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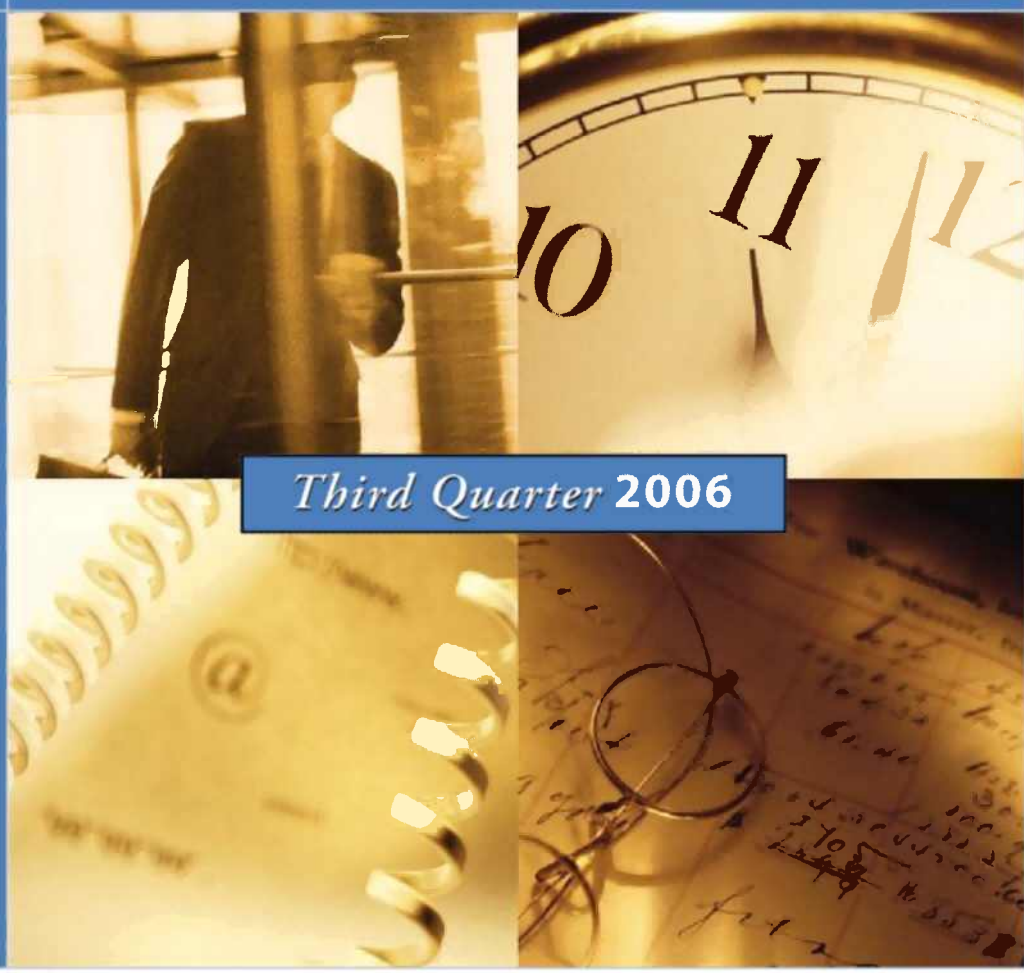

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The Trademark Dilution Revision Act of 2006 (the "TDRA" or the "Revision") is Congress' response to the 2003 Supreme Court decision in *Moseley v. V. Secret Catalogue, Inc.*, which many trademark owners and practitioners felt rendered the federal dilution provision of the Lanham Act irrelevant because it required proof of the difficult to come by "actual dilution." Resolving an earlier circuit split, the Supreme Court had held in *Moseley* that proof of actual dilution, as opposed to a mere likelihood of dilution, was necessary for a successful cause of action. Owners of famous marks and their counsel decried the decision, while those seeking to roll back the scope of dilution protection, including free speech advocates, declared victory.

The TDRA attempts to balance these competing interests in an equitable manner. The Revision broadens the bases for dilution claims, both by lightening the burden of proof for plaintiffs and expressly providing for dilution by tarnishment, but it also narrows the definition of famous

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marks to include only those marks "widely recognized by the general public." In so doing, the TDRA makes the path to a successful dilution claim easier, but it limits access to that path to only a select few. Thus, on balance, the Revision makes concessions to both free speech advocates and the famous-mark owners who lobbied for congressional intervention after *Moseley*.

Still, the overwhelming consequence of the Revision is to better equip famous trademark owners to protect themselves. The less stringent "likelihood of dilution" standard should allow trademark owners to prophalactically protect their famous marks by not requiring that they first wait for harm to occur before taking action against an alleged diluter. Expressly defining dilution by tarnishment, previously detailed only in case law, should mean more consistent and predictable application of the doctrine. Both changes represent positive steps in protecting trademark owners' rights.

However, the Revision's obvious favoritism to larger commercial interests - in the form of its narrow definition of fame - comes at the expense of small business owners and niche market operators. These groups are specifically excluded from the benefits of the Act: trademark holders operating in niche or specialty markets will not be able to prove that their marks are widely recognized by the "general consuming public." Similarly, the owners of well-known marks in remote geographic locations are unlikely to be able to demonstrate that their marks have achieved fame with the "public of the United States." As a result, one unfortunate consequence of the Revision is to foreclose the possibility of federal dilution actions for these legitimate, albeit less widely known rights holders. But protection under state dilution laws may still be available depending upon the jurisdiction.

Finally, the Revision successfully strikes a balance between vested intellectual property interests and free-speech advocates. Under the reworking of the fair use exclusions, legitimate parody, comments, and criticism are considered fair use so long as they do not designate source. The TDRA also maintains the Act's pre-existing exemptions for fair use, comparative advertising, news, and non-commercial speech.

All things considered, Congress' even-handed approach to balancing competing interests represents a legislative compromise to be lauded.

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Peter Sloane graduated from Cornell University in 1991. He received his Juris Doctor degree from the Benjamin N. Cardozo School of Law of Yeshiva University in 1994. Between 1996 and 2000, Mr. Sloane served as Co-Chair of the Trademark Law Committee of the New York State Bar Association. He is a frequent lecturer having moderated programs titled "Trademark Prosecution in the Patent and Trademark Office and Litigation in the Trademark Trial and Appeal" and "Trademark Vigilance in the Twenty-First Century: A Pragmatic Approach" and has authored numerous articles, including "A Review of 2004 Case Law: Is the Internet Changing Copyright Law or is Copyright Law Changing the Internet?" published in the Andrews Litigation Reporter. Mr. Sloane specializes in counseling clients on trademark clearance and protection issues and litigating trademark and copyright disputes, both in the U.S. and internationally.