

## PANEL II: Trademark Dilution Revision Act Implications

*Moderator:* Sonia Katyal\*  
*Panelists:* William G. Barber†  
Barton Beebe‡  
Christine Haight Farley§  
Michael Heltzer||  
Paul Alan Levy#

MR. RUBIN: Good morning. Welcome to our second panel.

We have been graced by a distinguished panel of scholars and practitioners, who, hopefully, will be able to distill for us the issues around trademark dilution. We have a distinguished moderator, Prof. Sonia Katyal.

Prof. Katyal teaches intellectual property, property and civil rights here at Fordham. I would also like to point out that she accepts a great many students on independent study, which probably takes more time than teaching courses. Prof. Katyal writes extensively in the areas of civil rights, intellectual property, and new media. Just to mention a few, her paper “Exporting Identity” won the Dukeminier Award in 2002. Her paper “The New Surveillance” won the Yale Cybercrime Writing Award for

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2004. Her most recent paper “Semiotic Disobedience” was awarded Honorable Mention in the 2006 Scholarly Papers Competition by the American Association of Law Schools.

Prof. Katyal is also the former chair of the American Association of Law Schools Art Law Section and the secretary of the Association’s Intellectual Property Section.

Prof. Katyal is currently authoring a book entitled *Anti-Branding*.

Please join me in welcoming Prof. Katyal.

PROF. KATYAL: Thank you, Mr. Rubin.

I just really want to take a moment and congratulate all of you, particularly the journal staff, for putting together an incredible symposium. We have the leading practitioners and scholars and other individuals here today to talk about a number of different issues.

The Trademark Panel is particularly of interest to me because, as you know, it is something that I have been writing a bit about, but also because the legislative developments have come so quickly and so fast. So this is really a wonderful opportunity for all of us to hear from the leaders in this area about some of the new developments.

This panel is assembled to essentially discuss the Trademark Dilution Revision Act,<sup>1</sup> which has just passed the House and is currently before the Senate. HR 683 is in part a reaction to the Supreme Court’s decision in *Moseley v. Victoria’s Secret*.<sup>2</sup> But the changes in the bill actually go well beyond the holding in the case. The key changes involve the rejection of the actual dilution standard, the adoption of the state law, likelihood of dilution standard, the definition of famous marks, and the elimination of dilution protection for famous marks in niche markets.<sup>3</sup>

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<sup>1</sup> Trademark Dilution Revision Act, H.R. 683 109th Cong. (2005) (Current Status: Passed House on April 19, 2005 and sent to Senate where it was passed on March 8, 2006 with amendments and sent back to the House), *available at* [www.publicknowledge.org/issues/tmdilution](http://www.publicknowledge.org/issues/tmdilution).

<sup>2</sup> *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

<sup>3</sup> Trademark Dilution Revision Act, H.R. 683 109th Cong. (2005).

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It also involves a rejection of the Second Circuit's restriction of federal dilution protections to only inherently distinctive marks and involves an explicit addition and definition of dilution by tarnishment, as well as blurring.<sup>4</sup> It also involves a limitation of the scope of dilution protection through fair use and the requirement of a junior use mark as an indication of source.

If that sounds sort of technical and specific, I imagine that our speakers will speak to many of these differences between the prior law and the current legislation.

We have a number of leading scholars and practitioners who are working on this bill or writing on the bill. We are assembled to discuss the likelihood of passage of the bill, the merits of the changes, and the effect on federal dilution protection, and the relationship between federal and state law in this area.

Our first speaker, William Barber, is a partner in the law firm of Fulbright & Jaworski, in Austin, Texas, where he specializes in the field of trademark litigation. He is essentially recognized as among the world's premier trademark lawyers, in various publications, such as *The International Who's Who of Trademark Lawyers* and *A Guide to the World's Leading Trademark Law Practitioners*. He has also testified before the United States House, in the Subcommittee of Courts, the Internet, and Intellectual Property, regarding this particular act.

In addition to his distinguished practice in law, he is also an adjunct professor at the University of Texas School of Law, where he teaches a course on trademark. He serves on the Board of Directors of the American Intellectual Law Association and is a past chair of the State Bar of Texas Intellectual Property Law Section.

He is a frequent speaker, and we are incredibly honored to have him here today.

[See article below in lieu of presentation transcript.]<sup>5</sup>

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<sup>4</sup> *Id.*

<sup>5</sup> William G. Barber, *The Trademark Dilution Revision Act of 2005: Breathing Life Back Into the Federal Dilution Statute*, 16 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 1113 (2006).

PROF. KATYAL: Thank you.

Our next speaker is Prof. Barton Beebe, who joins us from Cardozo School of Law, Yeshiva University, where he specializes in intellectual property law.

He received his JD from Yale Law School and was an editor of the Law Journal and an articles editor of the *Yale Journal of Law and Humanities*. Prof. Beebe has published extensively on trademark law. His most recent works are “The Semiotic Analysis of Trademark Law,” which came out in *UCLA Law Review*, and “Search and Persuasion in Trademark Law,” which was just published in the *Michigan Law Review*. Both of these articles he was invited to present at the Stanford-Yale Junior Faculty Forum.

He is actually working on two empirical projects right now, one that involves studying the multifactor test for trademark infringement, and the other, studying the multifactor test for fair use and copyright law, as well as an essay on intellectual property doctrine, scarcity and relative utility.

[See article below in lieu of presentation transcript.]<sup>6</sup>

PROF. KATYAL: Great. Thank you.

Our next speaker is Christine Haight Farley, who joins us from American University Washington College of Law. Prof. Farley teaches courses in intellectual property law, U.S. trademark law, international and comparative trademark law, and law in the visual arts. She also serves as associate director of the Glushko-Samuelson Intellectual Property Law Clinic.

Her scholarly work is in the areas of intellectual property, international law, and art law. Her current projects study the intersection of art and intellectual property, and the unstable basis of rights in the development of trademark law. She has an incredibly long list of publications, the most recent being on search engines as third-party infringers and another article on art and aesthetics.

[See article below in lieu of presentation transcript.]<sup>7</sup>

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<sup>6</sup> Barton Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1143 (2006).

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PROF. KATYAL: Thank you.

Our next speaker is Michael Heltzer, who currently serves as the manager for external relations for the International Trademark Association, INTA, which has come up several times already, the largest organization in the world that is dedicated exclusively to the protection of trademarks and their role in commerce.

As INTA's external relations manager, he is responsible for working for member committees and advising the association's leadership in the development of trademark policy in the United States and matters relating to cyberspace.

He has also been published in *The Trademark Reporter* and the *New York Law Journal*. Prior to being employed by INTA, he served as a legislative assistant in the New York State Assembly.

Mr. Heltzer?

MR. HELTZER: Thank you very much.

First, as the one non-attorney up here, I have to say, I am very humbled by everyone's background. I am grateful to be here representing the association.

What I would like to do here today is just give you a little bit of background in terms of how the bill came about and what we were thinking when we were putting it together.

But, first, I want to say that the criticisms of the bill that we have heard so far—these are all things that the Select Committee did think about. It was right after the *Moseley* decision<sup>8</sup> that our then-president, Kathryn Barrett Park from General Electric, put together a select panel that included folks like Jerry Gilson, who might dispute the comment about McCarthy writing the treatise. Jerry was on the panel. We had attorneys from both sides of the *V Secret* case.<sup>9</sup> We had folks that were not just in-house, but folks that often argued for defendants in dilution cases. So it was a very well-balanced panel.

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<sup>7</sup> Christine Haight Farley, *Why We Are Confused About the Trademark Dilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1175 (2006).

<sup>8</sup> *Moseley*, 537 U.S. 418.

<sup>9</sup> *Id.*

Let me say that I think one of the conclusions that we reached right off was that dilution law, as it stands today, is, in fact, broken, that it is in need of repair. As our president, Ann Gundelfinger, put it at the congressional hearing, it is right now ineffective, and courts just don't know what to do with it—courts and defendants and plaintiffs alike.<sup>10</sup> So there needed to be some sort of clearing of the air, some sort of guidance for courts, and what have you.

So we got together—the Select Committee, that is—and, over about a year, we put together this package, then shipped it out to groups like AIPLA, which weighed in with some comments, and the ABA as well. We did have a congressional hearing, back in February, as Bill indicated.<sup>11</sup> I thought that hearing went very well. I thought there was a really good airing of the issues. There were comments and criticisms from both sides of the aisle.<sup>12</sup> Certainly, Mr. Berman, the ranking Democrat, raised some First Amendment concerns<sup>13</sup>—which, by the way, I want to say, the Select Committee tried very hard to address, and I think did a very good job of it.<sup>14</sup> As a matter of fact, there was an entire subcommittee of the Select Committee dedicated exclusively to the defenses section.

The other two committees, by the way, were fame and the standard of proof for dilution.

So we had the hearing back in February. Then there was a markup by the full Judiciary Committee. Then the bill passed the House 411 to 8 back in April. So there is strong bipartisan support for this bill.

Now, I know that there are critics. As I said, we have done our best to try to address as many of those issues as we can. But we feel that there is a danger to famous marks. Famous marks, because of their qualities, are the most susceptible—and I am

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<sup>10</sup> Trademark Dilution Revision Act of 2005: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Property of the Comm. on the Judiciary House of Representatives, 109 Cong. 17-18 (2005) [hereinafter Hearings] (testimony of Anne Gundelfinger, President, INTA).

<sup>11</sup> *Id.*, 109 Cong. (2005).

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*, 109 Cong. 14.

<sup>14</sup> *Id.* at 19.

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quoting here—“to irreversible injury from promiscuous use. In particular, these well-known marks generate copying.” Third parties adopt such marks for their own goods and services much more frequently, not necessarily to deceive or confuse, but rather for the positive associations that such marks carry.

That is why we believe that famous marks are the marks that need to be protected here.

We got out of the House back in April. The bill right now is with the United States Senate Committee on the Judiciary. We worked with the committee staff over the summer and with AIPLA and with some of the interest groups that Bill mentioned, to work on some amendments. Again, those were identified by Bill. Then we got into the Chief Justice Roberts hearings, and that pushed us back a little bit.

Over the last four weeks or so, the committee has had trouble holding a quorum in order to report out the bill. The one time they did have a quorum—I will tell you this story—it was a meeting right off the floor of the Senate, and when it came time for the dilution bill, there was one senator who said, “I’ve never heard of this bill, so let’s hold off another week.” Then we held off another week, and they didn’t get a quorum. Last week, we were the very next bill up. They just barely had a quorum yesterday, and then one senator got up, and as soon as that happened, they lost the quorum.

There have not been any, I would say, substantive issues with the bill. It has been making sure that enough senators are present in order to vote the bill out. We are hopeful, though, that it will be reported out—there is still a chance that it will be reported out to the floor this year. My understanding is that the Senate will be back in December for about a week, the week of December 12. Paul is shaking his head. It depends on whether or not they get their work done this week. But the last I heard is that Senator Frist is going to call the Senate back for a week, probably to handle some appropriations bills. If he does that, then there is a chance for another business meeting. If not, we are probably looking at late January when the committee will be able to report out the bill, because we have the Alito nomination that the committee does need to deal with. That will probably take two weeks, I would

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think, and then a third week for the committee to have an executive meeting to either report or not report the nomination to the floor. So we are looking at late January.

But this is a bill that I have been working on for a couple of years now, one that, as I said, we have thought a lot about and one that we are confident will go through, in 2006 certainly. Once the Senate passes it, because of the ISP amendments that were worked out, as well as some technical amendments, it will have to go back to the House of Representatives. But we expect that the House will act on it quickly once it receives it.

That is really all I have to say on this matter. It's an important bill for mark owners. I appreciate that there are differences of opinion on this. Dilution is a very difficult issue, even for folks who have practiced law for a number of years. I am certainly pleased to hear that the debate is going on even today.

With that, I turn the floor back over to our moderator.

PROF. KATYAL: Thank you.

Our next and final speaker is Paul Alan Levy, who is an attorney with the Public Citizen Litigation Group, which is a public-interest law firm that was founded by Ralph Nader in 1972. Among the issues on which the group litigates are federal health and safety regulations, consumer litigation, open government, union democracy, separation of powers, and the First Amendment.

Paul specifically has specialized more recently in free-speech issues arising on the Internet. He has litigated cases in state and federal courts throughout the country about the identification of anonymous Internet speakers. His amicus brief in *Dendrite v. Doe*,<sup>15</sup> whose approach was actually adopted by the New Jersey Superior Court Appellate Division, has become the model for many of these cases.

His Internet practice also includes defense of trademark and copyright claims brought as a means of suppressing critical websites. His cases in this area have established the right to create Internet "gripe sites" that include the trademark names of companies in their domain names and meta tags. For the past two

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<sup>15</sup> *Dendrite Int'l, Inc. v. Doe*, 775 A.2d 756 (N.J. Super. Ct. App. Div. 2001).

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years, he has also chaired the Subcommittee on Domain Name Litigation for the ABA's Intellectual Property Section.

[See article below in lieu of presentation transcript.]<sup>16</sup>

PROF. KATYAL: Great. Thank you.

We have had a wide range of perspectives on this panel. Let me just see if any of the panelists want to take a minute or two to respond to specific presentations that have already been made, before we go to questions.

[No response]

MR. LEVY: That's what I thought.

MR. BARBER: Actually, I do. Since we were invited by the last speaker to give an example of a case where you need a tarnishment claim as opposed to a blurring claim and it wouldn't qualify for fair use, I think I have given examples of that this morning. "Enjoy Cocaine"—that was not a commentary on Coca-Cola. That was just an abuse of the Coca-Cola script logo. It had nothing to do with Coca-Cola. These obscene uses of the Pillsbury Doughboy have nothing to do with Pillsbury. It's just an abusive use of a famous trademark.

There are legitimate parodies, where somebody is using a famous mark—Joe Chemo, I think, is a good example—where somebody is using a famous mark to parody the trademark owner's products.<sup>17</sup> That is a parody on cigarette smoking and on Camel cigarettes. I think that is a legitimate use; that is a fair use.

But these other uses are not legitimate parodies. I think it's what the tarnishment theory is all about. I think that's why we need tarnishment to be specifically covered in the statute.

MR. LEVY: May I respond to that?

PROF. KATYAL: Yes.

MR. LEVY: "Enjoy Cocaine" has nothing to do with Coca-Cola? Look, we all know that in the early days one of the things

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<sup>16</sup> Paul Alan Levy, *The Trademark Dilution Revision Act—A Consumer Perspective*, 16 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 1189 (2006).

<sup>17</sup> Hearings, *supra* note 10, at 66–67, (2005) (statement of Marvin Johnson, Legislative Council, ACLU).

that at least was rumored to give Coke its kick was the inclusion of a small amount of cocaine. If you think somebody who is sued for using “Enjoy Cocaine” isn’t going to rely on a fair-use defense—and, frankly, if the case is litigated fairly, they are going to win. It’s plainly commentary on cocaine, making fun of the origins of Coke.

So it is a commentary on the trademark holder. You may not like it. They may be really offended by it. But if you mean the language that you have allowed to get into the statute, that defendant is going to win.

PROF. KATYAL: Let’s take some questions.

QUESTION: Marjorie Heins from the Brennan Center.

I don’t care whether it is a commentary on Coca-Cola or not. The one thing that I don’t think has been mentioned here is that when you have a famous brand—and Coke is a very good example—it becomes part of our culture; it becomes part of our language. Commentators have a right to use it, especially when, as Paul has pointed out, it is very hard to point to any real harm, except that Coca-Cola might prefer that its very well-known trademark not be used by parodists and political commentators as a reference point in order to build upon it and make new speech.

That is not a question, but I can put a question mark at the end of it, and anybody can respond.

MR. BARBER: I think I would agree with you if you are talking about political commentary. The point that the noncommercial-use exception has been taken out—I think there is some merit to having that provision in there. I am certainly not opposed, in principle, to purely noncommercial uses not being subject to dilution claims. I think the problem is that you get on a very slippery slope there. If it is a purely noncommercial gripe site by a consumer that has had a problem with some product they have bought from a trademark owner, that’s fine. I agree, that should not be covered by the dilution statute. But a lot of these gripe sites really have commercial aspects to them. Some of them are even done by competitors. That is where there is a problem.

Interestingly, the ACLU was not a fan of the noncommercial-use exception, and they went along with taking that provision out,

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in favor of the more specific parody fair-use exception.<sup>18</sup> They said the noncommercial-use exception really does them very little good, because of these situations like Joe Chemo. If you put that on a T-shirt, now it's commercial.<sup>19</sup> So that provision doesn't really help them. The specific parody exception helps them much more from a First Amendment standpoint.<sup>20</sup>

MR. HELTZER: That's exactly what I was going to say, Bill. It wasn't INTA or AIPLA that asked for the noncommercial to be removed. It was the ACLU, who said, "We'd much rather have the parody defense than the noncommercial defense."

MR. LEVY: I wouldn't hide behind the ACLU, because the ACLU didn't have a lawyer experienced in trademark defense litigation consulting with them when they were consulting with you about the language. They now fully recognize the problem that has been created.

Yes, it's true, at the time, they thought it was better to expand protection to some commercial uses. But you could have expanded that protection by simply substituting the fair-use amendment for the existing fair-use protection. You didn't have to take out noncommercial use to accomplish that. I can tell you that the ACLU is now firmly of the view—I'm not an ACLU person, but they are with us on the Hill, explaining why the elimination of the noncommercial-use exception is so deleterious.

I am glad to hear Bill Barber tell us that he doesn't have a problem with putting that exception back in. I hope he will tell that to the members of the committee, because we have been having a very difficult problem trying to get them to put it back in. I really appreciate your support on that.

PROF. KATYAL: Do you want to respond?

MR. BARBER: I just wanted to say, I didn't say I was supporting putting that back in. I said I don't have an objection with the principle that noncommercial uses shouldn't be covered. I think you have to be careful, if that goes back in, to make it very

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<sup>18</sup> *Id.* at 68.

<sup>19</sup> *Id.* at 68.

<sup>20</sup> *Id.* at 782.

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clear that noncommercial means noncommercial. If it's purely political speech, fine. If it's purely a noncommercial gripe site, fine. But again, you get on a very slippery slope very quickly on that.

PROF. KATYAL: Great. Let's go to a couple more questions before we break.

QUESTION: I wanted to raise a concern about the differentiation between commercial speech and noncommercial speech, because I think that is increasingly hard in our culture to maintain.

The second part of my concern is to ask about the concept of free-riding as being a reason for disallowing a cultural reference, when cultural references are sort of the way our culture grows. Referring back to what the speaker from the Brennan Center said, our culture can't grow if we aren't allowed to make references to things that other people have done.

Do you have a response to that in terms of where the real harm is in making these cultural references? The case I think of is, "This Bud's For You," was the name a florist's shop wanted to use and was disallowed because of Budweiser's concern.<sup>21</sup>

MR. BARBER: I thought you were going more towards commentators and politicians using trademark terms as part of the American culture. Again, I don't have so much of a problem with that. The example you gave, though, I think is classic dilution, classic blurring. That's exactly what the dilution statute and dilution theory is all about.

PROF. KATYAL: Can I make your question a little more specific? One of the things that you did say was problematic to you was not Joe Chemo being circulated in a noncommercial venue, but the selling of Joe Chemo on T-shirts. This sort of goes back to your first question. How do you say that the circulation without cost is fine under First Amendment grounds, but the circulation of a mark that clearly criticizes the corporation and the sale of that T-shirt is then problematic from a First Amendment point of view? How do you draw that distinction?

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<sup>21</sup> *Anheuser Busch, Inc. v. Caught-on-Bleu, Inc.*, 288 F. Supp. 2d 105 (D.N.H. 2003).

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MR. BARBER: I guess I don't draw the distinction. I think if you are selling a T-shirt with Joe Chemo on it, that's fine. That is what this exception for fair-use parody is all about. It is not limited to noncommercial. The fair-use provision that we drafted does not have a noncommercial requirement. So selling it on T-shirts is fine, as long as it is a fair parody on the trademark.

MR. HELTZER: And as long as it's not being used as a mark. If you begin to use it as a mark, then you run into some trouble. But if you just have Joe Chemo on a T-shirt and it doesn't indicate what the source is, then I think you are okay.

MR. BARBER: But "This Bud's For You," for a florist, that is used as a mark. That is not a fair use. The harm—you can agree with it or not agree with it—is, "This Bud's For You" is a famous mark, it's strongly associated by the public with Budweiser, and if you allow everybody else to use that term as a mark, then it loses its uniqueness; it loses its selling power.<sup>22</sup>

QUESTIONER: It loses the uniqueness, but it wouldn't be funny if it weren't for the Budweiser mark. So it's sort of giving free advertising to Budweiser.

PROF. KATYAL: Maybe we should go to another question, because a bunch of people have their hands up.

QUESTION: Mark Jaffe.

This regards the comment, which I think was also made before Congress, that a famous mark is more susceptible to harm by the pernicious use of users. Could it be said that a famous mark, although more suspect [sic] to the pernicious use, is actually less subject to the harm, by the very nature of its being famous?

MR. HELTZER: In other words, that a mark is so famous that it's incapable of being diluted?

QUESTIONER: That it is less likely, by the very nature of its being famous, and if it does, that speaks to the degree to which it is famous.

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<sup>22</sup> See generally *id.* at 110 (explaining that Anheuser-Busch has extensively promoted the "This Bud's For You" mark).

MR. HELTZER: I have heard that before. But what we are getting from famous mark owners—and this is one of the main reasons behind the dilution bill—is that they have put substantial investment—they and their employees have put—the “This Bud’s For You” mark. Think about the amount of advertising that has gone into that, the dollars, the goodwill that is associated with that. Just think about that. That is what brand owners are looking to protect. Why should somebody be able to associate themselves with that mark, when they haven’t put in the time or the investment, or their employees haven’t put in the same time or investment?

I understand what you’re saying. Correct me if I am wrong. It is that a mark is so famous, so well-known that it’s incapable of being chipped away at. Is that what you are saying?

QUESTIONER: You didn’t speak to the actual harm created by that use.

MR. HELTZER: One of the principals behind dilution, Bill can chime in here if I get this incorrect, is that one use today, that doesn’t do any harm, and then you say, “All right, we’ll let that go,” and then another one comes along. Maybe that doesn’t do any harm. But then the third one—that force shield is starting to diminish a little bit, and then a fourth, a fifth, a sixth use. Pretty soon that—Bill would call it uniqueness—we will call it distinctiveness—runs into some trouble.

That is the thinking here, I think.

PROF. BEEBE: There’s just one basic paradox of trademark law, which my students tend to point out as well, and you have just asked about it. The basic thing to understand in confusion doctrine and dilution doctrine is that trademark law protects the strong much more than it protects the weak. The stronger you are, the more protection you get. That’s the way trademark law has been in the U.S. since the Lanham Act.

I am uncomfortable with that principle, with the idea, especially with the new anti-dilution protection, that there is basically an aristocracy in place. If you qualify as a famous mark, you get a whole other set of protections. You become even stronger.

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But that is the way the law is on both sides, confusion and dilution.

MR. LEVY: You raise a very interesting point, which I don't think the small business community has really focused on yet. But as this bill gets delayed more and more, you are running the risk that the small business folks are going to recognize that what you are doing is setting up a dilution law that is exclusively for the use of the really big companies, and the small businesses aren't going to be able to claim dilution anymore. They are just going to be the defendants. When they wake up to that, that's going to be the end of this bill.

QUESTION: Edward Greenberg. We represent, principally, photographers, illustrators, and artists.

I think, Mr. Levy, you raise an exceptionally good point. This law is presumably written for real people and not for other lawyers. Illustrators and photographers who don't have legal staffs and who don't have employees, but rather work out of studios or their own apartments, will take a look at the plain language on these pieces of legislation, on photography websites and illustration websites, where we have to answer the legal questions. Mr. Levy is a hundred percent right; they are scared out of their wits to go anywhere near a lawyer now for the, quote, regular stuff. They will not pose any battle to any company that sends a demand letter like this. They can't afford it. They can't find attorneys in the hinterlands who know anything about this. If they are outside of New York, Los Angeles, and Chicago, no one knows what they are talking about.

Mr. Levy, your point about how the lay people will read this law is exceptionally well-taken.

QUESTION: One of the big changes that has taken place in the last twenty years that has been barely mentioned in terms of the discussion of the legislation—we have talked in terms of the traditional ways in which you look at trademark, but far and away the biggest change that has taken place has been the use of the Internet. It works both ways, both in terms of searching and in terms of domain names.

For example, if there is a florist named “This Bud’s For You,” if I type “This Bud’s For You” into Google, I will get that florist, as well as the trademark. I will also get people fairly commenting, and that’s reasonable.

One thing that I would be interested in your views on is how the proposed legislation would impact on the current regime as far as domain-name interference is concerned.

PROF. KATYAL: Great question.

MR. LEVY: I’ll start, because I litigate those cases.

The loss of the noncommercial-use defense is going to hurt us big-time. In theory, we will win all those cases, based on a nominative fair-use defense, except for the problem that they are too expensive.

We just won a case in the Fourth Circuit in which the Fourth Circuit agreed with our basic theory that a domain name isn’t a source identifier; it’s a subject identifier, and so if you use a domain name to denote the subject that you are talking about, it’s not likely to create confusion.<sup>23</sup>

QUESTION: From what I have understood, if I use a trademark, Apple, for any of my products, or Ford for any products that have nothing to do with cars, am I also still free-riding on the name? Or is it okay to do? Am I not still free-riding on Apple, even though it has nothing to do with the products? Would that be allowed in the first place? Who gets the protection, or is there any protection at all?

PROF. KATYAL: I think you might have a diversity of perspectives in answer to that question. Does anyone want to unpack it really quickly?

MR. BARBER: As with a lot of situations, it depends. If you are using Apple for something related to computers, yes, you are free-riding, and, no, you can’t do that. But that’s under traditional likelihood-of-confusion analysis.<sup>24</sup> But I think Apple is a good example of a mark that shouldn’t be protectable from dilution because there is more than one Apple out there. So again, if you

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<sup>23</sup> See *Lamparello v. Falwell*, 420 F. 3d 309 (4th Cir. 2005).

<sup>24</sup> *Id.*

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are using Apple for something totally unrelated to computers, there are lots of other companies that use Apple for something totally unrelated to computers. We have Apple Records and Apple Leasing.

Unless you are using the Apple Computers logo, I don't think you are free-riding, and I don't think this bill would preclude that.

MR. HELTZER: I want to just say that what we have done in the bill is to put in a series of factors for dilution by blurring, which will help both sides of the case, as well as the judge, make a determination as to whether or not there is blurring. These include the degree of similarity between the marks, the degree of inherent or acquired distinctiveness.<sup>25</sup>

In that case, as Bill was talking about, how inherently distinctive is Apple? It's not necessarily a made-up term, so it might have a little bit more difficulty: The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark (how many other uses of Apple are out there); the degree of recognition of the famous mark (just how famous the famous mark is); whether the junior user intended to create an association; finally, any actual association between the junior use and the famous mark.

So, as Bill said, it is going to be based on the facts of the case, and a judge is going to have to weigh these, as well as other factors, in making a determination as to whether or not there is dilution by blurring.

QUESTIONER: I would say it would give me at least a good start, as opposed to using anything else. If I'm using Ford or if I'm using Apple, it at least gives me a good start. I don't know whether you would call it goodwill. I don't know what it is. But as compared to anything else—Orange, for that matter. It's definitely a good start for me to use that mark. People definitely recognize that name.

PROF. KATYAL: We have time for one last question.

QUESTION: We almost got to this before but didn't quite get there. It seems to me—and I would like the panel to address this—

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<sup>25</sup> Trademark Dilution Revision Act, H.R. 683, 109th Cong. (2005).

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that dilution and confusion can't even coexist in the same legal universe. Eventually, you are going to have a situation where—if you have, “This Bud's For You,” maybe there is dilution. What are the damages? One dollar, maybe. What's the harm, where the mark is so famous that there is actually no confusion there at all? The whole system of damages has been always based on confusion. Aren't those going to cancel one another out eventually, dilution and confusion?

MR. BARBER: The primary remedy under the dilution statute is an injunction. So there may not be any quantifiable harm, where you say, “Yes, we've lost so many sales, and we're entitled to this much money in damages because of ‘This Bud's For You’ on a florist's.” So the primary remedy is an injunction.

I don't think confusion and dilution cancel each other out, because they are really different situations. If somebody is using, “This Bud's For You” for something relating to beer or beer distribution or a bar, then people might be confused that that is actually sponsored by Budweiser. “This Bud's For You” on a florist's—that is the problem—there is no likelihood of confusion there, but there still should be a remedy to prevent the erosion of that very famous, very unique mark.

MR. HELTZER: You ask what the harm is. As I said before, the brand owner has invested millions of dollars in advertising, countless hours in creating the goodwill behind that mark.

Let's say “This Bud's For You,” the florist's shop, it turns out that it's selling also strip-o-grams or something like that. That's tarnishing and harming the reputation of “This Bud's For You,” which has become a famous term here in America.

I will turn the question back to you.

PROF. KATYAL: I think Paul wanted to add something.

MR. LEVY: I'm sorry, but the answer is circular. Yes, they put lots of money into building that mark to identify a product and prevent confusion about that product. But you are not trying to defend that interest. You are trying to defend something else. That's what the people who have a problem with the whole concept of dilution object to. Yes, you are granted a monopoly on the use of the term for a particular kind of product, but not to

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prevent the use of the term for other purposes. Now you're saying, "We've invested all this money, so we should be able to get some additional protections." The question is, why?

I think that's Christine's point, although she didn't speak.

PROF. KATYAL: Unfortunately, we have run out of time.

I really want to thank the panelists. It has been such a great discussion.