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## DILUTION THROUGH THE LOOKING GLASS: A MARKETING LOOK AT THE TRADEMARK DILUTION REVISION ACT OF 2005

*By Joel H. Steckel, Robert Klein and Shelley Schussheim*\*

### I. INTRODUCTION

Trademark professionals have experienced a changing landscape over the past decade. In 1995, Congress enacted the Federal Trademark Dilution Act (FTDA) to expand the rights granted to owners of famous trademarks to protect famous marks without needing to prove likelihood of confusion.<sup>1</sup> Unfortunately, courts interpreted the FTDA inconsistently as to whether “actual dilution” or “likelihood of dilution” had to be proven in order for a plaintiff to prevail.<sup>2</sup> To settle this conflict, the Supreme Court granted certiorari in *Moseley v. V Secret Catalogue, Inc.*<sup>3</sup>

Readers of *The Trademark Reporter*<sup>®</sup> are certainly aware of the controversy that emerged concerning the implications of the Supreme Court’s decision in *Moseley*.<sup>4</sup> The Court decided that proof of “actual dilution” rather than simply a “likelihood of dilution” is required. However, in a seemingly inconsistent statement, the court noted that proof of actual economic injury is not required. The question thus remains, “What is?” This has befuddled courts and litigants ever since. Furthermore, the Court explicitly expressed doubt as to whether “dilution by tarnishment,” one of the two major types of dilution—“dilution by blurring” being the other—is covered by the FTDA.

Indeed, some critics went so far as to suggest that the decision rendered the FTDA powerless to the extent that it requires proof of something “that is so ethereal and evanescent that it may be

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1. 15 U.S.C. § 1125(c).

2. See, e.g., *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Development*, 170 F. 3d 449 (4th Cir. 1999) and *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999).

3. 123 S. Ct. 1115 (2003).

4. See, e.g., Dale M. Cendali, Carol M. Martorin and Jeremy Malthy, *Moseley One Answer, Many Questions*, 93 TMR 833 (2003) and James R. Higgins Jr. and Scot A. Duvall, *The FTDA After Moseley v. V Secret*, 93 TMR 813 (2003).

incapable of proof in ordinary cases.”<sup>5</sup> Others argued that the Court’s decision was in reality (if not intent) a call for the legislature to go back to the drawing board and clarify an ambiguous statute.<sup>6</sup> Not surprisingly, Congress has done exactly that.

On April 19, 2005, the House of Representatives passed H.R. 683, the Trademark Dilution Revision Act of 2005 (TDRA), by an overwhelming bipartisan majority: 419 yes, 8 no, and 15 not voting.<sup>7</sup> On March 10, 2006, the Senate passed H.R. 683 by unanimous consent with minor amendments involving fair use and unregistered trade dress.<sup>8</sup> These amendments require that the bill be returned to the house for final action before the bill is sent to President Bush for signature. Nevertheless, the TDRA will likely become law in the near future soon after this article goes to press. The TDRA expressly:

- provides that the standard for a plaintiff to prevail is that the defendant’s conduct is “*likely* to cause dilution;”<sup>9</sup>
- defines dilution by blurring as “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark;”<sup>10</sup>
- explicitly provides for dilution by tarnishment;
- defines dilution by tarnishment as the “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark;”<sup>11</sup> and
- provides six factors that may be considered in assessing whether dilution by blurring is likely to occur in any specific instance.<sup>12</sup>

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5. Jonathan Moskin, *Victoria’s Big Secret: Whither Dilution Under the Federal Trademark Dilution Act*, 93 TMR 842, 844 (2003).

6. Higgins and Duvall, *supra* note 4.

7. *Congressional Record – House*, April 19, 2005, H2121-3.

8. See <http://ipcenter.bna.com/pic2/ip.nsf/id/BNAP-6MUKUT?OpenDocument>, for a summary of the amendments.

9. *Congressional Record – House*, April 19, 2005, H2122 (emphasis added).

10. *Id.*

11. *Id.*

12. These factors for consideration are: (i) The degree of similarity between the mark or trade name and the famous mark. (ii) The degree of inherent or acquired distinctiveness of the famous mark. (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark. (iv) The degree of recognition of the famous mark. (v) Whether the user of the mark or trade name intended to create an association with the famous mark. (vi) Any actual association between the mark or trade name and the famous mark.” *Congressional Record – House*, April 19, 2005, H2122.

Despite the overwhelming bipartisan majority, critical questions remain. In particular, how can we show that a trademark or trade name is likely to “impair the distinctiveness” or “harm the reputation” of a famous mark? The TDRA does not answer this question explicitly; it only highlights some factors that may be considered. The difficulty in answering this question stems from the fact that, unlike a bandaged thumb or a shattered light bulb, a diluted trademark’s appearance does not change after the injury. Impaired distinctiveness or harmed reputations do not reveal themselves upon simple visual inspection of a trademark. We must infer such harm from other indicators, collected perhaps via consumer surveys. However, knowing what these indicators might be and what questions to ask in a survey requires an understanding of the mechanism by which trademarks actually function and are perceived and used by consumers. Indeed, relaxing the standard from actual to likelihood of dilution allows for the possibility for consumer surveys to be useful in resolving dilution disputes. Survey research was essentially incapable of meeting the standard of actual dilution. To show actual dilution requires unquestionable generalization to the real world. Despite what many experts proffer, no consumer survey can achieve this. The best a consumer survey can do is to be likely generalizable to the real world. This corresponds to the relaxed standard and expands the scope for survey research to meet the evidentiary requirements under the TDRA.<sup>13</sup>

The presence of a trademark or trade name substantially similar to a famous mark is not enough from which to infer dilution. Any valid indicator of dilution must be subject to some test that is guided by the mechanism by which trademarks work, just as medical diagnoses are guided by the biochemistry of the human body. The factors for consideration listed in H.R. 683<sup>14</sup> are simply indicia that may raise suspicion, much as an emergency room patient’s family history, habits, or specific symptoms may raise a doctor’s suspicion about the patient’s specific ailment. They are not diagnostic tests. In particular, they do not allow for a diagnosis of whether either a trademark or trade name is likely to “impair the distinctiveness” or “harm the reputation” of a famous and substantially similar mark. As with the emergency room patient, further tests are required to produce an informed diagnosis.

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13. Often when courts accept *likelihood* of confusion surveys, they do so as proof of *actual* confusion. This leap may be more appropriate in the confusion context. While dilution may occur over time (as is discussed at Part IV.C., below), confusion is essentially instantaneous. A greater correspondence between research environments and the real world can be created for an instantaneous phenomenon than for a process that occurs over time.

14. See text accompanying notes 9-12, *supra*.

Fortunately, the marketing community has produced a body of literature about how consumers interpret *brands*. This literature contains many insights for trademark professionals interested in the mechanisms by which dilution by blurring and dilution by tarnishment occur.<sup>15</sup> While this community has not directly studied the effect of a junior user's unauthorized use of a brand or trademark on that brand or trademark, it has studied a related phenomenon, the effect of the original owner's own (brand) extensions of a mark on that mark.<sup>16</sup> While the subject of marketing study, *brand dilution*, differs from *trademark dilution* with respect to the specific entity that uses the extant mark, it is clearly related in that any meaningful impact of either type of dilution necessarily rests on how brands affect consumer decisions.

A concept known as *brand equity* plays a central role in the marketing literature. In this article, the authors provide a framework to evaluate dilution claims under the Trademark Dilution Reform Act of 2005 based on the body of knowledge on brands and brand equity.<sup>17</sup>

The authors' framework is based on a fundamental principle about how consumers react to brand names, logos, etc. In particular, the engine that powers how brands work is the set of thoughts (called brand associations) that come to consumers' minds when they see or hear the brand name, see the logo, etc. Marketers commonly view the "equity" that firms have in their brands as represented by the strength, favorability, and/or uniqueness of those thoughts or associations in the consumer's mind.<sup>18</sup> Using this as a springboard, it is argued that the addition of an extra, non-unique association introduced by the defendant's use of an identical (or similar) mark can "blur" (*i.e.*, impair the distinctiveness of) the brand, while the addition of an incompatible or negative association can "tarnish" it (*i.e.*, harm its reputation), and, in both cases, diminish the brand's equity. In other words, the

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15. Much of this literature is summarized in the monograph Kevin L. Keller, *Branding and Brand Equity* (Marketing Science Institute 2002).

16. Cf. Barbara Loken and Deborah Roedder John, *Diluting Brand Beliefs: When Do Brand Extensions Have a Negative Impact?* 57 *Journal of Marketing*, 71-94 (1993); Sandra J. Milberg, C. Whan Park, and Michael S. McCarthy, *Managing Negative Feedback Effects Associated with Brand Extensions: The Impact of Alternative Branding Strategies*, 6(2) *Journal of Consumer Psychology*, 119-40 (1997), and Mary Sullivan, *Measuring Image Spillovers in Umbrella-branded Products*, 63 *Journal of Business* 309-29 (1990).

17. Like the FTDA, the TDRA applies only to famous marks. One of the issues in several federal dilution cases is whether the mark is famous. If the mark in question is not famous, the owner cannot prevail under the TDRA. This article does not address the issue of fame, as we believe that H.R. 683 is clear on it. Instead, we focus on the issues of dilution by blurring and dilution by tarnishment.

18. Cf. David A. Aaker, *Managing Brand Equity* (Free Press 1991) and Kevin L. Keller, *Strategic Brand Management: Building, Measuring, and Managing Brand Equity* (Prentice Hall 2003).

authors can examine whether or not a plaintiff's trademark has been diluted by the defendant's use of that mark by looking at possible changes in thought patterns evoked by the plaintiff's mark in the minds of its customers and potential customers. Marketing scholars generally approach the study of brand dilution in this manner.<sup>19</sup>

This article continues to develop this argument more fully. The authors begin by summarizing the academic marketing view on how brands work. The major contribution of this article, the application of the theory to the TDRA, then follows. The conclusion discusses the implications of the authors' argument for the demonstration of a likelihood of dilution through consumer surveys.

## II. BRANDS

Before analyzing how brands work, it is important to understand what a brand is. As Professor Kevin Keller writes in his textbook, the word "brand" originates from the Old Norse word "brandr," which means to burn. Indeed, branding or burning was (and is) the method by which farmers mark their livestock to identify who owns them.<sup>20</sup> Consistent with this tradition, the American Marketing Association (AMA) defines a brand as a "name, term, sign, symbol, or design or a combination of them intended to identify the goods and services of one seller or group of sellers and to *differentiate* them from the competition."<sup>21</sup>

This definition bears a striking similarity to the Lanham Act definition of a trademark: "A word, slogan, picture, or any other symbol used to identify and *distinguish* goods."<sup>22</sup> The difference is subtle and has evolved more through usage than literal meaning. Attorneys use "distinguish" to identify the source; marketers use "differentiation" to mean something more. In marketing parlance, differentiation refers to the provision of some (real or perceived) uniquely valued benefit to consumers that competitive offerings do not provide. It refers to something more than mere identification. As such, a brand is a broader concept. In addition to signaling the source, a brand represents what marketing practitioners often refer to as the "promise" that a firm makes to customers (*e.g.*, the service at NORDSTROM retail clothing store, the style of CALVIN

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19. Cf. Loken and Roedder John, *supra* note 16, and Milberg, Park and McCarthy, *supra* note 16.

20. Keller, *supra* note 18, at 3.

21. *Id.* (emphasis added).

22. J. Thomas McCarthy, Roger E. Schechter and David J. Franklyn, *McCarthy's Desk Encyclopedia of Intellectual Property* (3d ed. 2004) (emphasis added).

KLEIN clothing, the authoritativeness of THE NEW YORK TIMES newspaper). Trademarks are those components of brands that signal the source of a product or service and therefore signal the promise, while the promise itself is part of the brand. This subtle distinction notwithstanding, it goes without saying that much of what marketers have written about brands applies to trademarks.

Indeed, strong brands (trademarks) are very powerful in the marketplace. Not only do they enjoy a high level of consumer awareness, but they also convey positive messages and guide consumer expectations. Strong brands also convey to customers promises like “tastes better” and “made with superior ingredients.” As noted by George J. Bull, the onetime chief executive officer of Grand Metropolitan, a food and beverage conglomerate that merged with Guinness in 1997 to form the even larger company Diageo: “If you can convince consumers that your product tastes better than your competitor’s, that it is made with superior ingredients, then you can command a premium price for it.”<sup>23</sup> Indeed, consumers pay as much as a 15 to 20 percent premium for Grand Met brands like J&B scotch whiskey, SMIRNOFF vodka, and HAAGEN-DAZS ice cream.<sup>24</sup>

### *A. Brand Equity*

Strong brands like those mentioned in the previous paragraph are said to have strong brand equity. Professor David A. Aaker defines brand equity as “the set of assets and liabilities, linked to a brand, its name, or symbol, that add to or subtract from the value provided by a product or service to a firm and/or that firm’s customers.”<sup>25</sup> These assets and liabilities usually are thought to fall into two major categories: brand awareness and brand image.

Brand awareness refers to the fame of the brand and its branding elements (e.g., name, logo, etc.). Image building and product development will have little impact if consumers do not have a brand in memory.

Strong associations to the brand in memory create a brand’s image. Associations are the things that come to a consumer’s mind when the consumer thinks of a brand, whatever the associations may be: quality, color, cost, use, endorser, or occasion. The most important associations, however, usually reflect attributes or benefits. Attributes are descriptive features that characterize a

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23. See, *Grand Met’s New CEO Emphasizes Premium Brands*, Wall St. J., Oct. 7, 1993, at B4.

24. Vithala R. Rao and Joel H. Steckel, *Analysis for Strategic Marketing* 303 (Addison Wesley 1998).

25. Aaker, *supra* note 18, at 15.

good or service. QANTAS airlines flies to Australia; SUNKIST is or is made from oranges; ESPN network televises sports. Benefits reflect personal value and meaning consumers derive from a good or service. VOLVO automobiles are safe; CADILLAC automobiles provide luxury; CALVIN KLEIN clothing is high fashion.

Associations form the core of how consumers evaluate a brand on an ongoing basis. Marketing professionals work hard using a variety of tools and programs (*e.g.*, product development, pricing, advertising, naming, signing, etc.) to create favorable associations to their brands. Companies frequently use a name to initiate and reinforce associations. For example, from its inception FEDERAL EXPRESS suggested that it was a package delivery service that operated quickly (hence the “Express”) over a broad area (hence the “Federal”).<sup>26</sup> This is the “promise” made by the FEDERAL EXPRESS brand.

To be most effective, associations need to be more than just strong and favorable. Being unique helps. A strong brand, whose associations give consumers a compelling reason to buy that particular brand, endows its owner with a sustainable competitive advantage, often referred to as a “unique selling proposition.” Specific associations shared with other brands are less compelling. Airline brands provide appropriate examples. SOUTHWEST AIRLINES has become identified with being on time and delivering good customer service; JET BLUE airline is fun and low price; and EL AL airline is associated with Israel. On the other hand, there is no obvious reason (at least one conveyed by the brand name) to fly AMERICAN AIRLINES, UNITED AIRLINES, or U.S. AIRWAYS. Furthermore, the destinations to which SOUTHWEST AIRLINES and JET BLUE fly are not effective associations because they are not unique. The association of EL AL with Israel is unique.

Brands with a lot of positive equity (*i.e.*, high awareness and strong unique favorable associations) generate business because consumers react by liking, requesting, purchasing, and being loyal to them. These reactions are the results of the way consumers cognitively interpret and process brands via awareness and associations. More specifically, awareness dictates which brands customers consider. Customers cannot consider a brand of which they are not aware. In addition, associations provide cues from which the consumer forms expectations of the benefits a product may deliver, and thus, the degree to which it is differentiated from

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26. Ironically, while using a brand name that suggests and “describes” associations often strengthens brands, there is a danger that the brand name could be interpreted as “descriptive” and thus be weak as a trademark under trademark law. This reflects a common tension between marketers, who want to make their brands easier to interpret, and lawyers, who want to protect the trademarks identifying those same brands.

its competitors. When a customer sees the trademark VOLVO on a car or in an advertisement, she or he knows the car is safe. Or put another way, associations provide the cognitive basis by which a consumer infers a brand's "promise" from a trademark.

As is described in Part IV, below, these associations can be measured via survey methodology. As such, the basis of brand equity can be measured.<sup>27</sup> The next section argues that dilution, as conceptualized in the TDRA, is equivalent to specific types of damage inflicted upon these associations. Therefore, as will be developed in Part IV, dilution can be evaluated by comparing these associations "pre and post" or "with and without" the allegedly diluting brand being present.

### III. THE CAPACITY OF A TRADEMARK TO IMPAIR AND HARM: FOUNDATIONS OF DILUTION

The previous section indicates that the marketing power of a "brand" lies in the foundations of brand equity, high brand awareness and strong unique favorable brand associations. A "trademark" (a legal concept) similarly identifies the brand to consumers (*i.e.*, it signals both the source of a product as well as the promise it makes). As such, the power a trademark possesses must lie in essentially the same constructs that underlie consumer cognitive processing of the brand; *i.e.*, those that comprise brand equity. These same constructs can therefore be useful in interpreting the TDRA.

The key to interpreting the TDRA lies in the phrases, "impair the distinctiveness" and "harm the reputation," which are the centerpieces of the language of H.R. 683. "Distinctiveness" is a critical word. It can be interpreted in the primary Lanham Act sense of identifying the source of goods or the primary marketing sense of differentiating them from the competition. H.R. 683 does not explicitly say which. However, the TDRA (as well as the FTDA) is clearly intended to cover injury when there is no likelihood of confusion. Therefore, the House of Representatives clearly must have intended "distinctiveness" in H.R. 683 to be interpreted in the differentiation sense. As such, distinctiveness is gained through associations. It is impaired if a brand's associations are damaged. Similarly, a brand's reputation is derived from what

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27. The literature presents a variety of brand equity measures. These fall into two categories: measures of the sources of brand equity or measures of the outcomes. Source measures usually reflect behavioral psychological constructs. Outcome measures are financial in nature (*e.g.*, higher prices, additional sales, accounting-based goodwill, market share relative to a baseline). Kusum Allawadi, Donald R. Lehmann and Scott A. Neslin, *Revenue Premium as an Outcome Measure of Brand Equity*, 67 *Journal of Marketing* 1-17 (2003), present a recent example of an outcome measure. Our view though is that the language of the TDRA corresponds more to source measures than to outcome measures.

people think of it. By definition, what people think of a brand is its associations. Damage to associations then can also harm the reputation of a brand.

Given that trademarks identify brands, and the most valuable brands possess high awareness along with associations that are favorable, strong, and unique, it logically follows from the marketing theory described herein that a junior user can impair or harm a senior user's (famous) trademark in several ways:

- The senior user's brand awareness can fall as a result of the junior user's conduct;
- The marketing and sale of goods by the junior user renders the senior user's brand associations less favorable;
- The conduct of the junior user weakens the brand associations held by the senior user; and
- Brand associations, previously unique to the senior user, become shared across brands.

Each of these reflects a loss of brand equity and can occur without immediate economic harm (*i.e.*, lost profits). However, to use Justice Kennedy's language in his concurring opinion in *Moseley*, each has the "probable consequence" of economic harm.<sup>28</sup>

To the best of our knowledge, there is no research in the public domain showing trademark dilution in these specific ways. However, the research on brand dilution is compelling with respect to the possibility of weakened associations. Professors Barbara Loken and Deborah Roedder John showed that NEUTROGENA shampoo's association to "gentleness" was weakened after consumers were exposed to other NEUTROGENA-branded products that did not possess that attribute, even if the second product was in a completely unrelated product category (*i.e.*, facial tissue).<sup>29</sup> Professor Sandra Milberg and her colleagues replicated this result in another context.<sup>30</sup> They showed that the POLAROID camera "ease of use" association was weakened by exposure to a POLAROID clock radio that was purported by some consumers to

28. *Moseley v. V Secret Catalog, Inc.*, 123 S. Ct. 1115, 1125 (2003) (Kennedy, J., concurring).

29. Loken and Roedder John, *supra* note 16. In this study subjects were presented with *Consumer Reports*-like tables on the gentleness and quality of several brands of facial tissue. One was NEUTROGENA facial tissue, a hypothetical product conceived only for the purposes of this study. They were later asked to what extent they agree or disagree with several statements of the type, "Neutrogena products are very gentle." Responses were evaluated relative to those from a control group that did not see the *Consumer Reports*-like information.

30. Milberg, Park and McCarthy, *supra* note 16. Here the authors studied Polaroid and Timex in a fashion almost identical to Loken and Roedder John's study of Neutrogena (*see supra* note 29). The same types of stimuli, experimental procedures, and measures were used.

be difficult to use.<sup>31</sup> We focus on the last three forms of losses to brand equity stated above for two reasons. First, the TDRA applies only to famous brands. It is hard to imagine that a junior user's conduct could cause decay in the simple awareness of a famous brand. It calls to mind the metaphor of "unringing a bell." Second, even if that were possible, research methodologies for measuring brand awareness are well known and straightforward.<sup>32</sup>

Of course, associations can be impaired or harmed in legitimate ways. Suppose that a competitor to VOLVO introduced and heavily promoted a new model called "Super Safe" and succeeded in displacing Volvo as the perceived safety leader. That would certainly damage the association of VOLVO with safety, the brand and the power of the VOLVO trademark would be damaged, but not because of the use of the same or similar name or logo. One could possibly say that the trademark has been metaphorically diluted, but there is no trademark dilution in a legal sense. The TDRA would not apply.<sup>33</sup>

We now turn to the favorability, strength, and uniqueness of associations that make for strong brand equity.

### *A. Favorability*

Favorable associations are critical. These signal to customers that goods and services provide benefits that satisfy their needs and wants. Consequently, they lead to customers having positive overall impressions of a brand. Indeed, consumers like CADILLAC because it provides luxury and CALVIN KLEIN because it is high fashion. Of course, the products and services must deliver on these "promises" or the associations will evaporate. Nevertheless, the associations that form the core of the promises are conveyed by the brand's marketing program. For example, the long-standing AVIS slogan, "We're #2. We try harder," was designed to convey the promise of strong customer service.

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31. Admittedly these results differ from trademark dilution in that the second product was introduced by the same senior user, not an independent different (junior) of the mark. The extent to which associations would be weakened if the Polaroid radio were introduced by an independent company remains unknown. Nevertheless, the process by which associations become weakened would not differ.

32. Survey questions are usually of the form "Name all brands in product category X that you are familiar with." (Unaided recall) or "Which of the following brands in product category X are you familiar with?" (Aided recall). Comparing recall measures across two groups, one of which was exposed to the junior mark and another that was not, could show dilution. Dilution would exist if the exposed group had lower recall of the senior user in category X. We discuss this type of two-group experimental study in more detail focusing on associations in a later section of the paper.

33. The authors are grateful to the Articles Editor for bringing their attention to this phenomenon and example.

A brand's associations can be made less favorable by the addition of an undesirable association. Professor Peter Farquhar opined that when DOMINO'S PIZZA licensed its trademark to sell gum a number of years ago, it ran the risk of adding a "chewiness" association that could harm its pizza products.<sup>34</sup> When Miller Brewing introduced MILLER LITE, it added a "watery" association to Miller High Life, the "Champagne of Bottled Beers."<sup>35</sup>

The possibility of a junior user adding undesirable associations contains the key to answering the question as to how a brand's/trademark's reputation is harmed. This was Victoria's Secret's theory in *Moseley*. It argued that consumers would associate what Victoria's Secret felt were the unseemly products of Victor's Little Secret with the VICTORIA'S SECRET mark. In general, the addition of an undesirable association would change how consumers evaluate a brand by rendering the bundle of attributes and benefits signaled by the mark to consumers less attractive. Thus, the critical question in evaluating whether dilution by tarnishment has occurred or will occur is whether an undesirable brand association has been or is likely to be added to a famous mark as the result of a junior user's conduct.

### ***B. Strength***

The strength of an association is reflected by how easily that association is retrieved from memory. Brand awareness (or fame) reflects how easily a brand name or trademark is retrieved from memory. Here we are concerned with how easily associations to that trademark are retrieved. Favorable associations that are retrieved easily can be most easily used as a customer evaluates a product. The strongest associations evoke non-conscious, semi-automatic reactions. For example, for years the oft-cited saying, "No one ever got fired for buying IBM," reflected a widely held expectation that IBM provides reliable goods and services. Customers believed they were getting the best (at the highest price), even in the face of potentially contradictory evidence. That is why they did not need to research the choice. IBM signaled a safe choice. Buyers had a positive semi-automatic reaction to the IBM name.

This logic suggests that a plaintiff has suffered dilution by blurring if it can demonstrate that the defendant's mark has weakened or is likely to weaken its favorable associations. Weakened associations impair the distinctiveness of a trademark. Two factors that lead a consumer to process an association deeply,

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34. Peter H. Farquhar, *Managing Brand Equity*, 1 Marketing Research 24-33 (1989).

35. See Aaker, *supra* note 18, at 222.

and therefore strengthen it, are the personal relevance of the association and the consistency with which it is presented throughout time.<sup>36</sup> For example, the association of CALVIN KLEIN with high fashion may have been weakened by the brand's migration into jeans and underwear, as well as a risqué advertising campaign that former President Clinton characterized at one point as "kiddie porn." Such inconsistency likely weakened the CALVIN KLEIN high-fashion association in the minds of consumers.

Brand dilution research supports a "bookkeeping" model by which this weakening of associations is likely to occur.<sup>37</sup> This model argues that beliefs change incrementally as new information is received.<sup>38</sup> Accordingly, consumers use inconsistent information to update (*i.e.*, dilute) brand associations after each exposure. For example, in Professors Loken and Roedder-John's work, the association of NEUTROGENA with gentleness would get whittled away each time a consumer was exposed to information that paired the brand with something harsh.

### C. Uniqueness

A brand's image often hinges on strongly held favorable associations that are unique to it. There are autos that match and surpass the VOLVO safety tests,<sup>39</sup> but none are likely as closely identified with the concept of safety. VOLVO marketing has been focused on this. QANTAS is not the only airline that flies from the United States to Australia, but no others are top of mind. QANTAS has strived to build that association while none of its competitors have. Uniquely held associations like these drive much of these companies' businesses. If these associations become less unique as a result of a junior user's adoption of the same or a similar mark, a brand or trademark's distinctiveness has been impaired and dilution by blurring has occurred.

In one recent case, Playtex asserted that Georgia-Pacific's use of the term MOIST ONES in its pre-moistened towelettes QUILTED NORTHERN MOIST ONES diluted Playtex's WET

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36. Keller, *supra* note 18, at 71.

37. Cf. Loken and Roedder John, *supra* note 16, and Milberg, Park and McCarthy, *supra* note 16.

38. This model was proposed in Renee Weber and Jennifer Crocker, *Cognitive Processes in the Revision of Stereotypic Beliefs*, 45 *Journal of Personality and Social Psychology*, 961-77 (1983).

39. *E.g.*, the 2005 Acura RL received higher safety ratings than the Volvo S80 in the 2005 Luxury Sedan category from *Consumer Reports*. See <http://www.consumerreports.org/cro/cars/sedans/reports/vehicle-ratings-comparison.htm>.

ONES trademark.<sup>40</sup> The case was decided in favor of defendant Georgia-Pacific on summary judgment on the grounds that the marks WET ONES and QUILTED NORTHERN MOIST ONES were substantially dissimilar and therefore could not result in dilution of either one. Suppose, though, for the sake of argument, that the defendant's mark was just MOIST ONES. Would the result have been different? The marks would then be more similar. The descriptive aspects of the marks suggest that Georgia-Pacific was attempting to build similar associations to those that Playtex had worked for over thirty years to build with WET ONES. The fact that the words "wet" and "moist" are different does not mitigate the equality of the associations. The view here is that, given the increased similarity of the marks (and putting aside the question of whether the terms are merely descriptive), whether Georgia-Pacific's conduct rendered Playtex's associations non-unique would be a triable question under the TDRA.

#### IV. IMPLICATIONS FOR USE OF CONSUMER SURVEYS IN FEDERAL DILUTION DISPUTES

What courts and attorneys typically refer to as consumer surveys in trademark cases (whether confusion or dilution) are in reality experiments that use data collection formats similar to those in public opinion surveys. Studies useful in resolving trademark disputes provide tests of propositions to determine whether a defendant's conduct either "confuses" or "dilutes" a plaintiff's trademark. These are causal propositions; *i.e.*, they can be stated in the form of an independent variable ("A") causing, affecting, or impacting a dependent variable ("B"). For TDRA disputes, the proposition "dilutes the plaintiff's trademark" is equivalent to "renders plaintiff's brand associations weaker, less favorable, and/or less unique," or in more concise fashion, "diminishes brand equity." This restatement will be shown to have the advantage of lending itself to proof via consumer surveys (*i.e.*, experiments using the methodology of public opinion surveys) in a more objective, measurable, quantifiable way.

Social science research strives to satisfy several criteria, internal and external validity among them. Internal validity refers to the extent to which a research design permits conclusions about the causal effect of an independent variable on a dependent variable. External validity refers to the extent to which results can

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40. *Playtex Prods., Inc. v. Georgia-Pacific, Inc.*, 67 U.S.P.Q. 2d 1923 (S.D.N.Y. 2003), *aff'd*, 390 F.3d 158, 73 U.S.P.Q.2d 1127 (2d Cir. 2004).

be generalized from the research sample to the population and settings specified in the research hypothesis.

A perfect study would score the highest of marks on both internal and external validity. Despite what attorneys and experts proffer, such a study simply does not exist. In order to isolate a single factor as a potential cause of a dependent variable, the research environment must be tightly controlled. A laboratory is the prototypical research environment. Tightly controlled environments necessarily have *some* degree of artificiality. For example, the viewing of a trademark in a shopping mall or over the Internet is not precisely the same as viewing it on a store shelf. On the other hand, behaviors that correspond to the “real world” necessarily occur in messy environments with a lot going on. It therefore becomes impossible to isolate a single factor as causal with complete certainty. Consequently, there is a natural trade-off between internal and external validity. One cannot increase one without sacrificing the other to some degree.

These circumstances have prevented consumer surveys from helping adjudicate FTDA disputes in the post-*Moseley* era. No consumer survey has, to our knowledge, been dispositive in resolving an FTDA claim since *Moseley*.<sup>41</sup> The Supreme Court’s requirement that actual dilution be proven in essence demands both complete internal validity and complete external validity. Internal validity is required by the need for “proof,” *i.e.*, the causal connection described is the only one that could have produced the result. External validity is required by the need to show “actual” dilution.

The usual approach advocated by social scientists is to ensure internal validity and maximize external validity subject to that consideration. Without the ability to form causal conclusions, generalizability does not matter. Ultimately it is up to the factfinder (judge or jury) to assess whether a study’s environment is too artificial for the thought processes in that environment to not correspond to those in the real world. While the expert offering the study in all likelihood believes that the thought processes correspond in the two settings, no one can be absolutely certain. That is why questions of external validity are ubiquitous as criticisms of consumer surveys in trademark litigation.

Nevertheless, the change in the standard from actual dilution to likelihood of dilution favors the use of consumer surveys. It is compatible with the usual social science approach. If dilution is found in a well-designed internally valid study, even one conducted in a controlled environment, such as a laboratory or trailer at a

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41. The vagaries of the FTDA inhibited surveys from being used before *Moseley* as well. However, one of which the authors were aware was in *Wawa, Inc. v. Haaf*, 40 U.S.P.Q.2d 1629, 1632 (E.D. Pa. 1996), *aff’d*, 116 F.3d 471 (3d. Cir. 1997).

shopping mall, it can be effectively argued that it is *likely* to occur in the real world.

### A. Experiments

Dr. Shari Diamond, a noted legal survey research authority, writes that studies “that record limited impressions have a limited ability to answer questions about the origins of those impressions. The difficulty is that the consumer’s response to any question on the survey may be the result of information or misinformation from sources other than the trademark the respondent is being shown. . . .”<sup>42</sup> She thus suggests that “[i]t is possible to adjust many survey designs so that causal inferences about the effect of a trademark . . . become clear and unambiguous. By adding an appropriate control group, the survey expert can test directly the influence of the stimulus.”<sup>43</sup> The study design she advocated involved respondents being shown two stimuli, one called a *test* stimulus that contains the hypothesized causal variable (“A”) and another to serve as a *control*.<sup>44</sup> The population from which subjects for the study are drawn is identical for both the test and control groups.

In a study designed for a TDRA dispute, respondents (usually two separate groups) would be exposed to different stimuli, one a test that allegedly dilutes the plaintiff’s brand and one a control that does not.<sup>45</sup> They would then be asked questions eliciting the strength, favorability, and uniqueness of the plaintiff’s (famous) brand’s associations.<sup>46</sup> The only difference between the test subjects and control subjects would be which stimulus they were

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42. Shari Diamond, “Reference Guide on Survey Research,” *Reference Manual on Scientific Evidence* 250 (Federal Judicial Center 2003).

43. *Id.*

44. Controls can be administered in either of two ways in survey design, externally (between subjects) or internally (within subject). External controls are created when the entire sample is divided into two separate groups. One group receives the test stimulus and the other receives the control stimulus. The two groups are then presented with identical questions that are designed to measure the dependent variable. The difference between the test group and control group measures with respect to the dependent variable provides a measure of the effect of the test stimulus.

Alternatively, each subject could serve as his/her own control; *i.e.*, she or he is exposed to both stimuli and asked the same question about each. As such, this internal approach to control is administered *within* subjects. In that way, the researcher economizes on the number of subjects needed. On the other hand, implementing such a “within subject” control can be extremely difficult. In particular, care must be taken to ensure that the administration of and response to the first stimulus has no impact on the administration and response to the second or that the impact can be accounted for by internal factors.

45. Jacob Jacoby, *Experimental Design and the Selection of Controls in Trademark and Deceptive Advertising Surveys*, 92 TMR 890 (2002).

46. The next subsection presents examples of such questions as well as a discussion of how to select associations to examine.

shown. All other aspects of the conduct of the experiment would be identical. The difference between the test and control responses then would measure dilution caused by the test stimulus.

The purpose of a control group and stimulus is to eliminate all possible causal explanations for a dependent variable (“B”) other than the one the study is designed to test (“A”). It is the manipulation of the test and control stimuli that actually makes the typical trademark study an experiment. According to one highly regarded text, “an experiment is a scientific investigation in which an investigator manipulates and controls one or more independent variables and observes the dependent variable.”<sup>47</sup>

The conceptualization of dilution given in this paper raises the question of how to measure brand associations. The bookkeeping model of (brand) dilution also raises the question of how to present test and control stimuli to consumer subjects in a way that allows the mechanism it describes to take hold in a trademark context. In addition, unlike the (likelihood of) confusion studies often found in Lanham Act disputes, a company’s internal records and documents can potentially be very helpful in supplementing dilution experiments and resolving TDRA disputes. Company records reflect actual marketplace results. As such, they satisfy external validity. Coupled with the internal validity of experiments, the combination can be very persuasive.

### ***B. Dependent Variable Measures***

The dependent variables in our framework relate to the strength, favorability, and uniqueness of brand associations. One way to measure these properties would be to simply ask a series of open-ended questions such as:

Strength: What are the strongest associations you have to the brand? What comes to mind when you think of the brand?

Favorability: What do you like about the brand? What is bad about the brand? What do you dislike about the brand?

Uniqueness: What is unique about the brand? What characteristics or features does the brand share with other brands?<sup>48</sup>

The number of mentions of a particular attribute or belief provides a relevant measure. The more people in a sample that mention an association, that like something specific about a brand, or that feel that it has a unique characteristic, indicates that an association is stronger, more favorable, or more unique, no matter what that

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47. Fred N. Kerlinger and Howard B. Lee, *Foundations of Behavioral Research*, 466 (4th ed. 2000).

48. These questions were taken from Keller, *supra* note 18, at 459.

association is (attribute, benefit, quality, adjective, cost)—as long as it is brought to mind by the trademark.<sup>49</sup>

Alternatively, more specific measures of the associations can be obtained from direct rating scales, as Professor Kevin Keller demonstrates in these questions about LIPTON iced tea:<sup>50</sup>

1. To what extent do you feel the following product characteristics are descriptive of Lipton iced tea (where 1= strongly disagree and 7 = strongly agree)?

convenient  
 refreshing and thirst quenching  
 real and natural  
 good-tasting  
 contemporary and relevant  
 used by young professionals

2. How good or bad is it for iced tea to have the following product characteristics (where 1 = very bad and 7 = very good)?

convenient  
 refreshing and thirst quenching  
 real and natural  
 good-tasting  
 contemporary and relevant  
 used by young professionals

3. How unique is Lipton iced tea in terms of the following product characteristics (where 1 = not at all unique and 7 = highly unique)?

convenient  
 refreshing and thirst quenching  
 real and natural  
 good-tasting  
 contemporary and relevant  
 used by young professionals

This format obviously requires that the associations be specified *a priori*. These associations, such as convenience, refreshing, real and natural, contemporary, etc., can all be inferred from the marketing plan. Companies strive to endow their brands with specific meanings. They are particular about how they want consumers to perceive their brands. Millions of dollars are directed

49. Of course, the more consumers mention something they dislike about a brand, the more unfavorable its associations are.

50. Keller, *supra* note 18, at 460.

towards sending the public very specific preconceived messages. These messages reflect the brand associations that the company attempts to build to render its brand distinctive and to build its reputation. These associations are those that the company needs to protect against dilution.<sup>51</sup>

The hypotheses that relevant experiments are designed to test become very specific under this format (e.g., that a junior user's use of the LIPTON mark has weakened LIPTON tea's "refreshing and thirst quenching" association (strength); a junior user's use of the LIPTON mark has made "real and natural" less desirable in an iced tea (favorability); a junior user's use of the LIPTON mark has caused the junior user to achieve a "contemporary and relevant" association (uniqueness)). Indeed, if an expert and/or attorney has a prior hypothesis of an association that has been damaged, this format allows the study to be tailored to that hypothesis.<sup>52</sup> The control group measures the baseline strength, favorability, and uniqueness of the association in question. The test group provides measures of the same constructs after exposure to the allegedly diluting trademark. The difference between these two sets of measures reflects dilution.<sup>53</sup>

It is hard to imagine an important brand association without explicit clarity of forethought and therefore not in the marketing plan. Nevertheless, it can happen. For example, the association of ARM & HAMMER baking soda with refrigerators (as a deodorizer) is probably stronger than its association to baking. In planning a dilution study, if desired and distinguishing associations cannot be gleaned from a company's marketing plan, the simplest and probably most powerful way to specify them objectively is to ask an independent sample of consumers to free associate; e.g., "What

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51. A plaintiff alleging damage would likely be required to produce some independent evidence that these associations actually had been built. Without such evidence, a defendant could always take the position that there was nothing to dilute. Company tracking studies, to be discussed later, could be useful in this regard. Furthermore, evidence of the preexisting association might be inferred from the control group. It may also be advisable to include irrelevant distracter associations among those on the questionnaire simply to mask the purpose of the survey as well as to make it appear more neutral. After all, the associations most companies are interested in building will be positive.

52. In the case of dilution by tarnishment, where an undesirable association has possibly been added, this new association can be specified *a priori* as well.

53. To be effective though, this needs to happen relatively early in the junior user's life of product. If it occurs after an allegedly diluting event has taken place and the consuming public's associations have already been damaged, the control will reflect dilution and not a baseline. Therefore, unless additional exposure further dilutes, this approach will be biased against finding dilution.

does the Arm & Hammer name mean to you?" or "Tell me what comes to mind when you think of Arm & Hammer?"<sup>54</sup>

### *C. Implementing Test Stimuli*

A typical marketing research interview (whether for litigation or some other purpose) rarely lasts more than 15 to 20 minutes. Subjects are presented with stimuli, asked a few questions, and are dismissed. Longer interviews try participants' patience. In a confusion study, for example, subjects are shown stimuli related to a set of (perhaps two) brands. They are then asked questions about the origins of the two stimuli. The inclusion of several screening and distracter questions to disguise the study's purpose extends the length of the interview, but not unreasonably so.

Dilution, however, is a different matter. In his seminal article in the *Harvard Law Review*, Frank Schechter, an in-house counsel for BVD underwear, describes dilution as the "gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use on noncompeting goods."<sup>55</sup> This "gradual whittling away" is often thought to be the essence of dilution.<sup>56</sup> The terms "blurring" and "tarnishment" both imply a gradual process. Unlike confusion, which can occur instantaneously, gradual processes are difficult to emulate in a 15-20 minute interview. The House Report from the FTDA affirms this belief: "Confusion leads to immediate injury, while dilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark."<sup>57</sup> Dilution can only happen over time.<sup>58</sup>

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54. The difficulty here lies in finding a sample of consumers that had not been exposed to the allegedly diluting product in the marketplace. Without such a sample, the responses would be biased if indeed the alleged dilution were real.

55. Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813 (1927), reprinted in 60 TMR 334 (1970).

56. Higgins and Duvall, *supra* note 4.

57. H.R. Rep No. 104-374, p. 1030 (1995).

58. Jacob Jacoby discusses the case, *Anheuser-Busch, Inc. v. Balducci Publications*, 28 F.3d 769 (8th Cir. 1994), *rev'g*, 814 F. Supp. 791 (E.D. Mo. 1993), *cert. denied*, 513 U.S. 1112 (1995), in his paper, *Dilution in Light of Victoria's Secret: The Psychology, Varieties and Measurement of Trademark Dilution*, NYU Center for Law & Business Working Paper Series. In this case, a study was presented in which (test) subjects were shown a single allegedly diluting ad and then asked, "As a result of seeing this material, would you be more likely or less likely to buy Michelob beer, or wouldn't it matter?" This study found a dilution effect despite the compressed time frame. This study found a dilution effect (*i.e.*, 22% of respondents indicated they were less likely to buy, while 3% indicated they were more likely to buy—75% indicated that it wouldn't matter). However, this question is open to the criticism that it is leading in that it suggests to subjects that viewing the ad could indeed affect their purchase intention. (See J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 32:172 (4th ed. 2005) for a discussion of leading questions.) We believe that if the study were conducted without a leading question (*i.e.*, showing two groups

Indeed, a single exposure to a potentially diluting brand may even have the reverse effect. We conducted a study using a Hyatt tattoo parlor advertisement intending to mimic the addition of undesirable associations to the HYATT brand name for hotels. Using conjoint analysis, a standard marketing research technique,<sup>59</sup> we found that the value placed on the HYATT brand name in hotel choice was actually higher for those subjects exposed to the ad than it was for those that were not! This surprising finding could be explained by research done in the field of psychology.<sup>60</sup> People who hold strong opinions are likely to examine inconsistent information in a biased manner. The salience of the inconsistency leads them to counterargue the inconsistent information. This leads to the original opinion being even more strongly held than before the information was presented.

The implication of all this is that potentially diluting stimuli need to be administered in TDRA experiments in a repeated manner that mimics the gradual whittling away that a consumer would experience in real life. Only upon repetition, can the salience of the allegedly diluting stimulus potentially subside and the corresponding counterarguing cease. The gradual whittling away process can begin since the stimulus now travels under the radar. Without this type of stimulus implementation mechanism, it will be very difficult to find dilution in a consumer study. In any particular case, dilution may or may not exist. Indeed, that is why there are disputes. However, without the repetition, hope of finding any real effect of a gradual whittling away becomes

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test and control ads and simply asking the subject how likely she or he was to buy), the effect would have been much harder to find.

59. Conjoint analysis is a technique useful for sorting out the relative importances of a product's attributes (benefits). It starts with a consumer's overall preference judgments about a set of products with common attributes. It decomposes these judgments into separate additive utility values for each attribute and level. The engine driving conjoint analysis is the analysis of trade-offs. Simply put, if a consumer states in an interview or survey that the most preferred option is low-price, high-quality (LH) and that a high-price, high-quality option (HH) is preferred to a low-price, low-quality one (LL), it follows that the difference in quality is more important than the monetary difference. Likewise, if LL is preferred, it follows that the respondent would not be willing to pay that difference for the increase in quality. Conjoint analysis is an extension of these ideas. Complete discussions can be found in Donald R. Lehmann, Sunil Gupta and Joel H. Steckel, *Marketing Research*, Ch. 14 (Addison Wesley 1998), and Rao and Steckel, *supra* note 24, at Chapter 2. In the study briefly described here, the utility value of the Hyatt name for hotels was evaluated both with and without exposure to the tattoo parlor ad. It was surprisingly greater in the tattoo ad condition.

60. Charles G. Lord, Lee Ross, and Mark R. Lepper, *Biased Assimilation and Attitude Polarization: The Effects of Prior Theories on Subsequently Considered Evidence*, 37(11) *Journal of Personality & Social Psychology*, 2098-2109 (1979). Richard E. Petty, Zakary L. Tormala and Derek D. Rucker, *Resisting Persuasion by Counterarguing: An Attitude Strength Perspective*, 37-51 (American Psychological Association 2004) in *Perspectivism in Social Psychology: The Yin and Yang of Scientific Progress*, John T. Jost, Mahzarin R. Banaji and Deborah A. Prentice (eds.), APA science series, APA decade of behavior series.

minimal simply because it is unlikely to happen in the real world without similar repetitive exposure.

Possible ways to administer test and control stimuli include the following:

- Send consumers a series of mailings, each of which includes an advertisement from the defendant. The test stimulus corresponds to one that is allegedly diluting. The control stimulus should be objectively neutral, as perhaps demonstrated by a pretest. Measures can then be obtained via a telephone interview under the guise of researching consumer reactions to ads and the products they contain;
- Enlist consumers to repeatedly visit a website on which the defendant's trademark is displayed over a period of time. A control group could be enlisted to visit the identical website, with the only difference being that the defendant's mark has been redacted. Measures could then be collected from an email or online interview; and/or
- Place posters in two demonstrably equivalent and frequently visited public places that display the defendant's trademark (*e.g.*, a church). One poster would contain the allegedly diluting mark and the other would not. After a period of time, random samples of (frequent) visitors to the public places would be questioned to elicit the strength, favorability, and uniqueness of brand associations.

However the stimuli are administered, it is important that potential respondents not be able to guess the objective of the study. Appropriate cover stories and/or unobtrusive implementations are crucial.

#### ***D. Help From Company Archives***

Many companies routinely monitor or "track" the associations their brands evoke in the marketplace on an ongoing (often quarterly, monthly, or even weekly) basis. A typical program might involve a 10-15 minute interview administered on the telephone to 50 nationally representative consumers weekly. The focal role that brands play in a company's success makes such a time investment hardly surprising. Tracking studies show which associations are strong, which ones need reinforcement through marketing programs, and how they are changing in real time.

If a company does indeed track its associations in this manner, the results of these studies can directly address any external validity criticisms raised against a dilution experiment. Tracking studies generally do not suffer from concerns of external validity. Consumers questioned live and shop in uncontrolled real-world environments. If a change in brand associations revealed by a tracking study coincides with a defendant's alleged diluting

activity, that is evidence of dilution. It is not proof; it is evidence. Coupled with a well-executed internally valid dilution experiment, tracking study data can be very powerful. The combination addresses both internal and external validity concerns in as thorough a manner as possible. As mentioned previously, no *single* piece of evidence can ever satisfy the highest standards of internal and external validity. Scientists have always found converging evidence from multiple sources, derived by multiple methods, extremely persuasive, especially when the other sources address the limitations of any single piece of evidence.

## V. SUMMARY

The Trademark Dilution Resolution Act of 2005 was drafted to clarify dilution law following *Moseley*. After President Clinton signed the Federal Trademark Dilution Act, the statute was interpreted inconsistently by a variety of district courts and courts of appeal. The Supreme Court's decision in *Moseley* intended to resolve some of these inconsistencies. However, when the landscape was not clarified, Congress was urged to act.

The TDRA specifically states that likelihood of dilution is the standard. The bill also defines a famous mark as one that is widely recognized by the general consuming public. Furthermore, it presents factors that can be used to assess whether a mark is famous. The TDRA also expressly allows for, as well as defines, both types of dilution—dilution by blurring and dilution by tarnishment. Indeed, initial reactions to the TDRA from the legal trademark community have been favorable. On behalf of INTA, President Anne Gundelfinger testified in support of H.R. 683 before the Subcommittee on Courts, the Internet and Intellectual Property Committee on the Judiciary, United States House of Representatives.<sup>61</sup> She claimed that the TDRA “will provide a narrower, clearer, and more focused statute that addresses the specific harm while providing owners of famous marks a provable cause of action.”<sup>62</sup> In particular, she argued that a likelihood of dilution standard is the most practical way to resolve dilution claims.

However, critical questions remain for the implementation of the TDRA. In particular, the TDRA does not specifically address what it means to “impair the distinctiveness” or “harm the reputation” of a famous mark, the critical phrases of the definitions of dilution. Nor does it describe how to show that a trademark or trade name is likely to dilute a famous mark (by

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61. See [http://www.inta.org/policy/test\\_dilution2.html](http://www.inta.org/policy/test_dilution2.html).

62. *Id.*

blurring or tarnishment). The authors argue that, just as a physician needs analytical tests in making a diagnosis, so does a factfinder in assessing dilution. These tests must involve the components that make a trademark effective.

These components are those that comprise brand equity—strong, favorable, unique brand associations. An owner's trademark can therefore be diluted when the behavior of a second user of an identical (or substantially similar) trademark leads to weaker, less favorable, or less unique brand associations.

Given this framework, the authors derived several implications for the conduct of consumer surveys in the pursuit of TDRA dispute resolution. These include:

- The likelihood of dilution standard allows for a test-control experimental format to prove (or disprove) that a defendant's conduct is unlawful;
- Dilution studies need not focus on purchase intention or actual marketplace sales; instead they can focus on the psychological constructs that must change before intention or actual marketplace behavior does, *i.e.*, brand associations;
- Implementation of a stimulus in dilution studies presents a special challenge. Repetition over time is necessary to replicate the "gradual whittling away;" and
- Tracking studies can be useful supplements to experiments in that this combination addresses both internal and external validity.

Once TDRA cases begin to involve studies with these properties, the authors believe that consumer research will become much more valuable in the resolution of dilution disputes in general.

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