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SEX CHANGES EVERYTHING, BUT THE TRADEMARK DILUTION REVISION ACT SHOULDN'T: V SECRET CATALOGUE, INC. V. MOSELEY AND THE BURDEN OF PROOF IN TRADEMARK DILUTION ACTIONS

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**SEX CHANGES EVERYTHING, BUT THE TRADEMARK
DILUTION REVISION ACT SHOULDN'T: V SECRET
CATALOGUE, INC. V. MOSELEY AND THE BURDEN OF
PROOF IN TRADEMARK DILUTION ACTIONS**

Greg Horn & Matthew Malm***

I. INTRODUCTION

In 1998, an advertisement ran in a weekly publication distributed to the residents of Fort Knox, Kentucky declaring the “GRAND OPENING Just in time for Valentine’s Day” of a new store called “VICTOR’S SECRET” in nearby Elizabethtown, Kentucky.¹ According to the advertisement, the store would be selling: “Intimate Lingerie *for every woman*,” “Romantic Lighting,” “Lycra Dresses,” “Pagers,” and “Adult Novelties/Gifts.”²

The advertisement offended an army colonel (the Colonel) residing at Fort Knox, and he sent a copy of the advertisement and a letter to the owners of the “Victoria’s Secret” trademark, V Secret Catalogue Inc. (Victoria’s Secret). The letter indicated the Colonel’s belief that Victor’s Secret used Victoria’s Secret’s “trademark to promote the sale of ‘unwholesome, tawdry merchandise.’”³ Later, in an affidavit, the Colonel stated that his wife and daughter shop at Victoria’s Secret, and he was “dismayed by [the] defendant’s effort to associate itself with, trade off on the image of, and in fact denigrate a store frequented by members of [his] family.”⁴ The owners of the store, the Moseleys, changed the name of their store to “Victor’s Little Secret,” but this

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1. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 423 (2003).

2. *Id.*

3. *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382, 386 n.3 (6th Cir. 2010) (quoting the Colonel’s letter), *cert. denied*, 79 U.S.L.W. 3301 (U.S. Jan. 18, 2011) (No. 10-604).

4. *Id.* at 391.

change did not satisfy Victoria's Secret.⁵

The Colonel's letter spurred litigation that was in the federal court system ten years before a resolution was reached. Victoria's Secret initially brought suit in the federal District Court for the Western District of Kentucky, alleging that the Moseleys infringed on its trademark and also diluted the distinctiveness of its trademark.⁶ The district court granted summary judgment for the Moseleys on the infringement claim because it found consumers were not likely to confuse the name "Victoria's Secret" with the name "Victor's Little Secret."⁷ This is because, according to the court, consumers were unlikely to associate Victoria's Secret products with those available in the Moseleys' store.⁸ The district court did, however, find that the use of "Victor's Little Secret" was likely to dilute Victoria's Secret trademark.⁹ This was because, according to the court, the distinctiveness of the trademark and the reputation behind the mark were likely to be diminished by the use of a phrase so similar to "Victoria's Secret."

The Sixth Circuit Court of Appeals affirmed the district court's decision and reiterated that Victoria's Secret only needed to show a "likelihood of dilution" of its trademark's distinctiveness.¹⁰ The United States Supreme Court reversed and remanded, holding that a plaintiff seeking an injunction for dilution must show "actual dilution."¹¹ After the Supreme Court's decision, Congress passed the Trademark Dilution Revision Act (TDRA), which stated that only a "likelihood of dilution" need be shown. On remand, the district court found a likelihood of dilution.¹² The Sixth Circuit, in the case that is the focus of this Casenote, affirmed,¹³ but it also held that when a defendant's trademark has lewd or sexual associations a "likelihood of dilution" is presumed and must be rebutted by the defendant.¹⁴ This burden shift was unprecedented.

5. *V Secret Catalogue, Inc. v. Moseley*, No. 3:98CV-395-S, 2000 WL 370525, at *1 (W.D. Ky. Feb. 9, 2000).

6. *Id.*

7. *Id.* at *4.

8. It is not likely that a consumer will think Victor's Secret is a male-centric offshoot of the Victoria's Secret retail chain.

9. *Moseley*, 2000 WL 370525, at *6.

10. *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 476-77 (6th Cir. 2001).

11. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433 (2003), *superseded by statute*, Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730, *as recognized in Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 477 F.3d 765 (2d Cir. 2007).

12. *V Secret Catalogue, Inc. v. Moseley*, 558 F. Supp. 2d 734, 750 (W.D. Ky. 2008).

13. *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382, 390 (6th Cir. 2010), *cert. denied*, 79 U.S.L.W. 3301 (U.S. Jan. 18, 2011) (No. 10-604).

14. *Id.* at 389.

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This Casenote discusses the Sixth Circuit's recent decision in *V Secret Catalogue v. Moseley* and argues that it is setting an unacceptable precedent. Additionally, this Casenote argues that the Sixth Circuit should have used a narrow interpretation of the TDRA and, therefore, should not have shifted the burden of proof. Part II describes trademark dilution generally and the federal statutes prohibiting it. Part III outlines the procedural history of *V Secret Catalogue v. Moseley*. Next, Part IV analyzes the Sixth Circuit's 2010 decision in more detail. Finally, Part V demonstrates that the Sixth Circuit's decision is unfavorable and why a narrow interpretation of the TDRA would have produced a better outcome. Prospectively, this Casenote is intended to provide courts interpreting the TDRA with some additional considerations.

II. TRADEMARK DILUTION

The history of trademark dilution law extends over an eighty year period. During this period, the law evolved from an abstract idea in a law review article into a federal statute. The following provides a brief description of this evolution and discusses the substantive aspects of federal dilution law.

A. *Origins of Trademark Dilution Law*

The theory of trademark dilution originated in *The Rational Basis of Trademark Protection* by Frank Schechter.¹⁵ Schechter contended that “the true harm of diluting junior marks”¹⁶ was not consumer confusion but “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.”¹⁷ Accordingly, Schechter felt the only rational basis for a trademark's protection should be the preservation of its uniqueness.¹⁸

Schechter's proposal remained a purely academic consideration until 1947 when Massachusetts passed a statute protecting trademarks from dilution.¹⁹ By 1996, twenty-eight states had adopted antidilution statutes and at least one had recognized antidilution protection as part of

15. Frank Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927).

16. A junior mark is created when a trademark is used by a second (or subsequent) person. INTELLECTUAL PROPERTY LAW DICTIONARY part III-31 (13th ed. 2011). A senior mark is the first user of a mark and has superior rights to all others. *Id.* at part III-41.

17. Schechter, *supra* note 15, at 825.

18. *Id.* at 831.

19. Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 811 (1997).

its common law.²⁰

The fact that trademarks had a national scope and that antidilution statutes only extended as far as the borders of the state in which they were enacted posed significant problems. First, the statutes varied widely in the standards required to prove dilution.²¹ Second, many statutes defined the category of trademarks protected against dilution solely by reference to their “distinctive quality,” which left many trademarks unprotected.²² Third, a likelihood of dilution was actionable under many statutes.²³ Fourth, many statutes considered the harm to be damage to a senior mark’s distinctiveness rather than economic harm to the holder of the senior mark. Fifth, injunctive relief was the only potential remedy against the use of a junior mark under many statutes.²⁴ Finally, the injunctions were only statewide. A solution to these border-specific remedies was to provide national protection under a federal statute.²⁵

B. Trademark Dilution Receives a Federal Mandate

In 1995, H.R. 1295 was introduced and the Subcommittee on Courts and Intellectual Property of the House Judiciary Committee held a one-day hearing on it.²⁶ The committee’s report stated that the “purpose of H.R. 1295 is to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of a likelihood of confusion.”²⁷ The Senate took up the House bill by unanimous consent and without debate, passed it on a voice vote on December 29, 1995.²⁸ In 1996, this bill became the Federal Trademark Dilution Act (FTDA), which made dilution law enforceable on a nationwide level.

The FTDA entitled the owner of a famous trademark “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.”²⁹ Dilution was described

20. *Id.*

21. H.R. REP. NO. 104-374, at 2 (1995), reprinted in 1996 U.S.C.C.A.N. 1029, 1032.

22. *Ringling Bros.—Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 454 (4th Cir. 1999).

23. *Id.*

24. *Id.*

25. *Id.*

26. H.R. REP. NO. 104-374.

27. *Id.* at 2.

28. *Trademark Dilution Bill Cleared for White House*, Daily Report for Executives, Jan. 3, 1996.

29. 15 U.S.C. § 1125(e)(1) (2006).

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in the statute as “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.”³⁰ A trademark was deemed famous if it was widely recognized by the consuming public as a designation of the source of the goods or services. This was determined by the extent of the trademark owner’s advertising, the extent of the sales of the goods and services under the trademark, actual recognition of the trademark, and how the trademark was registered.³¹

C. Congress Amends the FTDA with the Trademark Dilution Revision Act

The federal circuit courts were split over the proper interpretation of the FTDA’s requirement that a plaintiff seeking an injunction show that another’s use of its trademark “causes dilution of the distinctive quality of [that] mark.”³² Some circuit courts interpreted this provision to require only a likelihood of dilution,³³ while others interpreted it to require actual dilution.³⁴ As discussed further in the next Part, the Supreme Court resolved this circuit split in *Moseley v. V Secret Catalogue, Inc.*³⁵ In *Moseley*, the Supreme Court concluded that the FTDA required a showing of actual dilution.³⁶

In 2006, Congress, due to unhappiness with the actual dilution standard articulated by the Supreme Court in *Moseley*, amended the FTDA. The new law, the TDRA, required only a likelihood of dilution. The TDRA provides:

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution

30. 15 U.S.C. § 1127 (2006).

31. 15 U.S.C. § 1125(c)(2)(A)(i)–(iv).

32. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 428 (2003), *superseded by statute*, Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730, *as recognized in* Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 477 F.3d 765 (2d Cir. 2007).

33. *Ringling Bros.–Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449 (4th Cir. 1999); *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658 (5th Cir. 2000).

34. *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999); *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464 (6th Cir. 2001).

35. 537 U.S. 418.

36. *Id.*

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by tarnishment of the famous mark, *regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.*³⁷

Furthermore, the TDRA defines “dilution by blurring” as an “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”³⁸ The TDRA gives a non-exclusive list of factors a court should consider in determining whether there is dilution by blurring: (1) the degree of similarity between the mark or trade name and the famous trademark; (2) the degree of inherent or acquired distinctiveness of the famous trademark; (3) the extent to which the owner of the famous trademark is engaging in substantially exclusive use of that trademark; (4) the degree of recognition of the famous trademark in the marketplace; (5) whether the user of the mark or trade name intended to create an association with the famous trademark; and (6) whether there was any actual association between the mark or trade name and the famous trademark.³⁹

“Tarnishment” under the TDRA is defined as an association arising from the similarity between a mark or trade name and a famous trademark that impairs the reputation of the famous mark.⁴⁰ While similar, blurring is mainly concerned with protecting famous trademarks’ distinctive characteristics, which are helpful for distinguishing their products and services in the marketplace, while tarnishment is mainly concerned with the reputational aspect of owners not wanting their famous trademark associated with something that is considered unwholesome.⁴¹

37. 15 U.S.C. § 1125(c)(1) (2006) (emphasis added).

38. *Id.* § 1125(c)(2)(B).

39. *Id.* § 1125(c)(2)(B)(i)–(vi).

40. *Id.* § 1125(c)(2)(C).

41. *See* Pfizer Inc. v. Sachs, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009) (noting that defendants’ display at an adult entertainment exhibition of two models riding a VIAGRA-branded missile and distributing condoms would likely harm the reputation of Pfizer’s trademark); Williams-Sonoma, Inc. v. Friendfinder, Inc., No. C 06-6572 JSW (MEJ), 2007 WL 4973848, at *7 (N.D. Cal. Dec. 6, 2007) (noting that defendants’ use of the POTTERY BARN trademark on their sexually-oriented websites likely to tarnish “by associating those marks for children and teenager furnishings”); Kraft Foods Holdings, Inc. v. Helm, 205 F. Supp. 2d 942, 949–50 (N.D. Ill. 2002) (noting that pornographic website’s use of “VelVeeda” tarnishes VELVEETA trademark); Victoria’s Cyber Secret Ltd. P’ship v. V Secret Catalogue, Inc., 161 F. Supp. 2d 1339, 1355 (S.D. Fla. 2001) (noting that defendants’ internet trade names likely to tarnish famous trademark when websites “will be used for entertainment of a lascivious nature suitable only for adults”); Mattel, Inc. v. Internet Dimensions Inc., 55 U.S.P.Q.2d 1620, 1627 (S.D.N.Y. 2000) (linking BARBIE with pornography will adversely color the public’s impressions of BARBIE); Polo Ralph Lauren L.P. v. Schuman, 46 U.S.P.Q.2d 1046, 1048 (S.D. Tex. 1998) (noting that defendants’ use of “The Polo Club” or “Polo Executive Retreat” as an adult entertainment club tarnished POLO trademark); Pillsbury Co. v. Milky Way Prods., Inc., 215 U.S.P.Q. 124, 135 (N.D. Ga. 1981) (noting that defendant’s sexually-oriented variation of the PILLSBURY

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Courts often look to the Restatement (Third) of Unfair Competition (the Restatement) for support in resolving antidilution issues. According to the Restatement, antidilution statutes are designed to protect trademark owners from two general threats.⁴² First, a distinctive trademark can be a powerful selling tool when the trademark brings a positive association between the trademark and the goods or services sold by the trademark's owner.⁴³ When other people use the trademark, it blurs the effect of that positive connotation harming the use of the trademark as a selling tool.⁴⁴ The second threat is similar to the first, in that when a trademark is used with goods or services, such as pornography, that use may tarnish the trademark's image and thereby lessen its value as a selling tool.⁴⁵

In Part III, the procedural history of the *Moseley* litigation will show how the TDRA has changed the law regarding dilution by showing how the case proceeded to the Supreme Court pre-TDRA and how the courts treated the claim on remand post-TDRA.

III. PROCEDURAL HISTORY BEFORE *V SECRET CATALOGUE, INC. V. MOSELEY*

A. *The Facts*

Victoria's Secret has owned its trademark since 1981.⁴⁶ They sell a wide array of lingerie, clothing, and other accessories geared towards women.⁴⁷ Victoria's Secret operates over 750 stores nationwide and the Victoria's Secret Catalogue distributes 400 million copies each year, including 39,000 in Elizabethtown, Kentucky.⁴⁸ They spent over \$55 million in 1998 on advertising and were ranked the ninth most famous brand in the apparel industry.⁴⁹ In February 1998, the Moseleys opened "Victor's Secret" in Elizabethtown, Kentucky, selling a wide variety of

DOUGHBOY tarnished plaintiff's trademark); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366, 377 (S.D.N.Y. 1979) (noting that pornographic depiction of a Dallas Cowboys Cheerleader-style cheerleader in an adult film tarnished the professional mark of the Dallas Cowboys).

42. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25(c) (1995).

43. *Id.* § 25 cmt. (b).

44. *Id.*

45. *Id.*; see also *id.* at (g).

46. *V Secret Catalogue, Inc. v. Moseley*, No. 3:98CV-395-S, 2000 WL 370525, at *1 (W.D. Ky. Feb. 9, 2000); U.S. Patent & Trademark Office, <http://tess2.uspto.gov/>, serial number 73159253, registration number 1146199.

47. *V Secret*, 2000 WL 370525, at *1; Victoria's Secret, Careers, <http://www.victoriasecret.com/Customerservice/Company/Careers> (last visited Feb. 8, 2011).

48. *V Secret*, 2000 WL 370525, at *1.

49. *Id.*

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items, including men's and women's lingerie, adult videos, sex toys, and "adult" novelties. Two Victoria's Secret stores were located within sixty miles of the Moseleys' store.⁵⁰

The Moseleys placed an advertisement in a weekly publication distributed to residents of Fort Knox, Kentucky. They advertised the "GRAND OPENING Just in time for Valentine's Day!" of their store Victor's Secret in nearby Elizabethtown.⁵¹ The ad featured "Intimate Lingerie for every woman," "Romantic Lighting," "Lycra Dresses," "Pagers," and "Adult Novelties/Gifts."⁵² An army colonel who saw the advertisement, was "offended by what he perceived to be an attempt to use a reputable company's trademark to promote the sale of 'unwholesome, tawdry merchandise' sent a copy of the ad, along with a letter, to Victoria's Secret."⁵³

B. Procedural History

1. Moseley I

On February 25, 1998, the Moseleys received a cease and desist letter from Victoria's Secret.⁵⁴ The Moseleys subsequently changed the store name to "Victor's Little Secret," but Victoria's Secret found that change unsatisfactory and filed suit in the Federal District Court for the Western District of Kentucky.⁵⁵ Victoria's Secret brought suit pursuant to the Lanham Act (15 U.S.C § 1051), the FTDA, and Kentucky common law, alleging that the Moseleys committed trademark infringement and unfair competition.⁵⁶ Only the FTDA claim will be discussed here, however, as the other claims are not relevant.

Under the FTDA, to prove a dilution claim a plaintiff must show: (1) its trademark is famous; (2) the defendant is making a commercial use of its trademark in commerce; (3) the defendant's use of its mark came after the plaintiff's trademark became famous; and (4) the defendant's use of its mark dilutes the quality of the plaintiff's trademark.⁵⁷ In the case *sub judice*, the only disputed element was whether the Moseleys use of their mark diluted the quality of the plaintiff's trademark. The

50. *Id.*

51. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 423 (2003).

52. *Id.*

53. *Id.*

54. *V Secret*, 2000 WL 370525, at *1.

55. *Id.* at *5.

56. *Id.* at *1.

57. *Id.* at *5 (citing *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1324 (9th Cir. 1998)).

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district court held there was trademark dilution for two reasons.⁵⁸

First, the court found that the two marks were sufficiently similar to cause dilution by blurring.⁵⁹ According to the court, the Moseleys' subsequent change to "Victor's Little Secret" was not sufficient to distinguish their mark from Victoria's Secret's trademark because an examination of their signage and advertising revealed that their alteration was very minor.⁶⁰ The word "Little" was substantially smaller than the words "Victor's" and "Secret," and the court called it "an afterthought in the advertising."⁶¹

Second, the court found that the similarity in the marks, combined with the fact that the Moseleys' mark was associated with unsavory goods, caused dilution of Victoria's Secrets trademark by tarnishment.⁶² The court declared that while the Moseleys' inventory (specifically the sex toys) may not be unsavory to all, its more risqué quality widely differentiated it from Victoria's Secret. On those grounds, the court granted summary judgment and enjoined the Moseleys from using the mark "Victor's Little Secret" on the basis that it caused dilution of the distinctive quality of the Victoria's Secret trademark.⁶³

2. *Moseley II*

On appeal to the Sixth Circuit Court of Appeals, the Moseleys contended that the entry of summary judgment resulted from the district court's faulty analysis of the dilution question and from the court's failure to require proof of actual economic loss.⁶⁴ Prior to the Sixth Circuit hearing the appeal, but after the district court's judgment, the Sixth Circuit adopted a five-factor test for establishing a dilution claim. The test was essentially the same as the four-factor test used by the district court, but the new test required the plaintiff to prove that its trademark was not only famous, but also distinctive.⁶⁵ A trademark is distinctive based on inherent qualities of the mark, the extent and duration of its use in connection with goods or services, advertising and publicity of the mark, the geographic area in which the mark is used, and the channels of trade in which the mark is used and the recognition of

58. *Id.*

59. *Id.*

60. *Id.*

61. *Id.*

62. *Id.* at *6.

63. *Id.*

64. *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 466 (6th Cir. 2001).

65. *Id.* at 469. "'Distinctiveness' is not only a statutory element, it also has a considerable bearing on the question of whether the junior use will have a diluting effect." *Id.* at 470 n.2.

the mark within those channels of trade.⁶⁶

The Sixth Circuit noted that there was a circuit split over whether a plaintiff had to show actual dilution or just likelihood of harm to sustain a trademark dilution claim.⁶⁷ The court held that the “likelihood of harm” standard was the correct standard because it found that “‘dilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark.’”⁶⁸ According to the court, this passage from H.R. Rep. No. 104-374 shows congressional intent to provide a “broad remedy for the lesser trademark violation of dilution and recognized that the essence of the dilution claim is a property right in the ‘potency’ of a mark,” and “evinces an intent to allow a remedy *before* dilution has actually caused economic harm to the senior mark.”⁶⁹

The court noted that requiring proof of actual dilution would be extremely difficult and would be disastrous to the junior mark’s owner “who wanted to test the propriety of a new mark before launching it in the marketplace.”⁷⁰ The court reasoned that if actual dilution was required “the owner of a junior mark would have to wait until after they had spent the resources involved in establishing a trademark in consumers’ minds before they could even find out if their mark was improper.”⁷¹

3. *Moseley III*: The Case Makes It to the Supreme Court

The Supreme Court addressed the circuit split over whether the FTDA required proof of actual dilution or just a likelihood of dilution.⁷² The Court first distinguished dilution from traditional infringement law by finding that “unlike traditional infringement law, the prohibitions against trademark dilution are not the product of common-law development, and are not motivated by an interest in protecting consumers.”⁷³

In holding that the FTDA required a showing of actual harm rather than a likelihood of harm, the Court distinguished between federal law and state antidilution statutes. Specifically, many state statutes

66. *Id.*

67. *Id.* at 474–75.

68. *Id.* at 475 (quoting H.R. REP. NO. 104-374 (1995), *reprinted in* 1996 U.S.C.C.A.N. 1029, 1032).

69. *Id.* at 475–76.

70. *Id.*

71. *Id.*

72. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 421–22 (2003), *superseded by statute*, Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730, *as recognized in* *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 477 F.3d 765 (2d Cir. 2007).

73. *Id.* at 429.

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explicitly provided relief where there was a likelihood of harm, rather than a completed harm.⁷⁴ The FTDA, however, only mentions that a trademark owner is entitled to injunctive relief when another party's use of a mark "'causes dilution of the distinctive quality' of the famous mark."⁷⁵

In dicta, the Court noted that when marks are not identical, the mere fact that consumers mentally associate the junior user's mark with a famous trademark is not sufficient to establish actionable dilution.⁷⁶ The Court found that mere mental association will not necessarily reduce the capacity of the famous trademark to identify the goods of its owner, which is the statutory requirement for dilution under the FTDA.⁷⁷ Furthermore, the Court found that blurring and tarnishment were not a necessary consequence of the mere mental association.⁷⁸

As applied to the facts of the case, the Court found that the army officer who saw the advertisement of the opening of a store named "Victor's Secret" did make the mental association with "Victoria's Secret," but it also showed that he did not form any different impression of the store that his wife and daughter patronized.⁷⁹ There was no evidence of any lessening of the capacity of the Victoria's Secret trademark to identify and distinguish its goods or services.⁸⁰ The officer was offended by the advertisement, but it did not change his perception of Victoria's Secret. His offense was directed entirely at the Moseleys.⁸¹

4. Congress Intervenes

After the Court entered its mandate on April 3, 2003, it remanded the case to the Sixth Circuit Court of Appeals.⁸² On April 9, 2003, the Moseleys filed a motion in the Sixth Circuit to vacate the injunction, and Victoria's Secret filed a response. On July 26, 2007, more than four years later, the Sixth Circuit finally remanded the case back to the District Court for the Western District of Kentucky. By this time, Congress has enacted the TDRA.⁸³

Unhappy with the Supreme Court's decision in *Mosesly*, Congress

74. *Id.* at 432 (some sections of Lanham Act also refer to likelihood of harm).

75. *Id.* at 432–33 (emphasis added) (citing 15 U.S.C. § 1125(c)(1)).

76. *Id.* at 433.

77. *Id.*

78. *Id.* at 434.

79. *Id.*

80. *Id.*

81. *Id.*

82. *V Secret Catalogue, Inc. v. Moseley*, 558 F. Supp. 2d 734, 737 (W.D. Ky. 2008).

83. *Id.*

amended the FTDA with the TDRA, which only required a likelihood of dilution to succeed on a claim.⁸⁴ As discussed in Part II, the TDRA provides that:

the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.⁸⁵

5. *Moseley V*: The Case Returns to the District Court

The Federal District Court for the Western District of Kentucky found that the TDRA was the controlling authority.⁸⁶ The district court found there was no dilution by blurring because it is “defined as an association arising from the similarity between a mark and a famous mark that impairs the distinctiveness of the famous mark.”⁸⁷ And there was no such association here because the only evidence proffered was the Colonel's letter. In this letter, the Colonel did indicate that he perceived an association between the marks;⁸⁸ however, the Colonel also indicated he was aware the two entities had no connection beyond the similarity of the names.⁸⁹ The court suggested that while dilution by blurring could occur under similar circumstances, the evidence here did not show a likelihood of it occurring.⁹⁰

The district court did, however, find that there could be a likelihood of dilution by tarnishment.⁹¹ Dilution by tarnishment is an “association arising from the similarity between a mark . . . and a famous mark that harms the reputation of the famous mark.”⁹² Here, the army Colonel was offended by what he perceived to be a bastardization of Victoria's Secret's trademark for the sale of unwholesome, tawdry merchandise.⁹³ According to the court, the Colonel's reaction suggested that there was a

84. *Louis Vuitton Malletier v. Haute Diggity Dog, LLC*, 507 F.3d 252, 264 n.2 (4th Cir. 2007).

85. 15 U.S.C. § 1125(c)(1) (2006) (emphasis added).

86. *Moseley*, 558 F. Supp. 2d at 737–38.

87. *Id.* at 748.

88. *Id.*

89. *See id.*

90. *Id.*

91. *Id.* at 750.

92. *Id.* at 742 (quoting 15 U.S.C. § 1125(c)(1) (2006)).

93. *Id.* at 750.

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likelihood Victoria's Secret's reputation would be tarnished.

C. *Moseley VI: The Decision*

On appeal, the Sixth Circuit faced the sole issue of whether there was dilution by tarnishment.⁹⁴ The Sixth Circuit concluded that the TDRA “creates a kind of rebuttable presumption, or at least a very strong inference, that a new mark used to sell sex related products is likely to tarnish a famous mark if there is a clear semantic association between the two” and that presumption had not been rebutted.⁹⁵ In support of the creation of this rebuttable presumption, the court looked at a House Judiciary Report that stated that “the *Moseley* standard *creates an undue burden*” and concluded that this called for “special attention to the ‘burden’ of proof or persuasion placed on ‘trademark holders’ by the Supreme Court’s opinion in *Moseley*, suggesting a possible modification in the burden of proof.”⁹⁶ Additionally, the Sixth Circuit noted a growing body of case law, aided by the Restatement (especially subsection g), “that the creation of an ‘association’ between a famous mark and a lewd or bawdy sexual activity disparages and defiles the famous mark and reduces the commercial value of its selling power.”⁹⁷

In light of this, the Sixth Circuit held that any “new mark with a lewd or offensive-to-some sexual association” creates a rebuttable presumption, or a very strong inference, of tarnishment.⁹⁸ The court compared this to a *res ipsa loquitur* type of effect,⁹⁹ where, although not conclusive, the new mark owner provide some evidence showing that there is not a likelihood of tarnishment in order to prevail.¹⁰⁰ The court went on to list examples of what types of evidence could be offered by a defendant, such as polls, customer surveys, and expert testimony.¹⁰¹ The fact that the *Moseleys* did not provide any evidence rebutting the presumption, especially in light of Congress’s dissatisfaction with *Moseley*, supported the conclusion that the “present record—in the eyes

94. *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382, 384 (6th Cir. 2010), *cert. denied*, 79 U.S.L.W. 3301 (U.S. Jan. 18, 2011) (No. 10-604).

95. *Id.* at 385. This is not the only way the court formulates the standard. The alternative, and more expansive, formulation is mentioned in the first sentence of the next paragraph.

96. *Id.* at 387.

97. *Id.* at 387–88.

98. *Id.* at 388–89.

99. The *res ipsa loquitur* doctrine applies when by the very nature of the circumstances—in the *Moseley* case two similar marks with some overlap in goods offered—an outcome is likely—in the *Moseley* case the dilution of the senior mark.

100. *Moseley*, 605 F.3d at 388–89.

101. *Id.*

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of the legislative branch—show[ed] a likelihood of tarnishment.”¹⁰²

The concurring opinion disagreed with the creation of a rebuttable presumption of dilution.¹⁰³ Instead, because the TDRA was new law and because of the vagueness of the legislative history regarding the burden of proof, the concurrence argued that the rebuttable presumption should simply be treated as an inference.¹⁰⁴

The dissent disagreed and argued that the burden should be on the plaintiff and that in the current case, the burden was not met.¹⁰⁵ The dissent also argued that the “undue burden” that Congress felt *Moseley* created was more reasonably interpreted to mean a lightening of the evidentiary burden from actual harm to likelihood of harm, rather than a shifting of the burden from the plaintiff to the defendant.¹⁰⁶ The dissent stated that most of the cases cited by the majority in support of a presumption were distinguishable because in those cases the products sold by the senior mark were easily distinguishable from those sold by the junior mark.¹⁰⁷ Finally, the dissent argued that the presumption of dilution could lead to illogical results. As an example, the dissent pondered what would happen if the holder of a sex-related trademark brought a dilution claim against a junior sex-related mark. The dissent argued that there would still be a presumption of tarnishment despite the similar sexual nature of both marks.¹⁰⁸ The dissent found this unacceptable because it would be illogical to assume that a junior mark could tarnish a senior mark of an equally sexual nature.¹⁰⁹

IV. DISCUSSION

This Part discusses three significant reasons why the Sixth Circuit should not have shifted the burden to the defendant in dilution by tarnishment cases where the junior mark has lewd or sexual associations. Additionally, it demonstrates why a narrow interpretation of the TDRA would have been more appropriate. Subpart A explains how the Sixth Circuit’s approach to dilution cases is inconsistent with the Supreme Court’s approach. Subpart B demonstrates that the Sixth Circuit’s decision increases the potential for harm to consumers. Finally,

102. *Id.* at 389.

103. *Id.* at 390 (Gibbons, J., concurring).

104. *Id.*

105. *Id.* at 391 (Moore, J., dissenting).

106. *Id.* at 391 n.2.

107. *Id.* at 394.

108. *Id.* at 395 n.5.

109. *Id.*

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subpart C discusses other negative consequences of placing the burden on the defendant.

A. The Sixth Circuit's Decision Is Not Consistent with an Important Part of the Supreme Court's Decision in Moseley that Was Not Affected by the TDRA

The following excerpt from a House Judiciary Committee Report states the purpose of the TDRA:

The *Moseley* standard creates an undue burden for trademark holders who contest diluting uses and should be revised.

.....

... The new language in the legislation [provides] specifically that the standard for proving a dilution claim is "likelihood of dilution" and that both dilution by blurring and dilution by tarnishment are actionable.¹¹⁰

The Committee Report shows that Congress intended the TDRA to make one specific change to the *Moseley* decision; that is, it was enacted to reduce the burden of proof from actual dilution to a likelihood of dilution. The Supreme Court's decision in *Moseley III*, however, did more than just require the plaintiff to prove actual dilution. It also offered guidance on how to determine whether dilution exists or even if it has the potential to exist. For instance, the Court stated that dilution is not "a necessary consequence of a mental association" between a junior and senior mark.¹¹¹ Even though the Supreme Court made this statement in an opinion that adopted an "actual dilution" standard, this statement is equally applicable to a case in which a "likelihood of dilution" standard is used. This is so because it is logically impossible for dilution to be a *likely* consequence of a mere mental association if dilution *absolutely cannot* be a consequence of a mere mental association.

The Court went on to assess the evidence presented by Victoria's Secret (which is the same as that presented in *Moseley V*¹¹² under this framework). It found that the evidence showed nothing more than the existence of a mental association because the Colonel's ire was directed only at the Moseleys for having a store name similar to that of Victoria's Secret, where the Colonel's wife and daughter shopped. According to the Court, the Colonel's regard for Victoria's Secret and its trademark

110. H.R. REP. NO. 109-23, at 5, 9 (2005), reprinted in 2006 U.S.C.C.A.N. 1091, 1094, 1097.

111. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 434 (2003), superseded by statute, Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730, as recognized in *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 477 F.3d 765 (2d Cir. 2007).

112. *Moseley*, 605 F.3d at 385.

were unaffected by the mental association. The Court gave no credence to the fact that Victor's Little Secret had, according to the Sixth Circuit, lewd or sexual associations.

Therefore, the Supreme Court's decision in *Moseley III* extended far beyond what Congress altered by enacting the TDRA. *Moseley III* requires that a plaintiff present at least some evidence that the consumer would think less of the senior trademark in order to move past a mere mental association and further down the road toward a likelihood of dilution. Additionally, because the Court did not consider the junior mark's lewd or sexual associations, even though those associations were evident, they should have no influence at that point in the analysis. In *Moseley VI*, the Sixth Circuit did not just ignore the mandate of the TDRA when it decided to shift the burden of proof. It also snubbed the Supreme Court when it based this shift merely on the existence of lewd or sexual associations—a consideration the Supreme Court omitted entirely in reaching its conclusion about whether there was anything more than a mental association.

B. The Sixth Circuit's Decision Increases the Potential for Harm to Consumers

From its outset, trademark protection law was primarily concerned with consumer protection.¹¹³ Trademark law "was concerned foremost not with the senior user's lost profits or the junior user's unjust enrichment, but instead with the consumers who were 'duped into dealing with an imposter.' . . . '[T]he consuming public was an unnamed third party in every action for trademark infringement.'"¹¹⁴ Trademark infringement law, however, had a significant shortcoming—in order to bring a suit, the junior mark's product had to be in direct competition with the senior trademark's product.¹¹⁵ Therefore, it was lawful for producers of goods not in the same market as the goods of a senior trademark to benefit from the goodwill associated with the senior trademark.¹¹⁶

This flaw of trademark infringement law was a significant catalyst behind the development of trademark dilution law.¹¹⁷ With this

113. Klieger, *supra* note 19, at 795–96.

114. *Id.* at 799 (quoting Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 WIS. L. REV. 158, 160; Sidney A. Diamond, *The Public Interest and the Trademark System*, 62 J. PAT. OFF. SOC'Y 528, 529 (1980)).

115. *Id.* at 800.

116. *Id.*

117. *Id.* at 801.

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expansion, however, came the possibility that the primary justification for trademark protection would change from consumer protection to something else.¹¹⁸ That something else was proposed in Frank Schechter's seminal article, *The Rational Basis for Trademark Protection*. In his article, Schechter advocated for a regime of trademark rights in gross in which "the preservation of the uniqueness of a trademark . . . constitute[d] the only rational basis for its protection."¹¹⁹ In reaching this conclusion, Schechter abandoned trademark infringement law's requirement that a consumer be confused by the junior's use of a senior trademark.¹²⁰ Schechter, instead, wanted to protect any unique mark against any use of that trademark, essentially arguing for trademark holders to have the same rights as holders of copyrights, patents, and physical assets.¹²¹ For Schechter, holders of unique marks would have a property right in gross to their trademark.¹²²

Schechter's proposal was seen as radical when his article was published and was not immediately accepted by the judicial system.¹²³ Over a sixty year period, however, it slowly gained acceptance.¹²⁴ As explained in Part II, dilution theory was initially adopted by several state legislatures, and in 1996, it achieved nationwide status with the enactment of the Federal Trademark Dilution Act. The state antidilution statutes, however, were met with hostility by the courts, and judges narrowly interpreted their language, sometimes even ignoring the plain language of the statute.¹²⁵ According to Robert Krieger, an attorney and author of a leading article on trademark dilution, a significant reason for this was that courts viewed these statutes not as protecting senior trademarks from a preventable harm, but simply as thinly veiled attempts to grant property rights in gross where they had not been before.¹²⁶

These courts were justified in their apprehension. In addition to antidilution statutes being a move away from the traditional consumer protection justification, the granting of a trademark right in gross can actually harm consumers by causing an undesirable anticompetitive effect. This stems from the fact that many advertisers differentiate their product not on quality, but on the ability of a brand's image to appeal to

118. *Id.* at 802.

119. *Id.* (quoting Schechter, *supra* note 15, at 831).

120. *Id.*

121. *See id.* at 816.

122. *Id.* at 805.

123. *Id.* at 810.

124. *Id.* at 811.

125. *Id.* at 814, 817.

126. *Id.* at 817.

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the emotional, non-rational side of consumers. The more effective a trademark is at appealing to this side of consumers the more appealing the product is to them. And consequently, the owner of that trademark can charge more for its product regardless of whether that product is of higher quality than a competitor. This creates an environment where a trademark owner has an incentive to invest in the ability of its trademark to have this effect. Thus, trademark dilution law, which serves to protect this investment, actually encourages overinvestment in the development of the trademark. This can give the owner of a famous trademark a monopoly-like power, because, even though a competitor has the funds to create a product of equal or greater quality, it will be a much more expensive and difficult proposition to break the psychological hold that a famous trademark has over its consumers. Without viable competition, the possessor of the monopoly power will have no incentive to keep prices down or to maintain product quality, which ultimately harms the consumer.¹²⁷

Additionally, it has been argued that the more property rights trademark holders are granted the more transactional costs are imposed on all parties.¹²⁸ Because increased property rights mean more lawyers, longer product development time, and either more cost in developing trademarks or having to use capital to license an existing trademark, the cost of bringing a product to market, and therefore the end cost to the final consumer, increases.¹²⁹

In 1996, the FTDA was passed and the owners of famous trademarks were able to bring a dilution action in federal court without having to show even the likelihood of consumer confusion. Consequently, significant aspects of Schechter's proposal had found acceptance on the federal level,¹³⁰ and a trademark right in gross was now federally guaranteed.¹³¹ Contrary to the interests of consumers, Congress further strengthened the rights of trademark owners when it lowered the evidentiary burden to one of likelihood of confusion with the enactment of the TDRA. With the *Moseley* decision, the Sixth Circuit has expanded the power of trademark owners yet again by shifting the burden of proof; thus, making it easier for a senior mark to bring a dilution claim. Consequently, the Sixth Circuit has made consumers

127. See *id.* at 852–66.

128. Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1696 (1999).

129. *Id.*

130. The main difference between Schechter's proposal and the FTDA was the size of the protected class. Schechter wanted to define the class as "distinctive marks." The FTDA defined the class as those with "famous marks." "Famous marks" is a smaller class than "distinctive marks."

131. Kleiger, *supra* note 19, at 835.

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even more vulnerable to the harm stemming from the expansive rights granted to trademark holders under federal dilution law.

C. Other Negative Consequences of Shifting the Burden of Proof

Dilution by tarnishment, in contrast to dilution by blurring, can involve sometimes humorous, sometimes crude forms of ridicule, parody, insult, or defamation.¹³² Indeed, the fact situations of tarnishment cases have been described as “often bizarre.”¹³³ In *Jordache Enterprises, Inc. v. Hogg Wyld Ltd.*, the junior mark was selling pants for overweight women and calling the product “Lardache” jeans.¹³⁴ In another case a junior mark used the slogan “Enjoy Cocaine” in a way that mimicked Coca-Cola’s “Enjoy Coke” slogan.¹³⁵ A defendant, who had a booth at an adult entertainment exhibition, was enjoined from having two women sit atop a Viagra-branded missile.¹³⁶

The justifications for the outcomes in tarnishment cases are as amusing (though not as varied) as their fact patterns, but for different reasons. The International Trademark Association has said that the results in such cases are often “dictated by a court’s eye-of-the-beholder reaction and sense of humor (or lack thereof).”¹³⁷ Additionally, at least one court has suggested that “whether a particular use constitutes tarnishment can also vary depending on the times.”¹³⁸

The Sixth Circuit’s *Moseley* decision passes judgment on a specific segment of tarnishment cases—those involving lewd or sexual associations. In support of its decision the court points to a short survey of tarnishment cases that, according to the court, indicate a consensus among other courts that a junior mark with lewd or sexual associations tarnishes a senior mark. While the court’s interpretation and application of this litany of cases is questionable, a survey of these cases reinforces the observations, cited in the previous paragraph, that the outcomes are dictated by the mores of the deciding judge and the mores of society at a

132. U.S. Trademark Ass’n, *Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 434 (1987).

133. *Id.*

134. 625 F. Supp. 48, 57–58 (D. N.M. 1985).

135. *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972).

136. *Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009).

137. U.S. Trademark Ass’n, *supra* note 132, at 434.

138. *See, e.g., G.B. Kent & Sons, Ltd. v. P. Lorillard Co.*, 114 F. Supp. 621 (S.D.N.Y. 1953), *aff’d*, 210 F.2d 953 (2d Cir. 1954) (noting that plaintiff sought to enjoin defendant’s use of its mark on cigarettes and court refused to grant injunction stating that “the day has long passed when cigarette smoking is considered offensive and sinful”).

particular point in time.¹³⁹

Moreover, some of the cases also seem to indicate that a finding of tarnishment by a judge is a highly circumstantial type of assessment.¹⁴⁰ It appears to be an approach similar to the one taken by Justice Potter Stewart to obscenity—the “I know it when I see it” approach.¹⁴¹ Whether this approach is acceptable is beyond the scope of this Casenote. The fact of the matter is that judges do engage in this type of reasoning. It might even be unavoidable given the subjective nature of some (perhaps all) areas of law.

The Sixth Circuit’s decision takes away this discretionary function because it takes away a judge’s ability to analyze the interaction between the two marks and how that interaction affects consumers.¹⁴² Additionally, it limits the inquiry to whether the junior mark has a lewd or sexual association. It simplifies the inquiry. One might argue that simplifying an inquiry that is based on the predilections of an individual judge might be good for the justice system, and, generally speaking, this is probably true. But here it is not. There are numerous reasons for this.

First, the presumption errs on the side of the senior mark. This is inappropriate because, as discussed above, they already have a property right in gross which is harmful to society, and any ruling that will make it easier for them to enforce this right only exacerbates the problem.

Second, the presumption does not take into consideration the characteristics of the senior mark. The image that the senior mark is trying to protect can have a significant impact on the effect of the use of an identical or similar junior mark. As the dissenting justice in the 2010 *Moseley* case pointed out, the presumption would not be appropriate if the senior mark also had lewd or sexual associations. Indeed, in the *Moseley* case, the supposed wholesome nature of the Victoria’s Secret trademark was questionable.

Finally, given the fact that what is considered capable of tarnishing depends on the times and the individual predilections of the judge, this kind of presumption is essentially “locking in” the mores of this

139. This is indicated, in part, by the lack of objective reasoning behind the decisions. *See, e.g.*, *Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009); *Williams-Sonoma, Inc. v. Friendfinder, Inc.*, No. C 06-6572 JSW (MEJ), 2007 WL 4973848, at *7 (N.D. Cal. Dec. 6, 2007); *Kraft Foods Holdings, Inc. v. Helm*, 205 F. Supp. 2d 942, 949–50 (N.D. Ill. 2002); *Victoria’s Cyber Secret Ltd. P’ship v. V Secret Catalogue, Inc.*, 161 F. Supp. 2d 1339, 1355 (S.D. Fla. 2001); *Mattel, Inc. v. Internet Dimensions Inc.*, 55 U.S.P.Q.2d 1620, 1627 (S.D.N.Y. 2000); *Polo Ralph Lauren L.P. v. Schuman*, 46 U.S.P.Q.2d 1046, 1048 (S.D. Tex. 1998).

140. *See, e.g.*, *Kraft Food Holdings*, 205 F. Supp. 2d at 949–50; *Mattel, Inc.*, 55 U.S.P.Q.2d at 1627; *Polo Ralph Lauren*, 46 U.S.P.Q.2d at 1048; *see also* U.S. Trademark Ass’n, *supra* note 132, at 434 (“[C]ourts will continue to make these subjective judgments on a case by case basis.”).

141. *Jacobellis v. Ohio*, 378 U.S. 184 (1964).

142. *See, e.g.*, *Kraft Food Holdings*, 205 F. Supp. 2d at 949–50.

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particular judge and the mores of society at this particular point in time for an indefinite period. Other societies, surely just as enlightened as ours (and maybe more so) have a much less uptight approach to sexuality. If, at a future date, our society has become more accepting of sexual content, is it fair to subject it and the right to expression to an outdated morality?¹⁴³

V. CONCLUSION

Almost seventy years have passed between the time when legal scholars first discussed dilution and when it was finally adopted on the federal level. During this significant span of time, only about half of the states enacted laws protecting trademarks from dilution. Moreover, state courts were very reluctant to apply those statutes primarily because the power given to trademark owners by those enactments was unprecedented.

Eventually, dilution law was created on the federal level with the passage of the FTDA. The Supreme Court's reaction to the dilution statutes was similar to that of the state courts many years prior. That is, the Court's rhetoric in *Moseley* displayed an apprehension toward dilution law and, consequently, it applied a narrow interpretation of the FTDA. Congress disagreed with the main holding of the Supreme Court's *Moseley* decision and passed the TDRA, which states that a party claiming dilution need only show a likelihood of dilution in order to obtain an injunction. In 2010, the Sixth Circuit adopted a very broad interpretation of this new statute when it decided to shift the burden to the defendant when that defendant has a lewd or sexual association.

This burden shift is not provided for in the TDRA. Nor is it in keeping with the Supreme Court's tentative approach to dilution law—a general approach that was not negated by the TDRA. Moreover, this decision has three significant negative consequences. First, it increases the potential of harm to consumers by making it easier for trademark holders to enforce the already expansive power they have over their trademark (i.e., a property right in gross). Second, it prohibits a consideration of the characteristics of the senior mark which can influence the alleged dilutive effect of the junior use of a mark. Finally,

143. It is possible that a judge will be able to exercise his or her own discretion later in the proceedings when the defendant attempts to rebut the presumption. But this exercise of discretion will probably be drastically different than one that begins without a presumption. Moreover, at that point the presumption, and the morality that created it, have done significant damage. That is, the presumption has increased the power of the senior mark because it has made it easier for the plaintiff to bring suit, it has prolonged the litigation because the plaintiff's burden is so minimal, and it has placed the significant burden of proving a negative on the party that is generally less capable of bearing that burden.

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it imposes the mores of the judge who made this particular decision and the mores of society at this point in time (as interpreted by this judge) on the courts of the Sixth Circuit in an area of law that is highly subjective and dependent upon an analysis of the interaction between the two marks and the effect of that interaction on consumers. These significant problems could have been avoided if the Sixth Circuit had adopted a narrow interpretation of the TDRA and, consequently, had not shifted the burden to the defendant. When interpreting federal dilution statutes in the future, courts should recognize the issues raised here and seriously consider using a narrow interpretive approach.