

2000

## Tomorrow Never Dies: The Protection of Fictional Characters Under the Federal Trademark Dilution Act

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### Recommended Citation

Kristen Knudsen, *Tomorrow Never Dies: The Protection of Fictional Characters Under the Federal Trademark Dilution Act*, 2 *Vanderbilt Journal of Entertainment and Technology Law* 13 (2020)  
Available at: <https://scholarship.law.vanderbilt.edu/jetlaw/vol2/iss1/2>

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**B**ond, James Bond. We know the name well. We should; he is one of America's most famous fictional characters. Like Mickey Mouse, Superman, and Bugs Bunny, James Bond — although of British origin — has become a national treasure, a “voice[ ] of American assurance, the best America has to offer, and carr[ies] a certain sense of history.”<sup>1</sup> So imagine if suddenly James Bond were to appear in a different movie every year, portrayed each time by a different actor. Not Connery, Moore, or Brosnan — or even Dalton,

## The Protection of James Bond and Other Fictional Characters Under the Federal Trademark Dilution Act

By Kristen Knudsen

for that matter. Instead, imagine James Bond portrayed by Robin Williams one year and Jim Carrey the next. Perhaps, too, you would see the suave secret agent in a new TV show, embroiled in a new international intrigue week after week. Soon, he would become an advertising spokesperson, pitching cars, beer, or toilet paper. If all this were to happen, you might be shaken, even stirred. Fortunately, a limited copyright term protects James Bond from this unseemly fate. But what will happen when the copyright expires?<sup>2</sup> The Federal Trademark Dilution Act may provide the necessary additional protection.<sup>3</sup>

A number of different protections are available for fictional characters under intellectual property law.<sup>4</sup> These have traditionally included copyright, trademark, and unfair competition, or some combination thereof.<sup>5</sup> Another avenue of protection can be found in state dilution statutes, which prohibit unauthorized uses of characters that could harm their reputations, such as by “blurring” their ability to indicate one source, or by “tarnishing” their commercial value.<sup>6</sup> This harm may occur even where there is no likelihood of public confusion, and even where the use is on a noncompeting good.<sup>7</sup> Many commentators have criticized state dilution theories, however, as contravening the purposes of the federal copyright law, which grants protection for limited terms only<sup>8</sup> then surrenders characters to the public domain.<sup>9</sup>

At least as a protection for characters, state dilution claims have been largely unsuccessful.<sup>10</sup> Indeed, in 1992, one commentator pointed to Congressional refusal to add a dilution amendment to the Lanham Federal Trademark Act as evidence that Congress did not wish to provide this additional protection to characters.<sup>11</sup> Just four years later, however, on January 16, 1996, Congress changed its course and passed the Federal Trademark Dilution Act of 1995.<sup>12</sup> With this, a star was born: The dilution argument suddenly became a serious option for character protection.

Because this added protection can override copyright law and permanently remove certain characters from the public domain, some scholars are critical of this change.<sup>13</sup> Some critics also oppose dilution protection because it seems to create a

“property right” in a character, serving to protect an owner’s investment rather than protect consumers.<sup>14</sup> This argument stems from the fact that federal dilution protection can be invoked to protect the trademark owner even where consumers are not likely to be confused by the use.<sup>15</sup> In this way, the Dilution Act does create a sort of property right which favors the trademark owner’s interest in the advertising value of his mark over the more honorable goal of preventing public confusion.<sup>16</sup>

It is precisely because of their meaning to society, however, that some characters need protection beyond the copyright term. Furthermore, the limited property right created by federal dilution allows trademark owners to prevent loss of their characters to the public domain. Were James Bond, for example, appropriated to sell a variety of household products, he might disappear as we know him. Rare characters like James Bond are national treasures; as such they should not be free for all to use. The property right conferred by dilution protection guards these characters, preserving them for society’s enjoyment.

Both the courts and Congress have endorsed safeguards for certain characters. Despite the rule that upon expiration of a copyright a character shall enter the public domain, courts have long allowed ongoing trademark rights which prevent others from using some characters.<sup>17</sup> In addition, Congress recently passed the Sonny Bono Copyright Term Extension Act of 1998 to lengthen copyright protection by 20 years.<sup>18</sup> Though applicable to all types of copyrights, this Act was of particular importance to Disney, whose copy-

right in Mickey Mouse had been set to expire in 2003.<sup>19</sup> With this Act, Congress broadened copyright’s limited term and ensured that Mickey would continue to receive the most intellectual property protection available until 2023.<sup>20</sup> Once the new copyright terms expire, Congress may again be bombarded by lobbying efforts to extend copyright protection even further. But legislators did not have to stretch the copyright law to protect Mickey Mouse. The protection characters need is already in place.

The Federal Trademark Dilution Act strengthens existing protection by preventing others from using famous characters, even where no likelihood of confusion exists. This benefits the public by preventing erosion of our cultural icons, a public policy validated by both Congress and the courts. This Note explores the traditional modes of protection for fictional characters and why these are inadequate in protecting some characters. The Note then explores federal dilution as a new alternative, concluding that this added protection is needed in special cases.

## DIFFERENT FORMS OF CHARACTER PROTECTION

The qualities of characters “single them out as the sole fertile ground for converging intellectual property theories.”<sup>21</sup> Both literary and pictorial characters function uniquely as expressive works and indicators of source simultaneously.<sup>22</sup> Independent characters appear today most commonly in television and movies.<sup>23</sup> Continuing series, such as *The Practice* and *Will & Grace*, in which characters appear week after week in different adventures, are a staple of TV.<sup>24</sup> Also common are sequels, such

as *Scream 3*, and spinoffs, such as *Frasier*, in which characters from an earlier work are used again in a new scenario.<sup>25</sup>

## Copyright

Copyright protection extends to some fictional characters as creative works.<sup>26</sup> The federal copyright law (along with the federal patent law) is authorized by the Constitution, which enables Congress “to promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”<sup>27</sup> The introductory clause of this provision suggests the primary purpose of the copyright law: to promote the progress of science and useful arts. This purpose has been read beyond the confines of an author’s reward, to more broadly encourage individual effort in advancing public welfare.<sup>28</sup> As the Supreme Court has explained, “The immediate effect of our copyright law is to secure a fair return for an author’s creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good.”<sup>29</sup> The copyright system thus strikes a bargain with artists, granting a limited copyright monopoly on creative works for the purpose of encouraging artistic expression in return. Implicit in this exchange is that without the public benefit gained by continuing artistic expression, the copyright monopoly would not be justified.<sup>30</sup>

The Copyright Act’s protection “subsists” in “original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can

be perceived, reproduced, or otherwise communicated . . . .”<sup>31</sup> Among other things, copyright protection extends to literary works,<sup>32</sup> dramatic works,<sup>33</sup> and motion pictures and other audiovisual works.<sup>34</sup> The characters depicted in these works may be protected independently of a story’s plot,<sup>35</sup> however, Judge Learned Hand has explained:

If Twelfth Night were copyrighted, it is quite possible that a second

comer might so closely imitate Sir Toby Belch or Malvolio as to infringe, but it would not be enough that for one of his characters he cast a riotous knight who kept wassail to the discomfort of the household, or a vain and foppish steward who became amorous of his mistress. These would be no more than Shakespeare’s “ideas”

## HOW COURTS DETERMINE FAME

Some courts addressing the issue of fame under the Federal Trademark Dilution Act have accepted survey evidence. Below are examples of actual surveys.

*WAWA, Inc. v. Haaf*, 40 USPQ 2d 1629 (E.D. Pa. 1996), *aff’d*, 116 F.3d 471 (3d Cir. 1997):

- 1) *Have you ever heard of WAWA?*
- 2) *Have you ever visited a WAWA store?*

*Star Mkts., Ltd. v. Texaco, Inc.*, 950 F. Supp. 1030 (D. Haw. 1996):

- 1) *Please tell me the names of any grocery stores or supermarkets you can think of.*
- 2) *Have you ever heard of READ NAME?*
- 3) *Please tell me the brands of [product] you can think of.*
- 4) *Have you ever heard of READ NAME?*

*Ringling-Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 955 F. Supp. 605, (E.D. Va. 1997), *aff’d*, 170 F.3d 449 (4th Cir. 1999).

*“... shoppers were presented with a series of three file cards . . . Each statement was a ‘fill-in-the-blank’ with a key term missing.”*

*“THE GREATEST \_\_\_\_\_ ON EARTH.”*

*Hershey Foods Corp. v. Mars, Inc.*, 998 F. Supp. 500 (M.D. Pa. 1998):

*“If you think you know, what brand of candy comes in this package? . . . What, in particular, makes you think it is (brand previously named)?”*

Source: Gerald L. Ford, *Dilution Surveys Update 1998*, in *LITIGATING COPYRIGHT, TRADEMARK & UNFAIR COMPETITION CASES FOR THE EXPERIENCED PRACTITIONER 1998*, at 551, 554-55 (PLI Patents, Copyrights, Trademarks, and Literary Property Course Handbook Series No. G0-0027, 1998).

in the play, as little capable of monopoly as Einstein's Doctrine of Relativity, or Darwin's theory of the Origin of Species. It follows that the less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctly.<sup>36</sup>

In explaining character protection, Learned Hand relied on the fundamental principle of copyright law that ideas themselves will not be protected, only the expression of those ideas.<sup>37</sup> To hold otherwise would remove basic ideas, such as the "vain and foppish steward" Judge Hand mentions, from the public domain.

In order to be protected as expression, a character will need to be more than a generic, stock character, such as the "do-good superhero." On the contrary, a character must be a clearly-defined expression of an artistic vision, such as a do-good superhero from the planet Krypton who works as a reporter at the *Daily Planet* by day. Since the inquiry usually focuses on whether the character is sufficiently well-developed and distinctive to deserve protection, visual characters are easier to protect than literary ones.<sup>38</sup> One reason may be that copyright infringement requires a substantial similarity to the copyrighted work;<sup>39</sup> a literary character like Hamlet lacks the unvarying visual features needed to prove this claim. Thus, it is "precisely because of the objective differences between visual and verbal media, that the most puerile cartoon animal rightly enjoys greater copyright protection than the noblest human characters of a Hemingway or Faulkner."<sup>40</sup>

In ongoing series such as sequels

and spinoffs, once the copyright in the first work expires<sup>41</sup> and that work enters the public domain, continuing copyright protection in later works from the series will not prevent others from copying a character based on the first work.<sup>42</sup> For example, in *Silverman v. CBS, Inc.*,<sup>43</sup> the court permitted a Broadway musical producer to use delineations of the AMOS 'N' ANDY characters contained in public domain scripts, but not those delineations given in scripts still protected by copyright.<sup>44</sup> Therefore, only "the increments of expression" added by newer, still-copyrighted material remain protected.<sup>45</sup> Distinguishing between characteristics in the public domain, however, and those still protected by copyright, is a difficult determination that may force courts into "aesthetic disputes which by and large they are ill equipped to rule on as a matter of law."<sup>46</sup> For this reason, one commentator has suggested that series characters may be better protected under trademark law.<sup>47</sup>

## Trademark

Characters may be protected under the federal trademark law if they indicate the creative source from which they spring.<sup>48</sup> Trademark protection is derived from the Commerce Clause of the Constitution, which provides, "Congress shall have the Power . . . To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes."<sup>49</sup> Like the copyright system, trademark protection has been justified as providing a public benefit.<sup>50</sup> Indeed, trademarks function to (1) identify one seller's goods and distinguish them from the goods of others; (2) signify

that all goods bearing the trademark come from a single source; (3) signify that all goods bearing the trademark share an equal level of quality; and (4) act as primary instruments in advertising and selling the goods.<sup>51</sup> Trademarks also serve as objective symbols of goodwill, representing and reinforcing the consumer satisfaction a business has earned.<sup>52</sup>

A trademark is any word, name, symbol, or device which identifies goods and distinguishes them from the goods of others by indicating a single source of the goods, even if that source is unknown to the consumer.<sup>53</sup> To indicate source, a mark must be inherently distinctive or have attained secondary meaning, such that it has become distinctive of the goods in commerce.<sup>54</sup> To achieve "secondary meaning," the public must have come to recognize that the mark refers to products from a unique source.<sup>55</sup> To be used "in commerce," and thus trigger federal regulation, the mark must be involved in commercial transactions across state lines.<sup>56</sup>

The eligibility and strength of trademark protection depends on where a particular mark falls on the spectrum of distinctiveness.<sup>57</sup> Marks range in strength from "generic" to "arbitrary and fanciful," with "descriptive" and "suggestive" marks in between.<sup>58</sup> A generic term, such as "orange juice," is one that refers to the genus to which a product belongs, and is never protectible by a trademark.<sup>59</sup> A term which is merely descriptive, such as "pure-premium" for orange juice, may not be protected unless it has attained secondary meaning.<sup>60</sup> Suggestive marks, such as "Sunny Delight" for orange juice, are more than descrip-

tive because they require some imagination in evoking the nature of the goods, but they are not quite arbitrary.<sup>61</sup> If a term is suggestive, it is entitled to protection without proof of secondary meaning. Finally, arbitrary marks, such as “Minute Maid” for orange juice, are purely abstract and distinctive creations without apparent connection to the product; these are afforded the greatest protection.<sup>62</sup> Before the passage of the Federal Dilution Act, protection under trademark law meant protection only from infringement. The infringement analysis requires a finding of “likelihood of confusion,” meaning that consumers will likely be confused by use of a mark too similar to an established mark.<sup>63</sup>

## Other Protections

Characters have also been protected under principles of unfair competition law.<sup>64</sup> Unfair competition is a broad category of business tort that includes passing off; false advertising; misrepresentations about a product; and disparagement of a competitor’s goods, property, or reputation.<sup>65</sup> In all of these, “there is involved the element of fraudulent attempt of some one to ‘reap where he has not sown’ and to appropriate to himself ‘the harvest of those who have sown.’”<sup>66</sup> In the case of characters, passing off can occur when a competitor copies distinctive features of a character’s appearance in order to mislead the public into thinking that defendant’s character was created by the plaintiff.<sup>67</sup> Unfair competition law stems from the common law of the states.<sup>68</sup> It has been enacted at the federal level, too, by § 43(a) of the Lanham Trademark Act, which prohibits false advertising and pro-

tects registered and unregistered trademarks from infringement.<sup>69</sup>

State dilution law, a remedy recognized by about half of the states, has also occasionally been used for character protection.<sup>70</sup> Most of the states that accept the doctrine have enacted statutes based on the Model State Trademark Bill, which provides that injury to the business reputation of a company or the distinc-

Since a violation of the Act “triggers extensive relief” . . . a mark must be especially famous to merit protection.

tive 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.”<sup>71</sup> As discussed below, however, state dilution statutes offer only thin and inconsistent character protection.

## HISTORY OF DILUTION

Dilution is generally traced to a 1927 HARVARD LAW REVIEW article by Frank I. Schechter.<sup>72</sup> In this article, Schechter explained that protection was needed to guard against 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.”<sup>73</sup> Prior to the Federal Dilution Act of

1995, 28 states recognized dilution as a legal wrong.<sup>74</sup> Many states required a showing of likelihood of confusion to find dilution.<sup>75</sup> Others required that the parties not be competitors.<sup>76</sup> As a matter of authority and enforcement, courts could not extend relief beyond state borders.<sup>77</sup> Due to these inconsistent and unsettled doctrines, state courts largely ignored dilution claims, often tacking them onto the end of their opinions as dicta for decisions reached on other grounds.<sup>78</sup> In cases where dilution was found and characters were at issue, those characters were very well-known, and the court usually supplemented its ruling by finding a likelihood of confusion under trademark law.<sup>79</sup>

In 1977, the New York Court of Appeals showed renewed interest in dilution, finding a protectible interest against the “cancer-like growth of dissimilar products or services which feeds upon the business reputation” of an established trademark.<sup>80</sup> But other states continued to gloss over these claims and interest soon waned again.<sup>81</sup> Perceiving the flaws of the state dilution schemes, the U.S. Trademark Review Commission<sup>82</sup> met in the late 1980s to discuss the advantages and disadvantages of a federal dilution law.<sup>83</sup> A dilution amendment to the 1988 Trademark Law Revision Act was proposed but ultimately dropped due to First Amendment questions voiced by broadcasting, advertising, and publishing industries; these media were concerned that a dilution provision would prevent parodies and other journalistic uses.<sup>84</sup> One commentator has also suggested that the amendment was dropped due to the “political horse-trading” of Congress-



popularity finally resulted in a change on January 16, 1996, when President Clinton signed the Federal Trademark Dilution Act into law.<sup>88</sup>

## The Federal Trademark Dilution Act of 1995

The Federal Trademark Dilution Act amended the Lanham Act to become § 43(c), "Remedies for Dilution of Famous Marks."<sup>89</sup> The section provides:

The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, 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 famous mark . . . .<sup>90</sup>

The legislative history of this section reveals that it was intended to prevent such uses as "BUICK aspirin," "DUPONT shoes," and "KODAK pianos"—uses not likely to cause public confusion, but which could, over time, affect the capacity of renowned trademarks to uniquely identify one source.<sup>91</sup> Because its

Act protects famous trademarks from diluting uses even without a likelihood of confusion, provides a uniform standard that may decrease forum shopping, and assists American enterprises in international business.<sup>93</sup> It also expressly grants federal courts the authority to issue nationwide injunctions based on dilution, elevating the "oft neglected and inconsistently applied doctrine of dilution to the level of the more traditional remedies recognized under the Lanham Act."<sup>94</sup> These remedies include injunctive relief<sup>95</sup> and, if willful intent is shown, defendant's profits,<sup>96</sup> treble damages,<sup>97</sup> court costs,<sup>98</sup> attorney fees,<sup>99</sup> and

nection with the goods or services with which the mark is used;

(C) the duration and extent of advertising and publicity of the mark;

(D) the geographical extent of the trading area in which the mark is used;

(E) the channels of trade for the goods or services with which the mark is used;

(F) the degree of recognition of the mark in the trading areas and channels of trade of the mark's owner and the person against whom the injunction is sought;

## DURATION OF COPYRIGHT UNDER THE 1976 ACT

### Work Created Before 1/1/78

*Published or Copyrighted:*  
95 years (2 terms: 28 + 67 = 95)

### *Unpublished:*

Life + 70 years but all unpublished works on 1/1/78 will last until 2002, and if published, through 2047.

### Work Created After 1/1/78

#### *Created, i.e., Fixed:*

Life + 70 years

or

95 years from publication or 120 years from creation, whichever is less, if an anonymous or pseudonymous work, or a work made for hire.

Source: Modified from MARSHALL LEAFFER, UNDERSTANDING COPYRIGHT LAW § 6.5[D], at 181 (2nd ed. 1999).

(G) the nature and extent of use of the same or similar marks by third parties; and

(H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.<sup>102</sup>

The statute makes clear that a court may consider these factors, but none is determinative. For example, factor (H) considers whether or not the mark is registered under the Lanham Act.<sup>103</sup> Since registration implies some level of distinctiveness, this could help in proving fame, but is not required for dilution protection.<sup>104</sup>

The Act also clarified the meaning of dilution. Section 45 now defines it 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.”<sup>105</sup> This departs significantly from traditional trademark protection because it does not rely upon the traditional test of “likelihood of confusion” to grant relief. While in many cases consumer confusion will be present,<sup>106</sup> federal dilution does not require it, making dilution a separate and distinct cause of action under trademark law. Additionally, dilution protection may be granted against either competing or non-competing products using the mark.

Under § 43(c)(3), federal trademark registration shall be a “complete bar” to an action brought by another person under the common

law or a state dilution statute.<sup>107</sup> The legislative history of the Act reveals that it is not intended to preempt state dilution statutes, however;<sup>108</sup> separate state and federal claims may still be brought in the same case.<sup>109</sup> In practice, the ability to bring concurrent claims will likely only retain importance in cases of locally famous marks.<sup>110</sup>

Dilution may occur by blurring or tarnishment. “Blurring” occurs when unauthorized use of a mark “reduces the public’s perception that the mark signifies something unique, singular, or particular.”<sup>111</sup> For example, the use of TIFFANY hot dogs, TIFFANY limousines, or TIFFANY pantyhose would threaten the ability of the TIFFANY trademark to solely identify the jewelry store.<sup>112</sup> While some courts still require a showing that consumers are confused or actually harmed, the blurring analysis should be doctrinally independent.<sup>113</sup> “Tarnishment” involves unauthorized use of a mark on inferior or offensive products, such that positive associations of the mark are degraded.<sup>114</sup> In an early state tarnishment case, for example, ENJOY COCAINE on a poster was found to tarnish the trademark ENJOY COCA-COLA.<sup>115</sup> Tarnishment differs from parody in that parody involves “the use of some elements of a prior author’s composition to create a new one that, at least in part, comments on that author’s works.”<sup>116</sup> Tarnishment, on the other hand, degrades a trademark by causing the public to associate the two sources of the products.<sup>117</sup>

## BOND, JAMES BOND

The 1998 case of Danjaq LLC v.

Sony Corp.<sup>118</sup> indicates how broad the new federal dilution protection can be for film and television characters. In that case, the plaintiff Danjaq, with its production partner MGM Studios, sought a preliminary injunction against the defendants Sony Corporation and others, based on the defendants’ plans to make a series of JAMES BOND movies.<sup>119</sup> Plaintiff Danjaq claimed to be author Ian Fleming’s exclusive assignee of all U.S. film and TV rights in the JAMES BOND character.<sup>120</sup> The defendants countered that their affiliated writer-producer Kevin McClory, who made the Bond films *Thunderball* (1965) and *Never Say Never Again* (1983), had acquired the rights in the JAMES BOND character from author Ian Fleming prior to Danjaq and MGM.<sup>121</sup>

The court found that McClory’s copyright had expired, leaving Danjaq as the sole owner of the copyright and the trademark in the JAMES BOND character.<sup>122</sup> It granted an injunction based on copyright and trademark infringement, as well as trademark dilution.<sup>123</sup> The court found that Sony’s use of the JAMES BOND mark would violate the federal dilution statute and likely create dilution through “blurring,” as consumers would associate defendants’ Bond film with the “identity and reputation” of Danjaq’s Bond films.<sup>124</sup>

Although the case ultimately settled,<sup>125</sup> it represents the revolutionary recognition of federal dilution as a separate and distinct cause of action for the protection of film and TV characters. In Danjaq, the court ultimately found copyright infringement, and did not decide whether the plaintiff could have prevailed on



dilution grounds alone. In future cases, however, where no copyright infringement exists, it appears that the doctrine could now stand alone to protect certain characters.

In another recent case, Brown v. It's Entertainment, Inc.,<sup>126</sup> the cartoon character ARTHUR was protected under the federal dilution statute from unauthorized use. ARTHUR, a cartoon aardvark, is the subject of over 60 best-selling books and a highly-rated television series.<sup>127</sup> He appeared on the cover of FAO Schwarz's 1998 holiday catalog, and an ARTHUR balloon led the 1997 Macy's Thanksgiving Day Parade.<sup>128</sup> On these facts, the court found the ARTHUR character was famous enough to warrant protection from defendant's use of an unlicensed ARTHUR costume at a toy store opening.<sup>129</sup> The court reasoned, "Should unauthorized Arthur impersonators proliferate . . . the image sought by plaintiffs for Arthur will be difficult to control and might easily become blurred or tarnished, resulting in a loss of credibility, public affection, and consumer interest."<sup>130</sup>

As these cases illustrate, although reserved for a rarefied class of marks, the Federal Trademark Dilution Act provides the broadest trademark protection possible. It ensures that famous fictional characters will not be pressed into undignified service or cloned by copiers. As one leading commentator noted, the Act was "a major breakthrough for an elite category of trademark owners, and dilution protection now has teeth."<sup>131</sup>

## CRITICISM OF DILUTION

### The Property Right

Decisions like Danjaq make oppo-

nents of dilution nervous. It has been said that the furthest extensions of trademark rights have come in the area of preventing unauthorized uses of characters.<sup>132</sup> Dilution extends that far reach even further. The First Amendment concerns voiced in 1988 should be calmed, at least, as § 43(c)(4) exempts fair use, noncommercial use, and news reporting.<sup>133</sup> In addition, parody is permissible under the Act.<sup>134</sup> Other concerns remain, however. One contention is that dilution creates a property right in trademarks, similar to a trespass action.

Critics argue that rather than furthering the lofty goal of preventing public confusion, dilution protects only the narrow private interest of those who own famous marks.<sup>135</sup> After all, this broad provision could support a "widespread ban on unauthorized uses even if the public is not in danger of being misled."<sup>136</sup> This undermines the traditional view of trademark protection as preventing a tort against the public, not a trespass onto the trademark itself.<sup>137</sup> The Supreme Court has stated:

The law of unfair competition has its roots in the common law tort of deceit: its general concern is with protecting consumers from confusion as to source. While that concern may result in the creation of "quasi-property rights" in communicative symbols, the focus is on the protection of consumers, not the protection of producers as an incentive to product innovation.<sup>138</sup>

This "quasi-property" theory of trademark protection historically

has been limited to the symbolic nature of a trademark.<sup>139</sup> The Supreme Court has explained that a trademark is a property right "only in the sense that a man's right to the continued enjoyment of his trade reputation and the good-will that flows from it, free from unwarranted interference by others, is a property right, for the protection of which a trademark is an instrumentality."<sup>140</sup> Granting owners quasi-property status thus has always been accepted as the price paid for the protection of the public from confusion.

Critics are correct that the property right conferred by the Federal Trademark Dilution Act does not protect the public from confusion, but it does protect the public in another way. According to the legislative history of the Act, "The concept of dilution recognizes the substantial investment and aura of the mark itself, protecting both from those who would appropriate the mark for their own gain."<sup>141</sup> Unlike confusion, which can immediately harm the public, dilution harms the public in a more gradual way, slowly dissipating the public perception of the mark as something unique.<sup>142</sup> The property right created by the dilution doctrine prevents such erosion.

In this way, anti-dilution measures do protect the public. For example, very famous trademarks like OREO and COCA-COLA have, like James Bond, become cultural icons. If an unauthorized user were to use those marks on inferior or even just different products, the significance of those marks would be blurred or tarnished among American consumers, thus corroding the goodwill in those marks and making it harder for consumers to

identify which product they want. Such national upset was seen in 1985 when Coca-Cola “diluted” its own mark with the introduction of “New Coke.”<sup>143</sup> Although 61 percent of the people actually preferred New Coke in blind taste tests, the public revolted.<sup>144</sup> When the public uproar forced the reintroduction of “Coke Classic” just three months later, Brian C. Dyson, then senior vice president of Coca-Cola Company, admitted at a news conference, “We did not read the deep emotional ties that people had to the whole concept of Coca-Cola.”<sup>145</sup>

While not a classic case of dilution because no unauthorized use was involved, this example is still instructive for two reasons. First, it demonstrates that a diluting use need not be by an inferior product—any difference in the quality associated with the mark, be it better or worse, can harm the trademark’s value. Second, it illustrates the emotional significance that the consuming public attaches to some very famous trademarks. It is these very special trademarks that the Federal Trademark Dilution Act seeks to protect.

### Undermining Copyright

Dilution has also been criticized as undermining the public policy of the copyright law. The primary purpose of copyright is to promote creativity and dissemination of creative works, so that the public may benefit from the labor of authors.<sup>146</sup> To that end, copyright grants a limited duration of protection, after which creative works enter the public domain.<sup>147</sup> Trademark protection, on the other hand, can be permanent. A trademark will be protected for as long as it continues to indicate

source.<sup>148</sup> Commentators complain that this perpetual grant “nullifies the balance struck between copyright’s broad protection and limited duration of exclusivity and trademark’s narrow protection but unlimited duration of protection.”<sup>149</sup> This is a valid concern to be sure, but courts have long held that trademark and copyright regimes may safely coexist<sup>150</sup> and the Copyright Act

With such characters,  
whose association  
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dilution of those  
trademarks.

itself, in § 301, states that it will not preempt other federal law.<sup>151</sup> Moreover, Congress has recently indicated through the Copyright Term Extension Act that some characters simply do not belong in the public domain.

The Sonny Bono Copyright Term Extension Act, enacted on October 27, 1998, extended copyright protection by 20 years in all copyrighted works not already in the public domain.<sup>152</sup> This marks the first

extension of the copyright term since the current Copyright Act was enacted in 1976.<sup>153</sup> The first copyright law, passed in 1790, granted protection for 14 years, plus a 14-year renewal term.<sup>154</sup> In 1831, the initial term was extended to 28 years, with a 14-year renewal; this renewal term was extended to 28 years in 1909.<sup>155</sup> In 1976, the renewal term was extended to 47 years for works created before January 1, 1978, and any works created after that date received a copyright term of the life of the author plus 50 years.<sup>156</sup> The Copyright Term Extension Act amended various sections of the 1976 Act to make its renewal term 67 years; and its term of protection for post-1978 works the length of the author’s life plus 70 years.<sup>157</sup> With this, Congress has extended copyright protection to its greatest length yet.

The legislative history of the Copyright Term Extension Act reveals it was enacted to bring the United States in line with European Union countries, which in 1995 extended copyright protection to the life of the author plus 70 years.<sup>158</sup> Matching the protection of the European Union means that United States works will be protected for the same amount of time as European works, ensuring that U.S. authors will receive the profits generated from the sale of their works abroad.<sup>159</sup> The House Report also identifies as a benefit that the extension of copyright protection will encourage U.S. authors to create new works and to restore older works for dissemination to the public.<sup>160</sup>

In addition to these benefits, there was another unstated benefit to particular copyright holders that Congress almost certainly consid-

ered. Walt Disney and other entertainment companies led lobbying efforts in support of the Act, ultimately donating \$342,000 to the major political parties involved.<sup>161</sup> Their motive was clear: Disney's copyrights in many of its famous characters, including Mickey Mouse, would have expired starting in 2003.<sup>162</sup> Additionally, Disney had recently purchased rights in the Winnie the Pooh character, a purchase contingent on an extension of copyright as Winnie's copyright was also soon to expire.<sup>163</sup> This would have happened "just as the potential for new uses of characters . . . is expanding with new markets on digital television, cable services and the Internet."<sup>164</sup>

In part, the Copyright Term Extension Act indicates that Congress assumed the public would benefit more from Disney's continued marketing efforts of such characters than from free access to these characters on media like the Internet.<sup>165</sup> One commentator notes:

With only five years before the first Mickey fell into the public domain, the public's interest in free access to great works of fiction and non-fiction would necessarily take second place to the government's interest in Disney's continued economic health. Congress has clearly chosen how to set the balance between the rights of the copyright creators and the public's interest.<sup>166</sup>

Indeed, with the Copyright Term Extension Act, Congress suggests that Mickey Mouse and friends do not belong in the public domain.

The Act gave them 20 more years of protection, prompting Disney President Michael Eisner to write in a letter to shareholders: "Toward the end of the year 1998, action was taken in Washington that should help us further protect and build on our heritage."<sup>167</sup>

Scholars criticize this extension for the same reason they criticize federal dilution protection: it undermines the Constitutional guarantee that creative works shall be protected for "limited times."<sup>168</sup> One federal judge has already ruled, however, that the Copyright Term Extension Act does not violate the Constitution, as Congress has the discretion to define "limited times."<sup>169</sup> One wonders what will happen in 2023, however, when Disney's new extended copyright in Mickey Mouse will expire. Disney will likely lobby again for an extension of the copyright term. Congress may, again, grant it. A better solution would be to consider the protection of characters already provided by the Federal Trademark Dilution Act.

## WHY CHARACTERS NEED DILUTION PROTECTION

### Protection of Goodwill

For logical as well as emotional reasons, characters are well-served by dilution protection. Certain characters, like Mickey Mouse, may cease to exist if given to the public for unrestricted use.<sup>170</sup> With such characters, whose association with source is "hard wired" into the public consciousness," distinguishing language may not be enough to prevent dilution of those trademarks.<sup>171</sup> For example, imagine that in 2023 when

Disney's copyright expires, Six Flags Amusement Parks starts using Mickey Mouse in its advertisements, perhaps depicting Mickey enjoying himself on one of Six Flags' rides. Perhaps, too, the ad would contain a small written disclaimer explaining that Disney in no way endorsed it. While comparative advertising and parody are permissible under the dilution amendment, this use probably would not fall into those categories. Moreover, depending on the context, the public may not be confused; indeed, given the disclaimer, they may be able to discern that Disney is not in fact sponsoring the ads.

Without a likelihood of confusion, there is no trademark infringement, and Six Flags is able to free ride on the very famous Mickey Mouse character and all of the goodwill that follows, in order to benefit its own competing theme park. If someone were to later have an unpleasant visit to Six Flags, or even just a different experience than at Disney World, then the positive images and feelings associated with Mickey Mouse might sour. Dilution prevents such erosion and protects the goodwill in Mickey that Disney has worked years to create.

### Marketing Concerns

Besides protection of goodwill, characters also need special protection for other reasons. First, with the explosion of electronic commerce, a diluting mark "can gain public recognition and begin sapping the commercial strength of a famous mark practically overnight."<sup>172</sup> Once on the Internet, a character may be viewed by millions within a few minutes.<sup>173</sup> Furthermore, anyone can alter or appropriate the character for his own use without the trademark

owner's knowledge.<sup>174</sup> This means that a diluting use can blur or tarnish a trademark's value both quickly and vastly. Second, due to the frequent use of characters on merchandise, those selling authorized merchandise depicting famous characters may be hurt financially by unauthorized merchandise.

At committee hearings prior to the passage of the dilution statute, owners of some famous creative characters spoke out in support of this extra protection.<sup>175</sup> Nils Victor Montan, vice president and senior intellectual property counsel for Warner Brothers Film Studio, testified on behalf of Time Warner's affiliated companies, including DC Comics and Warner Brothers Television, producers of such shows as *ER* and *Friends*.<sup>176</sup> According to Montan, the Time Warner Companies "enthusiastically endorse[d]" the proposed dilution amendment.<sup>177</sup> First, Montan spoke of the need to protect authorized, licensed users of the mark. He noted that Warner Brothers' consumer products division had about 2,300 active licenses, and pointed out that these licensees looked to Warner Brothers and DC Comics to protect these marks and prevent others from using them without authorization.<sup>178</sup> Thus, dilution protection would benefit Time Warner, its licensees, the employees of licensees, manufacturers of licensed clothing, and retailers who sell authorized products.<sup>179</sup> Montan cited a WALL STREET JOURNAL article discussing the impact of the Hollywood licensing industry on the American economy, and concluded that laws like the Federal Trademark Dilution Act "ultimately put money into the pock-

ets of small businesses and ordinary citizens across the United States."<sup>180</sup>

Montan also urged Congress to recognize the value that trademark owners build into their famous marks: "[T]he trademark owner, who has spent the time and investment needed to build up the goodwill in these marks, should be the sole determinant of how the marks are used in a commercial sense."<sup>181</sup> He gave examples of counterfeit T-shirts depicting Bugs Bunny and the Tasmanian Devil smoking marijuana. Without a likelihood of confusion, which was doubtful in a case like this, Montan said character owners needed some additional way to protect their marks.<sup>182</sup> He echoed the oft-cited fact that state dilution statutes were inadequate and inconsistently applied.<sup>183</sup> He observed that most state courts would have great difficulty granting state law injunctions that apply outside state boundaries — thus offering little protection to characters known on a national scale.<sup>184</sup>

Finally, Montan described how Warner Brothers and DC Comics had invested money and effort to build such characters as Bugs Bunny, Daffy Duck, Batman, and Superman.<sup>185</sup> Due to such efforts, these characters now instantaneously convey a wealth of information about the products on which they appear, including affiliation and high quality.<sup>186</sup> With this, Montan identified the most compelling reason for guarding James Bond, Mickey Mouse, and the whole cast of famous characters: the need to protect them from diffusion and public disgrace. "These trademarks have become classic pieces of Americana," Montan stated, "and although they are com-

mercial assets owned by Time Warner, those of us employed to protect them consider ourselves trustees of national treasures."<sup>187</sup>

## TOMORROW NEVER DIES

Famous characters are more than just part of a story; some take on lives of their own. But even the man of steel would not survive if appropriated for widespread public use. For this reason, characters have always received the highest levels of intellectual property protection, by a combination of copyright and trademark security. In most cases, these traditional forms of protection still suffice. But, in the sea of electronic commerce where copiers sometimes escape infringement and enforcement, the expansion of copyright protection is not the only answer. A more effective solution already exists in the Federal Trademark Dilution Act. This Act extends already existing trademark protection to an elite category of marks deserving of special protection. Their status as national treasures supports the application of this doctrine to famous characters and justifies the limited property right this doctrine confers. At its very core, the federal copyright system was created to benefit the public. Federal dilution protection can further this goal by preserving the integrity of favorite characters for all to enjoy. ♦

- <sup>1</sup> Steve Hartman, *Brand Equity Impairment - The Meaning of Dilution*, 87 TRADEMARK REP. 418, 420 n.5 (1997).
- <sup>2</sup> The Copyright Term Extension Act of 1998, see discussion *infra*, extended James Bond's copyright through 2048. See Francis M. Nevins, Jr., *Copyright + Character = Catastrophe*, 39 J. COPYRIGHT SOC'Y USA 303, 336 (1992).
- <sup>3</sup> Lanham Act § 43(c), 15 U.S.C. § 1125(c) (Supp. II 1996).
- <sup>4</sup> See generally Michael Todd Helfand, *When Mickey Mouse is as Strong as Superman: The Convergence of Intellectual Property Laws to Protect Fictional Literary and Pictorial Characters*, 44 STAN. L. REV. 623 (1992); Leslie A. Kurtz, *The Independent Legal Lives of Fictional Characters*, 1986 WIS. L. REV. 429 (1986).
- <sup>5</sup> See, e.g., Helfand, *supra* note 4, at 647 (citing *DC Comics, Inc. v. Unlimited Monkey Business, Inc.*, 598 F. Supp. 110, 115 (N.D. Ga. 1984) (creating a hybrid "copyright-dilution" cause of action)).
- <sup>6</sup> See *Deere & Co. v. MTD Prods.*, 41 F.3d 39, 42-43 (2d Cir. 1994).
- <sup>7</sup> See Model State Trademark Bill § 12 (USTA 1964).
- <sup>8</sup> The copyright term is currently the length of the author's life plus 70 years. Copyright Act of 1976, 17 U.S.C. § 302(a) (Supp. IV 1998).
- <sup>9</sup> See Kurtz, *supra* note 4, at 512-14.
- <sup>10</sup> See, e.g., *Warner Bros., Inc. v. American Broadcasting Cos.*, 530 F. Supp. 1187, 1198-99 (S.D.N.Y. 1982) (denying state dilution protection to SUPERMAN character). But cf. *Fisher v. Star Co.*, 132 N.E. 133 (N.Y. 1921), *aff'd*, 720 F.2d 231 (2d Cir. 1983) (foreshadowing dilution doctrine by recognizing that "public tiring" could result from inferior imitations of a mark).
- <sup>11</sup> Helfand, *supra* note 4, at 671.
- <sup>12</sup> Pub. L. No. 104-98, 109 Stat. 985 (codified at 15 USC § 1125(c) (Supp. II 1996)).
- <sup>13</sup> See e.g., Helfand, *supra* note 4, at 654, and discussion *infra*.
- <sup>14</sup> See JEROME GILSON, TRADEMARK PROTECTION & PRACTICE § 5.12[1][a] (1999).
- <sup>15</sup> Lanham Act § 45, 15 U.S.C. § 1127 (1994), amended by 15 U.S.C. § 1127 (Supp. II 1996) (definition of dilution).
- <sup>16</sup> GILSON, *supra* note 14, at § 5.12[1][a].
- <sup>17</sup> See *Frederick Warne & Co. v. Book Sales, Inc.*, 481 F. Supp. 1191, 1196-97 (S.D.N.Y. 1979).
- <sup>18</sup> Pub. L. No. 105-298, 112 Stat. 2827 (codified at 17 U.S.C. § 302(a) (Supp. IV 1998)).
- <sup>19</sup> *Mickey Mouse May Soon be Public Property*, DALLAS MORNING NEWS, February 2, 1998, Home Final Ed., at 5C.
- <sup>20</sup> See Claudia Eller & James Bates, *Congress Puts Power Behind Hollywood's Goals*, LOS ANGELES TIMES, Oct. 23, 1998, Home Final Ed., at 1C.
- <sup>21</sup> Helfand, *supra* note 4, at 623.
- <sup>22</sup> See *id.* at 628.
- <sup>23</sup> Kurtz, *supra* note 4, at 436.
- <sup>24</sup> See *id.* (citing Leon Kellman, *The Legal Protection of Fictional Characters*, 25 BROOK L. REV. 3, 3 (1958)).
- <sup>25</sup> *Id.*
- <sup>26</sup> See *id.* at 440.
- <sup>27</sup> U.S. CONST. art. I, § 8; cl. 8. See also *id.* at cl. 18 (giving Congress the power to make "all laws which shall be necessary and proper for carrying into Execution the foregoing powers").
- <sup>28</sup> *Mazer v. Stein*, 347 U.S. 201, 219 (1954), superseded by statute on other grounds as stated in *Fabrica, Inc. v. El Dorado Corp.*, 697 F.2d 890 (9th Cir. 1983); see also MELVILLE B. NIMMER, NIMMER ON COPYRIGHT § 1.03[A] (1999).
- <sup>29</sup> *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975), superseded by statute on other grounds as stated in *Crabshaw Music v. K-Bob's of El Paso, Inc.*, 744 F. Supp. 763 (W.D. Tex. 1990).
- <sup>30</sup> NIMMER, *supra* note 28, at § 1.03 [A].
- <sup>31</sup> Copyright Act of 1976, 17 U.S.C. § 102(a)(1) (1994).
- <sup>32</sup> *Id.* at § 102(a)(1).
- <sup>33</sup> *Id.* at § 102(a)(3).
- <sup>34</sup> *Id.* at § 102(a)(6).
- <sup>35</sup> *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930); see also NIMMER, *supra* note 28, at § 2.12.
- <sup>36</sup> *Nichols*, 45 F.2d at 121. But see *Warner Bros. Pictures, Inc. v. Columbia Broadcasting Sys., Inc.*, 216 F.2d 945, 950 (9th Cir. 1954) (suggesting that no character is protectible unless it "really constitutes the story being told" and is not just a "chess man in the game of telling the story"). This view has since been limited to word portraits, as distinguished from cartoon and other graphic representations. See NIMMER, *supra* note 28, at § 2.12.
- <sup>37</sup> 17 U.S.C. § 102(b).
- <sup>38</sup> See Leslie A. Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, 11 U. MIAMI ENT. & SPORTS L. REV. 437, 438-39 (1994).
- <sup>39</sup> See NIMMER, *supra* note 28, at § 13.03. The infringement analysis also requires a showing that the alleged infringer likely had access to the copyrighted work. *Id.* at § 13.02.
- <sup>40</sup> Nevins, *supra* note 2, at 314.
- <sup>41</sup> The copyright term is currently the life of the author plus 70 years. 17 U.S.C. § 302(a), amended by 17 U.S.C. § 302(a) (Supp. IV 1998).
- <sup>42</sup> NIMMER, *supra* note 28, at § 2.12.
- <sup>43</sup> 870 F.2d 40 (2d Cir. 1989).
- <sup>44</sup> *Id.* at 50.

- 45 Id.
- 46 Nevins, *supra* note 2, at 342. One commentator has suggested that character protection should be lost when protection in the first work is lost. See NIMMER, *supra* note 28, at § 2.12.
- 47 Nevins, *supra* note 2, at 342.
- 48 See Lanham Act § 45, 15 U.S.C. § 1127 (1994) (definition of service mark). The popularity of characters as trademarks can be seen by the guest list at one Trademark Association reception, which included Tony the Tiger, plain M & M's, Tweety Bird, the Tasmanian Devil, Porky Pig, Sylvester, Bugs Bunny, Daffy Duck, Wonder Woman, the Care Bears, Mr. Peanut, the Pink Panther, Mickey and Minnie Mouse, Chester Cheetah, the Campbell's Soup Kids, the Pillsbury Dough Boy, and even the Kool-Aid Pitcher. RALPH S. BROWN 7 ROBERT C. DENICOLA, CASES ON COPYRIGHT 701-02 (7th ed., Foundation Press 1998) (*citing* USTA Bulletin, April 3, 1989).
- 49 U.S. CONST. art. I, § 8, cl. 3.
- 50 RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. b (1995).
- 51 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3:2 (1999).
- 52 Id.
- 53 15 U.S.C. § 1127 (definition of trademark).
- 54 Id. at § 1052(f). See, e.g., Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 851 n.11 (1982).
- 55 Inwood Labs., 456 U.S. at 851 n.11.
- 56 15 U.S.C. § 1051; see also South Corp. v. United States, 690 F.2d 1368 (Fed. Cir. 1982).
- 57 Anne Haring, *Basic Principles of Trademark Law*, in UNDERSTANDING BASIC TRADEMARK LAW 1999, at 9, 24-25 (PLI Intellectual Property Course Handbook Series No. G-569, 1999).
- 58 Id.
- 59 15 U.S.C. § 1064(3).
- 60 Id. at § 1052(f).
- 61 Frank L. Politano, *Overview of Basic Principles of Trademark Law and Unfair Competition*, in UNDERSTANDING BASIC TRADEMARK LAW 1999, *supra* note 57, at 255, 264.
- 62 Id.
- 63 15 U.S.C. § 1114. Courts evaluating likelihood of confusion consider a number of factors, including: (1) strength of plaintiff's mark; (2) degree of similarity between the two marks; (3) proximity of products and services; (4) likelihood that plaintiff would have entered that product arena; (5) evidence of actual confusion; (6) defendant's good faith in adopting the mark; (7) quality of defendant's products or services; and (8) sophistication of the buyers. See Polaroid Corp. v. Polaroid Electronics Corp., 287 F.2d 492, 495 (2d Cir. 1961).
- 64 Lone Ranger, Inc. v. Cox, 124 F.2d 650, 652-53 (4th Cir. 1942) (finding that defendant's use of ORIGINAL LONE RANGER in circus ads amounted to unlawful "passing off" of plaintiff's LONE RANGER character under unfair competition law).
- 65 ARTHUR H. SEIDEL, et al., WHAT THE GENERAL PRACTITIONER SHOULD KNOW ABOUT TRADEMARKS AND COPYRIGHTS § 1.05 at 12-13 (1995).
- 66 Lone Ranger, 124 F.2d at 653.
- 67 Id. See also Seidel, *supra* note 65, at 12.
- 68 See Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 157 (1989).
- 69 Lanham Act § 43(a), 15 U.S.C. § 1125(a) (1994).
- 70 Gilson, *supra* note 14, at § 5.12[1][a]. See, e.g., Pillsbury Co. v. Milky Way Prods., Inc., 215 USPQ 124, 135 (N.D. Ga. 1981) (granting relief under Georgia antidilution statute where plaintiff's POPPIN' FRESH and POPPIE FRESH characters were depicted in defendant's magazine engaging in sexual conduct).
- 71 Model State Trademark Bill § 12 (USTA 1964).
- 72 Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927).
- 73 Gilson, *supra* note 14, at 5.12[1][a].
- 74 Id.
- 75 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, e.g., Warner Bros., Inc. v. American Broadcasting Cos., 720 F.2d 231, 248 (2d Cir. 1983) (denying state dilution protection to SUPERMAN character where there was no confusion with THE GREATEST AMERICAN HERO character).
- 76 Gilson, *supra* note 14, at 5.12[1][a].
- 77 Id.
- 78 Jerome Gilson, *A Federal Dilution Statute: Is it Time?*, 83 TRADEMARK REP. 107, 110 (1993).
- 79 Kurtz, *supra* note 4, at 512-13. Kurtz refers to cases involving Superman and Wonder Woman, DC Comics, Inc. v. Unlimited Monkey Business, Inc., 598 F. Supp. 110 (N.D. Ga. 1984); Peanuts characters, United Feature Syndicate, Inc. v. Sunrise Mold Co., 569 F. Supp. 1475 (S.D. Fla. 1983); and Tarzan, Edgar Rice Burroughs, Inc. v. Manns Theatres, 195 USPQ 159 (C.D. Cal. 1976). But see Pillsbury Co. v. Milky Way Prod., Inc., 215 U.S.P.Q. 124, 135 (N.D. Ga. 1981) (finding dilution despite an absence of confusion).
- 80 See Gilson, *supra* note 78, at 110 (citations omitted).
- 81 See H.R. REP. No. 104-374, at 3-4 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1030-31.
- 82 The Trademark Review Commission, a subset of the U.S. Trademark Association, consisted of 29 trademark attorneys with various corporate, law firm, and academic backgrounds. See GILSON, *supra* note 14, at § 1.04[4][a].



83 Gilson, *supra* note 14, at § 5.12[1][b]; see also Vincent N. Palladino, *Reigning in Trademark Dilution Claims*, N.Y.L.J., June 10, 1999, at 1, 8.

84 H.R. REP. NO. 104-374 at 4.

85 Gilson, *supra* note 78, at 114-15 (describing that a “consumer rights” bill which would have given consumers the right to sue advertisers for misleading advertising was deleted along with the dilution amendment).

86 See Deere & Co. v. MTD Prods. Inc., 41 F.3d 39, 45 (2d Cir. 1994) (upholding injunction against diluting use of JOHN DEERE trademark by competitor); Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc., 855 F.2d 480, 485 (7th Cir. 1988) (finding car dealership’s GREATEST USED CAR SHOW ON EARTH ads diluted plaintiff’s GREATEST SHOW ON EARTH slogan).

87 Jerome Gilson, TRADEMARK DILUTION NOW A FEDERAL WRONG; AN ANALYSIS OF THE FEDERAL TRADEMARK DILUTION ACT OF 1995 (1996); see also Stephen F. Mohr, *The New Federal Trademark Dilution Act: Expanding the Rights of Trademark Owners*, in ANNUAL ADVANCED SEMINAR ON TRADEMARK LAW 1997, at 7, 12 (PLI Patents, Copyrights, Trademarks, and Literary Property Course Series No. G-476, 1997).

88 Gilson, *supra* note 14, at § 5.12[1][a].

89 Lanham Act § 43(c), 15 U.S.C. § 1125(c) (Supp. II 1996).

90 Id.

91 H.R. REP. NO. 104-374 at 3 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1030.

92 Star Mkts., Ltd. v. Texaco, Inc., 950 F. Supp. 1030, 1033 (D. Haw. 1996).

93 Charles E. McKenney & George F. Long, III, *The Attainment of Fame and the Aegis of Protection: The Courts and the Federal Trademark Dilution Act*, INTELLECTUAL PROPERTY TODAY, November, 1998, at 42.

94 Id.; see also Litowitz & Rettew, *supra* note 75, at 36.

95 15 U.S.C. § 1125(c)(2).

96 Id. at § 1117(a).

97 Id. at § 1117(b).

98 Id. at § 1117(a).

99 Id.

100 Id. at § 1118.

101 Id. at § 1125(c).

102 Id.

103 Marks may be registered on the Principal Register, see 15 U.S.C. § 1052; or on the Supplemental Register, see 15 U.S.C. § 1091.

104 See 15 U.S.C. § 1065 (mark becomes incontestable after five years

of use). Once incontestable, “it is conclusively presumed either that the mark is nondescriptive, or if descriptive, has acquired secondary meaning.” MCCARTHY, *supra* note 51, at 15:35.

105 15 U.S.C. § 1127.

106 Gilson, *supra* note 14, at § 5.12[1][b].

107 15 U.S.C. § 1125(c)(3).

108 H.R. REP. NO. 104-374, at 8 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1035.

109 Id.

110 See, e.g., Wedgewood Homes, Inc. v. Lund, 222 USPQ 446, 451-52 (Ore. 1983) (finding state dilution where mark was famous to “significant percentage” of local county).

111 H.R. REP. NO. 104-374 at 3; see also Panavision, Int’l. L.P. v. Toeppen, 141 F.3d 1316, 1326 n. 7 (9th Cir. 1998) (“Blurring occurs when a defendant uses a plaintiff’s trademark to identify the defendant’s goods or services, creating the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff’s product”).

112 Sandra Edelman & Bruce R. Ewing, *50th Anniversary of the Lanham Act: The Federal Trademark Dilution Act of 1995: A Litigation Perspective*, 86 TRADEMARK REP. 485, 501 (1996).

113 Ringling Bros.-Barnum & Bailey Combined Shows v. Utah Div. of Travel Dev., 170 F.3d 449, 461 (4th Cir. 1999), *cert. denied*, 120 S. Ct. 286 (1999) (requiring a finding of actual economic harm). This case has been criticized, however, and Nabisco, Inc. v. PF Brands, 191 F.3d 208, 223-24 (2d Cir. 1999), rejects it. See MCCARTHY, *supra* note 510, at § 24:94 (actual loss not required; only a lessening of capacity or ability of the mark to be a strong commercial identifier); see also Johnson Publ’g Co. v. Willitts Designs Int’l, Inc., 1998 WL 34168 \*7-8 (N.D. Ill. 1998) (finding that an absence of confusion reduces likelihood of blurring in dilution analysis).

114 See Panavision, 141 F.3d at 1326 n.7; see also MCCARTHY, *supra* note 51, at § 24:95.

115 Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183, 1191-93 (E.D.N.Y. 1972).

116 Campbell v. Acuff-Rose Music, 510 U.S. 569, 580 (1994).

117 See Jordache Enters. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1491 (10th Cir. 1987).

118 49 USPQ 2d 1341 (C.D. Cal. 1998).

119 Id. at 1344-45.

120 Id.

121 *Sony Pays MGM \$5 Million for James Bond Settlement*, ANDREWS INTELL. PROP. LITIG. REP., April 28, 1999, at 6.

122 Danjaq, 49 USPQ 2d at 1344-45.

123 Id. at 1346.

- 124 Id.
- 125 *Sony*, *supra* note 121, at 6.
- 126 34 F. Supp. 2d 854 (E.D.N.Y. 1999).
- 127 Id. at 858.
- 128 Id.
- 129 Id. at 859. See also *Nabisco, Inc. v. PF Brands*, 191 F.3d 208, 222-23 (2d Cir. 1999) (affirming injunction against Nabisco's use of goldfish-shaped crackers based solely on dilution of plaintiff's trade dress).
- 130 34 F. Supp. 2d at 859.
- 131 GILSON, *supra* note 14, at § 5.12[1][a]; see also Helfand, *supra* note 4, at 639 ("Dilution statutes thus potentially provide the most expansive protection against the unauthorized use of fictional characters that have become indicators of source" (citations omitted)).
- 132 MCCARTHY, *supra* note 51, at § 24:8.
- 133 Lanham Act § 43 (c)(4), 15 U.S.C. § 1125 (c)(4) (Supp. II 1996). Parodies have generally been held to be noncommercial uses under this section. See, e.g., *Mattel, Inc. v. MCA Records, Inc.*, 28 F. Supp. 2d 1120, 1156 (C.D. Cal. 1998) (Use of BARBIE trademark in parody song not dilution).
- 134 See *Lyons Partnership v. Giannoulas*, 179 F.3d 384, 388 (5th Cir. 1999) (finding that defendant's use of BARNEY lookalike only parodied plaintiff's BARNEY character); *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486-87 (10th Cir. 1981) (LARDASHE on jeans a permissible parody of JORDACHE jeans). But see *WAWA Inc. v. Haaf*, 40 USPQ2d 1629, 1633 (E.D. Pa. 1996), *aff'd*, 116 F.3d 471 (3d Cir. 1997) (HAHA for market diluted WAWA for convenience store).
- 135 GILSON, *supra* note 14, at § 5.12[1][a].
- 136 Palladino, *supra* note 83, at 8.
- 137 Kenneth L. Port, *The "Unnatural" Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?*, 85 TRADEMARK REP. 525, 555 (1995).
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- 139 RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. d (1995).
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- 144 Id.
- 145 Id.
- 146 Kurtz, *supra* note 38, at 439 (*citing* ROBERT A. GORMAN & JANE C. GINSBURG, COPYRIGHT FOR THE NINETIES 13-16 (4th Ed. 1993)).
- 147 See id. at 450.
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<sup>171</sup> Helfand, *supra* note 4, at 671-72.

<sup>172</sup> Andrew L. Deutsch, *Ruling Creates a Split in Dilution Jurisprudence*, NAT'L L. J., Oct. 25, 1999, at C22.

<sup>173</sup> See DEBORA J. HALBER, *INTELLECTUAL PROPERTY IN THE INFORMATION AGE* 127-128 (Quorum Books 1999).

<sup>174</sup> See id.

<sup>175</sup> *Dilution: Hearing on H.R. 1295 Before the Judiciary's Subcomm. on Courts and Intellectual Property*, 104th Cong., 1st Sess. (1995) (statements of Nils Victor Montan, Vice President and Senior Intellectual Property Counsel, Warner Bros.), *reprinted in* GILSON, *supra* note 14, § 43 at 43-214 - 43-223.

<sup>176</sup> Id.

<sup>177</sup> Id.

<sup>178</sup> Id.

<sup>179</sup> Id.

<sup>180</sup> Id.

<sup>181</sup> Id.

<sup>182</sup> Id.

<sup>183</sup> Id.

<sup>184</sup> Id.

<sup>185</sup> Id.

<sup>186</sup> Id.

<sup>187</sup> Id.