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Entertainment Law Review

Volume 20
Number 2 *Symposium: Legal and Business Issues in the Digital Distribution of Music*

Article 9

3-1-2000

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Recommended Citation
Brian Lerner, *Sneaking through the Back Door with Pepperidge Farm: The Monopoly Advantage of Dilution*, 20 Loy. L.A. Ent. L. Rev. 429 (2000).
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SNEAKING THROUGH THE BACK DOOR WITH PEPPERIDGE FARM: THE MONOPOLY ADVANTAGE OF DILUTION

I. INTRODUCTION

McDonalds' golden arches, Coca-Cola's dynamic ribbon, Nike's "swoosh" and Rolex's crown are such well-known trademarks ("marks") that they indisputably receive national recognition. However, should the same recognition extend to an orange, bite-sized, cheddar-cheese-flavored cracker shaped like a goldfish?

The protection of shapes stems from the fact consumers mentally associate particular shapes with a specific manufacturer or service.[1] To gain exclusive rights over a particular three-dimensional design under federal law, owners must satisfy stringent criteria.[2] However, courts have been particularly lax in applying the requirements.[3] As a result, a fish-shaped, orange, bite-sized, cheddar-cheese-flavored cracker may well become the legal property of Pepperidge Farm.[4]

Traditionally, trademark law has not granted trademark owners the exclusive rights over the design or shape of their marks.[5] Commercial monopolies over shapes and designs are generally left to patent law.[6] Yet, the enactment of the Federal Trademark Dilution Act of 1995 ("FTDA")[7]

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1. *See* Ronald A. Panitch, *Intellectual Property Law Overview*, *in* TRADEMARKS, COPYRIGHTS, AND UNFAIR COMPETITION FOR THE GENERAL PRACTITIONER AND THE CORPORATE COUNSEL 1, 7 (A.L.I.-A.B.A. Course of Study 1999).

2. *See id.*

3. *See* Lucia Sitar, Comment, *The Sky's the Limit? The Emergence of Building Trademarks*, 103 DICK. L. REV. 821, 836 (1999).

4. *See* Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 228–29 (2d Cir. 1999).

5. *See* 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3:2, at 3-3 (4th ed. 1999).

6. *See* Panitch, *supra* note 1, at 21. Two types of patents are utility and design. *Id.* at 20–21. Utility patents generally grant exclusive rights to technological innovations for a maximum of twenty years. *See id.* at 20–21; 35 U.S.C. §§ 101, 154(a)(2) (1994). However, some utility patents may qualify for extended protection. *See* 35 U.S.C. § 154(b) (1994). Design patents protect "new, original and ornamental designs" for fourteen years. *See id.*; 35 U.S.C. §§ 171, 173 (1994).

7. 15 U.S.C. § 1125(c) (Supp. IV 1998).

has greatly expanded the traditional functions of trademark law.[8] Now, as the far-reaching legal ramifications of the dilution theory have become more apparent, heated debates among commentators have ensued.[9]

Drifting away from traditional notions of trademark law, courts are gravitating towards the unsettled doctrine of dilution.[10] Because of an overbroad interpretation of dilution,[11] some courts are improperly granting permanent and nationwide injunctive relief to undeserving marks.[12] The decision of the United States Court of Appeals for the Second Circuit in *Nabisco, Inc. v. PF Brands, Inc.*[13] is a perfect illustration.

This Note argues the Second Circuit in *Nabisco* incorrectly applied the FTDA. Part II describes the trademark elements of distinctiveness and fame in dilution cases, and traces judicial interpretation of dilution statutes before and after the enactment of the FTDA. Part III reviews the Second Circuit's rationale for preliminarily enjoining Nabisco from producing a fish-shaped cracker. Part IV explains why the policies behind the FTDA are inconsistent with the *Nabisco* decision and why the court should have ruled differently. Finally, Part V concludes the *Nabisco* court's improper application of the FTDA granted nationwide legal refuge to Pepperidge Farm's "Goldfish," a trademark that does not merit such extensive protection.

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8. *See* Lynda J. Oswald, *"Tarnishment" and "Blurring" Under the Federal Trademark Dilution Act of 1995*, 36 AM. BUS. L.J. 255, 257–58 (1999).

9. *See generally* Harriette K. Dorsen, *Satiric Appropriation and the Law of Libel, Trademark, and Copyright: Remedies Without Wrongs*, 65 B.U. L. REV. 923, 939–52 (1985); Kenneth L. Port, *The "Unnatural" Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?*, 18 SETON HALL LEGIS. J. 433 (1994); Richard A. De Sevo, *Antidilution Laws: The Unresolved Dilemma of Preemption Under the Lanham Act*, 84 TRADEMARK REP. 300 (1994).

10. *See generally* Steven B. Pokotilow & Heather L. Danzig, *Whittling Away At Dilution: Attorneys, Courts Mistake 'Confusion' for 'Blurring,'* N.Y. L.J., Oct. 18, 1999, at 1 (located in special pullout section, "Intellectual Property").

11. *See* Leslie F. Brown, Note, *Avery Dennison Corp. v. Sumpton*, 14 BERKELEY TECH. L.J. 247, 265–66 (1999). *See generally* 15 U.S.C. § 1127 (1994 & Supp. IV 1998) (defining "dilution").

12. *See generally* Brown, *supra* note 11, at 251–65.

13. 191 F.3d 208 (2d Cir. 1999).

II. BACKGROUND

A. Trademark Infringement Law

Trademarks identify the source (the manufacturer or merchant) of a product or service.[14] They are used as a means of distinguishing one owner's goods and services from those of another.[15] Trademarks prevent consumers from confusing a product's origin and safeguard the trademark owner's right to product association.[16] They also assist in promotion and sales[17] by functioning as a guarantee of consistent quality for all products sold, or services rendered, under the mark.[18] Examples of protected marks include "OLD GRAND DAD bourbon, XEROX photocopier and LUVS paper diapers."[19]

Trademarks may consist of words, symbols, terms, phrases, labels, devices, names, slogans, letters, pictures, numbers, the packaging of a product or service marks.[20] Under trademark infringement law, a

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14. *See* Jonathan E. Moskin, *Dilution Act: Patent Medicine for Trademark Ailment?*, N.Y. L.J., Mar. 8, 1996, at 1. Other goals of trademark include: 1) safeguarding a company's reputation; 2) "protect[ing] firms from unjust enrichment [of] imitators;" 3) "facilitat[ing] meaningful consumer choice in the market;" and 4) "encourag[ing] the production of high-quality products." Mitchell M. Wong, Note, *The Aesthetic Functionality Doctrine and the Law of Trade-Dress Protection*, 83 CORNELL L. REV. 1116, 1123 (1998).

15. *See* Panitch, *supra* note 1, at 3. General trademark law in the United States "originated with the medieval guilds of Europe, [which] often required members to identify their products to facilitate the tracing of 'false' or defective wares . . . ." John M. McDermott, TRADEMARK LAW 2 (1997) (unpublished casebook on file with *Loyola of Los Angeles Entertainment Law Review*). As the market for goods grew, contact between purchasers and the original manufacturer diminished. *Id.* As a result, a guarantee of the source and quality of products became increasingly important. *Id.* This led to the development of trademark law, which arose from state and common law. *Id.* at 3. In 1946, Congress passed the Lanham Act, establishing the process for bringing a federal trademark infringement claim. *Id.*

16. *See* James Burrough Ltd. v. Sign of the Beefeater, Inc., 540 F.2d 266, 276 (7th Cir. 1976); *see also* MDT Corp. v. New York Stock Exch., Inc., 30 U.S.P.Q.2d 1849, 1851 (C.D. Cal. 1994). *See generally* S. REP. NO. 79-1333, at 3 (1946) (General trademark law "protect[s] the public['s] . . . confiden[ce] . . . in purchasing a product bearing a particular trade-mark which it favorably knows . . . [so as to] get the product which it asks for and wants to get").

17. *See* Oswald, *supra* note 8, at 255.

18. *See* Kenneth B. Germain, *Trademark Law Fundamentals—For GPS and Corporate Counsel*, *in* TRADEMARKS, COPYRIGHTS, AND UNFAIR COMPETITION FOR THE GENERAL PRACTITIONER AND THE CORPORATE COUNSEL 25, 29 (A.L.I.-A.B.A. Course of Study 1999).

19. *See id.* at 28.

20. *See* 15 U.S.C. § 1125(c) (Supp. IV 1998). By comparison, service marks identify the source, not the type or nature, of a service. *See* Germain, *supra* note 18, at 28. Examples of service marks include "MARTINIZING dry cleaning process, GREYHOUND bus lines, and CENTURY 21 real estate services." *Id.*

markholder may acquire protection for an indefinite duration[21] against harm caused by freeloading competitors who attempt to capitalize on the goodwill of an established mark.[22]

1. Confusion

Trademark law shields the mark's owner from injury when someone else uses a similar name, mark or other symbol in a manner that is likely to cause consumer confusion.[23] To prove trademark infringement under the federal Lanham Act,[24] a markholder must demonstrate the infringer's actions would likely confuse the public as to the source of a product or service.[25]

Until recently, federal protection of trademarks was limited to two legal doctrines: trademark infringement and unfair competition.[26] To gain legal refuge under either claim, a trademark owner must prove the trademark is valid and protectable and the infringer used a confusingly similar mark.[27]

2. Distinctiveness

In order to succeed on a trademark infringement claim, a plaintiff must demonstrate the mark is "distinctive."[28] Distinctiveness is based on the mark's "inherent strength or weakness."[29] A trademark is generally placed into one of five hierarchical distinctiveness categories: generic,

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21. *See* Moskin, *supra* note 14.

22. *See id.* at 4.

23. *See* 15 U.S.C. §§ 1114, 1125(a) (1994 & Supp. IV 1998).

24. *See id.*; 15 U.S.C. § 1125 (1994 & Supp. IV 1998).

25. *See id.* §§ 1114, 1125(a). Likelihood of confusion refers to the "likelihood that an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question." Hormel Foods Corp. v. Jim Henson Prods. Inc., 36 U.S.P.Q.2d 1812, 1816 (S.D.N.Y. 1995) (quoting Universal City Studios, Inc. v. Nintendo Co., 746 F.2d 112, 115 (2d Cir. 1984)). The Supreme Court in *Wal-Mart Stores, Inc. v. Somara Bros. Inc.*, No. 99-150, 2000 U.S. LEXIS 2197 (Mar. 22, 2000), struck a resounding blow to trademark owners. In a 9-0 decision, the Supreme Court held product design cannot be inherently distinctive. *Id.* at *19. The Court ruled a product's design is protectable only upon a showing of secondary meaning. *Id.* at *21.

26. *See* 15 U.S.C. §§ 1114, 1125(a).

27. *See* Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036, 1046 (9th Cir. 1999).

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

29. *Id.*

descriptive, suggestive, arbitrary or fanciful.[30] The level of protection the mark receives depends on its placement in one of the five categories.

Generic marks lie at the end of the distinctiveness spectrum and generally are not protected.[31] They consist of words that identify a commonly recognized class of goods.[32] Examples of generic marks include "piano," "trumpet" and "clarinet."[33] Otherwise protectable trademarks may become generic if the term is assimilated into the everyday language of the American public.[34] This process, known as genericide,[35] has claimed marks such as "thermos" and "aspirin."[36]

Descriptive terms merely describe a product in some manner. They do not "in their primary meaning, perform the essential trademark function of identifying the source of products or services and distinguishing them from the products or services of others."[37] Descriptive terms may gain protection only after acquiring a "secondary meaning."[38] This requires consumers to relate the product to a single source that does not need to be identified.[39] Examples of descriptive marks include AMERICAN AIRLINES and CHAPSTICK lip balm, as well as personal names such as

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30. Germain, *supra* note 18, at 30.

31. *See Nabisco*, 191 F.3d at 215; *see also* Delaware & Hudson Canal Co. v. Clark, 80 U.S. (13 Wall.) 311, 323 (1872) ("Nor can a generic name, or a name merely descriptive of an article of trade or its qualities, ingredients, or characteristics, be employed as a trade-mark [sic] and the exclusive use of it be entitled to legal protection.").

32. *See* Park 'N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 189, 194 (1985); *see also* King-Seeley Thermos Co. v. Aladdin Indus., 321 F.2d 577, 579 (2d Cir. 1963).

33. *See* 1 JEROME GILSON, GILSON ON TRADEMARK PROTECTION & PRACTICE § 2:02, at 2-13, 2-16 (1999).

34. *King-Seeley*, 321 F.2d at 579.

35. *See* GILSON, *supra* note 33, § 2:02, at 2-17.

36. Illinois High Sch. Ass'n v. GTE Vantage, Inc., 99 F.3d 244, 247 (7th Cir. 1996).

37. GILSON, *supra* note 33, § 2:03, at 2-58.

38. *See* JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW 125 (1991).

> Secondary meaning exists only if a significant number of prospective purchasers understand the term, when used in connection with a particular kind of good, service, or business . . . as an indication of association with a particular, even if anonymous, entity . . . . When a designation has become distinctive through the acquisition of secondary meaning, it is protected under the same principles applicable to inherently distinctive designations.

Id. at 124–25. *See, e.g.*, San Francisco Arts & Athletics, Inc. v. United States Olympic Comm., 483 U.S. 522 (1987) (finding the word "Olympic" had acquired secondary meaning); Filipino Yellow Pages, Inc. v. Asian Journal Publications, Inc., 198 F.3d 1143 (9th Cir. 1999) (holding "Filipino Yellow Pages" was not a valid and protectable trademark with respect to a telephone directory for the Filipino-American community because it had not acquired a secondary meaning); International Kennel Club of Chicago, Inc. v. Mighty Star, Inc., 846 F.2d 1079 (7th Cir. 1988).

39. *Nabisco*, 191 F.3d at 215.

TAYLOR wine, FORD automobiles, and JOE'S BAR.[40] Geographical terms also fit into this category, for example, CINCINNATI INSURANCE, and GEORGETOWN HOSPITAL.[41]

Generally, marks classified as suggestive, arbitrary or fanciful "are per se inherently distinctive and entitled to protection under the Lanham Act without proof of secondary meaning."[42] Suggestive marks give some indication of a product's characteristics or qualities[43] and typically require some degree of imagination.[44] Examples of suggestive marks are GREYHOUND bus lines, COPPERTONE tanning lotion and FRESHER COOKER restaurants.[45] Whereas suggestive marks typically imply an inherent characteristic of the product, arbitrary marks do not rationally link a mark to its product.[46] Examples of arbitrary marks are ARROW shirts and DOMINO pizza.[47] Finally, "fanciful" or "coined" marks are those words invented solely for the purpose of being a trademark.[48] Examples of fanciful marks include KODAK film and KLEENEX tissues.[49]

Courts require a mark owner to prove three elements before granting trademark protection.[50] First is the element of distinctiveness. Second, the alleged infringer's mark must be the same as or deceptively similar to the plaintiff's mark.[51] Third, there must be a likelihood the defendant's mark would confuse consumers as to its product's source.[52]

Prior to the passage of the FTDA, some mark owners encountered serious obstacles trying to satisfy the three pronged test for trademark infringement. Particularly, established mark owners had difficulty proving infringement against merchants and manufacturers who used the popularity of the established mark to sell products unrelated to those the mark owner sold.[53] Proving the existence of either a competitive injury or a likelihood

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40. Germain, *supra* note 18, at 30.

41. *Id.*

42. New York Racing Ass'n, Inc. v. Perlmutter Publ'g, Inc., 959 F. Supp. 578, 580 n.4 (N.D.N.Y. 1997).

43. *See Nabisco*, 191 F.3d at 215.

44. *See* General Shoe Corp. v. Rosen, 111 F.2d 95, 98 (4th Cir. 1940).

45. Germain, *supra* note 18, at 30.

46. *See id.*

47. *Id.*

48. *See id.*

49. *Id.*

50. *See* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 779–80 (1992); *see also* Gruner + Jahr USA Publ'g v. Meridith Corp., 991 F.2d 1072, 1077 (2d Cir. 1993).

51. *See Gruner*, 991 F.2d at 1075.

52. *See id.* at 1077.

53. *See* Moskin, *supra* note 14.

of confusion between the products[54] was extremely difficult.[55] This problem contributed to the rise in trademark dilution laws.

B. The Rise of Trademark Dilution Law

Although trademark infringement laws have provided guidelines and remedies for the majority of infringement issues, they cannot provide relief in all situations.[56] Recognizing this problem, some states have enacted anti-dilution statutes.[57]

However, because the dilution theory is conceptually vague,[58] the cause of action has never been clearly formulated. Courts have been consistently baffled regarding what specific legal interest dilution is intended to protect and what specific harm it is designed to prevent.[59] As a result, dilution laws have been historically difficult to articulate and even more troublesome to apply.[60]

Before the enactment of the FTDA, judges resisted imposing injunctions beyond their state boundaries when applying state law because only half of the states had dilution laws.[61] This forced trademark owners to bring suit in every state where their mark could be protected by a dilution statute.[62]

With the FTDA, Congress intended to prevent non-owner use of famous marks on non-competing goods.[63] The Act began a conceptual transformation of trademark law, which historically protected the mark within its vertical market and protected the public from confusion.[64]

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54. *See id.*

55. *See id.*

56. *See id.*

57. *See id.*; *see also* Sykes Laboratory, Inc. v. Kalvin, 610 F. Supp. 849, 856 (C.D. Cal. 1985) (quoting 2 J. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 24:13, at 213 (2d ed. 1984)); 3 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 24:13, at 24-124 to 24-126 (3d ed. 1996).

58. Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 456 (4th Cir. 1999).

59. *See id.*

60. *See* Brendan Mahaffey-Dowd, Note, *Famous Trademarks: Ordinary Inquiry by the Courts of Marks Entitled to an Extraordinary Remedy*, 64 BROOK. L. REV. 423, 426 (1998).

61. *See* H.R. REP. NO. 104-370, at 3–4 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1030–31.

62. *See id.*

63. *See Nabisco*, 191 F.3d at 218. Buick aspirin, Schlitz varnish and Kodak pianos are hypothetical cases of dilution advanced by the Legislature. *See id.*

64. *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 157 (1989) (explaining the law of unfair competition is rooted in the common law tort of deceit, which is

However, the passage of a federal dilution law seems to indicate Congress' interest in preserving the value of trademarks has surpassed that of protecting the consumer.[65]

1. Dilution Law

The goal underlying protection from dilution was initially based on a desire to protect trademark owners from those who attempted to commercially use an established mark on a completely unrelated product.[66] Around the 1920's, cases began to emerge where people alleged some form of trademark dilution.[67]

In the eighty years prior to the passage of the FTDA, only twenty-eight states had enacted some form of anti-dilution law.[68] Most dilution statutes were based on the *United States Trademark Association Model State Trademark Bill*[69] and states without dilution statutes generally followed a nebulous common law theory of dilution.[70] Nevertheless, courts continually grappled with structuring a functional definition for dilution.[71] As a result, no uniform set of guidelines emerged to help courts determine

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concerned with protecting consumers from confusion); JAMES LOVE HOPKINS, THE LAW OF TRADEMARKS, TRADENAMES AND UNFAIR COMPETITION § 1, at 1–3 (2d ed. 1905).

65. *See* Mahaffey-Dowd, *supra* note 60, at 425; *see also* Viacom, Inc. v. Ingram Enters., 141 F.3d 886, 890 n.7 (8th Cir. 1998) ("Trademark infringement relief protects the public from confusion by enforcing the rights of a prior mark, whereas dilution relief, being premised on the absence of confusion, merely protects the property rights of the prior mark's owners.").

66. *See* Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927). *See generally* Wall v. Rolls-Royce, 4 F.2d 333 (3d Cir. 1925) (enjoining Rolls-Royce Tube Company from using the name of the automobile manufacture Rolls-Royce to sell radio tubes). *See, e.g., Utah Div. of Travel*, 170 F.3d 449; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. b. (1995) [hereinafter RESTATEMENT].

67. *See generally* Buckspan v. Hudson's Bay Co. 22 F.2d 721 (5th Cir. 1927); Ralston Purina Co. v. Saniwax Paper Co., 26 F.2d 941 (W.D. Mich. 1928).

68. *See Federal Trademark Dilution Act of 1995: Hearings on H.R. 1295 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 104th Cong. 155, 163 (1995) (statement of Jonathan E. Moskin, Partner, Pennie & Edmonds). *But see* 2 JEREMY GILSON, TRADEMARK PROTECTION AND PRACTICE § 5.12[1][b], at 5-261 (1999) (stating only twenty-five states had enacted anti-dilution statutes since 1947).

69. *See* UNITED STATES TRADEMARK ASSOCIATION MODEL STATE TRADEMARK BILL § 12 (1964), *reprinted in* 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:80, at 24-134 (4th ed. 1999). The Bill provides that the "likelihood of injury to business reputation or of dilution of the distinctive quality of a mark shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services." *Id.*

70. *See* Moskin, *supra* note 14.

71. *See id.*

whether a mark was both distinctive and famous enough to gain protection under dilution law.[72]

Few courts were able to formulate a definition for dilution.[73] Those that did, defined dilution as the use of a mark by someone other than the owner such that the use progressively erodes the mark's distinctiveness, strength, and value.[74] Even with a useable definition for dilution, some courts still struggled with its application. These courts were unable to settle whether consumer confusion should be required,[75] how strong a mark must be to be sufficiently famous[76] and whether an action could only be brought against non-competitors in a dilution action.[77] These courts feared granting trademark owners the exclusive right to use a mark commercially would hinder free competition.[78] As a result, many courts resisted granting

72. *See id.*

73. *See generally* Ameritech, Inc. v. American Info. Tech., 811 F.2d 960, 965 (6th Cir. 1987) (relying on 3A RUDOLF CALLMANN, THE LAW OF UNFAIR COMPETITION, TRADEMARKS & MONOPOLIES § 21.11 (4th ed. 1983) and 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:13 (A)–(C), at 212–219 (2d ed. 1984)).

74. *See id.*

75. *Compare* Astra Pharm. Prod. v. Beckman Instruments, 718 F.2d 1201, 1205 (1st Cir. 1983) (requiring a showing of consumer confusion), *and* Stork Restaurant, Inc. v. Sahiti, 166 F.2d 348, 356 (9th Cir. 1948), *and* Tiffany & Co. v. Tiffany Prod., Inc., 188 N.E. 30 (N.Y. 1933), *with* Plus Prods. v. Plus Discount Foods, Inc., 564 F. Supp. 984 (S.D.N.Y. 1983), *aff'd in relevant part*, 722 F.2d. 999 (2d Cir. 1983), *and* Olay Co. v. Cococare Prod., Inc., 218 U.S.P.Q.2d 1028 (S.D.N.Y. 1983) (requiring a showing of consumer confusion). *See generally* Beverly W. Pattishall, *The Dilution Rationale for Trademark—Trade Identity Protection, its Progress and Prospects*, 71 N.W. U. L. REV. 618, 619 (1976).

76. *See, e.g.*, Westwood One, Inc., v. NBC, Inc., 218 U.S.P.Q.2d 995 (C.D. Cal. 1982); Mason Tackle Co. v. Victor United, Inc., 216 U.S.P.Q.2d 197 (C.D. Cal. 1982).

77. *See* Robert D. Litowitz & Douglas A. Rettew, *Cleansing and Clarifying the Mark, the Year-Old Federal Trademark Dilution Act is Already Protecting Famous Marks from Blurring and Tarnishment*, LEGAL TIMES, Dec. 9, 1996, at 36; *see also* AHP Subsidiary Holding Co. v. Stuart Hale Co., 1 F.3d 611 (7th Cir. 1993); Soloflex, Inc. v. Nordictrack, Inc., 31 U.S.P.Q.2d 1721 (D. Or. 1994); Tower Publications, Inc. v. MTS, Inc., 21 U.S.P.Q.2d 1303, 1305 (N.D. Ill. 1991); E.R. Squibb & Sons, Inc. v. Princeton Pharm. Inc., 17 U.S.P.Q.2d 1447, 1454 (S.D. Fla. 1990). *See generally* RESTATEMENT, *supra* note 66, § 25 (incorporated dilution protection in 1993); 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:72, at 24-128 to 24-129 (4th ed. 1999) (explaining that, although the FTDA and the Restatement apply dilution law to competing goods, this was not the original intention of dilution law; at its inception, dilution law was exclusively reserved for noncompeting goods or services); Julie Arthur Garcia, *Trademark Dilution: Eliminating Confusion*, 85 TRADEMARK REP. 489, 497–500 (1995) (discussing state courts' application of dilution only to noncompeting products); Beverly W. Pattishall, *supra* note 75, at 618–19 (explaining the annals of dilution can be traced back to English, German, and United States case law, in which courts granted relief to trademark owners of noncompeting products).

78. *See* RESTATEMENT, *supra* note 66, § 25 cmt. b (discussing the history of dilution statutes).

injunctive relief in the absence of possible consumer confusion.[79] These courts generally heard, yet discounted, any claim of dilution.[80]

a. Federal Trademark Dilution Act

Trademark owners who are unable to satisfy the requirements of a trademark infringement claim can now find solace under a federal cause of action theory of dilution.[81] On January 16, 1996, Congress passed the FTDA in order to protect famous trademarks from a gradual "whittling away"[82] of the mark's distinctive quality.[83] The FTDA amended the Lanham Act by adding a federal cause of action for bringing dilution claims,[84] and by defining dilution for purposes of the Lanham Act.[85] Unfortunately, the federal statute did not succeed in supplying a uniform standard of protection against dilution.[86] In effect, the FTDA defines dilution in a circular fashion.[87] The Act does not specify how closely one mark must resemble the other before dilution exists and provides little evidence of what constitutes a famous mark.[88] Consequently, courts, in trying to interpret the Act's vague terms, have applied the statute inconsistently.[89]

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79. *See* 2 JEREMY GILSON, TRADEMARK PROTECTION AND PRACTICE § 5.12[1][a], at 5-259 to 5-260 (1999).

80. *See id.*

81. *See* Lori Krafte-Jacobs, Comment, *Judicial Interpretation of the Federal Trademark Dilution Act of 1995*, 66 U. CIN. L. REV. 659, 660–62 (1998) (tracing the history of dilution).

82. *Nabisco* 191 F.3d at 214.

83. *See generally id.*; Mortellito v. Nina of Cal. Inc., 335 F. Supp 1228 (S.D.N.Y. 1972) (discussing the "whittling away" theory of dilution).

84. Federal Trademark Dilution Act of 1995, Pub, L. No. 104-98, 109 Stat. 985 (1996) (codified as amended in 15 U.S.C. §§ 1125, 1127).

85. *See* 15 U.S.C. § 1127 (Supp. IV 1998).

86. *See id.*; Moskin, *supra* note 14.

87. *See* Moskin, *supra* note 14. Dilution is defined as "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception." 15 U.S.C. § 1127.

88. *See* Moskin, *supra* note 14.

89. *See id.* Before passing the FTDA, problems with the Act were so apparent the statute's author urged the House Subcommittee on Courts and Intellectual Property to include a distinct roadmap to determine when exactly a mark had been diluted. *See id.* However, the Legislature did not enact the suggested guidelines. *See id.* The House of Representatives Report does not shed any light on why the guidelines were not included. *See* H.R. REP. NO. 104–374, at 3 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1031.

b. State Law and the Federal Act

Congress derived much of the FTDA's language from preexisting state dilution law.[90] The Act establishes a federal cause of action against those individuals who dilute a mark's distinctiveness by trading on the goodwill of famous trademarks.[91]

However, the Act is unlike state dilution law because it only applies to famous marks.[92] By limiting protection to famous marks, the Act is intended to extend protection only to an elite and limited category of trademarks.[93] Only those marks that warrant national protection due to their enormous value and particular susceptibility to injury are beneficiaries of the Act's protection.[94] In cases where regional marks are so famous "even non-competing uses can impinge on their value,"[95] the legislature explicitly states the federal dilution statute does not preempt state law.[96]

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90. *See* Moskin, *supra* note 14; *see also* McDermott, *supra* note 15, at 336. The language of the FDTA and the reasons articulated in the statute for its enactment were taken almost entirely from the Trademark Review Commission Report of the United States Trademark Association (now the International Trademark Association). *See* United States Trademark Association Trademark Review Commission, *Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 455 (1987) [hereinafter *Trademark Review Commission Report*]. When Congress enacted the FTDA, the states dilution statutes were: Alabama (ALA. CODE § 8-12-17 (Supp. 1992)), Arkansas (ARK. CODE ANN. § 4-71-113 (Michie 1991)), California (CAL. BUS. & PROF. CODE § 14330 (West 1992)), Connecticut (CONN. GEN. STAT. ANN. § 35-11i(c) (West 1991)), Delaware (DEL. CODE ANN. tit. 6, § 3313 (Supp. 1990)), Florida (FLA. STAT. ANN. § 495.151 (West Supp. 1992)), Georgia (GA. CODE ANN. § 10-1-451 (1991)), Idaho (IDAHO CODE § 48-512 (Supp. 1992)), Illinois (ILL. COMP. STAT. 1035/15 (1995)), Iowa (IOWA CODE ANN. § 548.11(2) (West 1991)), Louisiana (LA. REV. STAT. ANN. § 51:2223.1 (West 1992)), Maine (ME. REV. STAT. ANN. tit. 10, § 1530 (West 1991)), Massachusetts (MASS. GEN. LAWS ch. 1 10B, § 12 (Supp. 1992)), Missouri (MO. REV. STAT. § 417.061(1) (1990)), Montana (MONT. CODE ANN. § 30-13-334 (1991)), Nebraska (NEB. REV. STAT. § 87-122 (1987)), New Hampshire (N.H. REV. STAT. ANN. § 350-A:12 (Supp. 1991)), New Mexico (N.M. STAT. ANN. § 57-3-10 (Michie 1991)), New York (N.Y. GEN. BUS. LAW § 368-d (McKinney 1992)), Oregon (OR. REV. STAT. § 647.107 (1998)), Pennsylvania (54 PA. CONS. STAT. ANN. § 1124 (West Supp. 1992)), Rhode Island (R.I. GEN. LAWS § 6-2-12 (Supp. 1991)), Tennessee (TENN. CODE ANN. § 47-25-512 (Supp. 1992)), Texas (TEX. BUS. & COM. CODE ANN. § 16.29 (West 1992)), Washington (WASH. REV. CODE ANN. § 19.77 (West 1992)).

91. *See* 15 U.S.C. § 1125(a).

92. *See* 15 U.S.C. § 1127.

93. *See Trademark Review Commission Report*, *supra* note 90, at 455.

94. *See id.*

95. Avery Dennison Corp. v. Sumpton, 189 F.3d 868, 875 (9th Cir. 1999).

96. *See* H.R. REP. NO. 104-374, at 4 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1031.

> It is important to note that the Act would not pre-empt existing state dilution statutes. State laws could continue to be applied in cases involving locally famous or distinctive marks. Unlike patent and copyright laws, federal trademark law presently coexists with state trademark law, and it is to be expected that a federal dilution statute should similarly coexist with state

Thus, if state law permits, regionally celebrated trademarks may still receive protection.[97]

According to the legislative history, the FTDA was designed to protect famous trademarks from unauthorized uses of similar marks that blur the distinctiveness or disparage the quality of the famous marks, even if there is no likelihood of confusion.[98] This theory of trademark protection rests on the belief that a highly distinguished and recognizable mark is a "powerful selling tool."[99] Furthermore, the Act was designed to prevent the forum-shopping that resulted from having states with differing anti-dilution statutes.[100]

c. Definition of Dilution

The FTDA entitles the owner of a famous mark to injunctive relief against a person who commercially uses, and thereby dilutes, the distinctive quality of the owner's mark.[101] Dilution is defined as "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception."[102] The following product names would exhibit dilution of famous marks: KODAK bicycles, DIES R US machine shops, TIFFANY restaurants,[103] PEPSI in-line skates, MICROSOFT lipstick, KLEENEX machine guns and JOCKEY automobile tires.[104] The current definition of dilution reflects Congress' belief that a

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> dilution law. The ownership of valid federal registration would act as a complete bar to a dilution action brought under state law.

Id.

97. *See id.* at 3–4.

98. *See* Nailtiques Cosmetic Corp. v. Salon Sciences Corp., 41 U.S.P.Q.2d 1995, 1998 (S.D. Fla. 1997) (listing Congress' considerations when writing the act and not including likelihood of confusion).

99. *Nabisco* 191 F.3d at 217 (quoting RESTATEMENT, *supra* note 66, § 25 cmt. c).

100. *See* American Express Co. v. CFK, Inc., 947 F. Supp. 310, 314 (E.D. Mich. 1996); Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp., 937 F. Supp. 204, 208 (S.D.N.Y. 1996) (citing 141 CONG. REC. H14317-18 (daily ed. Dec. 12, 1995) (statement of Rep. Moorhead)).

101. *See* 15 U.S.C. § 1125(c)(1) (1994 & Supp. IV 1998).

102. 15 U.S.C. § 1127.

103. *See* Moskin, *supra* note 14.

104. *See* 2 JEREMY GILSON, TRADEMARK PROTECTION AND PRACTICE § 5.12[1][a], at 5-260 (1999); *see also Hearing Before the House Comm. on Patents*, 72d Cong. 15 (1932) (statement of Frank I. Schechter) ("If you take Rolls Royce for instance, if you allow Rolls Royce restaurants and Rolls Royce cafeterias, and Rolls Royce pants, and Rolls Royce candy, in 10 years you will not have a Rolls Royce mark any more.").

measurable goodwill exists in the minds of consumers "subject to theft, waste, or erosion"[105] when another party uses a mark similar to the owner's trademark.[106]

However, judicial interpretation of the federal statute has made clear the legislature has left many vital questions unanswered.[107] In essence, the confusion that arose out of fifty years of unevenly applied state law has seeped into the porous framework of the federal statute.[108]

According to the federal statute, dilution occurs when a famous mark becomes less distinguishable as the identifier of specific goods or services when another party is using a similar mark to identify its products or services.[109] Unlike infringement and unfair competition claims, trademark dilution does not require the plaintiff to prove customer confusion, deception or mistake, or the existence of competition between the famous mark and the alleged diluting mark.[110]

Instead, the FTDA establishes the following elements for a finding of dilution: the plaintiff's mark is famous;[111] "the defendant [makes] commercial use of the mark in commerce; the defendant's use [began] after the plaintiff's mark became famous; and the defendant's use presents a likelihood of dilution of the distinctive value of the mark."[112]

2. Fame: Stepping Beyond Distinctiveness

Congress realized granting dilution protection based merely on proof of inherent or acquired distinctiveness would have the undesirable result of protecting trademarks from potentially non-infringing uses.[113] Thus, according to the FTDA, a trademark owner must prove the mark is not only distinctive, but also famous.[114] This limits the type of trademark afforded dilution protection.[115]

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105. Moskin, *supra* note 14.

106. *See id.*

107. For a thorough analysis of trademark issues the federal dilution law does not address, see Moskin, *supra* note 14.

108. *See* Terry R. Bowen, *The Federal Trademark Dilution Act of 1995, Does it Address the Dilution Doctrine's Most Serious Problems?*, 7 J. ART & ENT. LAW 75, 78–79 (1996).

109. *See* 15 U.S.C. § 1125(c) (Supp. IV 1998).

110. *See Nabisco* 191 F.3d at 215.

111. *See* 15 U.S.C. § 1127.

112. *Avery Dennison* 189 F.3d 868, 874 (citing Panavision Int'l. L.P. v. Toeppen, 141 F.3d 1316, 1324 (9th Cir. 1998) (interpreting 15 U.S.C. § 1125(c)(1))).

113. *See id.* at 875.

114. *See* 15 U.S.C. § 1125(c)(1); *see also Avery Dennison*, 189 F.3d at 876. *But see* Clinique Lab., Inc. v. Dep Corp., 945 F. Supp. 547, 561 (S.D.N.Y. 1996) (holding, in applying the FTDA famousness factors, a mark proven distinctive will also be famous). *Cf.* Films of

Under the FTDA, "a mark [must] be truly prominent and renowned."[116] The FTDA provides a nonexclusive list of eight factors courts may apply in determining whether a mark is famous.[117] These factors include: 1) the degree of inherent or acquired distinctiveness of the mark; 2) the duration and extent of the mark's use in connection with the goods or services it identifies; 3) the duration and extent of advertising and publicity of the mark; 4) the geographical extent of the trading area in which the mark is used; 5) the channels of trade for the goods or services the mark identifies; 6) the degree of recognition of the mark in the trading areas and channels of trade used by both the mark's owner and the person against whom the injunction is sought; 7) the nature and extent of use of the same or similar marks by third parties; and 8) whether the mark was registered on the principal register.[118]

a. Judicial Discord: No Clear Definition of Dilution

The FTDA's nonexclusive list of factors that determine fame is too general to provide much guidance.[119] As a result, courts are unable to use the factors to determine whether the plaintiffs have met the "higher standard [that] must be employed to gauge the fame of a trademark eligible for this *extraordinary* remedy . . . ."[120] Thus, even with Congress' attempt to instill uniform understanding of dilution law by creating a list of factors to determine fame,[121] courts continually grapple with the concept of dilution.[122] This judicial discord has resulted in confusion and has led to

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Distinction, Inc. v. Allegro Film Prod., Inc., 12 F. Supp.2d 1068, 1078 (C.D. Cal. 1998) (noting "trademark dilution laws protect 'distinctive' *or* 'famous' trademarks from certain unauthorized uses" (quoting Panavision Int'l L.P. v. Toeppen, 945 F. Supp. 1296, 1301 (C.D. Cal 1996))).

115. *See Avery Dennison*, 189 F.3d at 875.

116. *Id.* (citing I.P. Lund Trading APS v. Kohler Co., 163 F.3d 27, 46 (1st Cir. 1998) (citations omitted).

117. *See* 15 U.S.C. § 1125(c).

118. *See id.*

119. *See* Moskin, *supra* note 14.

120. *Avery Dennison*, 189 F.3d at 876 (citing 77 TRADEMARK REP. 375, 461 (1987)); Krafte-Jacobs, *supra* note 81, at 690 ("If all marks are distinctive, and a showing of distinctiveness meets the elements of fame, what marks would be outside the protection of the FTDA? . . . [T]he FTDA does not indicate that any particular degree of distinctiveness should end the inquiry."); *cf.* 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:109, at 24-211 to 24-214 (4th ed. 1999).

121. *See* 141 CONG. REC. S19310 (daily ed. Dec. 29, 1995) (statement of Sen. Hatch); *see also* H.R. REP. No. 104-374, at 3; 141 CONG. REC. H14317 (daily ed. Dec. 12, 1995) (statement of Rep. Moorhead).

122. *See generally* Sally Gee, Inc. v. Myra Hogan, Inc., 699 F.2d 621, 625 (2d Cir. 1983).

disparate interpretations of the Act.[123] The inconsistent standards were evident in *Nabisco, Inc. v. PF Brands, Inc.*,[124] where Pepperidge Farm was able to secure a preliminary injunction against Nabisco Brand Company ("Nabisco").[125]

The intention of the federal statute was to limit anti-dilution protection to a handful of celebrated marks.[126] However, courts applying the federal and state statutes have nonetheless extended this higher level of protection to local favorites and relatively obscure companies.[127] Thus, marks such as Tele Tech, Gazette, Intermatic, Nailtiques, Wawa and "Papal Visit 1999" have been deemed famous.[128] In some cases, courts have neglected the fame element entirely.[129]

b. Blurring and Tarnishment

Under the FTDA, dilution may result from either blurring or tarnishment.[130] Blurring occurs when an unauthorized use of an established trademark diminishes its selling power.[131] This happens when a junior

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123. *See generally Nabisco*, 191 F.3d at 223–25. The *Nabisco* court explicitly declined to follow *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449 (4th Cir. 1999), which interpreted the federal anti-dilution statute as requiring proof of "actual, consummated harm." *Nabisco*, 191 F.3d at 223. To prove dilution, the *Ringling Bros.* court required the plaintiff "rely on evidence of 'actual loss of revenues' or the 'skillfully constructed consumer survey.'" *Id.* However, the *Nabisco* court found this to be "an arbitrary and unwarranted limitation on the methods" of proving dilution. *Id.*

124. 191 F.3d 208.

125. *See id.* For purposes of this Note, Nabisco Brands Company and Nabisco, Inc. are collectively known as "Nabisco."

126. *See Avery Dennison*, 189 F.3d at 875.

127. *See* Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1698 (1999).

128. *See id.* (citing Archdiocese of St. Louis v. Internet Entertainment Group, Inc., No. 4:99CV27SNL, 1999 WL 66022, at *1 (E.D. Mo. Feb. 12, 1999)) *opinion withdrawn* (holding "Papal Visit 1999" famous as a result of the Pope's visit to St. Louis)); *Nailtiques*, 41 U.S.P.Q.2d at 1998–99 (holding "Pro-Techniques" diluted "Nailtiques" famous fingernail care product); Teletech Customer Care Management, Inc. v. Tele-Tech Co., 977 F. Supp. 1407, 1413 (C.D. Cal. 1997) (holding the name "TeleTech" was "probably famous" for a customer care information service); Intermatic, Inc. v. Toeppen, 947 F. Supp. 1227, 1239 (N.D. Ill. 1996) (finding "Intermatic" famous for electrical products); Wawa, Inc. v. Haaf, 40 U.S.P.Q.2d. 1629, 1631 (E.D. Pa. 1996) (holding "Wawa" famous for convenience stores in surrounding states); Wedgewood Homes, Inc. v. Lund, 659 P.2d 377, 381 (Or. 1983) (holding "Wedgewood" famous for a house building company in eastern Washington County, Oregon)).

129. *See* Lemley, *supra* note 127, at 1698–1699 & 1699 n.51.

130. *See Nailtiques*, 41 U.S.P.Q.2d at 1998.

131. *See* Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43 (2d Cir. 1994).

mark so strongly resembles the famous mark[132] consumers automatically associate the two.[133] On the other hand, tarnishment takes place when the junior use causes the senior trademark to be associated with inferior quality goods or an offensive or distasteful use.[134] Trademark owners who successfully prove the existence of either blurring or tarnishment may receive injunctive relief against nearly all unauthorized uses of their famous mark nationwide.[135]

c. Noncommercial Use

Non-commercial use is synonymous with non-trademark use of a mark.[136] Under the FTDA, non-commercial use is an affirmative defense to a claim of trademark dilution.[137] Non-commercial use exists when the mark "do[es] not create an association with a different user's goods, services, or business."[138] It occurs when the mark is not "used to advertise or promote a product by suggesting inaccurate sponsorship or origin."[139]

d. Trade Dress

The dilution theory has perpetually seeped into the realm of trade dress.[140] Trade dress is the complete image of a product.[141] Trade dress

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132. Junior marks are defined as those marks which have less recognition than senior marks, usually because they are not first in time or stronger marks exist. *See* I.P. Lund Trading ApS v. Kohler Co., 11 F. Supp. 2d 127, 129 n.3 (1998).

133. *See, e.g.*, *Mead Data Cent.*, 875 F.2d at 1031 (holding no blurring resulted between Toyota's LEXUS mark and the plaintiff's LEXIS mark because, due to the niche market and sophistication of the LEXIS clientele, there was little likelihood a mental association between the two would develop); Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc., 855 F.2d 480, 485 (7th Cir. 1988) (holding "The Greatest Used Car Show on Earth" blurred the Ringling Brothers' "The Greatest Show on Earth" due to the strong mental association resulting between the two marks).

134. *See Deere*, 41 F.3d at 43; *see, e.g.*, Eastman Kodak Co. v. D.B. Rakow, 739 F. Supp. 116, 120 (W.D.N.Y. 1989) (enjoining a comedian's use of the stage name "Kodak" because the comedian's sexually and violently explicit humor would likely tarnish Eastman Kodak's trademark). *See generally* Tiffany & Co. v. Boston Club, Inc., 231 F. Supp 836, 844 (D. Mass. 1964) (enjoining a restaurant's use of the plaintiff's famous jewelry trademark TIFFANY'S due to the restaurant's inferior advertising of its product and lower quality of goods).

135. *See Nailtiques*, 41 U.S.P.Q.2d 1995.

136. *See* RESTATEMENT, *supra* note 66, § 25 cmt. i.

137. *See* 15 U.S.C. § 1125(c)(4)(b) (Supp. IV 1998).

138. *See* RESTATEMENT, *supra* note 66, § 25 cmt. i.

139. Natalie A. Dopson, Note, *The Federal Trademark Dilution Act and Its Effect on Parody: No Laughing Matter*, 5 J. INTELL. PROP. L. 539, 562 (1998).

140. *See* Sunbeam Prods., Inc. v. West Bend Co., 39 U.S.P.Q.2d 1545, 1554 (S.D. Miss. 1996) (enjoining the use of the defendant's mixer under trade dress dilution because the plaintiff's similarly designed stand mixer would otherwise be diluted). *See generally* Jennifer A.

laws protect the product's features, including shape, size, colors, textures and graphics.[142] To successfully bring a trade dress claim, the plaintiff must prove the trade dress is not principally functional and consumers link the trade dress with a single source.[143]

i. Functionality

Aspects of a mark are described as functional if they affect the value or quality of the mark.[144] Product features, such as color or shape, are functional if they are considered "essential to effective competition."[145] Functional features render products useful for reasons other than merely identifying the product's source.[146] A finding of functionality precludes trademark protection under the FTDA regardless of whether the feature identifies the product's origin.[147]

ii. Protecting Features

The rationale behind protecting a particular product feature, such as shape or color, stems from the theory that consumers may associate a particular look with a specific manufacturer, product or service.[148] If a mental association is proven, the owner is said to have established a secondary meaning in that particular feature.[149] As a result, the markholder

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Van Kirk & Rosemarie Christofolo, *Goldfish Cracker Case Upholds Emerging Claim*, NAT'L L.J., Oct. 25, 1999, at C24.

141. *See Two Pesos* 505 U.S. at 763–64, 764 n.1 (1992) (citing John H. Harland Co. v. Clarke Checks, Inc., 711 F.2d 966, 980 (11th Cir. 1983)).

142. *See id.* at 764 n.1.

143. *See* Van Kirk & Christofolo, *supra* note 140, at C24.

144. *See* Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 165 (1995). For an in depth discussion of the functionality doctrine, see Wong, *supra* note 14, at 1116.

145. Ives Lab., Inc. v. Darby Drug Co., 601 F.2d 631, 643 (1979).

146. *See* Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 873–74 (8th Cir. 1994). The *Aromatique* court held Aromatique's potpourri, packaged in pillow-shaped double cellophane bags, closed with a red and/or gold and green cord tied with a square-knot, was functional and did not establish secondary meaning. *Id.* at 870, 875.

147. *See* Van Kirk & Christofolo, *supra* note 140, at C24; Wong, *supra* note 14, at 1118.

> The functionality limitation upon trade-dress protection is a judicial expression of two basic policy considerations. First, the functionality doctrine prevents suppliers of a product from monopolizing the indispensable features of the product . . . . Second, the functionality bar prevents trade-dress law from permanently securing designs that are more properly guarded by transitory species of intellectual-property law, such as patents or copyrights.

Id.

148. *See* Panitch, *supra* note 1, at 7.

149. *See id.*

may gain exclusive trademark protection over the feature.[150] However, functional features—those features essential in producing the good itself[151]—can never receive trademark protection.[152] Doing so potentially hinders competition by preventing others from producing similar products.[153]

In the past, dilution was rarely used to protect a product's three-dimensional appearance.[154] Today, however, this is quickly changing as more plaintiffs seek legal refuge for the shape of their products under a trade dress dilution theory.[155]

III. *NABISCO, INC. V. PF BRANDS, INC.*

A. Case Background

Pepperidge Farm, a division of Campbell Soup Company,[156] has produced orange, goldfish-shaped, cheddar-cheese flavored crackers under the name "Goldfish" since 1962.[157] Since then, Pepperidge Farm has secured trademark registrations for both the design and name of these crackers.[158] From 1995 to 1998, the company launched a nationwide $120 million marketing campaign that more than doubled its net sales to $200

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150. *See id.*

151. *See id.*; Brunswick Corp. v. British Seagull Ltd., 35 F.3d 1527 (Fed. Cir. 1994) (holding the color black for outboard engines was not protectable because black has the functional capacity to make objects look smaller); Norwich Pharmacal Co. v. Sterling Drug, 271 F.2d 569 (2d Cir. 1959) (holding use of the color pink for Pepto Bismol tablets was not protectable because of pink's soothing appearance); Nor-Am Chemical v. O.M. Scott & Sons Co., 4 U.S.P.Q.2d 1316, 1320 (E.D. Pa. 1987) (holding blue-colored fertilizer was not protectable because using blue was essential to compete in the fertilizer industry). *But see* Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159 (1995) (holding green-gold pads for dry cleaning presses were protectable because they had acquired secondary meaning); *In re* Owens-Corning Fiberglass Corp., 774 F.2d 1116 (1985) (holding no competitive need exists in using the color pink for home insulation).

152. *See* Panitch, *supra* note 1, at 8.

153. *See id.*; *see also* RESTATEMENT, *supra* note 66, at § 1 cmt. e ("[T]he protection of trademarks must also be responsive to the public interest in fostering vigorous competition .... In some cases, the recognition of exclusive rights in favor of a particular seller may ... deprive competitors of access to product features necessary for effective competition.").

154. *See* Lemley, *supra* note 129, at 1701.

155. *See id.*; *see also* I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27 (1st Cir. 1998) (holding, in light of the Dilution Act's heightened standard for fame, Kohler's faucet configuration was not "famous" enough to protect).

156. *See* Nabisco, Inc. v. PF Brands, Inc., 50 F. Supp.2d 188, 194 (S.D.N.Y. 1999). Pepperidge Farm now makes Goldfish crackers in a variety of flavors. *Id.* at 192 n.1.

157. *See* Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 212 (2d Cir. 1999).

158. *See id.*

million per year.[159] As a result, Goldfish is the number one selling cheese snack cracker in dollars, and number two in volume.[160]

In 1998, Nabisco entered a joint promotion agreement with Nickelodeon Television Network ("Nickelodeon")[161] to produce cheese crackers shaped like characters from Nickelodeon's new cartoon program, *CatDog*.[162] In accordance with the Nickelodeon agreement, Nabisco developed three orange, cheddar-cheese flavored crackers based on the CatDog show: the CatDog, bones and fish.[163] Half of the crackers were in the shape of the CatDog character; the other half were evenly split between the bone shaped crackers and the goldfish-shaped crackers.[164] In comparison to Pepperidge Farm's Goldfish, the CatDog fish is "larger and flatter and has markings on one side."[165]

Nabisco intended to launch the CatDog product in February 1999.[166] However, after learning of Nabisco's plans, Pepperidge Farm requested Nabisco not use the goldfish-shaped cracker in its CatDog product.[167] Thus, Nabisco moved for a declaratory judgement against Pepperidge Farm to protect its right to sell the crackers.[168] In response, Pepperidge Farm alleged Nabisco's goldfish cracker infringed and diluted Pepperidge Farm's trademarked Goldfish cracker under the FTDA and violated New York's anti-dilution and unfair competition laws.[169]

B. The District Court's Opinion

The district court held Nabisco's cracker would likely dilute Pepperidge Farm's trademark and preliminarily enjoined Nabisco from selling its CatDog goldfish cracker.[170] The court determined Pepperidge

159. *See id.* at 213.

160. *See id.*

161. *See id.* Nickelodeon is a subsidiary of Viacom International, Inc. *See id.*

162. *See id.* at 212. The *CatDog* show features a cartoon character with the head of a cat on one end of its body and the head of a dog on the other end. *See id.* The Nickelodeon's *CatDog* cartoon is one of the most widely watched children programs in the United States. *See id.* at 213.

163. *See Nabisco*, 191 F.3d at 213.

164. *See id.*

165. *Id.*

166. *See id.*

167. *See id.*

168. *See id.*

169. *See Nabisco*, 191 F.3d at 213. New York's anti-dilution statute is analogous to the FTDA. *Id.* at 215 n.1.

170. *See Nabisco*, 50 F. Supp.2d at 212.

Farm's Goldfish was distinctive and famous, and therefore protected under the FTDA.[171]

In determining Nabisco's goldfish cracker would likely dilute Pepperidge Farm's Goldfish cracker, the court applied a six-prong test used to determine violations of New York dilution law.[172] The district court held, because all six factors weighed in favor of a finding of dilution, Pepperidge Farm had proved it was likely to succeed on its dilution claims under both federal and state law.[173] The court stated:

> In essence, P[epperidge] F[arm] has taken a unique and fanciful idea—creating a cheese cracker in the shape of a goldfish—and turned it into its signature. Nabisco's inclusion of this signature element as part of the CatDog product strikes at the heart of what dilution law is intended to prevent: the 'gradual diminution or whittling away of the value of the famous mark by blurring uses by others.' Over time, the presence of Nabisco's goldfish-shaped cracker within the CatDog mix is likely to weaken the focus of consumers on the true source of the Goldfish.[174]

Accordingly, the district court granted Pepperidge Farm's motion for a preliminary injunction.[175] The court enjoined Nabisco from selling their goldfish cracker and ordered Nabisco to recall all CatDog products that contained the fish-shaped cracker until the court reached a final judgement.[176]

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171. *See* Deborah Pines, *Fish-Shaped Cracker Barred from Shelves*, N.Y. L.J., Feb. 4, 1999, at 1. The court noted confusion would be difficult to prove because Nabisco's goldfish was only one of three shapes of crackers sold in the CatDog boxes. *See id. See generally Nabisco*, 50 F. Supp. 2d at 188. Although the district court felt Pepperidge Farm would likely succeed on its anti-dilution claim, the court denied Pepperidge Farm's trademark infringement claims on the basis that Pepperidge Farm could not demonstrate actual consumer confusion. *Id.* at 210–11.

172. The six-prong test was proposed by Judge Sweet in his concurring opinion in *Mead Data Central, Inc., v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1035 (2d Cir. 1989) (Sweet, J., concurring). This six-prong analysis for considering the likelihood of dilution includes: 1) similarity of the marks; 2) similarity of the products covered by the marks; 3) sophistication of consumers; 4) predatory intent; 5) renown of the senior mark; and 6) renown of the junior mark. *Id.*

173. *See Nabisco*, 50 F. Supp.2d at 209–10.

174. *Id.* (citations omitted).

175. *See id.* at 212. Because Nabisco offered compelling proof of damages it would suffer from the injunction, the district court ordered Pepperidge Farm to post a $3.55 million bond. *Id.*

176. *See id.*

C. The Opinion of the U.S. Court of Appeals for the Second Circuit

The issue on appeal was whether Nabisco's use of an orange, bite-sized, cheddar cheese-flavored, goldfish-shaped cracker diluted the distinctive quality of Pepperidge Farm's similarly designed Goldfish cracker in violation of the FTDA.[177] In making its determination, the court found the trademark owner is entitled to injunctive relief when five essential elements are satisfied: 1) the senior mark must be famous; 2) the mark must be distinctive; 3) the junior mark must be used for commercial gain; 4) the junior mark's use must commence after the senior mark is famous; and 5) the junior mark must dilute the distinctive quality of the senior mark.[178]

According to the court, the first, third and fourth factors were undisputed: Pepperidge Farm's Goldfish is a famous mark; Nabisco used its goldfish cracker after Pepperidge Farm's Goldfish had become famous; and Nabisco used its goldfish in commerce.[179] However, the court found more extensive inquiry was required to make a determination on the remaining factors: the junior mark's dilution of the senior mark and the distinctiveness of the senior mark.[180]

In its discussion of distinctiveness, the court placed Pepperidge Farm's Goldfish at neither end of the spectrum.[181] Rather, the court decided the Goldfish's proper placement was somewhere in the middle, deeming the Goldfish arbitrary.[182] The court explained Pepperidge Farm's Goldfish was "reasonably distinctive" because no rational connection existed between the fish shape and a cheese cracker.[183]

In its analysis, the court recognized children's cookies or crackers are often made in animal shapes.[184] The court also acknowledged companies other than Pepperidge Farm have marketed crackers in the shape of fish.[185] In fact, Nabisco itself had previously produced and sold goldfish-shaped crackers under the name "Snorkels."[186] However, the court discounted this fact because Nabisco's "Snorkels" were unsuccessful in the marketplace.[187]

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177. *See Nabisco*, 191 F.3d at 214.
178. *See id.* at 215.
179. *See id.*
180. *See id.*
181. *See id.* at 216.
182. *See id.* at 217–18.
183. *See Nabisco*, 191 F.3d at 217.
184. *See id.*
185. *See id.*
186. *See id.*
187. *See id.* at 217–18.

Second, the appellate court adopted factors that historically have been reserved for determining the likelihood of consumer confusion in traditional trademark infringement cases.[188] In its opinion, the court considered the following elements: the senior mark's distinctiveness;[189] "the similarity of the marks;"[190] the proximity of the two products in the market;[191] the interrelationship of the first three factors;[192] "shared consumers and geographic limitations;"[193] "the sophistication of consumers;"[194] "actual confusion;"[195] adjectival association between the junior use and the junior area of commerce;[196] "harm to the junior user and delay by the senior user;"[197] and "the effect of senior's prior laxity in protecting the mark."[198] After analyzing each element, the appellate court affirmed the lower court's judgment and enjoined Nabisco from selling its goldfish-shaped crackers.[199]

IV. WHERE THE SECOND CIRCUIT AND NABISCO FAILED

The appellate court improperly applied the elements of dilution in finding Nabisco's fish-shaped cracker diluted Pepperidge Farm's Goldfish cracker. Moreover, the Second Circuit incorrectly found Nabisco's use of a fish-shaped cracker was a trademark use.[200] Finally, the court improperly neglected to look at the importance of the defendant's intent in determining when dilution exists.

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188. *See id.* at 217 (observing that in trademark infringement cases, courts generally apply the "nonexclusive list of factors" applied in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (Friendly, J., concurring)).

189. *See Nabisco*, 191 F.3d at 217.

190. *Id.* at 218.

191. *See id.*

192. *See id.* at 219.

193. *Id.* at 220.

194. *Id.*

195. *Nabisco*, 191 F.3d at 221.

196. *See id.*

197. *Id.* at 222.

198. *See id.* at 217.

199. *See id.* at 228–29. "Pepperidge Farm has demonstrated likelihood of success in proving that Nabisco's use of its goldfish-shaped cheddar cheese cracker will dilute Pepperidge Farm's . . . famous, goldfish-shaped cheddar cheese cracker" in violation of the FTDA, section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c) (Supp. IV 1998). *Id.*

200. *See* Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 223 (2d Cir. 1999).

A. Distinctiveness and Fame

The Second Circuit categorized Pepperidge Farm's Goldfish as moderate on the distinctiveness spectrum.[201] The court found Pepperidge Farm's Goldfish trademark moderately distinctive because its goldfish shape had nothing in common with its existence as a cheese cracker.[202]

However, although a goldfish shape may be arbitrary when affixed to virtually any product, the inelegant, uncreative and unclever shape itself is generic. The shape of a goldfish is not indicative of any one source. It is only when the word cracker follows the word goldfish there might be a mental association among consumers that the product is manufactured by a single source.

At most, the Goldfish cracker mark is descriptive. The name of the product describes the good. The Goldfish cracker is a cracker, gold in color and shaped like a fish. There is little arbitrariness about the product. As discussed previously,[203] examples of arbitrary marks are such things as Arrow shirts and Domino's pizza. However, there is a great distinction between these latter two marks and the Goldfish cracker. The difference is ARROW shirts are not shaped like arrows, and DOMINO pizzas are not exclusively made in the shape of dominos. Thus, the Second Circuit incorrectly labeled the Goldfish cracker arbitrary. If anything, it is descriptive. Thus, to gain trademark protection, there must be a showing of secondary meaning.

Nabisco should have argued neither the Goldfish name nor its three-dimensional design ought to be included in the upper echelon of prominently distinctive marks such as Marlboro, Coca-Cola, McDonald's, IBM, Disney, Kodak, Kellogg's and Budweiser.[204] The name describes the product and there is no evidence of secondary meaning.[205]

B. Nabisco Did Not Use the Goldfish as a Trademark

With little analysis, the court ruled Nabisco, if permitted to market its fish-shaped cracker, would unlawfully trade in on the goodwill of Pepperidge Farm's Goldfish trademark. However, to be considered a

201. *See id.* at 217–18.

202. *See id.* at 221.

203. *See supra* note 46 and accompanying text.

204. *See* I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 47 (1st Cir. 1998) ("[S]ome marks, such as COCA-COLA, may be so famous as to be judicially noticed.") (citing 2 JEREMY GILSON, TRADEMARK PROTECTION AND PRACTICE, § 5.12[1][c][iii], at 5-267 to 5-268 (1999)).

205. *See supra* note 38.

trademark use, the mark must be used for its commercial value.[206] Yet, Pepperidge Farm offered no evidence that Nabisco attempted to use its cracker in such a way.[207]

As illustrated from the facts, it is difficult to conclude that Nabisco attempted to capitalize on Pepperidge Farm's Goldfish trademark.[208] Rather, under a contractual obligation to Nickelodeon, Nabisco was required to produce a cracker closely associated with the CatDog Cartoon character.[209] In accordance with the cartoon, the Dog-half of the CatDog character preferred bones as its favorite food and the Cat-half fancied fish as its favorite meal. Nabisco's production of fish-shaped crackers was not trademark related because Nabisco was trading on the value of a fish shape and not on the goodwill of Pepperidge Farm's Goldfish cracker.

C. Functionality

The purpose of the functionality rule is to "prevent the grant of perpetual monopoly by the issuance of a trade-mark in the situation where a patent has either expired, or for one reason or another, cannot be granted."[210] In *Nabisco*, the goldfish shape of a cracker is functional and thus cannot be protected under the FTDA. The fish shape connotes an essential commercial value that cannot be monopolized.[211]

In *Car-Freshner Corp. v. S.C. Johnson & Sons, Inc.*,[212] Judge Leval wrote:

> It is a fundamental principle . . . that, although trademark rights may be acquired in a word or image . . . the acquisition of such

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206. *See* Avery Dennison v. Sumpton, 189 F.3d 868, 880 (9th Cir. 1999); *see also* Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1325 (9th Cir. 1998). In *Panavision*, the Ninth Circuit determined whether the defendants "attempt[ed] to sell the trademarks themselves." *Id.*

207. *See generally Nabisco*, 191 F.3d 208.

208. *See id.* at 212–13.

209. *See id.* at 213.

210. Sylvania Elec. Prods., Inc. v. Dura Elec. Lamp Co., 247 F.2d 730, 732 (3rd Cir. 1957); *see also* Beth F. Dumas, Comment, *The Functionality Doctrine in Trade Dress and Copyright Infringement Actions: A Call for Clarification*, 12 HASTINGS COMM. & ENT. L.J. 471, 479 (1990) ("The functionality doctrine prevents the otherwise inevitable clash between free competition and trademark protection that occurs when trade dress protection is extended beyond a product's packaging to its design.").

211. Even if Pepperidge Farm's Goldfish could receive a patent on the design of the fish, that time is now long overdue. A design patent only lasts a maximum of twenty years; the Goldfish is thirty-seven years old. *See supra* text accompanying note 6.

212. 70 F.3d 267 (2d Cir. 1995). In *Car-Freshner*, the defendant used the shape of a pine tree to produce air fresheners that plugged into electrical outlets. *See id.* at 268. The plaintiff sold pine-tree-shaped air fresheners made of flat scented cardboard with a string attached to the top of the tree, so that they can be hung from the rear-view mirror of a car. *See id.*

> rights will not prevent others from using the word or image in good faith in its descriptive sense, and not as a trademark . . . . What matters is whether the defendant is using the protected word or image descriptively, and not as a mark.[213]

In acknowledging the public's right to use words and images trumps a markholder's right to exclusivity,[214] Judge Leval held the defendant's pine-tree shaped air fresheners did not violate the plaintiff's trademark rights in its pine-tree shaped air fresheners.[215]

In *Nabisco*, the shape of Nabisco's goldfish cracker is essential to the product itself. Nabisco used the goldfish shape solely to portray the preferred meal of the Cat-half of the CatDog creature. Nabisco used a fish shape for its natural descriptive qualities which are of nontrademark value. Moreover, Nabisco's fish-shaped crackers are packaged in boxes indicating that "'CatDog and related titles, logos and characters are trademarks'" of Nickelodeon.[216] This fact further strengthens the argument that Nabisco did not intentionally attempt to sell its fish-shaped cracker by trading in on the goodwill of Pepperidge Farm's Goldfish.

In *Car-Freshner*, Judge Leval explicitly referred to the importance of a product's packaging in deciding whether a trademark had been used for a nontrademark use.[217] Judge Leval made three basic findings in determining the defendant used the mark as a nontrademark.[218] First, there was no indication the defendant used the shape of its product as a trademark.[219] Second, the defendant's product came in boxes that prominently bore the defendant's trademark name as well as the parent company's corporate logo.[220] Third, each unit had the defendant's name imprinted across the

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213. *Car-Freshner Corp. v. S.C. Johnson & Sons, Inc.*, 70 F.3d 267, 269 (2d Cir. 1995) (citations omitted) (emphasis omitted); *see also* Sunmark, Inc. v. Ocean Spray Cranberries, Inc., 64 F.3d 1055, 1058 (7th Cir. 1995); Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 12–13 (2d Cir. 1976); United States Shoe Corp. v. Brown Group, Inc., 740 F. Supp. 196, 198–99 (S.D.N.Y. 1990); Holzwarth v. Hulse, 14 N.Y.S.2d 181, 181 (Sup. Ct. 1939); RESTATEMENT, *supra* note 66, § 28; MARGRETH BARRETT, INTELLECTUAL PROPERTY 760–61 (1995); 3A RUDOLF CALLMANN, THE LAW OF UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 21.24, at 211–217 (4th ed. 1983).

214. *See Car-Freshner*, 70 F.3d at 269.

215. *See id.* at 270.

216. *See Nabisco*, 191 F.3d at 213.

217. *See Car-Freshner*, 70 F.3d at 270.

218. *See id.*

219. *See id.*

220. *See id.*

front of the product itself.[221] However, Judge Leval did not use his *Car-Freshner* analysis in *Nabisco*.[222]

In *Nabisco*, Judge Leval did not apply the *Car-Freshner* test to find Nabisco's product had wholly distinctive packaging. If Judge Leval had applied the *Car-Freshner* test to *Nabisco*, the first two prongs would have been satisfied. First, there is no indication Nabisco traded upon the goodwill of the Goldfish cracker by attempting to use their fish-shaped CatDog product as a trademark. Second, Nabisco's crackers come in boxes prominently bearing Nickelodeon's trademarked name CatDog, as well as the Nabisco name and brand logo. The third *Car-Freshner* prong is not met because of its practical unfeasibility. It would be too burdensome, if not impossible, to require that each cracker bear the name "Nickelodeon."

D. Proposal: Testing for Good Faith and Predatory Intent

Evidence of either good faith or predatory intent is not listed among the FTDA's famousness factors.[223] Yet, the FTDA provides for injunctive relief as the sole remedy unless the alleged dilutor "willfully intended to trade on the owner's reputation or to cause dilution of the famous mark."[224] Hence, it is implicit that bad faith and/or predatory intent are specific aggravating factors in a federal dilution law cause of action.

In *Car-Freshner*, Judge Leval held that the public's interest in using descriptive words or images in good faith must trump any exclusivity claim by the markholder because the trademark owner assumed the risk when selecting a mark with descriptive attributes.[225] Thus, Judge Leval should have held Nabisco merely "use[d] a protected mark to describe aspects of [its] own goods . . . in good faith and not as a mark."[226]

The Second Circuit correctly found Nabisco possessed no predatory intent.[227] Predatory intent refers to a junior user's attempts to profit commercially by associating itself with an established senior mark.[228]

221. *See id.*

222. *See Nabisco*, 191 F.3d at 215.

223. *See* 15 U.S.C. § 1125(c)(1) (Supp. IV 1998).

224. 15 U.S.C. § 1125(c)(2) (Supp. IV 1998) ("If such willful intent is proven, the owner of the famous mark shall also be entitled to [attorneys fees and monetary damages].").

225. *See Car-Freshner*, 70 F.3d at 269–70 (citing Dowbrands, L.P. v. Helene Curtis, Inc., 863 F. Supp. 963, 966–69 (D. Minn. 1994)).

226. *See id.* at 270 (citing 15 U.S.C. § 1115(b)(4) (1994)).

227. *See Nabisco*, 191 F.3d at 225–26.

228. *See id.* (citing Nabisco, Inc. v. PF Brands, Inc., 50 F. Supp.2d 188, 206 (S.D.N.Y. 1999) (quoting Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., 875 F.2d 1026, 1037 (2d Cir. 1989))).

Although Nabisco undoubtedly knew of Pepperidge Farm's success in marketing a fish-shaped cracker, that knowledge is insufficient to show bad faith.[229] The Second Circuit's holding of no predatory intent only bolsters the claim that Nabisco's use of a goldfish-shaped cracker was not for the purpose of capitalizing on Pepperidge Farm's trademark.

Courts should grant more weight to bad faith and predatory intent when deciding dilution actions. Before enjoining a defendant from producing a similar product, the court should ask a series of questions: Did the defendant copy the plaintiff's mark, or are the marks substantially similar? If so, would other marks have satisfied the defendant's good faith need to produce a particular shape?

In applying this test to the facts of *Nabisco*, we would find the shape of Nabisco's fish would probably be considered substantially similar although Nabisco's cracker is larger, flatter and has markings on one side. The second prong would uncover the true reason Nabisco used a fish shape: Nabisco could not have otherwise satisfied its need to produce a cracker that was strongly associated with the favorite meal of the cat-half of the CatDog creature.

Nabisco's cracker resulted from a functional necessity of a legitimate endeavor for a nontrademark use. In effect, enjoining Nabisco only allows Pepperidge Farm to potentially secure a permanent design patent for a fish-shaped cracker, creating a perpetual monopoly unprecedented in traditional intellectual property law.

V. CONCLUSION

Through its interpretation of the FTDA, the Second Circuit in *Nabisco* has substantially furthered the transformation of dilution law into a right in gross, akin to copyright or patent law,[230] allowing trademark owners the unprecedented possibility of perpetual and exclusive rights over the shape of certain marks. There is an inherent problem in providing Pepperidge Farm with this type of patent-like protection over the shape of a fish. As the legislative history maintains, and case law suggests, anti-dilution was not intended to give a perpetual monopoly over common words and generically shaped products. Rather, the law was intended to protect famous marks from exploitation by others.

229. *See* United States Shoe Corp. v. Brown Group, Inc., 740 F. Supp. 196, 199 n.3 (S.D.N.Y. 1990).

230. *See* Moskin, *supra* note 14.

Under the Second Circuit's interpretation, dilution law may become an overreaching reconstruction of trademark law. As a result, dilution law may become completely altered, losing its historical purpose of preventing junior uses of senior marks on dissimilar products or services.[231]

In the short period since the enactment of the FTDA, dilution law has quickly changed from an appendix of trademark law into an ever-encompassing catchall legal claim. As a result, the more logical and limited trademark infringement law falls by the wayside. Until courts clearly define and reasonably interpret the concept of dilution, there is little hope for uniformity and even less hope the FTDA will fairly grant nationwide legal refuge to only the most famous of marks.

*Brian Lerner**

231. *See generally* Allied Maintenance Corp. v. Allied Mechanical Trades, 369 N.E.2d 1162 (N.Y. 1977).

* I extend my deepest gratitude to Ivy Choderker, Francesca Brotman-Orner, Dave Norrell, Jeffrey Magwood and the rest of the editors and staff of the *Loyola of Los Angeles Entertainment Law Review* for their insight, encouragement, and tireless efforts. Additionally, I would like to specially thank Professor Nils Montan and Professor John McDermott for their invaluable comments. Finally, I would like to thank my parents, brother, and grandfather for their constant patience and support. This note is dedicated to my father Laurence Lerner, and my mother, An Son Lerner who truly inspired me to be where I am today.