Trademark: Victoria’s Dirty Little Secret: A Revealing Look at What the Federal Trademark Dilution Act is Trying to Conceal

I. Introduction

“[It] is a cancer which, if allowed to spread, will inevitably destroy the advertising value” of trademarks.1 It “is an infection,”2 a “gradual whittling away of a . . . distinctive trade-mark”3 that “destroys the possibility that the [trademark] can ever be made whole.”4 Despite the seriousness of these charges, the rather vague and controversial doctrine of trademark dilution5 has enjoyed only lukewarm and patchwork support for much of its tortured history in the United States.6 However, in 1995, Congress surprisingly

1. Norm Thompson Outfitters, Inc. v. Gen. Motors Corp., 448 F.2d 1293, 1299 (9th Cir. 1971).
5. Trademark dilution is defined as
   
   [the impairment of a trademark’s strength or effectiveness caused by the use of the mark on an unrelated product, usu(ally) blurring the trademark’s distinctive character or tarnishing it with an unsavory association. Trademark dilution may occur even when the use is not competitive and when it creates no likelihood of confusion.

BLACK’S LAW DICTIONARY 469 (7th ed. 1999). In essence, dilution occurs when “a person or company uses a mark identical or substantially similar to a pre-existing trademark, triggering a mental association on the part of the consumer between the two marks, thereby eroding the strength of the original mark.” Kathleen B. McCabe, Note, Dilution-By-Blurring: A Theory Caught in the Shadow of Trademark Infringement, 68 FORDHAM L. REV. 1827, 1828 (2000). Similarly, scholars such as Frank Schechter have defined dilution as an erosion—“the gradual whittling away or dispersion of the identity and hold upon the public mind” of the senior mark via the use of a similar junior mark. Frank I. Schechter, The Rational Basis of Trademark Protection, 40 HARV. L. REV. 813, 825 (1927).

The Federal Trademark Dilution Act’s dilution definition is discussed infra Part II.E.2. For more information, see generally David S. Welkowitz, Reexamining Trademark Dilution, 44 VAND. L. REV. 531, 531-38 (1991).
codified trademark dilution into federal law by passing the Federal Trademark Dilution Act (FTDA). Proponents of the FTDA heralded the Act as “[protecting] famous trademarks from subsequent uses that blur the distinctiveness of [trademarks] or tarnish or disparage [them], even in the absence of a likelihood of confusion.” Because consumer confusion had always been the lynchpin of trademark law’s protection analysis, scholars such as Kenneth Port expressed fear that dilution claims would sway the delicate balancing act of trademark law in favor of trademark owners. As Port warned, the purpose of trademark law has always been “to protect the consumer from confusion, to protect the goodwill of the trademark right holder, and to ensure free market access for third party competitors.”

The underlying problems with the FTDA soon became apparent as courts struggled to apply the Act’s vague terms and circular definition of dilution. Among the several interpretative difficulties, federal circuit courts soon split over the proof requirements for actionable dilution. While the Fourth and Fifth Circuit Courts of Appeals maintained that claimants must show actual economic injury to their famous marks to prevail under the FTDA, the Second, Third, and Seventh Circuits held that claimants must demonstrate only a “likelihood of harm.” This “circus among the circuits” came to a breaking point when the Sixth Circuit addressed the split in *Ve Secret Catalogue, Inc. v. Moseley*. The court, in holding that a showing of
“likelihood of harm” was sufficient under the FTDA, set the stage for the U.S. Supreme Court to finally address the situation in March 2003.

As this note demonstrates, this “circus among the circuits” represents more than simply an interpretive spat amongst federal courts. Rather, the controversy goes to the very heart of the dilution doctrine and its fundamentally flawed foundation. In choosing between requiring claimants under the FTDA to show merely a “likelihood of harm” or else “actual harm” outside the FTDA, courts must decide between two evils. On one hand, with regard to the “likelihood of harm” standard, courts are dangerously close to rubber-stamping famous trademark owners’ dilution claims and thereby ratifying in-gross property rights for all such marks. On the other hand, with regard to the “actual harm” standard, courts are quite possibly rendering the FTDA completely ineffective because of the standard’s likely insurmountable problems of proof. As this note demonstrates, the Scylla and Charybdis scenario embodied in V Secret Catalogue represents the dilution doctrine’s ultimate incompatibility with trademark law. In fact, this note argues that the dilution theory embodied in the FTDA finds its true origins in misappropriation, unjust enrichment, and “free-ridership” concerns rather than in traditional trademark law. In short, the FTDA is simply a well-disguised misappropriation statute for the benefit of famous trademark owners. Part II of this note traces the history and development of the dilution doctrine up to the V Secret Catalogue decision. Part III provides the facts, procedural history, reasoning, and analysis of the Sixth Circuit decision. Part IV, this

17. Id. at 476.

18. In-gross property rights are often described as monopolistic, exclusive, unlimited, full-blown, or at-large. “In gross” itself is defined as “[a]ndivided; still in one large mass.” BLACK’S LAW DICTIONARY 786 (7th ed. 1999). As Kathleen McCabe explains, “A property-right-in-gross is one that is similar to the rights attached to real property. On the other hand, a quasi-property right in trademark is one with limited protections, based primarily on the protection of the public from confusion.” McCabe, supra note 5, at 1830 n.20.


20. For a discussion of these problems of proof, see Nabisco, Inc. v. PF Brands Inc., 191 F.3d 208, 223-24 (2d Cir. 1999), abrogated by Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003), which addressed, inter alia, the difficulty with showing diminished revenues, the flaws of consumer surveys, and the problem of uncompensable injury to the claimant’s mark before the claimant can collect sufficient evidence that dilution had actually occurred. See also V Secret Catalogue, 259 F.3d at 476 (discussing the weaknesses of consumer surveys and the problem of proving actual harm early on in the dilution process); Nguyen, supra note 15, at 167-68 (providing greater detail).

21. See, e.g., Welkowitz, supra note 5, at 558.
II. The History and Development of the Dilution Doctrine Prior to V Secret Catalogue

Before delving into the origins of the dilution doctrine, it is important to note that, unlike patents and copyrights, trademarks do not enjoy the protection of an express constitutional grant. Instead, Congress derives its authority to regulate trademarks from the general language of the Commerce Clause. Thus, unlike patent or copyright statutes, federal trademark legislation more frequently receives constitutional analysis and questionable treatment from federal courts.

A. The Origins of Dilution and Trademark Law

According to Kenneth Port, judicial acceptance of the affirmative trademark right began in England sometime before 1618. Port outlines trademark law’s development as follows: “[t]rademark law developed from unfair competition; unfair competition developed from the tort of fraud and deceit.” Given such origins, Port contends that the focus of trademark law has always been on consumer protection, and its justification has always been tort, not trespass. Most scholars agree, recognizing that the touchstone of U.S. trademark law is, and has always been, consumer confusion and protecting consumers from the deception caused by similar trademarks.

Originating from both German and British law, dilution trailed the development of trademark law in general. According to scholars, the 1924 German Odol case first coined the term “dilution.” In Odol, the owners of a well-known mouthwash sued to stop the manufacturers of steel products

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22. Port, Congressional Expansion, supra note 11, at 897.
23. Id.
25. Id. at 465.
26. Id. at 466.
27. E.g., Klieger, supra note 19, at 795.
29. E.g., Klieger, supra note 19, at 805-6 & n.96.
from using their “Odol” trademark.\textsuperscript{30} Despite the fact that mouthwash and steel products are noncompeting goods, the German court concluded that the owners had a substantial interest in ensuring that their trademark was not diluted.\textsuperscript{31} Heralding what was to come, the court affirmed that “Odol” would lose its selling power if everyone had the opportunity to use the mark.\textsuperscript{32} Just three short years after this landmark decision, dilution reached American shores.

\textbf{B. Schechter Brings Dilution to the United States}

In 1927, Frank Schechter, through his seminal article, \textit{The Rational Basis of Trademark Protection}, set aside the traditional trademark notion of consumer confusion and introduced dilution theory to American trademark law.\textsuperscript{33} In his article, Schechter espoused four main principles that would become the bases for dilution theory in the United States:

\begin{itemize}
  \item[(1)] that the value of the modern trademark lies in its selling power;
  \item[(2)] that this selling power depends for its psychological hold upon the public, not merely upon the merit of the goods upon which it is used, but equally upon its own uniqueness and singularity;
  \item[(3)] that such uniqueness or singularity is vitiated or impaired by its use upon either related or non-related goods; and
  \item[(4)] that the degree of its protection depends in turn upon the extent to which, through the efforts or ingenuity of its owner, it is actually unique and different from other marks.\textsuperscript{34}
\end{itemize}

According to Schechter’s primary thesis, the “‘real injury’ caused by concurrent use of [trademarks] was not consumer confusion but ‘the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods.’”\textsuperscript{35} Schechter observed that the only rational basis for protecting trademarks was the preservation of their uniqueness.\textsuperscript{36}

\begin{footnotes}
\item[30] Schechter, supra note 5, at 831.
\item[31] \textit{Id.} at 832.
\item[32] \textit{Id.}
\item[33] Schechter, supra note 5.
\item[34] \textit{Id.} at 830-31.
\item[36] Schechter, supra note 5, at 831.
\end{footnotes}
C. Criticism of Schechter

Scholars were swift to criticize Schechter’s advancement of the dilution theory. By dismissing consumer confusion from the equation, Schechter was not only omitting the very lynchpin of American trademark law, but he was also foregoing any evidentiary proof requirements beyond that of mark replication.37 Scholars argued that absent any independent proof requirements, Schechter had proposed “property rights in gross”38 for famous marks, ensuring them comparable status to patents and copyrights, though without similar time limits.39 In short, Schechter’s dilution theory, in stark contrast to traditional trademark notions, possessed the potential to provide trademark owners with virtually exclusive property rights.40 For most critics, Schechter’s dilution theory unacceptably blurred the lines of trademark and copyright law41 and granted trademark owners monopolies on their marks when used in any context.42

D. State Anti-dilution Statutes

Despite these criticisms, in 1947 Massachusetts became the first state to adopt an antidilution statute.43 By the time President Clinton signed the FTDA in 1996, about half of the states had followed suit.44 While state courts assumed that the trademark’s loss of selling power and overall economic value were the injuries addressed by the antidilution statutes,45 the most critical interpretative question courts faced was how claimants could actually prove these injuries.46 From the state courts’ fifty-year struggle with this question, the state antidilution statutes’ most significant feature became apparent — the requirement by all states that claimants prove only a “likelihood of dilution” rather than “actual dilution” to succeed on their claims.47 Moreover, a majority of state courts refused to accept the statutes’ plain assertions that dilution did not require consumer confusion.48 Given these difficulties in

37. Ringling Bros., 170 F.3d at 456.
38. See supra note 18 for the definition of this term.
40. See Welkowitz, supra note 5, at 532.
41. See, e.g., id. at 535.
42. See Port, Unnatural Expansion, supra note 10, at 463.
43. See Ringling Bros., 170 F.3d at 454.
44. Id.
45. Id. at 456.
46. Id. at 457.
47. Id. at 458; see also Klieger, supra note 19, at 813 (affirming that all antidilution statutes apply a likelihood-of-dilution standard).
applying the statutes, along with judicial hostility toward the lack of a consumer-confusion requirement, courts granted relief solely on a state antidilution basis in only sixteen cases prior to 1996. Moreover, from 1977 to 1994, federal appellate courts granted a solely dilution-based injunction in only about 2% of the dilution cases that they decided. As the scholar Robert Klieger contends, dilution claims were “in the vast majority of cases simply [being] tacked onto traditional infringement claims” and were “generat[ing] little discussion by the courts.” Furthermore, even as late as 1994, scholars continued to point out that actual dilution of trademarks had yet to be quantitatively proven.

E. The Federal Trademark Dilution Act

I. Legislative History

Despite the weak track record of dilution in the United States and its continuing status as a “somewhat nebulous concept,” Congress nevertheless rapidly passed the 1995 Federal Trademark Dilution Act. With the International Trademark Association (INTA) acting as the major driving force behind the FTDA’s passage, Congress deliberated little on the bill. Whereas the House conducted only minimal hearings, the Senate conducted none. Without addressing the persistent difficulties that had plagued dilution theory, Congress simply declared the FTDA necessary to bring consistency and uniformity to the frequently arbitrary and unpredictable patchwork system of existing state antidilution laws. A more unified federal system, Congress affirmed, was imperative not only to provide dilution claimants with

49. See, e.g., id. at 449 (finding that “courts are still quite hostile to the notion of dilution even in light of clear legislative mandates to the contrary”).
50. See Klieger, supra note 19, at 820; see also Mermin, supra note 4, at 215 (discussing Professor J. Thomas McCarthy’s contention that “subtlety of the injury caused by dilution contributed to judicial reluctance to enforce the state statutes”) (quoting J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:100 (4th ed. 1997)).
51. See Port, Unnatural Expansion, supra note 10, at 449.
52. Klieger, supra note 19, at 820-21; see also Hughes, supra note 5, at 804 (finding that, as late as 1998, dilution was still primarily a “tag on” claim).
53. See Port, Unnatural Expansion, supra note 10, at 447.
54. McCabe, supra note 5, at 1827 (quoting Sally Gee, Inc. v. Myra Hogan, Inc., 699 F.2d 621, 625 (2d Cir. 1983)); see also Mermin, supra note 4, at 207.
56. See Mermin, supra note 4, at 216.
predictable and adequate results, but also to stop forum-shopping, and to provide for the enforcement of nationwide injunctions.

Given the INTA’s intensive involvement, it was not surprising that Congress also designed the FTDA to satisfy U.S. obligations abroad, including greater compliance with the international Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Not only would the FTDA aid the executive branch in securing greater international protection for the famous marks of U.S. companies, but Congress believed it would also help preserve the U.S.’ role-model status in the international law community. Finally, Senator Patrick Leahy also expressed hope that the FTDA would both protect the good names and investments of U.S. companies and curb the practice of cybersquatting.

2. The Statutory Language of the FTDA

Having now described the great expectations surrounding the birth of the FTDA, it is time to introduce the statute itself. In relevant part, the statute provides: “[t]he owner of a famous mark shall be entitled . . . to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.” The FTDA defines “dilution” as “the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2)
likelihood of confusion, mistake, or deception.”67 Abruptly departing from the established history of the state antidilution statutes, Congress omitted from the Act the states’ “likelihood of dilution” standard.68 By ignoring this traditional standard and attempting to unify a piecemeal body of state law for the first time, Congress had certainly broken new ground. The critical question soon became “why?”. Beside the fact that Congress obviously hoped to bring the United States into greater compliance and uniformity with international law, such explanation still fails to explain why the United States and the entire international community were so interested in unifying such a nebulous theory in the first place.

F. Criticism of the FTDA and Case Law Leading up to V Secret Catalogue

As with Schechter’s proposals sixty-eight years before, both criticism and interpretative problems with regard to the FTDA quickly ensued. First, the Act seemed to define dilution “in an essentially circular manner.”69 Second, and more importantly, the FTDA did not specify the requisite proof for a showing that a junior mark70 had in fact “caused dilution.”71 Courts that selected an “actual harm” standard soon drew criticism that they were making dilution under the FTDA practically incapable of effective proof.72 Courts that chose a less stringent standard, however, faced the accusation that they were rendering dilution so completely vague under the FTDA as to transform the theory into “a thinly veiled manifestation of trademark rights in gross.”73 In the final analysis, the choice between these undesirable alternatives depended upon how courts responded to the nagging problem of proving actual harm from dilution in the absence of consumer confusion.74

67. Id. § 1127 (emphasis added).
68. Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 458 (4th Cir. 1999); see also Lynda J. Oswald, “Tarnishment” and “Blurring” Under the Federal Trademark Dilution Act of 1995, 36 Am. Bus. L.J. 255, 281 (1999) (summarizing Professor McCarthy’s explanation of the difference between dilution (or blurring) theory and the likelihood-of-confusion test applied in trademark infringement cases: “[t]he former focuses on a diminishment of the mark’s function as a unique identifier of goods or services; the latter focuses on a mistaken belief that the junior user is in some manner connected with the senior user’s goods or services”).
69. Klieger, supra note 19, at 839.
70. “Junior” is defined as “[l]ower in rank or standing; subordinate.” BLACK’S LAW DICTIONARY 853 (7th ed. 1999). Thus, a junior mark is a trademark that is lower in rank and subordinate in comparison to another, more established trademark, which is referred to as the “senior mark.” Basically, a senior mark is the first mark and the junior mark is the second mark.
71. Klieger, supra note 19, at 839.
72. See id. at 839.
73. Id. at 817.
74. See also Terry Ahearn, Dilution by Blurring Under the Federal Trademark Dilution
In *Ringling Brothers-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*, the Fourth Circuit attempted to resolve this question by holding that claimants must prove actual economic harm to succeed on dilution claims. At the heart of its analysis, the court extracted two critical points from the language of the FTDA. First, because the FTDA protects against marks that “cause” dilution, the court reasoned that the statute grants relief only for *actual* dilution and not merely for the “likelihood of dilution” prohibited by the state antidilution statutes. Second, because the FTDA defines dilution as “the lessening of the capacity of a famous mark to identify and distinguish goods or services,” the court further observed that Congress primarily designed the Act to protect marks’ selling power rather than their distinctiveness. This actual loss of selling power, the court reasoned, constitutes the actual economic harm that can and must be proven if claimants are to satisfy the FTDA’s literal requirements.

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While noting the persuasiveness of these arguments, the Second Circuit ultimately rejected them in *Nabisco, Inc. v. PF Brands, Inc.*, holding that the FTDA does not require proof of actual harm. In lieu of such proof, the court

*Act of 1995: What Is It and How Is It Shown?*, 41 *Santa Clara L. Rev.* 893, 916-17 (2001) (emphasizing that the highly renowned scholar and professor J. Thomas McCarthy contends that courts should apply a mere “likelihood of harm” standard). For a more complete discussion of Professor McCarthy’s comments on the FTDA and this issue in particular, see 4 *McCarthy, supra* note 50, §§ 24:90, 24:94.

75. 170 F.3d 449 (4th Cir. 1999).
76. Id. at 461.
77. Id. at 458.
78. Id.
79. Id. (quoting 15 U.S.C. § 1127 (Supp. V 1999)); see also id. at 461 (making the causal connection between actual economic harm and the lessening of a mark’s selling power); id. at 464-65 (addressing the difficulties of proving actual dilution but contending that such proof is possible via loss of revenue, survey evidence, the use of contextual factors, and the use of consumer surveys).
80. See id. at 459.
81. Id.
82. See id. at 461.
84. Id. at 223.
adopted essentially a “likelihood of dilution” standard\textsuperscript{85} guided by a ten-factor test.\textsuperscript{86} Responding to \textit{Ringling Brothers}, the court first acknowledged that even a narrow reading of the decision would require proof of actual loss of revenue.\textsuperscript{87} Such proof, it concluded, would either be impossible to show, or “extraordinarily speculative.”\textsuperscript{88} The court further reasoned that a broad reading of \textit{Ringling Brothers} would require that the “diluting,” or junior mark, already be established in commerce before claimants could seek injunctive relief.\textsuperscript{89} This requirement, the court contended, would both subject the claimants to uncompensable injury and seriously disadvantage the defendants/junior users.\textsuperscript{90} Turning away from such seemingly unacceptable results, the court instead embraced its contextual-factors test, simply asserting that it could conceive of no reason why such factors were inappropriate to prove dilution.\textsuperscript{91}

The most disturbing conclusion from this circuit split is that both sides may be correct. In truth, neither proposed solution of the actual harm requirement seems satisfactory. Courts must either require dilution claimants to prove actual harm despite the fact that “no finding of dilution has been supported

\textsuperscript{85} See id. at 222.

\textsuperscript{86} See id. at 217-22 (under Nabisco’s nonexclusive list of factors for determining dilution, courts may consider: “[d]istinctiveness,” “[s]imilarity of the marks,” “[p]roximity of the products and likelihood of bridging the gap,” “[i]nterrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products,” “[s]hared consumers and geographic limitations,” “[s]ophistication of consumers,” “[a]ctual confusion,” “[a]djectival or referential quality of the junior use,” “[h]arm to the junior user and delay by the senior user,” and “[e]ffect of senior’s prior laxity in protecting the mark”).

\textsuperscript{87} See id. at 223.

\textsuperscript{88} Id. at 224. As the court further explained, if famous marks are being exploited with continually growing success, the senior user might never be able to show diminished revenues, no matter how obvious it was that the junior use diluted the distinctiveness of the senior. Even if diminished revenue could be shown, it would be extraordinarily speculative and difficult to prove that the loss was due to the dilution of the mark.

\textit{Id.} at 223-24. The court went on to deem consumer surveys (recommended by the \textit{Ringling Bros. Court}) as too “expensive, time-consuming and not immune to manipulation.” \textit{Id.} at 224.

\textsuperscript{89} See id. at 224.

\textsuperscript{90} See id. The court contended that the claimant will suffer uncompensable injury under the broader reading because (1) the FTDA cannot be invoked until injury has already taken place, and (2) the FTDA only provides for injunctive relief and not damages. \textit{See id.} The court further contended that defendants/junior users will be disadvantaged because they will not be able to seek declaratory relief before launching their marks. \textit{See id.} In other words, “[t]hey will be obligated to spend the huge sums involved in a product launch without the ability to seek prior judicial assurance that their mark will not be enjoined.” \textit{Id.}

\textsuperscript{91} See id.
by meaningful empirical proof,\textsuperscript{92} or they must devise some lesser standard not clearly mandated by the FTDA that may risk “rubber-stamping” claimants’ dilution claims. This quandary leads to the third primary criticism of the FTDA — that the Act only protects trademarks and their owners. In fact, the scholar Xuan-Thao Nguyen argues that Congress did not design the FTDA to benefit the general public but instead the owners of famous trademarks.\textsuperscript{93} Given this protective preference, scholars contend that the FTDA suffers from the same flaws as Schechter’s dilution theory because the statute (1) ignores the consumer-protection touchstone of trademark law and (2) fails to extend a public benefit equal to the private benefit it provides.\textsuperscript{94}

In the midst of such criticisms and interpretative problems, the Sixth Circuit in 2001 confronted the FTDA in the \textit{V Secret Catalogue} decision. As will be addressed more fully in Part VI, the circuit court’s struggle with the statute would finally spur the Supreme Court to action.

III. Statement of the Case: \textit{V Secret Catalogue, Inc. v. Moseley}

A. The Facts

The facts of this case were uncontested.\textsuperscript{95} \textit{V Secret Catalogue} (V Secret) owns the registered trademark “Victoria’s Secret.”\textsuperscript{96} V Secret licenses the trademark to its Victoria’s Secret stores, which “sell[] a complete line of women’s lingerie, as well as other clothing and accessories.”\textsuperscript{97} V Secret operates over 750 stores, and its Victoria’s Secret mark has been ranked among the most famous brands in the apparel industry.\textsuperscript{98} In 1998, Victor and Cathy Moseley opened the store “Victor’s Secret,” which sold, \textit{inter alia}, “men’s and women’s lingerie, adult videos, sex toys, and ‘adult novelties.’”\textsuperscript{99} Concerned with the similarity of Victor’s Secret to its own mark, V Secret sent the Moseleys a cease and desist letter.\textsuperscript{100} As a result, the Moseleys changed the name of their store to Victor’s Little Secret.\textsuperscript{101} Dissatisfied with this change, V Secret sued the Moseleys for violation of the FTDA, federal

\textsuperscript{92} Klieger, supra note 19, at 825 (quoting Jonathan E. Moskin, \textit{Dilution or Delusion: The Rational Limits of Trademark Protection}, 83 TRADEMARK REP. 122, 123 (1993)).
\textsuperscript{93} See Nguyen, supra note 15, at 162.
\textsuperscript{94} See Welkowitz, supra note 5, at 533.
\textsuperscript{96} Id.
\textsuperscript{97} Id.
\textsuperscript{98} Id.
\textsuperscript{99} Id.
\textsuperscript{100} Id. at 466-67.
\textsuperscript{101} Id. at 467.
trademark infringement, unfair competition, and common law trademark infringement and unfair competition.\textsuperscript{102}

\textbf{B. Procedural History: The Decision of the Western District Court of Kentucky}

In \textit{V Secret Catalogue, Inc. v. Moseley},\textsuperscript{103} the district court first addressed V Secret’s federal trademark infringement claims. Examining the determining factors for a finding of likelihood of confusion,\textsuperscript{104} the court recognized that V Secret’s mark was strong,\textsuperscript{105} that V Secret had not shown any proof of actual confusion,\textsuperscript{106} and that V Secret’s customers “would have little difficulty in determining” that the Victor’s Little Secret mark was unassociated with the Victoria’s Secret mark.\textsuperscript{107} From these findings, the court reasoned that no likelihood of confusion arose from the two marks’ similarity.\textsuperscript{108} Thus, the court held that the Moseleys were entitled to summary judgment on V Secret’s federal trademark infringement claims.\textsuperscript{109} The court extended this rationale to dismiss V Secret’s state infringement and unfair competition claims as well.\textsuperscript{110}

Turning next to V Secret’s request for injunctive relief under the FTDA, the court considered the dispositive question of whether the Moseleys’ mark diluted the quality of V Secret’s mark.\textsuperscript{111} The court recognized that “[d]ilution corrodes a trademark by ‘blurring its product identification or by damaging positive associations that have attached to it.’”\textsuperscript{112} The court further defined dilution by tarnishment as “‘creat[ing] a negative association with the goods or services covered by the senior mark.’”\textsuperscript{113} Acknowledging the substantial similarity between the two marks as well as the “risqué” and “unsavory” nature of Victor’s Little Secret’s merchandise, the court held that the Victor’s Little Secret mark was diluting and tarnishing the Victoria’s Secret mark.\textsuperscript{114}

\begin{itemize}
\item \textsuperscript{102} Id.
\item \textsuperscript{104} Id. at *2.
\item \textsuperscript{105} Id.
\item \textsuperscript{106} Id. at *3.
\item \textsuperscript{107} Id.
\item \textsuperscript{108} Id. at *4.
\item \textsuperscript{109} Id.
\item \textsuperscript{110} Id.
\item \textsuperscript{111} Id. at *5.
\item \textsuperscript{112} Id. (quoting Panavision Int’l, L.P. v. Toeppen, 141 F.3d 1316, 1324 (9th Cir. 1998)).
\item \textsuperscript{113} Id. (quoting Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 955 F. Supp. 605, 614 (E.D. Va. 1997)).
\item \textsuperscript{114} Id. at *5-*6.
\end{itemize}
The court granted V Secret summary judgment on its FTDA claim as well as an injunction to bar the Moseleys from using the Victor’s Little Secret mark.115

C. The Sixth Circuit’s Holdings and Analysis

On appeal, the Moseleys argued that the district court erred in finding that they had violated the FTDA on the basis that V Secret had failed to prove actual economic loss.116 Thus, the primary issue presented to the Sixth Circuit was whether the FTDA requires proof of actual harm.117 Given the existing circuit split on this question,118 the Sixth Circuit’s answer was especially critical. In adopting an “inference of likely harm” standard, the court ultimately held that the FTDA does not require actual harm.119 Thus, the Sixth Circuit affirmed the district court’s granting of summary judgment and the injunction in V Secret’s favor.120

In reaching this conclusion, the Sixth Circuit first found that V Secret had satisfied the prima facie elements of a dilution claim.121 The court then quickly acknowledged the circuit split that had developed with regard to whether dilution claimants must prove actual injury to their respective marks.122 Recognizing the leading cases of Ringling Brothers and Nabisco, the court reviewed their reasoning. While recognizing the persuasiveness of Ringling Brothers, the court ultimately sided with Nabisco, reasoning that its “inference of likely harm” test more closely mimicked the FTDA’s language and Congress’ intent by providing a broad remedy for dilution and by allowing a remedy prior to the plaintiff suffering actual harm.123 The court reasoned that refusing to grant a remedy prior to actual economic harm would be “extremely difficult, as no such harm would have taken place when the

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115. Id. at *6.
117. See id. at 472.
118. See supra Part II.F., for a discussion of how courts such as the Second Circuit have held that no actual harm is required under the FTDA, whereas courts such as the Fourth Circuit have held to the contrary.
119. V Secret Catalogue, 259 F.3d at 476.
120. Id. at 477.
121. Id. at 470-71.
122. Id. at 471.
123. Id. at 475. The court affirmed that Congress intended to guarantee claimants a nationwide remedy for their dilution claims. Id.
124. Id. at 475-76. The court cited to the following phrase in the Congressional Record — “which if allowed to spread” — as indicative of Congress’ intent to allow a dilution remedy before actual economic harm has occurred. Id. at 476.
remedy became available, and proof would be limited to the sorts of consumer surveys that the Fourth Circuit itself admits are unwieldy at best.”\textsuperscript{125} In sum, the court concluded that a requirement of actual harm would simply make successful FTDA claims unreasonably difficult and thus thwart Congress’ intent to provide claimants with a broad dilution remedy.\textsuperscript{126}

Next, the court addressed how to define dilution in the absence of actual proof. Adopting Nabisco’s ten-factor test,\textsuperscript{127} the court first recognized that Victoria’s Secret is a very distinctive mark, worthy of a high degree of protection.\textsuperscript{128} The court further recognized the high degree of similarity between it and the Victor’s Little Secret mark.\textsuperscript{129} Finding that “consumers who hear the name ‘Victor’s Little Secret’ are likely automatically to think of the more famous store and link it to the Moseleys’ adult-toy, gag gift, and lingerie shop,” the court ultimately concluded that “[t]his . . . is a classic instance of dilution by tarnishing (associating the Victoria’s Secret name with sex toys and lewd coffee mugs) and by blurring (linking the chain with a single, unauthorized establishment).”\textsuperscript{130}

\textbf{IV. Analysis of V Secret Catalogue}

\textbf{A. Where’s the Harm — Was V Secret’s Trademark Really Blurred?}

The initial question compelled by \textit{V Secret Catalogue}’s holding of blurring by dilution is whether it provides V Secret with a truly needed remedy. In other words, can the decision survive the contention by some scholars that the FTDA provides remedies in the absence of actual wrongs?\textsuperscript{131} Indeed, legal commentators often quip that, with the possible exception of tarnishment,

\begin{enumerate}
\item[125.] \textit{Id.} at 476. For further discussion of the absurdity of the position of refusing to grant remedy prior to actual economic harm, see also Daniel H. Lee, \textit{Remedying Past and Future Harm: Reconciling Conflicting Circuit Court Decisions Under the Federal Trademark Dilution Act}, 29 \textit{PEPP. L. REV.} 689 (2002), which contends that “disastrous results” may occur if plaintiffs cannot invoke the FTDA until economic harm has actually occurred. \textit{Id.} at 715.
\item[126.] \textit{V Secret Catalogue}, 259 F.3d at 476; see also Jeffrey Enright, Note, \textit{Slow Death of a Salesman: The Watering Down of Dilution Viability by Demanding Proof of Actual Economic Loss}, 77 \textit{CHI.-KENT L. REV.} 937, 950-59 (2002) (attacking the actual economic harm requirement “because it holds [claimants] to an impossible level of proof, subjects [claimants] to uncompensable injury, contravenes the [FTDA’s] plain meaning . . . , and eviscerates [the FTDA’s designed purpose] to protect against the loss of distinctiveness” rather than revenue or even actual economic harm).
\item[127.] \textit{See supra} note 86 and accompanying text.
\item[128.] \textit{V Secret Catalogue}, 259 F.3d at 476.
\item[145.] \textit{Id.} at 476-77.
\item[146.] \textit{Id.} at 477.
\item[147.] \textit{See Kim, supra} note 13, at 759.
\end{enumerate}
imitation is “the ‘sincerest form of flattery.’”  

Moreover, just as everyone knows that Porsche is a famous brand of expensive car, so, too, everyone knows that Victoria’s Secret is a famous brand for moderately-expensive women’s lingerie. After all, Victoria’s Secret is among the most famous brands in all of women’s apparel, much less lingerie. Thus, while a customer of Victor’s Little Secret may very well be reminded of the much more famous and established V Secret lingerie chain, it is unclear how such a reminder lessens the capacity of the Victoria’s Secret mark to identify and distinguish V Secret’s merchandise. Not only does V Secret have an enormous head start and overall advantage over the Moseleys’ small, single store, but the company also continues to produce quality merchandise and to aggressively advertise and market its distinctive trademark. Therefore, it is difficult to fathom how one store in a single strip mall using the name Victor’s Little Secret could inflict irreparable harm upon this industry giant. Indeed, the famous trademark Tiffany continues to withstand the onslaught of numerous unrelated Tiffany establishments, “none of which threatens to eclipse the fame of Tiffany & Co.”

In attempting to counter this critique of dilution theory, Schechter provides the following hypothetical: “‘[i]f 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 the Rolls Royce mark any more.’” By analogy, doomsayers could argue that, if you allow one Victor’s Little Secret store, and then another one, and then perhaps a Victoria’s Secret theater, and so on — in a few years V Secret would lose the effectiveness of the Victoria’s Secret mark.

While such prophecies of doom might be convincing on their face, scholar David Welkowitz contends that they all suffer from the same fundamental flaws. First, as suggested above, as long as trademark owners like V Secret make reasonable advertising and quality-control efforts, no dilution should

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149. See Port, Congressional Expansion, supra note 11, at 902.
150. See V Secret Catalogue, 259 F.3d at 466.
151. See Welkowitz, supra note 5, at 543-44 (contending that, given Kodak’s enormous head start over the defendant, Kodak’s trademark will not be diluted so long as Kodak continues to advertise and make useful products).
152. Id. at 539.
153. Id. (quoting Hearings Before the House Comm. on Patents, 72d Cong. 15 (1932)) (statement of Frank I. Schechter).
154. See generally id. at 538-46 (providing a full discussion of the flaws of the dilution doctrine).
After all, protected trademarks under the FTDA must be famous to enjoy FTDA protection in the first place. In short, as long as V Secret keeps the Victoria’s Secret mark within the public spotlight, it cannot be whittled away as Schechter would contend. Second, Schechter’s hypothetical erroneously assumes that strong marks can become weak ones in a transitional process devoid of any consumer confusion. As Welkowitz argues, it is more likely that the public will become confused by the existence of two similar marks at some point during the weakening of the senior mark. It is highly “unlikely that someone could use a well-known mark and become well known without causing public confusion.” Thus, even if Victor’s Little Secret stores were to multiply in number and become increasingly well known, at some point, the similarity between the two marks would inevitably confuse consumers. This confusion, of course, would permit V Secret to bring a trademark infringement claim against the Moseleys, thus rendering their dilution claim superfluous.

B. The Dilution by Blurring Theory of V Secret Catalogue Is Overly Broad and Unnecessary

As the last point demonstrates, the protection afforded by the FTDA is almost entirely superfluous to existing trademark protection. Indeed, not only does current trademark law provide generous protection for nearly all legitimate injuries to trademarks, but also the FTDA “grants protection to those least in need of it — owners of ‘Secret mark.” Finding that “consumers who hear the name ‘Victor’s Little Secret’ are likely automatically to think of the more famous store and link it to the Moseleys’ adult-toy, gag gift, and lingerie shop,” the court ultimately concluded that “[t]his . . . is a classic instance of dilution by tarnishing (associating the Victoria’s Secret name with sex toys and lewd coffee mugs) and by blurring (linking the chain with a single, unauthorized establishment)”.

IV. Analysis of V Secret Catalogue

A. Where’s the Harm — Was V Secret’s Trademark Really Blurred?

155. See id. at 544.
157. See Welkowitz, supra note 5, at 540.
158. Id.
159. Id. at 544.
160. Id. at 533.
145. Id. at 476-77.
146. Id. at 477.
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147. See Kim, *supra* note 13, at 759.
149. See Port, *Congressional Expansion, supra* note 11, at 902.
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While such prophecies of doom might be convincing on their face, scholar David Welkowitz contends that they all suffer from the same fundamental flaws. First, as suggested above, as long as trademark owners like V Secret make reasonable advertising and quality-control efforts, no dilution should occur. After all, protected trademarks under the FTDA must be famous to enjoy FTDA protection in the first place. In short, as long as V Secret keeps the Victoria’s Secret mark within the public spotlight, it cannot be whittled away as Schechter would contend. Second, Schechter’s hypothetical erroneously assumes that strong marks can become weak ones in a transitional process devoid of any consumer confusion. As Welkowitz argues, it is more likely that the public will become confused by the existence of two similar marks at some point during the weakening of the senior mark. It is highly “unlikely that someone could use a well-known mark and become well known without causing public confusion.” Thus, even if Victor’s Little Secret stores were to multiply in number and become increasingly well known, at some point, the similarity between the two marks would inevitably confuse consumers. This confusion, of course, would permit V Secret to bring a trademark infringement claim against the Moseleys, thus rendering their dilution claim superfluous.

B. The Dilution by Blurring Theory of V Secret Catalogue Is Overly Broad and Unnecessary

As the last point demonstrates, the protection afforded by the FTDA is almost entirely superfluous to existing trademark protection. Indeed, not only does current trademark law provide generous protection for nearly all legitimate injuries to trademarks, but also the FTDA “grants protection to those least in need of it — owners of ‘distinctive’ trademarks” such as V Secret. If it is in fact the case that the FTDA provides no new rights in famous marks, then one must ask two pressing questions: (1) Why did Schechter believe the need for dilution was so pressing?; and (2) Why did Congress and President Clinton so overwhelmingly support and pass the FTDA?

154. See generally id. at 538-46 (providing a full discussion of the flaws of the dilution doctrine).
155. See id. at 544.
157. See Welkowitz, supra note 5, at 540.
158. Id.
159. Id. at 544.
160. Id. at 533.
161. Id.
162. See Klieger, supra note 19, at 846.
The key to the first question is found by comparing modern trademark law to the trademark law in effect during Schechter’s lifetime. Times have most definitely changed since Schechter’s 1927 article, and American trademark law has certainly evolved alongside them. As Jerre Swan relates, Schechter’s fear that a famous mark’s selling power might be blurred by the use of the mark on noncompeting goods is no longer a valid justification for the dilution doctrine.\(^{163}\) First, as Swann contends, today’s law of unfair competition almost always protects owners of famous trademarks from such use by noncompetitors.\(^{164}\) Second, according to Klieger, both the courts and Congress eliminated trademark law’s direct competition requirement within twenty years of Schechter’s proposals, thus protecting trademark owners from noncompetitors.\(^{165}\) Given these advancements in trademark law and the law of unfair competition, Klieger contends that Schechter indeed acted prematurely in forsaking the consumer-protection touchstone of trademark law.\(^{166}\) Few today, he affirms, can criticize the effectiveness of modern trademark law in protecting the vital functions of trademarks.\(^{167}\) Thus, whereas a mark such as the Victoria’s Secret mark may in fact have been vulnerable to dilution in 1927, this would almost certainly no longer be the case under existing trademark law or the current image of Victoria’s Secret, for that matter.\(^{168}\)

If the Victoria’s Secret mark is no longer vulnerable to dilution, then the next question becomes critical. Indeed, why would Congress go to the trouble of passing major legislation for already-protected trademarks? If not dilution, what is the FTDA really all about?

C. The Disguised Federal Trademark Misappropriation Act

As established previously, the FTDA is anomalous in trademark law in that it does not protect the general public.\(^{169}\) Eschewing the consumer confusion


\(^{164}\) See id.

\(^{165}\) See Klieger, *supra* note 19, at 808.

\(^{166}\) See id. at 807.

\(^{167}\) See id. at 808; see also Mermin, *supra* note 4, at 212-13 (discussing the 1946 Lanham Act’s elimination of the “same descriptive properties” requirement and contending that this elimination allayed much of Schechter’s concerns because it allowed trademark owners to sue for infringement against uses on noncompeting goods).

\(^{168}\) See William Marroletti, Note, *Dilution, Confusion, or Delusion? The Need for a Clear International Standard to Determine Trademark Dilution*, 25 *Brook. J. Int’l L.* 659, 691 (1999) (contending that the dilution doctrine is difficult to apply because it is based on outdated concepts irrelevant to the modern marketplace and modern consumers).

\(^{169}\) See *supra* Part II.F.
requirement, the statute only protects trademark owners and their famous marks and provides no direct public benefit. Thus, to determine what the FTDA is really all about, it is necessary to identify what exactly the owners of famous trademarks gain from FTDA protection. Most obviously, the FTDA relieves these owners from having to provide sufficient evidence of consumer confusion. Such relief, of course, will somewhat lighten the plaintiff’s burden of proof in trademark cases. However, something more seems to be afoot. As Klieger relates, at least two of the FTDA supporters (representing Campbell Soup Company and Warner Brothers) who testified before the House Judiciary Subcommittee on Courts and Intellectual Property were

visibly enticed by the promise of corporate windfall, treating dilution doctrine at least implicitly as if it were intended to create trademark rights in gross: “The basic principle is that the trademark owner who has spent the time and investment needed to create and maintain the property, should be the sole determinant of how that property is to be used in a commercial manner.”

Thus, far from expressing concern over the “whittling away” of famous marks or the lessening of their capacity to identify and distinguish their respective owners’ goods and services, these FTDA supporters seemed much more concerned about preventing junior users from unfairly “free riding” on senior users’ substantial investments in their famous marks. Senator Patrick Leahy explicitly noted this concern when he expressed his desire for the Act to protect the investments of such U.S. companies as IBM and Ben & Jerry’s. The testimony of the Assistant General Counsel for Campbell Soup Company is particularly revealing of this freeridership sentiment: “‘[p]iggy-backing on the reputation of a famous trademark will, consequently, gradually erode the goodwill attached to the trademark, but it will also give the junior user an unfair, long lasting and valuable competitive advantage.’”

As the above testimony suggests, Congress may very well have designed the FTDA as a potential “recipe for senior entrenchment” and the

170. Klieger, supra note 19, at 847.
172. A “free rider” is defined as “[o]ne who obtains an economic benefit at another’s expense without contributing to it.” BLACK’S LAW DICTIONARY 676 (7th ed. 1999).
174. Crawford, supra note 59, at 1003 (quoting Hearing, supra note 155, at 94 (statement of James K. Baughman, Assistant General Counsel, Campbell Soup Co.)).
monopolistic stifling of competition. Courts may be furthering this design, Welkowitz contends, because they, too, “are responding more to the problem of a second user taking a ‘free ride’ on the well-known mark than to the gradual ‘whittling away’ concept of dilution. In other words, in practice dilution may be a tort of misappropriation or unjust enrichment.” It is now clear why dilution has fit so awkwardly within the law of trademark and why the FTDA has been so impossible for the courts to apply consistently — “[the] central problem with the dilution doctrine [is] that its roots are really in the doctrine of misappropriation rather than trademark.” In short, dilution’s justification really lies in protecting trademarks from being misappropriated rather than in Schechter’s fear of trademarks being “whittled away.”

D. Just How Poorly Disguised Is the Federal Trademark Misappropriation Act?

Given its monopolistic, senior-entrenchment tendencies, the misappropriation doctrine has not remained hidden for long within the FTDA. As commentators quickly noted, the FTDA has drawn the battlelines between

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175. See Kim, supra note 13, at 757-58.
176. Welkowitz, supra note 5, at 545-46 (emphasis added). For a further discussion, see Swann, supra note 147, at 771-72, explaining that
[m]any courts react viscerally to efforts to partake of the ‘magic’ of another’s mark, to capture ‘its ready-made public acceptance.’ Dilution has many of its ‘roots in the idea that investments in the future of a brand that make it appealing to consumers should not be undermined by others who seek a free ride, whether on the work that produced the goodwill underlying the mark or on the mark itself.’ Many courts intuitively reject conduct that affords a ‘junior user an apparently unearned advantage, for which the senior user receives nothing,’ particularly where there is no ‘countervailing public policy’ favoring, e.g., the use of SONY by another on bleach. Whether or not free riding should alone command a remedy, evidence of misappropriation . . . reinforces the likelihood of association. The existence of actual misappropriation . . . virtually assures some impingement on brand clarity.

177. Welkowitz, supra note 5, at 558 (citation omitted). “Misappropriation” is defined as “[t]he application of another’s property or money dishonestly to one’s own use.” BLACK’S LAW DICTIONARY 1013 (7th ed. 1999). Misappropriation is also described as a doctrine that “involves unfair competition beyond the conventional framework of ‘passing off’ by creating a common-law property right against ‘misappropriation’ of commercial worth.” Enright, supra note 126, at 957. Enright goes on to contend that academia has not favored the misappropriation doctrine and to accuse the Ringling Brothers decision of also falling prey to the very doctrine it claimed to be avoiding. Id.
178. See Welkowitz, supra note 5, at 584.
big and small businesses; \(^\text{179}\) in other words, between the “haves” and “have-nots.” \(^\text{180}\) Critics have expressed the fear that the FTDA, if improperly applied, could become a strong anticompetitive weapon that will permit the rogue dilution theory to run roughshod over small companies. \(^\text{181}\) As Professor Mark Lemley notes, the FTDA supports those trademark owners less motivated by dilution concerns than by the desire to protect their marks from competition and to “‘keep up with the Cokes.’” \(^\text{182}\) In essence, he contends that big companies have begun using the FTDA as a back door to acquire “de facto patent and copyright protection” to stifle competition. \(^\text{183}\)

While some scholars have questioned the FTDA’s big-business, misappropriation roots, its initial supporters seem to applaud them. The House Report itself states that the dilution doctrine recognizes the substantial investments of trademark owners and the commercial value of their marks, “protecting both from those who would appropriate the mark for their own gain.” \(^\text{184}\) Furthermore, some of dilution theory’s strongest scholarly support expresses misappropriation elements, including notions of unfairness and property taking, \(^\text{185}\) exploitation by free riders, \(^\text{186}\) and express charges of misappropriation, \(^\text{187}\) to list but a few. \(^\text{188}\) Moreover, given that Congress intended the FTDA to secure U.S. companies greater protection both at home and abroad, \(^\text{189}\) it should not come as any surprise that such big companies as Warner Brothers, Campbell Soup, IBM, and Ben & Jerry’s \(^\text{190}\) were either directly involved or explicitly mentioned in the FTDA’s legislative history. Most certainly, these industry giants saw through the disguise and recognized what they had to gain from the FTDA’s passage.

\(^{179}\) See Lee, supra note 125, at 707.

\(^{180}\) See Welkowitz, supra note 5, at 585 (contending that dilution protection constitutes a “bonanza for the ‘haves’” but gives the rest of society nothing).

\(^{181}\) See McCabe, supra note 5, at 1830.


\(^{183}\) Id.


\(^{187}\) Swann, supra note 147, at 760 (emphasis added).

\(^{188}\) See also Mermin, supra note 4, at 209 (stating that FTDA supporters believe that trademark owners have a right to stop replication of their marks similar to a landowner’s right to enjoin trespass). Note supra Part II.A., contending that traditional trademark law is grounded in tort, not trespass.


\(^{190}\) See supra Part IV.C.
The FTDA’s disguise has become even more transparent as courts have applied the Act to its full extent. Consistent with Senator Leahy’s expressed desire that courts apply the FTDA to stop cybersquatters, courts have even begun to resolve domain name disputes using the FTDA. As many scholars contend, the FTDA’s policing of cybersquatting has had nothing to do with the “whittling away” of marks and everything to do with the misappropriation or freeridership concerns of big companies. According to Melinda Giftos, the cybersquatting context has been particularly illustrative of the dilution doctrine’s resemblance to trademark rights in-gross. As she explains, large companies began suing smaller companies under the FTDA to recover domain names that allegedly contained their trademarks. Sadly, she affirms, these dilution claims have been often without merit — the large companies have raised them merely as leverage against their smaller competitors, who simply cannot afford to litigate over the name and so they must concede without a fight. Thus, as the cybersquatting context makes clear, large companies have been wielding the FTDA as an anticompetitive weapon designed to prevent freeridership and misappropriation in general.

Other contexts revealing of the FTDA’s true origins are dilution by parody and dilution by tarnishment. As Welkowitz argues, these misnomers ultimately remedy freeridership and misappropriation concerns but not dilution. For example, in lieu of protecting senior users from the “whittling away” of their marks, these dilution theories focus on the “unearned advantage” that junior users gain from parodying or tarnishing the marks of the uncompensated senior users. Furthermore, with regard to dilution by parody, Welkowitz explains that a successful parody actually depends on the
continuing success of its target\textsuperscript{200} and often tends to \textit{increase} public identification of claimants’ marks with the claimants.\textsuperscript{201} Thus, because parodists obviously have a self-interest in their targets remaining well-known and undiluted,\textsuperscript{202} Welkowitz contends that dilution cannot logically be the real harm that dilution by parody remedies.\textsuperscript{203} Rather, Welkowitz concludes that dilution by parody and tarnishment claims compensate senior users for the freeridership of junior users who tarnish and parody — in other words, misappropriate — the senior marks at the senior users’ expense.\textsuperscript{204} Indeed, companies such as V Secret who bring dilution by tarnishment claims are primarily interested in being compensated for the unearned advantage that such small businesses as Victor’s Little Secret receive from “freeriding” on the hard-earned popularity of their marks.\textsuperscript{205} In sum, the cases dealing with dilution by parody and tarnishment simply reflect once again the central problem with the FTDA and dilution theory in general — they originate not from the doctrine of trademark but rather from the doctrine of misappropriation.\textsuperscript{206}

\textit{E. Taking Another Look at V Secret Catalogue, This Time Through the Misappropriation Lens}

In re-analyzing \textit{V Secret Catalogue} in light of the above discussion, it becomes apparent that the battlelines are drawn between the industry giant V Secret and the Moseleys’ single Victor’s Little Secret store. V Secret most likely did not sue the Moseleys because it feared that consumers would soon fail to associate the next televised “Victoria’s Secret” fashion show with the company, but rather because (1) V Secret was not being compensated for the inevitable advantage that the Moseleys received from the similarity between the two marks, and (2) it wanted to send a strong message to present and future competitors to stay off of its turf. The only thing, of course, standing in the way of this desired message was the U.S. Supreme Court.

When the Supreme Court interjected itself into the paths of Scylla and Charybdis by granting certiorari in April 2002,\textsuperscript{207} it was obviously undertaking no easy task. If the Court gave V Secret its way, then it could very well be arming V Secret and other large companies with yet another anticompetitive

\begin{itemize}
\item \textsuperscript{200} \textit{Id.} at 556.
\item \textsuperscript{201} \textit{Id.} at 555-56.
\item \textsuperscript{202} \textit{Id.} at 556.
\item \textsuperscript{203} \textit{Id.} at 557.
\item \textsuperscript{204} \textit{See id.} at 585. \textit{See generally id.} at 550-58 for a more complete explanation.
\item \textsuperscript{205} \textit{See id.} at 558.
\item \textsuperscript{206} \textit{Id.}
\end{itemize}
weapon to place in their marketing strategy arsenals — a super trademark. Small businesses might be deterred from ever entering into the marketplace because of the threat of lawsuits. Furthermore, established small businesses such as Victor’s Little Secret, who use their marks in an illustrative manner, could find themselves especially vulnerable to the possibility of suit and often forced to give up their marks at great individual expense. On the other hand, if the Supreme Court sided with the Moseleys and required actual harm, then the Court would essentially be declaring the FTDA a dead letter. Either way, it seemed, Congress would ultimately have to respond, and dilution theory’s dirty little secret would have to be revealed.

V. Discussion of the U.S. Supreme Court’s Decision

Disappointingly, the Supreme Court’s highly-anticipated decision in Moseley v. V Secret Catalogue

208. Welkowitz, supra note 5, at 584.
209. See Port, Unnatural Expansion, supra note 10, at 485.
210. See id.
211. See id.