

## New Protection for Famous Trademarks

BY AMY GOLDSMITH, ESQ.

If your company owns a famous trademark and it has been misappropriated by another entity, you can take advantage of a relatively new federal law designed to expand a trademark owner's litigation arsenal.

In 1995, the U.S. Congress passed an amendment to the Trademark Act allowing the owner of a famous mark to request an injunction against another person's commercial use of that mark or trade name in commerce if the other person's use began after the mark was famous and causes dilution of the distinctive quality of the trademark or trade name. The purpose of the amendment was to give a trademark owner an explicit legal way to challenge illicit use by third parties.

If you are a trademark owner looking for enforcement or a start-up company looking to adopt a new trademark or trade name, it is important to be familiar with both the benefits and pitfalls of the new law. The first requirement is to prove that the mark is famous. This is an easy requirement for some (Coca-Cola, McDonald's, Nike), but more difficult for other marks which are only famous in a particular field of interest. In the last three years, courts have found the following trademarks to be famous: Panavision and Panaflex for entertainment services; The Greatest Show on Earth for entertainment services; Wawa

for convenience stores; Intermatic for electrical and electronic products; and the

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trade dress of Clinique's skin care products. Although the amendment did not specifically refer to trade dress (which refers to the total image and appearance of the product), the courts have interpreted the amendment to apply also to "famous" trade dress.

You may be curious as to the type of evidence which these courts accepted to determine these marks were famous. The amendment itself sets forth eight factors to be considered: the degree of distinctiveness of the mark; the duration and extent of use of the mark in the identified field; advertising and publicity; the geographic area in which the mark is used; the channels of trade; the trade's recognition of the mark; whether third parties also use the mark; and whether the mark is federally registered.

Accordingly, if your company has been in the tableware business for 50 years under one brand name which is registered, and the brand has nationwide coverage due to extensive advertising and promotion, plus trade recognition, and no one else owns the mark in many other industries, the odds are in your favor that your company's mark will be deemed famous. What if you are a recent entry into the market? It is likely your mark won't qualify as famous. Moreover, if your company is choosing new marks for a new campaign, it must be aware that adopting a famous mark from another field poses a significant risk. Thus, your trademark search should cover not only tableware, but all identical or similar marks in the Trademark Office database.

Once the famous nature of the mark is established, the trademark owner must prove dilution which is defined as a "lessening of the capacity of a famous mark to identify and distinguish goods or services." There are two types of dilution—blurring and tarnishment—and either type is actionable. Blurring occurs where the infringer uses or modifies the owner's famous trademark to identify its own goods or service. This may cause the famous trademark to lose its ability to serve as a unique identifier of the owner's goods or services. In commercial terms, blurring harms the trademark's selling power.

Thus, if your company's dinnerware was known by the famous mark "Dinner for Two," and a third party adopted your mark for a café, the amendment gives you the power to argue that the third party's use of your mark will dimin-

ish the selling power of your company's dinnerware. Tarnishment occurs when the owner's famous mark is used by the copyist in association with unwholesome or shoddy goods or services. The theory is that the famous mark will become known in a negative fashion as a result of the copyist's use.

For instance, if your company's pottery is known by the famous mark "Natural Stone" and that mark is adopted for an x-rated club, tarnishment would be found. Once the trademark owner has established the famous nature of the mark and has proven dilution (either by blurring or tarnishment), a finding of dilution under Section 1125(c) of the Trademark Act will be found. With respect to the famous marks listed above, in the Panavision/Panaflex case and the Intermatic case, the common defendant was an Internet cyber-squatter who had registered as his domain names "panavision.com" and intermatic.com". Both courts held dilution by blurring had occurred. In Virginia, a federal judge decided that Utah's slogan "The Greatest Snow on Earth" did not dilute Ringling Bros.' famous mark "The Greatest Show on Earth". Haha convenience stores were held to dilute Wawa convenience stores by blurring; and Clinique's trade dress was held to be diluted by blurring as a result of the defendant's misappropriation of Clinique's famous green boxes.

What is highly unusual about the dilution cause of action is that there is no need to prove likelihood of confusion between the famous mark and the other similar mark, as is required with respect to traditional copyright and trademark counterfeiting and infringement. The basis for the lack of this requirement is the assumption that once a mark has been deemed famous, the consumer will presume a legitimate connection between the famous mark and the other similar mark; i.e., it would be normal for a purchaser familiar with Coca-Cola soft drinks to presume a legitimate connection with ceramic tableware imprinted with the distinctive Coca-Cola lettering.

There are a few defenses set forth in the Trademark Act to a claim of dilution, namely fair use (e.g., in comparative advertising), noncommercial use of the famous mark, and all forms of news reporting and commentary.

The dilution issue has been in the news lately with respect to a dispute between Kellogg's and Exxon over tigers. Two years ago, Kellogg's sued Exxon over the latter's use of Wild Tiger drinks and Bengal Tigers coffee in Tiger Mart convenience shops adjacent to Exxon gas

stations. Exxon adopted the tiger as a symbol in 1959, with the slogan "Put a Tiger in Your Tank), added in 1964 Kellogg's argued that its "Tony the tiger" mark, in use since 1952, was a famous mark and that Exxon's use of tigers diluted "Tony the Tiger" by blurring. Kellogg's also asserted the more traditional claims of trademark infringement and unfair competition. Recently, the assigned federal judge granted Exxon's motion for summary judgment, stating the Kellogg's should have brought the case earlier. The Kellogg Company has appealed.

In summary, if your company has invested significantly in its brand over the years, you may have a famous mark. How do you know if someone is diluting you famous mark? We recommend having the mark placed on a watching service. The cost is not expensive and you have the benefit of knowing your famous mark won't be misappropriated.

If you have any questions regarding a watching service or intellectual property protection, address them to us by fax at (212) 684-3999 or e-mail at [info@grr.com](mailto:info@grr.com), and we will answer them directly. You may also request a copy of our Primer by calling (212) 684-3900. And don't forget to visit our website at <http://www.grr.com>.

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