



Dilution: The Ninth Circuit Joins The Second Circuit: Substantial Similarity Is Not A Prerequisite To Claim Dilution By Blurring

On February 8, 2011, the Ninth Circuit Court of Appeals ruled that the identical or nearly identical standard for similarity in a dilution by blurring claim did not survive the Trademark Dilution Revision Act of 2006 ("TDRA"). *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, No. 09-16322, 2011 U.S. App. LEXIS 2361 (9th Cir. Feb. 8, 2011). Specifically, it held:

Thus, the plain language of 15 U.S.C. § 1125(c) does not require that a plaintiff establish that the junior mark is identical, nearly identical or substantially similar to the senior mark in order to obtain injunctive relief. Rather, a plaintiff must show, based on the factors set forth in § 1125(c)(2)(B), including the degree of similarity, that a junior mark is likely to impair the distinctiveness of the famous mark.

Id. at *40-41. In doing so the Ninth Circuit joined the Second Circuit, which held in *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 107 (2d Cir. 2009), that it was error to dismiss Starbucks's dilution by blurring claim for lack of substantial similarity between the marks.

Substantial similarity between the famous mark and the accused diluting mark as a prerequisite to a dilution by blurring claim was a judicially created element to the law of dilution. The rule from *Luigino's, Inc. v. Stouffer Corp.*, 170 F.3d 827, 832 (8th Cir. 1999), is typical: "To support an action for dilution by blurring, 'the marks must at least be similar enough that a significant segment of the target group of customers sees the two marks as essentially the same.'" The requirement that the accused and famous mark be identical or nearly so was a significant limitation on dilution by blurring claims. District courts continued to overlay this judicially created rule of substantial similarity after passage of the TDRA in 2006, as the overturned district court decisions in *Starbucks* and *Levi Straus* demonstrate.

Dilution by blurring "is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark." 15 U.S.C. § 1125(c)(2)(B) (2006). Under the statutory



language of the TDRA, there are four threshold elements, or prerequisites, to a dilution by blurring claim: (1) fame; (2) distinctiveness; (3) defendant's use of the challenged mark or trade name in commerce; and (4) defendant's use after plaintiff's mark is famous. *Id.* at § 1125(c)(1). Substantial similarity is not one of the statute's threshold requirements. When the four statutory threshold elements are met, the statute requires the court to then consider whether likelihood of dilution by blurring is proven. Section 1125(c)(2)(B) states:

In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

- (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.

“Degree of similarity” is one of six factors the court must consider. The *Levi Strauss* and *Starbucks* courts teach “that identity, near identity or substantial similarity [do not] constitute a threshold showing for relief under § 1125(c).” *Levi Strauss*, 2011 U.S. App. LEXIS 2361 at *38; *Starbucks*, 588 F.3d at 107 (“We conclude that the District Court erred to the extent it required ‘substantial’ similarity between the marks[.]”). The threshold requirements are the four stated above. Similarity – or the degree of similarity – is but one consideration in the balance of a multi-factor test. *Levi Strauss*, 2011 U.S. App. LEXIS 2361 at *39; *Starbucks*, 588 F.3d at 108.

“Similarity” is an integral element of dilution by blurring, and it is the first of the six listed factors in the statute. “Nevertheless, Congress’s decision to make ‘degree of similarity’ one consideration in a multi-factor list strongly suggests that it did not want ‘degree of similarity’ to be the necessarily controlling factor.” *Levi Strauss*, 2011 U.S. App. LEXIS 2361 at *39.



A “litmus test” of substantial similarity should no longer determine a dilution by blurring claim. The degree of actual association between the accused mark or trade name and the famous mark, the extent the use of the famous mark is exclusive, and the degree of recognition of the famous mark, along with the other listed factors and “all relevant factors” must be considered in the determination of dilution by blurring. Proof of a dilution by blurring claim is now more nuanced to the advantage of the owners of famous marks.

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