

Victoria’s Secret Is Not Safe with the Supreme Court: The Court Makes Its Foray into the Make-Believe World of the FTDA

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I. INTRODUCTION

In October 2002 the Supreme Court decided to make its first incursion into the world of the Federal Trademark Dilution Act (FTDA) in the case of *Moseley v. V Secret Catalogue*.¹ On March 4, 2003, the long-awaited, unanimous decision was released.² The question the Court decided was whether the FTDA required a showing of “actual dilution” or a “likelihood of dilution.”³ Writing for the Court, Justice John Paul Stevens concluded that the FTDA “unambiguously requires a showing of

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1. 123 S. Ct. 1115 (2003).
 2. *See id.* at 1115-17.
 3. *See id.* at 1118-19.

actual dilution,” not the mere “likelihood of dilution.”⁴ The Court went on to state that a party does not have to show an actual loss of sales or profits to prove actual dilution of a trademark.⁵ The Court further stated that other direct evidence in the form of consumer surveys “will not be necessary if actual dilution can reliably be proven through circumstantial evidence.”⁶

This Comment will examine both the *Moseley* opinion and the issues it left unanswered. First, the Comment will state the facts and the procedural history of the *Moseley* case. Second, the Comment will survey the history of dilution theory from the Schechter article to the FTDA. Third, the Comment examines the types of dilution. Fourth, the Comment surveys the decisions that led to the Supreme Court’s grant of *certiorari*. Fifth, the Comment outlines and discusses the Supreme Court’s opinion. Lastly, the Comment examines other facets of the opinion and the unanswered questions left in the wake of the short, indefinite opinion.

II. FACTS AND PROCEDURAL HISTORY OF *MOSELEY*

In February 1998 an Army colonel saw an advertisement for the grand opening of a store named “Victor’s Secret” in a weekly publication distributed to residents of Fort Knox, Kentucky.⁷ The colonel was offended by what he perceived as an attempt to use the “Victoria’s Secret” mark to promote the sale of sex toys and adult videos, and so he sent a copy of the advertisement to Victoria’s Secret.⁸ In response, Victoria’s Secret’s counsel wrote a cease and desist letter to Victor and Cathy Moseley, the owners of the store, requesting that they discontinue use of the “Victor’s Secret” mark and “any variations thereof.”⁹ Trying to oblige, the Moseleys changed the name of their store to “Victor’s Little Secret.”¹⁰ Apparently, the change did not satisfy Victoria’s Secret, and they promptly filed suit against the Moseleys.¹¹

4. *Id.* at 1124.

5. *See id.*

6. *Id.* at 1125.

7. *See id.*

8. *See id.*

9. *Id.* (internal citations omitted).

10. *See id.*

11. *See id.*

In the suit, Victoria's Secret alleged, inter alia, that the store's name, "Victor's Little Secret," had diluted the mark "Victoria's Secret."¹² Victoria's Secret brought their action under the FTDA.¹³ Some courts have interpreted the Act to require a showing of actual dilution to the senior mark in the form of actual economic harm to the mark's selling power.¹⁴ Other courts have interpreted the Act only to require a showing of a likelihood of dilution, i.e., a likelihood of harm.¹⁵

Victoria's Secret has held a registration with the United States Patent and Trademark Office for the mark "Victoria's Secret" since 1981.¹⁶ The company sells women's lingerie, clothing, and various accessories.¹⁷ The United States District Court for the Western District of Kentucky found that Victoria's Secret operated over 750 stores nationwide and distributed 400 million copies of the Victoria's Secret catalog each year.¹⁸ Moreover, Victoria's Secret operated two stores within sixty miles of the Moseleys' store and distributed 39,000 copies of the Victoria's Secret catalog each year in the city where the Moseleys' store was located.¹⁹ The court also found that in 1998 the company spent over \$55 million advertising its products.²⁰ The court also cited a recent survey that rated "Victoria's Secret" as "the ninth most famous brand in the apparel industry."²¹

In 1998 the Moseleys opened a store named "Victor's Secret" in a strip mall in Elizabethtown, Kentucky.²² The store sells various merchandise, including men's and women's lingerie, adult videos, sex toys, and adult novelties.²³ The Moseleys claimed that they were not aware of the Victoria's Secret stores or catalogs until they received the cease and desist letter from Victoria's Secret's counsel.²⁴

12. See *V Secret Catalogue v. Moseley*, 54 U.S.P.Q.2d 1092, 1093 (W.D. Ky. 2000), *aff'd*, 259 F.3d 464 (6th Cir. 2001), *rev'd*, 123 S. Ct. 1115 (2003). Victoria's Secret refers collectively to V Secret Catalogue, Inc.; Victoria's Secret Catalogue, LLC; and Victoria's Secret Stores, Inc.

13. See *id.* at 1093; see also 15 U.S.C. §§ 1125, 1127 (2000).

14. See *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449 (4th Cir. 1999), *overruled in part by Moseley v. V Secret Catalogue, Inc.*, 123 S. Ct. 1115 (2003).

15. See *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999), *overruled in part by Moseley v. V Secret Catalogue, Inc.*, 123 S. Ct. 1115 (2003).

16. *V Secret Catalogue*, 54 U.S.P.Q.2d at 1093.

17. See *id.*

18. See *id.*

19. See *id.*

20. See *id.*

21. See *id.*

22. See *id.*

23. See *id.*

24. See *id.*

The district court granted Victoria's Secret's motion for summary judgment on the FTDA claim.²⁵ The court held that the Moseleys' store name, "Victor's Little Secret," diluted the "Victoria's Secret" mark by tarnishing it.²⁶ The court enjoined the Moseleys from using the name "Victor's Little Secret."²⁷

The Moseleys appealed the district court's decision.²⁸ The United States Court of Appeals for the Sixth Circuit affirmed the lower court's decision by applying the dilution test outlined by the United States Court of Appeals for the Second Circuit, which requires only a likelihood of dilution.²⁹ The Sixth Circuit held that "Victor's Little Secret" diluted the mark "Victoria's Secret" by blurring and tarnishment because consumers "are likely automatically to think of the more famous store and link it to the Moseleys' adult-toy, gag gift, and lingerie shop."³⁰

III. DILUTION: FROM THE SCHECHTER ARTICLE TO THE FTDA

As noted by the Supreme Court in the *Moseley* case, unlike trademark infringement law, trademark dilution is not a product of the common law.³¹ Moreover, the Court also noted, unlike traditional trademark infringement law, the prohibition against trademark dilution is not motivated by an interest to protect and assist consumers.³² Traditional trademark infringement law focuses on consumer confusion caused by the concurrent use of confusingly similar marks on competing goods.³³ This consumer-oriented approach views trademarks as the means by which consumers can easily recognize and select products from a source that consumers have come to associate with quality products.³⁴ This consumer-oriented perspective of trademark infringement law differs from the producer-oriented trademark dilution laws, which consider trademarks themselves as property.³⁵

25. *See id.* at 1096.

26. *See id.* Apparently, the court did not find dilution by blurring. The court found dilution by tarnishment because the "Victoria's Secret" mark was being associated with unsavory goods, such as adult sex toys and adult videos. *See id.*

27. *See id.*

28. *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464 (6th Cir. 2001), *rev'd*, 123 S. Ct. 1115 (2003).

29. *See id.* at 477.

30. *Id.*

31. *Moseley v. V Secret Catalogue*, 123 S. Ct. 1115 (2003).

32. *See id.*

33. *See* Paul Edward Kim, Comment, *Preventing Dilution of the Federal Trademark Dilution Act: Why the FTDA Requires Actual Economic Harm*, 150 U. PA. L. REV. 719, 721-22 (2001).

34. *See id.* at 721-23.

35. *See id.*

A. *The Schechter Article*

The origin of trademark dilution is traced back to a 1927 law review article entitled *The Rational Basis of Trademark Protection*.³⁶ In the article, Professor Frank Schechter identified trademark dilution as damage to the trademark's selling power through "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."³⁷ This idea recognizes a potential value in the mark itself, similar to the value an owner would place on real property.³⁸ Some commentators and judges have suggested that Schechter's view gives trademark owners an in-gross property right in their marks, which is a shift from the original consumer-oriented function of trademark law.³⁹

In the article, Professor Schechter supported his conclusions by referring to a German case, in which the owner of the well-known trademark "Odol," for mouthwash, brought an action against a defendant that was using it on noncompeting steel products.⁴⁰ The German court concluded that

when the public hears or reads the word "Odol," it thinks of the complainant's mouth wash, and that an article designated with the name "Odol" leads the public to assume that it is of good quality. Consequently . . . complainant has "the utmost interest in seeing that its mark is not diluted: it would lose selling power if everyone used it as the designation of his goods."⁴¹

It is important to note that this is the same type of example (using an arbitrary/fanciful mark on noncompeting goods, such as Buick aspirin or Kodak pianos) used in the legislative history of the FTDA.⁴²

B. *State Dilution Statutes*

Twenty years after the Schechter article, Massachusetts became the first state to enact a statute protecting trademarks from dilution.⁴³ The statute provided:

36. Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927).

37. *Id.*

38. See Karen S. Frank & Gail I. Nevius, *Dilution: The Conflict in the Circuits*, 716 P.L.I./PAT. 513, 520 (2002).

39. See Kim, *supra* note 33, at 725 n.30; see also *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 454 (4th Cir. 1999), *overruled in part by, followed by Moseley v. V Secret Catalogue, Inc.*, 123 S. Ct. 1115 (2003).

40. See Schechter, *supra* note 36, at 831-32.

41. *Id.*

42. See H.R. REP. NO. 104-374 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1030.

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 in cases of trade-mark infringement or unfair competition notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services.⁴⁴

As the Court noted in *Moseley*, this statute, unlike the German statute mentioned in Schechter's article, prohibited both tarnishment and blurring.⁴⁵

Many states enacted antidilution statutes before the enactment of the FTDA.⁴⁶ Several of these statutes were based on the 1964 Model State Trademark Act and most include four key elements: (1) a dilution cause of action is available for distinctive marks (there is no requirement that the mark be famous), (2) the acts consider a likelihood of dilution (versus actual dilution), (3) dilution is characterized as a loss of the mark's distinctiveness (versus damage to the mark's economic value), and (4) the only remedy is injunctive relief.⁴⁷ The other states' antidilution statutes "require proof of the famous mark, and of actual dilution."⁴⁸

C. *The FTDA*

Recognizing a need for a uniform, nationwide cause of action, Congress passed the FTDA, and it became law in 1996.⁴⁹ The FTDA defines dilution 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."⁵⁰ In order to receive injunctive relief under the FTDA, a plaintiff must show three elements: (1) that their mark is famous, (2) that the defendant started using their mark in commerce after the plaintiff's mark became famous, and lastly and most importantly (3) that the defendant's mark "causes dilution of the distinctive quality of the [plaintiff's] mark."⁵¹ The

43. *Moseley*, 123 S. Ct. at 1123 (citing 1947 Mass. Acts, ch. 307 (current version at MASS. GEN. LAWS ch. 96, § 12 (2003))).

44. *Id.*

45. *See id.*

46. *See id.*; *see also* Frank & Nevius, *supra* note 38, at 521.

47. *See* Frank & Nevius, *supra* note 38, at 521.

48. *Id.*

49. *See* Kim, *supra* note 33, at 727-28.

50. 15 U.S.C. § 1127 (2000).

51. *Id.* § 1125(c)(1).

statue then goes on to list several factors a court may consider, but is not limited to, in determining whether a mark is distinctive and famous.⁵²

IV. TYPES OF DILUTION

Three types of dilution are actionable under the FTDA: cybersquatting, blurring, and tarnishment.⁵³ Blurring and tarnishment will be discussed below, while cybersquatting will not be discussed in this Comment because of its specific Internet application.

A. *Blurring*

Dilution by blurring is characterized by a junior user using a senior user's mark, or a mark that is sufficiently similar, on the junior user's goods.⁵⁴ Hypothetical examples of this type of dilution include Buick aspirin, Kodak pianos, or Dupont shoes.⁵⁵ Thus, blurring occurs when consumers are merely reminded of the famous mark when they recognize its use on the junior user's products, even though the consumer realizes the senior user is not the source of the junior user's products.⁵⁶ The actual damage from blurring occurs when the strength of the senior mark, as a unique source indicator, is reduced due to its use on products not associated with the senior user.⁵⁷ Theoretically, over time, consumer association of the mark with a product or a line of products from one source will diminish due to the mark's use on other products from different sources.⁵⁸

B. *Tarnishment*

Dilution by tarnishment occurs when a junior user uses the senior user's mark, or a mark that is sufficiently similar, on products that are of poor quality, unsavory, or unwholesome.⁵⁹ An example of tarnishment is using the senior mark on pornographic products.⁶⁰

52. *See id.*

53. *See Kim, supra note 33, at 733.*

54. *See id.*

55. *See id.*

56. *See id.* at 733 n.71.

57. *See id.*

58. *See id.*

59. *See id.* at 731-32.

60. *See id.* at 732.

V. THE SPLIT AMONG THE CIRCUITS

Although nationwide uniformity was the fundamental reason for enacting the FTDA, this goal has not been realized.⁶¹ Before the Supreme Court decision in *Moseley*, the circuits were split on whether the FTDA requires an actual showing of dilution or merely a likelihood of dilution.⁶² The United States Courts of Appeals for the Fourth and Fifth Circuits supported the actual dilution standard.⁶³ On the other hand, the United States Courts of Appeals for the Second, Third, Sixth, and Seventh Circuits supported the likelihood of dilution standard.⁶⁴ Two cases sum up the split among the circuits: *Ringling-Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*, which was decided by the Fourth Circuit, and *Nabisco, Inc. v. PF Brands Inc.*, which was decided by the Second Circuit.⁶⁵

A. *The Fourth Circuit and Ringling Bros.*

In *Ringling Bros.*, Ringling claimed that the state of Utah's use of the slogan "The Greatest Snow on Earth" diluted Ringling's mark "The Greatest Show on Earth."⁶⁶ The district court concluded that in order to prove dilution under the FTDA, Ringling had the burden of proving "(1) that its mark was a 'famous' one; (2) that Utah adopted its mark after Ringling's had become famous; and (3) that Utah's mark diluted Ringling's by 'blurring' it."⁶⁷ The court determined that Ringling clearly established that its mark was famous, and Utah's use of its slogan began after Ringling's mark became famous.⁶⁸ This left the court with the final factor: whether Utah's slogan diluted Ringling's mark.⁶⁹

61. See *id.* at 727-28; see also Frank & Nevius, *supra* note 38, at 527-28 (discussing the split among the circuits).

62. See Frank & Nevius, *supra* note 38, at 527; see also Kim, *supra* note 33, at 734-35.

63. See *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 453 (4th Cir. 1999), *overruled in part by, followed by Moseley v. V Secret Catalogue, Inc.*, 123 S. Ct. 1115 (2003); *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658 (5th Cir. 2000), *rev'd sub nom. Leavitt v. City of El Paso* 534 U.S. 1055 (2001); see also Kim, *supra* note 33, at 740-41 (discussing circuit split).

64. See *Nabisco, Inc. v. PF Brands Inc.*, 191 F.3d 208, 218-19 (2d Cir. 1999), *overruled in part by Moseley v. V Secret Catalogue, Inc.*, 123 S. Ct. 1115 (2003); *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157, 168-69 (3d Cir. 2000), *cert denied*, 531 U.S. 1071 (2001); *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 468 (7th Cir. 2000); *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 465-66 (6th Cir. 2001), *rev'd*, 123 S. Ct. 1115 (2003); see also Kim, *supra* note 33, at 740-41 (discussing circuit split).

65. See *Ringling Bros.*, 170 F.3d at 464; *Nabisco*, 191 F.3d at 223-24.

66. See 170 F.3d at 451-52.

67. *Id.* at 452.

68. See *id.*

69. See *id.*

Ringling argued that dilution by blurring occurs whenever two marks are either identical or sufficiently similar to cause an instinctual mental association between the two marks.⁷⁰ Ringling went on to claim the marks' similarity was "so strong and obvious . . . that the required 'mental association' . . . was evident as a matter of law."⁷¹ Alternatively, Ringling attempted to prove the mental association with survey evidence.⁷²

The Fourth Circuit rejected Ringling's definition of how dilution occurs.⁷³ The court concluded that dilution under the FTDA "consists of (1) a sufficient similarity of marks to evoke in consumers a mental association of the two that (2) causes (3) actual harm to the senior mark's economic value as a product-identifying and advertising agent."⁷⁴ The court conceded that this meaning "does not leap fully and immediately from the statutory text"; however, the court concluded that this is the statute's necessary meaning when read against the background of FTDA's legislative history and the evolution of state and federal trademark law.⁷⁵ The court then did a historical overview of these areas.⁷⁶

In the end, the court concluded that the FTDA requires a plaintiff to show actual dilution that is caused by "an actual lessening of the senior mark's selling power, expressed as 'its capacity to identify and distinguish goods or services.'"⁷⁷ The court conceded that this was a stringent interpretation of dilution under the FTDA, and its interpretation narrowly defines the scope of a federal dilution claim.⁷⁸ The court went on to conclude that Ringling's interpretation would lead to an in-gross property right in the mark, and the court concluded the FTDA "will not bear a property-right-in-gross interpretation."⁷⁹

The court also discussed the FTDA's plain meaning.⁸⁰ The court concluded that "capacity" as used in the Act means "former capacity" as opposed to "present capacity" or "future capacity."⁸¹ The court concluded that "[t]he conduct proscribed is 'another person's . . . use . . .,'

70. *See id.*

71. *Id.*

72. *See id.* at 452-53.

73. *See id.* at 453.

74. *Id.*

75. *Id.*

76. *See id.* at 453-58.

77. *Id.* at 458 (quoting 15 U.S.C. § 1127 (2000)).

78. *See id.* at 458-59.

79. *Id.* at 459.

80. *See id.* at 460-61.

81. *Id.*

not merely threatened use, that ‘will’ or ‘may’ cause” dilution.⁸² The court pointed out that, unlike some state dilution statutes, the FTDA does not speak of a “likelihood of dilution.”⁸³

B. The Second Circuit and Nabisco

In *Nabisco*, Pepperidge Farm (PF) claimed that Nabisco’s use of a goldfish-shaped cracker in their “CatDog” cheese crackers diluted PF’s mark consisting of orange, bite-sized, cheese-flavored, goldfish-shaped crackers.⁸⁴ The Second Circuit ruled in favor of PF on its FTDA claim and rejected the Fourth Circuit’s interpretation of the FTDA as requiring actual economic harm to a mark’s selling power and instead adopted the likelihood of dilution standard.⁸⁵

The court concluded that five elements are necessary to a claim of dilution under the FTDA: “(1) the senior mark must be famous; (2) it must be distinctive; (3) the junior use must be a commercial use; (4) it must begin after the senior mark has become famous; and (5) it must cause dilution of the distinctive quality of the senior mark.”⁸⁶ In deciding whether a likelihood of dilution was present, the court considered ten factors.⁸⁷ The court stated that it would not limit itself to these factors in future decisions and further stated:

[I]n considering a new federal statutory right, it seems to us that courts would do better to feel their way from case to case, setting forth in each those factors that seem to bear on the resolution of that case, and, only eventually to arrive at a consensus of relevant factors on the basis of this accumulated experience.⁸⁸

The importance of this language should be noted in relation to the Supreme Court’s open-ended holding in *Moseley*.

In rejecting the Fourth Circuit’s interpretation, the Second Circuit concluded that actual harm would be difficult, if not impossible, to prove.⁸⁹ Moreover, even if it could be proven, it would be extremely speculative.⁹⁰ The court also pointed out that consumer surveys are costly, time-consuming, and prone to manipulation.⁹¹ The court

82. *Id.* at 461 (quoting 15 U.S.C. § 1125(c)(1)).

83. *Id.*

84. *Nabisco, Inc. v. PF Brands Inc.*, 191 F.3d 208, 212-13 (2d Cir. 1999).

85. *See id.* at 223-24.

86. *Id.* at 215.

87. *See id.* at 217-23.

88. *Id.* at 227.

89. *See id.* 223-24.

90. *See id.* at 224.

91. *See id.*

concluded that the Fourth Circuit's interpretation would "subject the senior user to uncompensable injury," since plaintiffs could not invoke the statute until after injury occurred.⁹² The court also concluded that the Fourth Circuit's reasoning was detrimental to junior users because, under the actual dilution standard, the statute is not invoked until after the junior user becomes established in the marketplace and has already made a substantial investment in its mark's use.⁹³

C. The Sixth Circuit Decision in Moseley

In *V Secret Catalogue Inc. v. Moseley*, the Sixth Circuit decided to follow the Second Circuit's holding in *Nabisco*, which requires plaintiffs to show a mere likelihood of dilution.⁹⁴ In so holding, the Sixth Circuit rejected the Fourth Circuit's standard of requiring actual dilution by way of actual economic harm to the mark's selling power.⁹⁵

In reaching its decision, the Sixth Circuit noted that the district court applied a four-factor test outlined by the Ninth Circuit in *Panavision International, L.P. v. Toeppen* and not the five-factor *Nabisco* test.⁹⁶ However, the court concluded that the two tests are substantially similar, with the only difference being that the *Nabisco* test requires the plaintiff to prove their mark is both famous and distinctive.⁹⁷ The court went on to find that "the 'Victoria's Secret' mark ranks with those that are 'arbitrary and fanciful' and is therefore deserving of a high level of trademark protection."⁹⁸ The court then noted that it was undisputed that the "Victoria's Secret" mark is famous and that the Moseleys began using the "Victor's Little Secret" name after the "Victoria's Secret" mark had become well known.⁹⁹

The court then moved to an analysis of the disputed factor—whether the "Victor's Little Secret" name diluted the "Victoria's Secret" mark.¹⁰⁰ In reaching its decision, the court noted that it had to decide two issues: (1) which factors should determine whether dilution had occurred at all and (2) whether the plaintiff must present evidence of

92. *Id.*

93. *See id.*

94. 259 F.3d 464, 476 (6th Cir. 2001), *rev'd*, 123 S. Ct. 1115 (2003).

95. *See id.* at 475; *see also* Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 460-61 (4th Cir. 1999).

96. *See* 259 F.3d at 468-69 (citing *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1324 (9th Cir. 1998)).

97. *See id.*

98. *Id.* at 470.

99. *See id.* at 471.

100. *See id.*

actual dilution—through actual harm to its mark-or merely a likelihood of dilution of its trademark.¹⁰¹

The court first examined and relied heavily on the House Report from the FTDA, which defined dilution as “an . . . injury that differs materially from that arising out of orthodox confusion.”¹⁰² The House Report, cited by the court, characterized dilution as “an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark.”¹⁰³ From this legislative history, the court concluded that the FTDA “evinces an intent to provide a broad remedy for . . . dilution and recognizes that the essence of the dilution claim is a property right in the ‘potency’ of the mark.”¹⁰⁴ The court further concluded that this “evinces an intent to allow a remedy *before* dilution has actually caused economic harm to the senior mark.”¹⁰⁵ The court also concluded that if the actual dilution standard were applied, plaintiffs would have to wait until damage to their mark had occurred before they could use the FTDA, which would defeat the preventative language in the FTDA’s legislative history.¹⁰⁶

Next, the court determined that it should use the ten *Nabisco* factors from the Second Circuit to determine whether there was a likelihood of dilution.¹⁰⁷ The *Nabisco* factors are: the senior mark’s distinctiveness; similarity of distinctiveness; similarity of the marks; “proximity of the products and the likelihood of bridging the gap”; “interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products”; “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 the “effect of [the] senior’s prior laxity in protecting the mark.”¹⁰⁸ The court then performed a cursory analysis using these factors.¹⁰⁹

Lastly, the court concluded that “while no consumer is likely to go to the Moseleys’ store expecting to find Victoria’s Secret’s famed Miracle Bra, consumers who hear the name ‘Victor’s Little Secret’ are likely

101. *See id.* at 471-72.

102. *Id.* at 475 (quoting H.R. REP. NO. 104-374 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1030) (internal citations omitted).

103. *Id.*

104. *Id.*

105. *Id.* at 476.

106. *See id.*

107. *See id.* (citing *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 215 (2d Cir. 1999)).

108. *Id.* (quoting *Nabisco*, 191 F.3d at 217-22).

109. *See id.*

automatically to think of the more famous store and link it to the Moseleys' adult-toy, gag gift, and lingerie shop."¹¹⁰ The court classified this as "classic" trademark dilution by tarnishment (association of "Victoria's Secret" with offensive and unsavory merchandise, i.e., adult videos and sex toys) and blurring (linking "Victoria's Secret" with an unauthorized establishment, "Victor's Little Secret").¹¹¹

It would appear that the language used by the FTDA supports the Fourth Circuit's standard of actual dilution, while cutting against the adoption of the Sixth Circuit's likelihood of dilution standard. The FTDA does not use "likelihood of dilution" language like most state dilution statutes.¹¹² Surely when Congress drafted the FTDA, it was well aware of state dilution statutes and probably consulted these statutes during the drafting process. With this knowledge, Congress deliberately omitted the "likelihood of dilution" language from the FTDA and opted for the "causes dilution" language. It is hard to understand why some circuits added the "likelihood of dilution" language to the plain meaning of the FTDA when Congress, with its knowledge of state statutes, purposely excluded it.

The Fourth Circuit also concluded that the language used in the FTDA is temporally "neutral."¹¹³ In reaching this conclusion, the court pointed out that the phrases "lessens capacity" and "causes dilution" are not temporally modified with words like "will" or "may."¹¹⁴ If Congress had added these modifiers, the court argues, the meaning of these phrases would be congruent with the "likelihood of dilution" language, which seems to indicate some future harm, as opposed to the consummated harm the "causes dilution" language suggests.¹¹⁵ The Fourth Circuit and some commentators agree that by using a likelihood of dilution standard, courts like the Sixth Circuit are adding these modifiers to the plain language of the statute, which is like "[a]dding new meaning to a word Congress did not intend."¹¹⁶ One commentator has likened this to "judicial irresponsibility and statutory bastardization."¹¹⁷

110. *Id.*

111. *See id.*

112. *See* Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 461 n.6 (4th Cir. 1999).

113. *Id.* at 460-61.

114. *Id.*

115. *See id.* at 461.

116. Kim, *supra* note 33, at 753; *see also* Ringling Bros., 170 F.3d at 460.

117. Kim, *supra* note 33, at 753.

However, if the language of the statute is read in the context of its legislative history, the use of the likelihood of dilution standard is somewhat more convincing. In reaching its decision, the Sixth Circuit emphasized a particular passage of the FTDA's legislative history.¹¹⁸ This passage characterizes dilution as "an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark."¹¹⁹ The court concluded that this language "evinces an intent to allow a remedy *before* dilution has actually caused economic harm to the senior mark."¹²⁰ This passage seems to indicate that the FTDA is a preventative device that is intended to activate before actual harm occurs. As the Sixth Circuit pointed out, and the Fourth Circuit conceded, actual economic harm is exceedingly difficult to prove.¹²¹ It would be even more difficult to prove if the FTDA is meant to stop the infection at an early stage where the economic harm to the mark might not be so apparent.

It could also be argued, pointing to the FTDA's legislative history, that the alleged dilution in the cases discussed is not the type of dilution the FTDA was even meant to remedy. The House Report describing the purpose and objectives of the FTDA gives examples of dilution, which include "DUPONT shoes, BUICK aspirin, [and] KODAK pianos."¹²² From these examples, it would seem the alleged dilution in *Moseley* is not actionable under the FTDA. The Moseleys do not use the "Victoria's Secret" mark to brand their store or products.

One problem with the Sixth Circuit's decision was its cursory analysis of the factors outlined by the Second Circuit to determine whether the likelihood of dilution standard was met.¹²³ The court also ignored the factors outlined in the FTDA for a dilution analysis.¹²⁴ However, as the court concluded, it would appear that all of the factors outlined by the FTDA weighed heavily in favor of Victoria's Secret.¹²⁵ The court found that the Second Circuit's *Nabisco* factors weighed heavily in favor of Victoria's Secret as well.¹²⁶

Nevertheless, from a realistic perspective, is it likely that "Victor's Little Secret" would ever lessen the "Victoria's Secret" mark's capacity to

118. *V Secret Catalogue v. Moseley*, 259 F.3d 464, 475-76 (6th Cir. 2001).

119. H.R. REP. NO. 104-374 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1030.

120. *V Secret Catalogue*, 259 F.3d at 476.

121. *See id.*; *Ringling Bros.*, 170 F.3d at 464-65.

122. 1995 U.S.C.C.A.N. at 1030.

123. *See V Secret Catalogue*, 259 F.3d at 476-77 (citing *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 215 (2d Cir. 1999)).

124. *See id.*

125. *See id.*

126. *See id.*; *Nabisco*, 191 F.3d at 217-22.

identify and distinguish goods and services? As the FTDA expressly states, its remedy is “subject to the principles of equity and upon such terms as the court deems reasonable.”¹²⁷ Was the Sixth Circuit’s decision reasonable? Was it proportionate to the alleged harm? The Moseleys had one store in a strip mall in Kentucky while Victoria’s Secret is a nationwide chain with pervasive advertising. The number of consumers that were exposed to Victor’s Little Secret was probably relatively small. It is highly unlikely that the “Victoria’s Secret” mark would lose any of its ability and exclusivity in identifying and distinguishing Victoria’s Secret products because of one store named “Victor’s Little Secret.” The dilution in this case certainly does not rise to the level of “an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark.”¹²⁸

Some commentators have suggested that the standard applied (actual or likelihood of dilution) should depend on whether the dilution occurs through blurring or tarnishment.¹²⁹ They argue that because tarnishment is a more serious violation, the likelihood of dilution standard should apply.¹³⁰ The more stringent actual dilution standard would be applied to blurring.¹³¹ They argue that tarnishment is more serious because the damage to the mark occurs more quickly.¹³² They also characterize the tarnishment damage differently from that which occurs through blurring.¹³³ With blurring, they argue, the damage occurs over a long period of time, if at all, through the continued association between the two marks, which results in reducing the mark’s strength.¹³⁴ Tarnishment, on the other hand, results in the corruption of the mark, which can occur from a single incident because the mark is immediately associated with an offensive or inferior product, which results in the automatic reduction of the mark’s selling power.¹³⁵ Moreover, they argue that, by not making this distinction, courts have “opened the door to blurring suits that may stifle commercial free speech and consume significant judicial resources.”¹³⁶

127. 15 U.S.C. § 1125(c)(1) (2000).

128. H.R. REP. NO. 104-374 (1995), reprinted in 1995 U.S.C.A.N. 1029, 1030.

129. See Recent Cases, *Trademark Law—Federal Trademark Dilution Act—Sixth Circuit Holds that Plaintiffs Need Not Show Actual Harm to Prove Dilution*: V Secret Catalogue, Inc. v. Moseley, 115 HARV. L. REV. 731 (2001).

130. See *id.*

131. See *id.* at 731, 735.

132. See *id.* at 735.

133. See *id.*

134. See *id.* at 735-36.

135. See *id.*

136. *Id.* at 734.

D. The Other Circuits

As noted earlier, the Third and Seventh Circuits, like the Second and Sixth Circuits, adopted the likelihood of dilution standard. In *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, the plaintiff, who published a weekly periodical devoted to sports news entitled *The Sporting News*, sued the defendant, who published a periodical devoted to the various information on sports wagering entitled *Las Vegas Sporting News*, alleging, inter alia, trademark dilution under the FTDA.¹³⁷ The plaintiff sued after the defendant changed the name of its publication from the *Las Vegas Sports News* to *Las Vegas Sporting News*.¹³⁸

The Third Circuit affirmed the district court's ruling that granted the plaintiff a preliminary injunction.¹³⁹ The court rejected the Fourth Circuit's interpretation of the FTDA and adopted the Second Circuit's interpretation.¹⁴⁰ In reaching its decision, the lower court used six factors outlined in *Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.*¹⁴¹ The appeals court supplemented the *Mead Data* factors with the dilution factors listed in *Nabisco*.¹⁴² The Third Circuit concluded that the plaintiff did not have to prove actual dilution in the form of actual economic harm to the mark's selling power.¹⁴³ On the contrary, the court concluded that in order to prevail under the FTDA, Times Mirror need only show a mere likelihood that the defendant's use of *Las Vegas Sporting News* would diminish the capacity of *The Sporting News* to identify and distinguish the plaintiff's goods and services.¹⁴⁴

In *Eli Lilly & Co. v. Natural Answers, Inc.*, the plaintiff, a pharmaceutical company that produces the popular antidepressant drug Prozac, sued the defendant, an Internet-based company that sells dietary supplements, alleging, inter alia, that the defendant's use of the name Herbrozac for a mood-enhancing supplement diluted the Prozac mark.¹⁴⁵

The district court granted a preliminary injunction against Natural Answers, holding that Eli Lilly was not required to prove actual dilution under the FTDA and that a likelihood of dilution of the Prozac mark

137. 212 F.3d 157, 160-62 (3d Cir. 2000).

138. *See id.* at 161.

139. *See id.* at 169-70.

140. *See id.* at 168-69.

141. *See id.* at 168 (citing 875 F.2d 1026, 1035 (2d Cir. 1989) (Sweet, J., concurring)).

142. *See id.* at 168-69 (citing *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 227 (2d Cir. 1999)).

143. *See id.* at 169.

144. *See id.* at 168-69.

145. *See* 233 F.3d 456, 459-61 (7th Cir. 2000).

existed.¹⁴⁶ The Seventh Circuit affirmed the district court's holding and found that the Fourth Circuit's interpretation of the FTDA placed plaintiffs at an "impossible level of proof."¹⁴⁷ The court adopted the *Nabisco* test and held that a mere likelihood of dilution was the proper standard to satisfy the "causes dilution" element of the FTDA.¹⁴⁸

As noted earlier, the Fifth Circuit adopted the actual dilution test outlined by the Fourth Circuit in *Ringling Bros.*¹⁴⁹ In *Westchester Media v. PRL USA Holdings, Inc.*, PRL, who owns a family of Polo marks for its company that sells clothing, accessories, home furnishings, and fragrances, brought suit against Westchester Media claiming that its magazine entitled *Polo* diluted PRL's family of Polo marks.¹⁵⁰ The magazine was launched in 1975 and covered the sport of polo.¹⁵¹ The United States Polo Association endorsed it as its official publication, and PRL actually advertised in the magazine.¹⁵² Moreover, PRL's Founder, Ralph Lauren, consented to an interview with the magazine.¹⁵³ Under new management, the magazine was relaunched in 1997.¹⁵⁴ The magazine, according to its publisher, no longer covered the sport of polo; rather, it now covered "an adventurous approach to living life."¹⁵⁵ Obviously unhappy with the magazine's new image, PRL responded to Westchester's suit seeking declaratory judgment on a trademark infringement claim by alleging that the magazine title diluted the Polo mark under the FTDA.¹⁵⁶

The district court declined to address PRL's dilution claim because the relief was identical to that requested under the infringement claim.¹⁵⁷ The Fifth Circuit addressed the FTDA issue, endorsed the Fourth Circuit's actual harm interpretation, and held that the FTDA requires proof of actual harm according to the "plain meaning" of the statute.¹⁵⁸

146. *See id.* at 461.

147. *See id.* at 468.

148. *See id.* at 468-69.

149. *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 670 (5th Cir. 2000), *rev'd sub nom. Leavitt v. City of El Paso*, 534 U.S. 1055 (2001).

150. *See id.* at 661-63.

151. *See id.* at 661.

152. *See id.* at 661-62.

153. *See id.* at 662.

154. *See id.*

155. *Id.*

156. *See id.* at 663.

157. *See id.* at 669.

158. *Id.* at 670-71 (citing *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 461 (4th Cir. 1999)).

VI. THE SUPREME COURT DECISION IN *MOSELEY*

In October 2002, the Supreme Court decided to enter the fray when it granted *certiorari* regarding *Moseley v. V Secret Catalogue, Inc.*¹⁵⁹ As the Court defined it, the question the Court was to decide “is whether objective proof of actual injury to the economic value of a famous mark (as opposed to a presumption of harm arising from a subjective ‘likelihood of dilution’ standard) is a requisite to relief under the FTDA.”¹⁶⁰ The Court concluded that the FTDA “unambiguously requires a showing of actual dilution.”¹⁶¹ The Court further stated that this “does not mean that the consequences of dilution, such as an actual loss of sales or profits, must also be proved,” and the Court also voiced its disagreement with the Fourth Circuit in *Ringling Bros.* to the extent that decision suggested otherwise.¹⁶² However, the Court agreed with the Fourth Circuit, at least in cases where the marks are not identical, that “the mere fact that consumers mentally associate the junior user’s mark with a famous mark is not sufficient to establish actionable dilution.”¹⁶³ The Court concluded, “such association will not necessarily reduce the famous mark’s capacity to identify the goods of its owner.”¹⁶⁴ In the end, the Court concluded the evidence presented was not sufficient to support the summary judgment affirmed by the Sixth Circuit.¹⁶⁵

In reaching its decision that the FTDA requires a showing of actual dilution, the Court first discussed the contrast between the state antidilution statutes and the FTDA.¹⁶⁶ The Court observed that several state statutes, like several provisions of the Lanham Act, “repeatedly refer to a ‘likelihood’ of harm, rather than to a completed harm.”¹⁶⁷ The Court then directed readers to the text of the FTDA itself, which states that “[t]he owner of a famous mark shall be entitled . . . to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use . . . causes dilution of the distinctive quality of the mark.”¹⁶⁸ The Court concluded “this text unambiguously requires a showing of actual dilution, rather than a likelihood of dilution.”¹⁶⁹

159. 123 S. Ct. 1115 (2003).

160. *Id.* at 1118-19.

161. *Id.* at 1124.

162. *See id.*

163. *Id.*

164. *Id.*

165. *See id.* at 1125.

166. *See id.* at 1124.

167. *Id.*

168. *Id.* (quoting 15 U.S.C. § 1125(c)(1) (2000)).

169. *Id.*

Next, the Court directed readers back to the text of the FTDA to buttress its conclusion.¹⁷⁰ Specifically, the Court pointed to the definition of dilution itself.¹⁷¹ The definition provides “‘dilution’ means the lessening of the capacity of a famous mark to identify and distinguish goods and services, regardless of the presence or absence of . . . likelihood of confusion, mistake, or deception.”¹⁷² The Court concluded that the “initial reference to an actual ‘lessening of capacity’ of the mark, and the later reference to a ‘likelihood of confusion, mistake, or deception’ . . . confirms the conclusion that actual dilution must be established.”¹⁷³

The Court then discussed mental association as an element under the FTDA.¹⁷⁴ The Court agreed with the Fourth Circuit in *Ringling Bros.* that dilution cannot be established just from consumers mentally associating the junior user’s mark with a famous mark, at least where the marks are not identical.¹⁷⁵ The Court concluded “such mental association will not necessarily reduce the capacity of the famous mark to identify the goods of its owner.”¹⁷⁶ Using an example based on *Ringling Bros.* to illustrate this conclusion, the Court stated that people who see the phrase “The Greatest Snow On Earth” in reference to Utah’s ski slopes might be reminded of the circus, but that does not mean the association between Ringling Brothers’ “The Greatest Show On Earth” and the circus will be lessened in terms of strength or exclusivity.¹⁷⁷ The Court also concluded the association does not mean “the greatest show on earth” will be associated with winter sports in Utah.¹⁷⁸ The Court pointed to the facts of *Moseley* to further illustrate this conclusion: when the colonel saw the ad for Victor’s Secret he made the mental association with Victoria’s Secret; however, he was only offended by the ad; his impression of Victoria’s Secret did not change.¹⁷⁹ The Court then pointed to the complete lack of evidence that Victor’s Secret lessened the capacity of Victoria’s Secret to identify and distinguish goods and services.¹⁸⁰

170. *See id.*

171. *See id.*

172. *Id.* (quoting 15 U.S.C. § 1127).

173. *Id.*

174. *See id.*

175. *See id.* (citing *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 460-65 (4th Cir. 1999)).

176. *Id.*

177. *See id.* at 1124-25.

178. *See id.*

179. *See id.* at 1125.

180. *See id.*

The Court then discussed the means by which a plaintiff might prove actual dilution.¹⁸¹ Victoria's Secret retained an expert witness to help prove its case; however, the Court concluded, "the expert . . . had nothing to say about the impact of petitioners' name on the strength of respondents' mark."¹⁸² Conceding Victoria's Secret's argument that consumer surveys are "expensive and often unreliable," the Court stated they "will not be necessary if actual dilution can reliably be proven through circumstantial evidence—the obvious case is one where the junior and senior marks are identical."¹⁸³ Considering an argument raised by Victoria's Secret and *amici*, namely that actual dilution is difficult to prove, the Court concluded that "[w]hatever difficulties in proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation."¹⁸⁴

In a concurring opinion, Justice Kennedy concluded that the owner of a famous mark should not have to wait until damage to the mark is done in order to obtain injunctive relief, observing that a primary function of injunctive relief is to "prevent future wrong, although no right has yet been violated."¹⁸⁵ In support of this conclusion, he pointed to the text of the FTDA and the word "capacity" as it is used in the definition of dilution and to the definition of the word capacity itself as it is defined in lay dictionaries.¹⁸⁶ He concluded from this language that "the word 'capacity' imports into the dilution inquiry both the present and the potential power of the famous mark to identify and distinguish goods, and in some cases the fact that this power will be diminished could suffice to show dilution."¹⁸⁷ Finally, he noted that the Court's opinion does not rule out relief if Victoria's Secret can present sufficient evidence on remand to prove either blurring or tarnishment.¹⁸⁸

VII. ANALYSIS AND UNANSWERED QUESTIONS

The most obvious question left by the Court is: What does it take to prove actual dilution? The Court stated that neither the consequences of dilution must be proved, such as an actual decline in sales or profits, nor do consumer surveys necessarily have to be used to prove actual

181. *See id.*

182. *Id.*

183. *Id.*

184. *Id.*

185. *Id.* (Kennedy, J., concurring) (quoting *Swift & Co. v. United States*, 276 U.S. 311, 326 (1928)).

186. *See id.* (citing 15 U.S.C. § 1125(c)(1) (2000)).

187. *Id.*

188. *See id.* at 1126.

dilution.¹⁸⁹ The Court also stated that circumstantial evidence, if it is a reliable indicator of dilution, might be used to prove actual dilution.¹⁹⁰ The Court then stated the most obvious example of such a case is where the junior and senior marks are identical, which are the types of cases illustrated in the legislative history of the FTDA, i.e., Buick aspirin and Dupont shoes.¹⁹¹ This would seem to indicate that the circumstantial evidence in such a case is the actual use of identical marks.

This leaves cases where the marks are not exactly identical, but are similar, like the marks in *Moseley*. The Court's conclusions would seem to indicate that, in this group of cases, plaintiffs will face a much higher, if not impossible, burden of proving actual dilution with circumstantial evidence. Plaintiffs thus may have to fall back on direct evidence, such as consumer testimony and surveys.¹⁹² Nevertheless, plaintiffs could still structure this direct evidence to show that their mark's capacity to identify and distinguish its source's goods has been lessened. For example, in *Ringling Bros.*, the circus could have used a survey in which consumers were asked with what products they associate the slogan "The Greatest Show On Earth," or with what business do they associate it. However, like the actual surveys used in *Ringling Bros.*, the circus would probably find that most consumers in Utah, and outside Utah, are able to associate the slogans with their appropriate product and source.¹⁹³ It is difficult to imagine how a plaintiff would demonstrate, by direct evidence, that its mark's capacity to identify and distinguish goods has been lessened by another mark that is similar but not identical.

If plaintiffs can use circumstantial evidence to prove actual dilution under the FTDA, what does this evidence look like? As noted above, in cases where the marks are identical, it would seem the circumstantial evidence of actual dilution is inferred from the fact that the marks are identical. What about in cases where the marks are not identical? Moreover, does the strength of the circumstantial evidence required to prove dilution depend on how closely the two marks resemble each other? Plaintiffs could present expert testimony analyzing the dilution factors outlined by the Second Circuit in *Nabisco* or the factors outlined

189. See *id.* at 1124-25.

190. See *id.* at 1125.

191. See *id.* at 1123 (citing H.R. REP. NO. 104-374 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1030).

192. See *id.* at 1124-25.

193. See *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 462-63 (4th Cir. 1999).

in *Mead Data*.¹⁹⁴ However, the opinion gave no guidance to the types of circumstantial evidence that might be used to prove dilution in cases where the marks are not identical.¹⁹⁵

The opinion also seemed to indicate, at least in dicta, that future defendants in the Moseleys' situation could argue that the FTDA should be more narrowly construed in cases involving marks that are not identical, or alternatively that the FTDA's protection should be confined to cases that involve identical famous marks.¹⁹⁶ The Court seemed to conclude the legislative history of the FTDA might support such an argument.¹⁹⁷

It would also appear that in some respects the concurring opinion by Justice Kennedy fundamentally diverges from the Court's opinion. This raises the question of whether the Court's opinion is really unanimous. Justice Kennedy's opinion seems more like an implicit dissent. In the Court's opinion, Justice Stevens seems to argue that dilution by tarnishment is not even embraced by the FTDA.¹⁹⁸ He supports this argument by referring to state antidilution statutes that refer to both an injury to business reputation (tarnishment) and to dilution of the distinctive quality of a mark (blurring).¹⁹⁹ He then states that the FTDA only refers to the latter, which, he further concludes, would "arguably support a narrower reading of the FTDA."²⁰⁰ In contrast, Justice Kennedy seems to support the position that Victoria's Secret could get an injunction based on blurring or tarnishment.²⁰¹

The two opinions also seem to differ in a second respect as well. Justice Kennedy, in his concurring opinion, uses the following phrases in terms of a mark's capacity to identify and distinguish goods and services: "potential power," "this power will be diminished," "will erode or lessen the power," "probable consequences," and "threatened with diminishment."²⁰² All of these phrases seem to envisage actionable dilution as something that can be proven by showing a future or likely harm. Justice Kennedy sums this up by stating that owners of famous marks should not

194. See *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 217-22 (2d Cir. 1999), *overruled in part by* *Moseley v. V Secret Catalogue, Inc.*, 123 S. Ct. 1115 (2003); *Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1035 (2d Cir. 1999) (Sweet, J., concurring).

195. See *Moseley*, 123 S. Ct. at 1125.

196. See *id.* at 1124.

197. See *id.*

198. See *id.*

199. See *id.*

200. *Id.*

201. See *id.* at 1125-26 (Kennedy, J., concurring).

202. *Id.*

have to wait until the damage begins in order to initiate litigation.²⁰³ This would seem to be in direct conflict with the Court's conclusion that actual dilution must be proven.²⁰⁴ Actual dilution would seem to mean dilution that has at least started to occur. However, all of this raises a number of related questions: to what extent, or in what phase, does dilution need to be for the Court to find that the famous mark is losing its ability to identify and distinguish goods; when does dilution begin and can it even be detected in its early stages; and, how much of the famous mark's capacity must be reduced to constitute actionable dilution?

The opinion also seems to differ in a more fundamental way. Justice Kennedy appears to argue that trademark dilution is motivated by an interest in protecting consumers, by stating "[i]f a mark will erode or lessen the power of the famous mark to give customers assurance of quality and the full satisfaction they have in knowing they have purchased goods bearing the famous mark, the elements of dilution may be established."²⁰⁵ On the other hand, Justice Stevens explicitly states that antidilution laws are not motivated by an interest to protect consumers.²⁰⁶

VIII. CONCLUSION

The Court's opinion seems to have left more questions unanswered than answered. The Court, however, answered the question of which standard courts are to use under the FTDA: actual dilution.²⁰⁷ However, without further elaboration on how one might prove actual dilution, the Court might as well have answered the question with a conclusion that left numerous open questions in its wake. Maybe the Court had to do this in order to maintain a majority. Maybe the Court is not sure what dilution is. Or, maybe the Court followed the advice of the Second Circuit (even though it disagreed with its holding):

[I]n considering a new federal statutory right, it seems to us that courts would do better to feel their way from case to case, setting forth in each those factors that seem to bear on the resolution of that case, and, only eventually to arrive at a consensus of relevant factors on the basis of this accumulated experience.²⁰⁸

203. *See id.* at 1126.

204. *See id.* at 1124-25.

205. *Id.* at 1125-26 (Kennedy, J., concurring).

206. *See id.* at 1122.

207. *See id.* at 1124-25.

208. *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 227 (2d Cir. 1999), *overruled in part by Moseley v. V Secret Catalogue, Inc.*, 123 S. Ct. 1115 (2003).

The open questions will increase the uncertainty in FTDA cases and litigation. The issues left unanswered by this opinion will surely come before the Court in the future. Or maybe the FTDA will be repealed.

In reaching its decision, perhaps it is for the best that the Court did not adopt either approach advocated by the courts in the circuit split. One approach would have made it extremely difficult, if not impossible, for plaintiffs to prove dilution, which could subject legitimate dilution claims to an impossible standard (of course, this is assuming dilution exists in the real world and not just in the Schechter article). At least where the marks are not identical this still may be true. However, traditional infringement law with its likelihood of confusion analysis is still available. The other side rejected by the Court would have made it too easy for plaintiffs to prove dilution, which could consume infringement law, and as some commentators have pointed out, “stifle commercial speech and consume significant judicial resources.”²⁰⁹ The Court seems to have reined in a statute that attempts to define a concept that is confusingly similar to traditional trademark infringement law.

209. Recent Cases, *supra* note 129, at 734.