ringling, 170 at 461 n. 6; See also 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, §§ 24:94, 24:151 stating “[t]he [federal Act] does not require proof of an actual lessening of the strength of the famous mark: only that there is a lessening of the capacity or the ability of the mark to be strong as a commercial symbol and identifier.”

³Id.
According to Nabisco, the Ringling court engaged in “excessive literalism” in its reading that a showing of actual dilution is required under the FTDA. The Nabisco court held that the Ringling decision “defeat(s) the intent of the statute” which is that Congress intended to “provide for an injunction to prevent the harm before it occurs.” However, the Nabisco court gave no support for its position. By ignoring the language of the statute, it is the Nabisco court that is not following the intent of the statute. The Ringling court relied on the only information that it had, the language and history of the FTDA. On the other hand, as seen in the next section, the Nabisco court decided to read its own meaning into the statute so as to produce the outcome it desired.

B. The Actual Dilution Requirement Will Not Cause the Problems Suggested by the Nabisco Court

The problems which the Nabisco court claimed will result if courts follow the actual dilution requirement are unfounded. The Nabisco court claimed that proof of actual loss of revenue should not be required to obtain relief under the FTDA because “if the famous senior mark were being exploited with continually growing success, the senior user might never be able to show diminished revenues.” After a junior user has used the senior user’s famous mark for an extended period of time in the marketplace, it may indeed be difficult to show dilution through loss of revenues. However, in many cases it will be possible to look back at revenues during the time period when the junior user first appropriated the famous mark. A gradual shift in revenue from

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304 Nabisco v. PF Brands, Inc., 191 F.3d at 224.
305 Id.
306 Id.
senior user to the junior during the period in which the junior user first implemented the mark would indicate that the senior user’s mark had been diluted.

If there is no evidence of a shift in revenue at the time the junior user implemented the famous mark, dilution could still be proven through the use of a consumer survey. *Nabisco* claims that consumer surveys are subject to manipulation and are not very reliable. However, if the survey is carried out by an independent third party and conducted in the proper manner it will be accepted by the courts as proof of dilution.\(^ {307}\)

The *Nabisco* court also criticized the *Ringling* court’s actual dilution requirement because such a requirement would require that the junior user already be established in the marketplace before the senior user could seek an injunction. Thus, the junior user would be forced to spend the “huge sums involved in a product launch without the ability to seek prior judicial assurance that their mark will not be enjoined.”\(^ {308}\) However, such a provision will in many cases help the junior user rather than harm it. If the likelihood of dilution standard is adopted many marks may be enjoined which, if allowed to be used in the market place, may not actually dilute the senior’s mark. The actual dilution standard allows the junior user to place the mark in commerce so that a determination can be made as to whether it actually dilutes a famous mark. The likelihood standard would deprive the junior user of such an opportunity. In addition, if a junior user is truly nervous that its newly developed mark will dilute the famous mark, the prudent decision would be to change its mark so as to avoid such a conflict.

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307 WAWA Inc. v. Haaf, 40 U.S.P.Q.2d 1629, 1632 (E.D. Pa. 1996). “Although the Defendant’s expert categorized the market survey as unreliable,” the court found that the “Plaintiff’s market survey is credible and supports [its] own conclusion that HAHA 24 HR. Market is undermining the strength of WAWA either through dilution or parody.”

308 Nabisco, Inc. v. PF Brands, Inc., 191 F.3d at 224.
C. Many Decisions Supporting the Likelihood Standard Under the FTDA Improperly Rely on State Dilution Cases

Many cases which support the likelihood of dilution standard cite cases decided under state dilution statutes for support. However, as discussed above state dilution and dilution under the FTDA have two crucial differences, the most important of which for the purpose of this paper is that the FTDA does not grant relief for a likelihood of dilution.\textsuperscript{309} Courts which engage in this practice are deceiving themselves and the parties involved into thinking that their decision is based on the FTDA, when it is in fact based on the state dilution statute used in the case they chose to cite.

In \textit{Panavision}, the Ninth Circuit defined dilution by blurring as occurring when “a defendant uses a plaintiff’s trademark to identify the defendant’s goods or services, creating the possibility that the mark will lose its ability to serve as a unique identifier.”\textsuperscript{310} However, the court cited \textit{Ringling Bros.--Barnum \\& Bailey, Combined Shows, Inc. v. B.E. Windows, Corp.}\textsuperscript{311} which cited \textit{Deere \\& Co. v. MTD Prods., Inc.}\textsuperscript{312} \textit{Deere} was decided in 1994 and, because the FTDA was not passed until 1996, the case could not have been referring to the FTDA. \textit{Deere} was in fact referring to the New York antidilution statute.\textsuperscript{313}

In \textit{Times Mirror Magazines, Inc.}\textsuperscript{314} the court similarly cited \textit{Panavision}\textsuperscript{315} for the proposition that dilution by blurring occurs when there is a possibility that the senior mark will lose its ability to serve as a unique identifier of the plaintiff’s product. In

\begin{itemize}
  \item \textsuperscript{309} See supra notes 27-28.
  \item \textsuperscript{310} Panavision International, L.P. v. Toeppen, 141 F.3d 1316, 1326 n.7 (9th Cir. 1998).
  \item \textsuperscript{312} Deere \\& Co. v. MTD Prods., Inc., 41 F.3d 39 (2d Cir. 1994).
  \item \textsuperscript{313} Id. at 43.
  \item \textsuperscript{314} Times Mirror v. Las Vegas Sports News, 50 U.S.P.Q.2d 1454, 1459.
  \item \textsuperscript{315} Panavision International, L.P. v. Toeppen, 141 F.3d 1316, 1326 n.7 (9th Cir. 1998).
\end{itemize}
addition, Avery Dennison\textsuperscript{316} cited Panavision\textsuperscript{317} for support of the likelihood standard it chose to adopt.

\textit{Elvis Presley Enterprises, Inc.}\textsuperscript{318} also improperly cited a state dilution case for its proposition that the FTDA requires only a likelihood of dilution. To add authority to its position that only a likelihood of dilution is required for a claim under the FTDA, the \textit{Elvis} court cited Hormel Foods Corp. \textit{v. Jim Henson Productions, Inc.}\textsuperscript{319} However, Hormel Foods specifically dealt with a dilution claim under the New York State antidilution statute. The \textit{Elvis} court's reliance on a court which specifically dealt with a state dilution statute for the proposition that the FTDA will grant relief after a showing of a mere likelihood of dilution was improper.

\textbf{D. The Ringling Standard is Clear}

The \textit{Nabisco} court rejected the \textit{Ringling} standard in part because it was not clear as to what standard \textit{Ringling} adopted. However, the \textit{Ringling} opinion is quite clear in the standard it chose to adopt. The \textit{Ringling} court requires proof of actual dilution to be demonstrated in order to obtain relief under the FTDA. In addition, the court rejected the use of the \textit{Mead Data} contextual analysis to infer dilution.\textsuperscript{320} The court correctly found that the \textit{Mead Data} factors were developed to determine if a likelihood of dilution was present under state antidilution statutes.\textsuperscript{321} \textit{Ringling}'s

\begin{itemize}
  \item 316 Avery Dennison Corp. \textit{v. Jerry Sumpton}, 189 F.3d 868, 874 (9th Cir. 1999).
  \item 317 Panavision International, L.P. \textit{v. Toeppen}, 141 F.3d 1316, 1326 n.7 (9th Cir. 1998).
  \item 320 Mead Data Central, Inc. \textit{v. Toyota Motor Sales, U.S.A., Inc.}, 875 F.2d 1026, 1032-1038 (2d Cir. 1989). In a concurrence, Judge Sweet developed a six factor test to determine if a likelihood of dilution existed under New York antidilution law.
  \item 321 However, the court did find that the factors examining the similarity of the marks and the degree of renown of the senior mark may have relevance under the FTDA. \textit{Ringling Bros. v. Utah}, 170 F.3d. at 465.
\end{itemize}
discussion of both points is clearly laid out and separated by Arabic numerals. If the *Nabisco* court was unclear as to the *Ringling* requirements, it should have at least performed its own thorough interpretation of the statute. Instead, it simply rejected *Ringling* and stated that “notwithstanding the use of the present tense in ‘causes dilution,’ it seems plausibly within Congress’s meaning to understand the statute as intending to provide for an injunction to prevent the harm before it occurs.”

### VI. CONCLUSION

The *Ringling* court’s decision to require a showing of actual dilution in order to receive relief under the FTDA clearly makes it difficult for the senior user of a famous mark to gain relief. However, this is the standard required by the language of the FTDA and the history of the dilution concept which preceded the FTDA. The *Ringling* decision should not be viewed as raising the bar as to the level of proof required under the FTDA. Instead, the decision should be viewed as a return to the proper standard intended by Congress.

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