Almost Famous:

Finding a Role for State Dilution Law after the Trademark Dilution Revision Act

Patrick Bickley

State statutes historically played a major role in protecting trademarks from dilution. Prior to the Federal Trademark Dilution Act (FTDA) in 1995, no federal statute protected trademarks from dilution, but a number of states had adopted anti-dilution statutes. Even after the enactment of the FTDA, court interpretations of the act limited its usefulness, allowing state statutes to have a role in filling these gaps. Congress addressed many of these limitations with the enactment of the Trademark Dilution Revision Act (TDRA) in 2006.

Following the enactment of the TDRA, at least one commentator has argued that state anti-dilution statutes have “run their course” and “have very little constructive role to play.”¹ Moreover, most state statutes do not expressly provide protection to locally and regionally famous marks, and few state courts have extended anti-dilution protection to these marks. However, the International Trademark Association’s (INTA) 2007 Model State Trademark Bill provides an important role for state statutes in protecting marks that have established local or regional fame from dilution, even if these marks do not meet the stringent national fame standards required under the TDRA.² Only California has adopted the 2007 Model Bill so far,

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² 2007 Model State Trademark Bill; 4 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:79.50
and very few states have interpreted their anti-dilution statutes to provide protection for locally or regionally famous marks.³

For example, although there was no evidence it was well known outside of New York, the Fireman’s Association of the State of New York could state a cause of action for dilution of its mark FASNY by the French American School of New York’s use of FASNY, even though there was no competition between the groups.⁴ A builder in western Oregon who had used the mark WEDGWOOD for 25 years, building a high degree of local fame, won an anti-dilution claim against a manager of retirement apartment complexes under the names Wedgwood Downs and Wedgwood Place.⁵ A Florida bank that had become well-known for calling its automatic teller machines “COOKIE JARS” won an injunction against a topless go-go bar that had set a billboard for ANNIE’S COOKIE JAR on a billboard across the street.⁶ All of these cases involved potential dilution to a well-known mark that would not have met the strict national fame requirements of the TDRA.

In Part I, this note will discuss trademark infringement and trademark dilution, including the two recognized forms of dilution: blurring and tarnishment. In Part II, this note will examine the history of dilution as a cause of action, focusing on the interactions between state and federal statutes. In Part III, this note will then categorize the existing state anti-dilution statutes, focusing on their historical backdrops. Finally, in Part IV, this note will argue that state anti-dilution statutes still have a role to play in protecting locally and regionally famous marks.

⁶ Cmty. Fed. Savs. & Loan Ass’n v. Orondorff, 678 F.2d 1034 (11th Cir. 1982).
I. Trademark Infringement and Trademark Dilution

Congress has sought to provide protection for the owners of trademarks and service marks since at least 1870. Trademark law generally seeks to serve three goals: protection of consumers, protection of goodwill accumulated by producers, and encouragement of competition. Trademark law does not give the owner of the mark property rights in the word, phrase, or design in the abstract. Instead, the mark owner has the exclusive right to use the word, phrase, or design to refer to a particular class of goods or services. Typically, a trademark holder will assert liability because of a likelihood of confusion between another’s use of the same or similar word, phrase, or design. Courts evaluate whether the alleged infringer’s use is likely to cause confusion among consumers as to the source of the goods or services using several factors. For example, the 9th Circuit uses the following eight factors: (1) the strength of the mark; (2) the proximity of the goods; (3) the similarity of the marks; (4) the evidence of actual confusion; (5) the marketing channels used; (6) the type of goods and degree of care likely to be exercised by the purchaser; (7) the defendant’s intent in selecting the mark; and (8) the likelihood of expansion of the product lines. Other Circuits use similar factors.

Dilution is a separate theory of liability for trademark infringement that does not depend upon a finding of likelihood of confusion as to the source of the goods or services among consumers. Instead, dilution is concerned with the loss of the identification power of the trademark. As the Supreme Court has noted, “Unlike traditional infringement law, the

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7 The Trade-Mark Cases, 100 US 82 (1879)(finding that Congress’ first attempt to regulate trademarks in 1870 was unconstitutional because it was not limited to interstate commerce).
8 AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979).
prohibitions against trademark dilution not the product of common-law development, and are not motivated by an interest in protecting consumers.”

There are two generally recognized forms of dilution: dilution by blurring and dilution by tarnishment. Dilution by blurring is defined at the federal level as the “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”\(^\text{11}\) Blurring occurs when consumers begin to see the mark multiple places, and the multiple, unrelated uses chip away at the distinctive impression of the mark as a sole source identifier. Hypothetical examples of dilution by blurring would include “DuPont shoes, Buick aspirin tablets, Schlitz varnish, Kodak pianos, Bulova gowns, and so forth.”\(^\text{12}\) Dilution by tarnishment is defined at the federal level as “the association arising from the similarity between a mark and trade name and a famous mark that harms the reputation of the famous mark.”\(^\text{13}\) Tarnishment occurs when a mark is used in a way contrary to the goodwill built up by the mark owner. For example, the Toys “R” Us trademark was diluted by the use of the name “Adults R Us” for an internet site selling sexual devices and clothing.\(^\text{14}\)

Because dilution does not depend on a finding of likelihood of confusion, it is a very powerful weapon for rights holders, possibly at the expense of the other goals of trademark law. As such, legislatures and courts have limited the situation and ways in which dilution can be applied. For example, most anti-dilution statutes only apply to marks that have achieved some

degree of fame. Other courts have limited the doctrine by refusing to apply it to protect trade
dress.

II. History of Dilution as a Cause of Action

A. Origins of Dilution Theory and Early State Adopters

The theory of trademark dilution in U.S. law traces back to Frank Schechter’s theories in
the 1920s. In his 1927 article, Schechter argued that the preserving the uniqueness of a mark
was the only rational basis for its protection, and proposed prohibiting “diluting” that
uniqueness, borrowing the term from a German case. In the German case, the court had
concluded that a German firm owning the mark Odol for mouthwash should be able to enforce
the mark against another firm using the mark Odol for steel products. The German court
considered it unfair that the public, whenever it heard or read the term “Odol” would think of the
first firm’s mouthwash and lead the public to assume any product with the name “Odol” would
be of good quality: “Consequently, concludes the court, complainant has the utmost interest in
seeing that its mark is not diluted [verwassert]: it would lose in selling power if everyone used it
as the designation of goods.” Schechter attempted, to have dilution protection included in an
early proposal for federal trademark law, but when the federal trademark act, the Lanham Act,
passed in 1946, it did not include a dilution provision.

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15 See e.g. 115 U.S.C. § 1125(c) (1995).
Court believes that the better reading of the [Illinois act] is that it does not extend to trade dress. . . had the Illinois
legislature intended to extend the state to cover trade dress, it readily could have said so.”).
HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS (1925).
18 Schecter, supra note 17, at 831-32.
19 Id., as cited in Mosely, 537 U.S. at 429 n.9 (internal quotation omitted, parentheses in original)
20 Welkowitz, supra note 1, at 682 (citing DAVID S. WELKOWITZ, TRADEMARK DILUTION: FEDERAL STATE, AND INTERNATIONAL
LAW 153-54 (2002)).
In 1947, Massachusetts became the first state to enact an anti-dilution statute. Illinois (1953), New York (1955), Georgia (1955), and Connecticut (1963) also passed anti-dilution provisions similar to the Massachusetts act, and in 1964 the United States Trademark Association (now the International Trademark Association or INTA) added a dilution provision to the Model State Trademark Bill. These early statutes were similar, giving a cause of action for:

Likelihood of injury to business reputation or dilution of the distinctive quality of a mark registered under this Act, or a mark valid at common law, or a trade name valid at common law, 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.

Ten other states eventually adopted anti-dilution statutes similar to the 1964 Model Bill. Absent from the acts based on the 1964 Model Bill is any requirement that the mark be famous to receive anti-dilution protection. However, courts often inserted a requirement for confusion into the statutes when interpreting them. As a result, no distinction existed between the traditional likelihood of confusion analysis and the new anti-dilution analysis, and the early anti-dilution statutes had little practical effect.

B. State Statutes as a Result of the Model Bill Dilution Provision of 1992 and Subsequent Court Decisions

22 Welkowitz, supra note 1, at n.10.
23 1964 Model Bill § 12, as reprinted in 4 McCarthy on Trademarks and Unfair Competition, § 24:78.
24 Id.
26 Welkowitz, supra note 1, at 684.
27 Id.
Following another failed attempt to add an anti-dilution provision to the Lanham Act in 1988, INTA proposed a revised dilution provision for states in 1992. The 1992 Model Bill differed from the 1964 Model Bill in several important aspects. First, the 1992 Model Bill added a requirement that the mark be “famous” in order to receive dilution protection. Second, the 1992 Model Bill removed language that provided for relief upon the showing of a “likelihood” of dilution. Finally, the 1992 Model Bill allowed for damages in certain circumstances, where the 1964 Model Bill only provided for injunctive relief. Most states kept their anti-dilution provisions under the 1964 Model Bill, but several states adopted the new provisions.

Even states that did not adopt the 1992 Model Bill were influenced by it. For example, the New York statute, which expressly protected all “distinctive” marks, was limited by court decisions to protect only “strong” marks, “extremely strong” marks, or marks that had acquired distinctiveness, as opposed to marks that were inherently distinctive.

The New York statute was also central to a 1989 case between Mead Data Central and Toyota regarding the Mead’s LEXIS and Toyota’s LEXUS marks. Based solely on the New York anti-dilution law, the district court had enjoined Toyota from using the LEXUS mark nationally. The Second Circuit reversed, focusing on a lack of similarity between the two marks.

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28 Welkowitz, supra note 1, at 684 (citing WELKOWITZ, TRADEMARK DILUTION, supra note 20, at 156-57).
32 WELKOWITZ, TRADEMARK DILUTION, supra note 20, at 18-19.
33 N.Y. Gen. Bus. Law § 360-1
38 Id.
marks and a lack of distinctiveness of Mead Data’s LEXIS mark. Judge Sweet, in an influential concurring opinion, created a multi-factor test for dilution that was similar to that used for likelihood of confusion. Judge Sweet’s test focused on six factors: “1) similarity of the marks; 2) similarity of the products covered by the marks; 3) sophistication of consumers; 4) predatory intent; 5) renown of the senior mark; 6) renown of the junior mark.” Although the second factor, similarity of products, seems to show confusion more than dilution, Judge Sweet’s test became the standard test for dilution claims under the New York statute, and later courts used the analysis for FTDA claims as well.

In another case applying the New York statute, John Deere brought an action for dilution under the New York statute when MTD, a competitor, aired a commercial in which an animated version of the John Deere logo ran away from an MTD tractor. The Second Circuit found this to be actionable dilution, but expressly disclaimed tarnishment as the basis for its decision.

C. Federal Trademark Dilution Act of 1995 (FTDA)

Despite their growing number of states adopting anti-dilution laws, the Lanham Act did not have an anti-dilution provision until Congress passed the Federal Trademark Dilution Act of 1995 (FTDA). The FTDA language closely tracked that of the 1992 Model Bill. The FTDA created a cause of action for a use that “causes dilution,” a phrase that would gain importance through litigation. The FTDA did require the mark to be “distinctive and famous” in order to

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40 Id. at 1035 (J. Sweet, concurring).
41 Id.
42 WELKOWITZ, TRADEMARK DILUTION, supra note 20, at 247 n.131. However, the 2d Circuit later moved away from the Mead Data test for FTDA dilution claims. See Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 217-21 (2d Cir. 1999).
43 Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 41 (2d Cir. 1994).
44 Id. at 44. However, the same court later described Deere as a tarnishment case. Hormel Foods Corp, 73 F.3d at 507. Hormel Foods was itself an important pre-FTDA case, holding that parodies are protected from dilution analysis by the First Amendment. Id. at 500-502. See also L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26, 34 (1st Cir. 1987) (same result).
receive anti-dilution protection, and listed eight non-exclusive factors for courts to consider.\footnote{45} Also, the FTDA provided for non-equitable relief in certain circumstances.

Notably, the FTDA expressly did not preempt state anti-dilution laws except in one limited context. If a plaintiff asserted a state claim against a federally registered mark, the valid federal registration would act as a bar to the state dilution action.\footnote{46} Otherwise, the House Report indicated that:

State laws could continue to be applied in cases involving locally famous or distinctive marks. Unlike patent and copyright laws, federal trademark law presently coexists with state trademark law, and it is to be expected that a federal dilution statute should similarly coexist with state dilution law.\footnote{47}

Twenty-five states eventually adopted anti-dilution statutes based on either the 1992 Model Bill or FTDA.\footnote{48} Because the 1992 Model Bill and FTDA were so similar, litigators supplemented FTDA claims with state anti-dilution claims, and courts typically analyzed the two sets of claims together, giving very little discussion to the state claims in the opinions.\footnote{49}

\footnote{45} These factors were: (A) the degree of inherent or acquired distinctiveness of the mark; (B) the duration and extent of use of the mark in connection 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 or recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought; (G) the nature and extent of use of the same or similar marks by third parties; and (H) whether the mark was federally registered.

\footnote{46} 15 U.S.C. § 1125(c)(3) (2000). This provision, although slightly reworded, was preserved in the TDRA. 15 U.S.C. § 1125(c)(6) (2006). Where state trade dress or product design protection interferes with federal patent law presents a different problem, the complexity of which is beyond the scope of this note. The general rule, however, is that federal patent law precludes any state law that protect inventors, but not state laws aimed at preventing consumer confusion as long as the law does not protect the functional or non-distinctive portion of the design. See Bonito Boats Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989); Sears Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964); Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964); see generally Gilson on Trademarks § 2A.11.


\footnote{49} Id. See e.g. AutoZone, Inc. v. Tandy Corp., 373 F.3d 786, 802 (6th Cir. 2004) (“There are no Tennessee cases that analyze this statute, and in the past we have interchangeably analyzed the Tennessee and federal anti-dilution statutes”); Louis Vuitton Malletier v. Veit, 211 F.Supp. 2d 567, 581-82 (“the standard for establishing trademark dilution under Pennsylvania law is the same as under federal law.”).
Even in states that still had statutes based on the 1964 Model Bill, courts generally assumed that the analysis was identical, even when it was not. For example, the Ninth Circuit assumed that the California anti-dilution statute, based on the 1964 Model Bill, could only apply to a “famous” mark, when no such requirement appeared in the language of the statute.\textsuperscript{50}

Because courts generally analyzed state anti-dilution claims and the FTDA together, there was little additional role for state claims to play in most cases. In New York, however, state anti-dilution statutes retained some independent relevance for two reasons. First, as recognized above, courts had alternatively recognized the New York statute as protecting “strong” marks,\textsuperscript{51} “extremely strong” marks,\textsuperscript{52} or only marks that had acquired distinctiveness,\textsuperscript{53} all of which were lower standards than the “famous” standard of the FTDA.\textsuperscript{54} Second, in 2001 the Second Circuit held that the FTDA protected only inherently distinctive marks and not marks that had acquired distinctiveness through a showing a secondary meaning.\textsuperscript{55} This allowed New York’s statute to play a role in cases where the mark was not eligible for protection under the FTDA.\textsuperscript{56}

Because the FTDA had limited dilution protection to “famous” marks, a split among courts emerged as to whether the mark could be considered famous if it was well-known in a local geographical territory or in a local product or service line, a concept known as the big fish in a small pond or niche fame.\textsuperscript{57} The Third Circuit stated that “a mark not famous to the general public is nevertheless entitled to protection from dilution . . . so long as the plaintiff’s mark

\textsuperscript{50} Jada Toys, Inc. v. Mattel, Inc., 496 F.3d 974, 980 (9th Cir. 2007). California has subsequently adopted a revision based on the 2007 Model Bill. McCarthy § 22:6.25.
\textsuperscript{51} Allied Maintenance Corp., 369 N.E.2d at 1162.
\textsuperscript{52} Sally Gee, Inc., 699 F.2d at 625.
\textsuperscript{53} N.Y. Stock Exchange, Inc. 293 F.3d at 550.
\textsuperscript{54} Welkowitz, supra note 1, at 689.
\textsuperscript{55} TCPIP Holding Co., Inv. V. Haar Communications, Inc., 244 F.3d 88, 96-98 (2d Cir. 2001).
\textsuperscript{56} N.Y. Stock Exchange, Inc. 293 F.3d at 557.
\textsuperscript{57} See 4 McCarthy on Trademarks and Unfair Competition § 24:105
possesses a high degree of fame in its niche market.”

Other courts, such as the Second Circuit, rejected the concept of niche fame.

A 1999 amendment to the Lanham Act permitted the United States Patent and Trademark Office (PTO) to consider federal dilution under § 1125(c) as a basis for refusing to register a mark, if the issue is raised during an opposition proceeding. However, whether registering a mark would dilute an existing mark under state anti-dilution statutes is not considered. Effectively, junior users could insulate themselves from state anti-dilution claims by first registering the mark with the PTO as long as the mark is not likely to cause dilution under the more stringent federal standard.

D. Supreme Court’s 2003 Decision in Mosley v. Victoria’s Secret

A circuit split began to appear over the proper interpretation of the phrase “causes dilution” in the FTDA. At issue was whether the FTDA required a showing of actual dilution, or whether a likelihood of dilution was sufficient. In 2003, the Supreme Court resolved the split in Mosley v. Victoria’s Secret, unanimously holding that the phrase “causes dilution” indicated that Congress intended only actual dilution, and not merely a likelihood of dilution, to be actionable. The Court did not define how a mark holder might go about proving actual

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58 Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C., 212 F.3d 157, 164 (3d Cir. 2000). Dicta from the Ninth Circuit also expressed support for niche fame in Avery Dennison Corp. v. Sumpton, 189 F.3d 868 (9th Cir. 1999).

59 TCPIP Holding Co., Inv., 244 F.3d at 88.


62 Welkowitz, supra note 1, at 289-90.


64 Mosele, 537 U.S. at 433.
dilution, although it stated that “circumstantial evidence,” such as the use of an identical mark, could be used to show actual dilution.\textsuperscript{65}

As a result, federal dilution claims became much harder to prove. Commentators considered \textit{Mosley} so limiting to dilution law, that within a month of decision, the INTA had appointed a committee to propose amending the FTDA.\textsuperscript{66}

\textbf{E. Use of State Statutes post-Mosley}

The Supreme Court’s decision in \textit{Mosley} that actual dilution, not merely likelihood of dilution, was required under the FTDA, created a potential gap for state anti-dilution laws to fill.\textsuperscript{67} However, because most states had adopted anti-dilution provisions had based their statutes on either the 1992 Model Bill or the FTDA, these state statutes contained the same “causes dilution” language the Supreme Court had found to require actual dilution.\textsuperscript{68} For example, the court in \textit{Scott Fetzer Co. v. Gehring}, listed “Defendant’s use causes dilution by lessening the capacity of the plaintiff’s mark to identify and distinguish goods or services” as one element of a dilution claim for both the Pennsylvania statute and the FTDA.\textsuperscript{69}

On the other hand, states that had kept the language of the 1964 Model Bill required only a likelihood of dilution.\textsuperscript{70} These states included New York, Texas, Florida, and Massachusetts.\textsuperscript{71} Courts in New York, Oregon, and Florida recognized the distinction between the state statutes based on the 1964 Model Bill and the FTDA.\textsuperscript{72} However, courts struggled with whether the

\textsuperscript{65} \textit{Id.} at 434.

\textsuperscript{66} Welkowitz, supra note 1, at 691 n. 68.

\textsuperscript{67} \textit{Moseley}, 537 U.S. at 433.

\textsuperscript{68} Welkowitz, supra note 1, at 691.

\textsuperscript{69} 288 F.Supp.2d 696, 702 (E.D. Pa. 2003) (and further stating that “Under Pennsylvania dilution law, 54 Pa.C.S.A. § 1124, the elements for a dilution cause of action, except jurisdictional nexus, are the same as under Federal law.”).

\textsuperscript{70} See 1964 Model State Trademark Bill § 12.

\textsuperscript{71} Welkowitz, supra note 1, at 692.

California statute, also based on the 1964 Model Bill, should have the same analysis of the FTDA. Both the Ninth Circuit, in *Playboy Enters., Inc. v. Netscape Comm. Comms. Corp.*,\(^{73}\) and the Eastern District of California, in *Resource Lenders, Inc. v. Source Solutions, Inc.*,\(^{74}\) seemed to require actual dilution, while the Central District of California, in *Toyota Jidosha Kabushiki Kaisha v. Natural Health Trends Corp.*,\(^{75}\) recognized a likelihood of dilution was sufficient under the statute.

**F. Trademark Dilution Revision Act (TDRA) of 2006**

Following widespread criticism of *Mosley*, Congress enacted the Trademark Dilution Revision Act in 2006.\(^{76}\) Dilution under the TDRA differs significantly from dilution under the FTDA in at least four respects: (1) a change in the standard from “causes dilution” to likelihood of dilution; (2) defines, for the first time, dilution by blurring and dilution by tarnishment; (3) a new standard in determining fame including the elimination of niche fame; and (4) makes clear that the statute applies to both inherently distinctive marks and marks that have acquired distinctiveness.

The first change was to change the standard for dilution from *Mosley*’s requirement of actual dilution to only a likelihood of dilution. This made it much easier to win a dilution claim than under *Mosley*’s actual dilution test. This change also put the federal standard in line with the state statutes that had used the 1964 Model Bill Language.

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\(^{73}\) 354 F.3d 1020, 1031 n.48 (9th Cir. 2004).

\(^{74}\) 404 F.Supp.2d 1232 (E.D. Cal. 2005) (listing a requirement of actual harm as an element to the state anti-dilution claim).

\(^{75}\) 74 U.S.P.Q.2d 1475, 1479 (C.D. Cal. 2005)

The second change was to define dilution by blurring and dilution by tarnishment. The TDRA defined dilution by blurring as the “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”\(^{77}\) The TDRA further provided six non-exclusive factors to be considered by courts in analyzing dilution by blurring. These factors are: (1) the degree of similarity between the mark or trade name and the famous mark, (2) the degree of inherent or acquired distinctiveness of the famous mark; (3) the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark; (4) the degree of recognition of the famous mark, (5) whether the user of the mark or trade name intended to create an association with the famous mark; and (6) any actual association between the mark or trade name and the famous mark.\(^{78}\) The TDRA defined dilution by tarnishment as “the association arising from the similarity between a mark and trade name and a famous mark that harms the reputation of the famous mark.”\(^{79}\)

The third change was a new wording of the fame requirement and reduced the number of factors for consideration from eight to four. To show dilution under the TDRA, the mark owner must show national fame established before the objected to use, national fame being defined by the TDRA as “widely recognized by the general consuming public of the United States as a designation of origin.”\(^{80}\) The four factors are: (1) the duration, extent, and geographic reach of advertising and publicity of the mark, whether done by the owner or third parties; (2) the amount, volume, and geographic extent of sales of goods or services offered under the mark; (3) extent of

\(^{77}\) 15 U.S.C. § 1125(c)(2)(B). The TDRA lists non-exclusive factors relevant to a blurring determination, including: (i) the degree of similarity between the marks; (ii) the famous mark’s degree of inherent or acquired distinctiveness; (iii) the extent of substantial exclusivity enjoyed by the famous mark; (iv) the degree of recognition of the famous mark; (v) the user’s intent; (vi) an evidence of actual association. \textit{Id.}


\(^{80}\) 15 U.S.C. §§ 1125(c)(1); 1125(c)(2)(A).
actual recognition of the mark; and (4) whether the mark was registered with the PTO. Courts under the FTDA had sometimes found that national fame was not required if fame in a relevant niche of the market could be shown. Under the TDRA, this interpretation is no longer allowed.

The fourth change was to expressly state that dilution protection could be applied to both inherently distinctive marks and marks that had acquired secondary meaning. This was in response to the Second Circuit’s holding that the FTDA protected only inherently distinctive marks, and not marks that had acquired distinctiveness through a showing a secondary meaning.82

G. The 2007 Model Bill

Following the passage of the TDRA, INTA again updated their model bill in 2007 to more closely match the TDRA.83 The 2007 Model Bill was based on the TDRA, and replaced the “causes dilution” language of the 1995 Model Bill with the “likely to cause dilution” language of the 1964 Model Bill and TDRA.84 The 2007 Model Bill also expressly defined dilution by blurring and dilution by tarnishment,85 as well as expressly stating certain forms of use of a mark, such as for commentary or news reporting, are not actionable as dilution.86

The 2007 Model Bill retained the requirement that a mark be famous to receive dilution protection.87 However, the 2007 Model Bill defined famous more broadly than previous bills.

A mark is famous if it is widely recognized by the general consuming public of this State or a geographic area in this State as a designation of

82 TCPIP Holding Co., Inv., 244 F.3d at 96-98.
83 2007 Model State Trademark Bill; 4 McCarthy on Trademarks and Unfair Competition § 24:79.50
84 Section 13(a). 2007 Model State Trademark Bill; 4 McCarthy on Trademarks and Unfair Competition § 24:79.50. (“the owner of a mark which is famous and distinctive, inherently or through acquired distinctiveness, in this state shall be entitled to an injunction against another person's commercial use of a mark or trade name, if such use begins after the mark has become famous and is likely to cause dilution of the famous mark”).
85 Section 1(l) and 1(m). 2007 Model State Trademark Bill; 4 McCarthy on Trademarks and Unfair Competition § 24:79.50.
86 Section 13(d). 2007 Model State Trademark Bill; 4 McCarthy on Trademarks and Unfair Competition § 24:79.50.
87 Section 13(b). 2007 Model State Trademark Bill; 4 McCarthy on Trademarks and Unfair Competition § 24:79.50.
source of the goods or services of the mark's owner. In determining whether a mark is famous, a court may consider factors such as, but not limited to:

1. The duration, extent, and geographic reach of advertising and publicity of the mark in this state, whether advertised or publicized by the owner or third parties;
2. The amount, volume, and geographic extent of sales of goods or services offered under the mark in this state;
3. The extent of actual recognition of the mark in this state; and
4. Whether the mark is the subject of a state registration in this state, or a federal registration under the Act of March 3, 1881, or under the Act of February 20, 1905, or on the principal register under the Trademark Act of 1946, as amended. 88

Enforcement provisions under the 2007 Model Bill provide that the owner of the famous mark is entitled to an injunction “throughout the geographic area in which the mark is found to have become famous prior to commencement of the junior use, but not beyond the borders of this state.” 89

Thus far, only California has adopted the language of the 2007 Model Trademark Bill. 90

III. Current Groupings of State Statutes

A. No Dilution Protection or Recognized Common Law Only

Twelve states, the District of Columbia, and Puerto Rico have no statutes regarding dilution of trademarks. Those states are Colorado, Kentucky, Maryland, Michigan, North Carolina, North Dakota, Ohio, Oklahoma, South Dakota, Vermont, Virginia, and Wisconsin. 91

At least one federal court has found that Ohio courts would recognize a common law theory of

88 Id.
89 Section 13(c). 2007 Model State Trademark Bill; 4 McCarthy on Trademarks and Unfair Competition § 24:79.50. Section 13(c) also provides for enhanced remedies in the case of willful dilution. Id.
90 Cal Bus. & Prof. Code § 14247(b).
91 Chicoine & Visintine, supra note 25 at 1155 n.4. See also 10 LPRA 259 (Puerto Rico). Arguably, the case of Wyckoff v. Howe Scale Co. of 1886, 110 F. 520 (C.C. Vt. 1905) (Vermont) (rev’d 198 U.S. 118 (1905) on likelihood of confusion grounds) recognized such a theory, but because it dates from before the theory of dilution had been introduced, and because Vermont courts have not recognized the theory since then, it is unlikely that a common law theory of dilution exists in Vermont today.
dilution. Courts have given conflicting answers as to whether Michigan recognizes a common law theory of dilution. In these states, trademark owners would have protection from dilution if their mark were nationally famous under the TDRA, but not if their marks were only locally or regionally famous.

B. State Statutes Tracking the 1964 Model Bill Language

The 1964 Model Bill provided that:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this Act, or a mark valid at common law, or a trade name valid at common law, 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.

Currently, twelve states have language that generally tracks the language of the 1964 Model Bill. Those states are Alabama, Delaware, Louisiana, Maine, Massachusetts, Missouri, New Hampshire, New York, Oregon, Rhode Island, and Texas.

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92 Reed Elsevier, Inc. v. Thelaw.net Corp., 269 F.Supp.2d 942 (S.D. Ohio 2003); 165 F.3d 424 (recognizing common law dilution, but requiring the marks to be more similar than under a likelihood-of-confusion analysis).
94 1964 Model State Trademark Bill § 12.
95 Chicoine & Visintine, supra note 25, at 1155 n. 6.
96 Ala. Code § 8-12-7.
Additionally, while the language of the Georgia statute\textsuperscript{107} differs somewhat more than the other states, it also generally tracks the 1964 language.\textsuperscript{108}

\textbf{C. State Statutes Tracking the 1992 Model Bill or FTDA Language}

The 1992 Model Bill provided that:

The owner of a mark which is famous in this state shall be entitled, subject to the principles of equity, to an injunction against another’s use of a mark, commencing after the owner’s mark becomes famous, which causes dilution of the distinctive quality of the owner’s mark, and to obtain such other relief as is provided in this section. In determining whether a mark is famous, a court may consider factors such as, but not limited to:

- (A) the degree of inherent or acquired distinctiveness of the mark in this state;
- (B) the duration and extent of use of the mark in connection with the goods and services;
- (C) the duration and extent of advertising and publicity of the mark in this state;
- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channels of trade for the goods or services in which the mark is used;
- (F) the degree of recognition of the mark in its and in the other’s trading areas and channels of trade in this state; and
- (G) the nature and extent of use of the same or similar mark by third parties.

The owner of a famous mark shall be entitled only to injunctive relief in this state in an action brought under this section, unless the subsequent user willfully intended to trade on the owner’s reputation or to cause dilution of the owner’s mark. If such willful intent is proven, the owner shall also be entitled to the remedies set forth in this chapter, subject to the discretion of the court and the principles of equity.\textsuperscript{109}

The FTDA of 1996, which was modeled after the 1992 Model Bill, provided that:

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 mark, and to obtain such other relief as is provided in this subsection.\textsuperscript{110}

\textsuperscript{108} Chicoine & Visintine, supra note 25, at 1155 n. 6, 13.
\textsuperscript{109} 1992 Model State Trademark Bill § #.

D. State Statutes Tracking the TDRA or 2007 Model Bill Language

The 2007 Model Bill provides that:

Section 1(k). The term “dilution” as used herein means dilution by blurring or dilution by tarnishment, regardless of the presence or absence of
(1) competition between the owner of the famous mark and other parties, or

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111 Chicoine & Visintine, supra note 25, at 1155 n. 6.
120 Ind. Code § 24-2-1-13.5.
121 Iowa Code §548.113.
133 Utah Code Ann. §70-3a.
(2) actual or likely confusion, mistake, or deception, or
(3) actual economic injury.

Section 1(l). The term “dilution by blurring” as used herein means association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.

Section 1(m). The term “dilution by tarnishment” as used herein means association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

Section 13. (a) Subject to the principles of equity, the owner of a mark which is famous and distinctive, inherently or through acquired distinctiveness, in this state shall be entitled to an injunction against another person's commercial use of a mark or trade name, if such use begins after the mark has become famous and is likely to cause dilution of the famous mark, and to obtain such other relief as is provided in this section.

(b) A mark is famous if it is widely recognized by the general consuming public of this State or a geographic area in this State as a designation of source of the goods or services of the mark's owner. In determining whether a mark is famous, a court may consider factors such as, but not limited to:

(1) The duration, extent, and geographic reach of advertising and publicity of the mark in this state, whether advertised or publicized by the owner or third parties;
(2) The amount, volume, and geographic extent of sales of goods or services offered under the mark in this state;
(3) The extent of actual recognition of the mark in this state; and
(4) Whether the mark is the subject of a state registration in this state, or a federal registration under the Act of March 3, 1881, or under the Act of February 20, 1905, or on the principal register under the Trademark Act of 1946, as amended.

(c) In an action brought under this section, the owner of a famous mark shall be entitled to injunctive relief throughout the geographic area in which the mark is found to have become famous prior to commencement of the junior use, but not beyond the borders of this state. If the person against whom the injunctive relief is sought willfully intended to cause dilution of the famous mark, then the owner shall also be entitled to the remedies set forth in this chapter, subject to the discretion of the court and the principles of equity.

(d) The following shall not be actionable under this section:

(1) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another
person other than as a designation of source for the person's own goods or services, including use in connection with

(A) Advertising or promotion that permits consumers to compare goods or services; or
(B) Identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner;
(2) Noncommercial use of the mark; and
(3) All forms of news reporting and news commentary.\textsuperscript{137}

Thus far, only California has adopted the language of the 2007 Model Trademark Bill.\textsuperscript{138}

\textbf{IV. Using State Anti-dilution Laws to Protect Locally and Regionally Famous Marks}

\textbf{A. Recognition of an Anti-dilution Cause of Action under the 1964 and 2007 Model Acts}

A number of cases indicate the potential use for state anti-dilution laws where the mark is locally or regionally famous, but did not meet the federal standard of nationally famous.

In \textit{Wedgewood Homes}, the plaintiff had used the mark WEDGWOOD for 25 years in the development, construction, and marketing of residential real estate in northwestern Oregon.\textsuperscript{139} The defendant maintained retirement apartment complexes under the names Wedgwood Downs and Wedgwood Place.\textsuperscript{140} The trial court had noted that WEDGWOOD was a well recognized name in the area and “approaches a high degree of local fame.”\textsuperscript{141} The court held that the Oregon anti-dilution statute\textsuperscript{142} applied to both nationally famous and locally famous marks:

\begin{quote}
We see no reason why marks of national renown should enjoy protection while local marks should not. A small local firm may expend efforts and money proportionately as great as those of a large firm in order to establish its mark’s distinctive quality. In both situations the interest to be protected and the damage to be prevented by the same. In summary, it is not the manner by which distinctiveness is acquired nor the span of a mark’s notoriety but rather the degree
\end{quote}

\textsuperscript{137} 2007 Model State Trademark Bill; 4 McCarthy on Trademarks and Unfair Competition § 24:79.50.
\textsuperscript{138} Cal Bus. & Prof. Code § 14247(b).
\textsuperscript{139} Wedgewood Homes Inc., 659 P.2d at 380.
\textsuperscript{140} \textit{id.} at 379.
\textsuperscript{141} \textit{id.} at 381.
\textsuperscript{142} ORS 647.107
of advertising value the mark has gained which determine the applicability of [the Oregon anti-dilution statute].\textsuperscript{143}

In \textit{Tri-County Funeral Service v. Eddie Howard Funeral Home}, Tri-County purchased a funeral name in 1978 that had been operating under the name “Howard Funeral Home” in Melbourne, Arkansas, since 1968.\textsuperscript{144} When a former employee opened a competing funeral home in 1991 under the name “Eddie Howard Funeral Home,” Tri-County brought suit under § 4-71-113 of the Arkansas Code, alleging dilution of their trade name.\textsuperscript{145} The Supreme Court of Arkansas noted the continuous use of the Howard name by Tri-County and the prior owners since 1968, that no else in the area used a similar name in conjunction with any business, and the Tri-County’s dominant market share of over 70% of the funeral business in the area and found “obvious secondary meaning” had been established.\textsuperscript{146} The Court then held that Tri-County had established a likelihood of dilution based on Eddie Howard’s use, and issued an injunction.\textsuperscript{147}

A similar situation to \textit{Tri-County} occurred in Louisiana. Robert Ramsey had gained fame in New Orleans manufacturing and selling jewelry under the trade names “Ramsey’s Jewelers” and “Ramsey’s Diamond Jewelers.”\textsuperscript{148} After Robert died, his children, Robert Jr. Stephen, and Lori shared in ownership of the outstanding common stock.\textsuperscript{149} Problems arose between the brothers, and Stephen Ramsey formed a competing business names “Steve Ramsey’s Diamonds Direct, L.L.C.”\textsuperscript{150} Robert Jr. sued Stephen for infringement, unfair trade practices, and dilution under Louisiana law.\textsuperscript{151} The court considered extensive evidence of secondary meaning in the

\textsuperscript{143} \textit{Wedgewood Homes Inc.}, 659 P.2d at 381.
\textsuperscript{144} \textit{Tri-County Funeral Service, Inc. v. Eddie Howard Funeral Home, Inc.}, 957 S.W.2d 694, 695 (Ark. 1997).
\textsuperscript{145} \textit{Id.} at 696.
\textsuperscript{146} \textit{Id.} at 698.
\textsuperscript{147} \textit{Id.} at 698-99.
\textsuperscript{148} \textit{Ramsey’s Manufacturing Jewelers, Inc. v. Ramsey}, 924 So.2d 1045, 1048 (La. App. 2006).
\textsuperscript{149} \textit{Id.}
\textsuperscript{150} \textit{Id.}
\textsuperscript{151} \textit{Id.}
New Orleans area, including extent of advertising and sales.\textsuperscript{152} The court noted that Ramseys had produced 71,398 radio ads from 1999 through 2004 which were designed to establish “involuntary automatic recall” through “extreme repetition” or the Ramsey name.\textsuperscript{153} In winter 2003, the Ramsey ads reached 29.9% of the populations within 100 miles of downtown New Orleans an average of 3.7 times each.\textsuperscript{154} The court further noted that the advertisements had increased sales from $500,000 to over $6,000,000, and that Ramsey had never had less than 20% of the jewelry and diamond business in the New Orleans area.\textsuperscript{155} Although other companies used the name Ramsey, none were in the jewelry or diamond business.\textsuperscript{156} The court, however, did not reach the question of dilution because it found a likelihood of confusion in the diamond and jewelry marketplace.\textsuperscript{157}

Although both \textit{Tri-County} and \textit{Ramsey} included state anti-dilution claims, both involved competitors in their respective markets, and relief was available to both under traditional trademark infringement theories. In \textit{Fireman’s Association of the State of New York v. French American School of New York}, involved a locally famous mark used by two very different groups.\textsuperscript{158} The Fireman’s Association had adopted the acronym FASNY in 1889,\textsuperscript{159} and was granted federal registration of the FASNY superimposed of an outline of the state of New York in 2002.\textsuperscript{160} The French American School was founded in 1980, and is attended by 650 student, predominately children of French expatriates.\textsuperscript{161} The French American School had used the

\textsuperscript{152} id. at 1053-54.  
\textsuperscript{153} id. at 1054  
\textsuperscript{154} id.  
\textsuperscript{155} id. at 1053-54. The market had approximately 180 jewelers in the area. id. at 1054.  
\textsuperscript{156} id. at 1054.  
\textsuperscript{157} id. at 1057. However, the court did allow Stephen to use the names “Steve Ramsey’s Diamond’s Direct, L.L.C.” and “Brilliantov by Steve Ramsey, L.L.C.” because it distinguished his business from Ramsey’s.  
\textsuperscript{158} Fireman’s Ass’n of the State of N.Y., 839 N.Y.S.2d at 238 (N.Y. Ap. Div. 2007).  
\textsuperscript{159} id. at 240  
\textsuperscript{160} See Federal Trademark Register Serial 76380300, first used in commerce Dec. 1, 2001.  
\textsuperscript{161} Fireman’s Ass’n of the State of N.Y., 839 N.Y.S.2d at 240 (N.Y. Ap. Div. 2007).
acronym FASNY for approximately 20 years, and incorporated the acronym FASNY into its logo in 1997.\textsuperscript{162} The Fireman’s Association brought suit against the French American School for trademark infringement, deceptive trade practices, and dilution of its mark under New York state law.\textsuperscript{163} The court dismissed the infringement claims because there would be no likelihood of confusion between the two uses of the acronym.\textsuperscript{164} The court stated “the facts show that the parties target and serve discrete populations, that they offer widely divergent products and services, and that respondent has now used the FASNY mark for approximately two decades without any actual confusion.”\textsuperscript{165} However, the court held that the Fireman’s Association had sufficiently stated an anti-dilution claim under N.Y. General Business Law § 360-l to survive motion to dismiss for failure to state a cause of action.\textsuperscript{166} Specifically, the court noted that the Fireman’s Association had alleged use of the same distinctive mark to advertise in an overlapping geographic area and online, which, if proved, would show a likelihood of dilution by blurring.\textsuperscript{167} However, the court vacated the preliminary injunction against the French American School because the school’s 20 year use of the mark showed the Fireman’s Association would not suffer irreparable injury if preliminary relief were not granted.\textsuperscript{168}

Although most anti-dilution cases under state statutes deal with dilution by blurring, dilution by tarnishment is also possible. For example, in \textit{Community Federal Savings and Loan}, the Eleventh Circuit held that a bank which had used the term COOKIE JAR for its automatic teller machines should have been provided relief under the Florida anti-dilution statute by

\begin{footnotesize}
\begin{enumerate}
\item[162] Id.
\item[163] Id.
\item[164] Id. at 241.
\item[165] Id.
\item[166] Id. at 241-42.
\item[167] Id. at 242.
\item[168] Id. at 241.
\end{enumerate}
\end{footnotesize}
ANNIE’S COOKIE JAR, a topless go-go bar that set up a billboard across the street. The district court had noted the similarity of the marks, but had found no dilution because of a lack of confusion. In reversing, the Eleventh Circuit noted that the district court had applied the wrong test, and regarded the exhibits of record as sufficient evidence of an actual or likely whittling away of the unique character of the mark.

A more recent case arising under California’s anti-dilution statute, the first based upon the 2007 Model Bill, shows a similar use for the local fame requirements. In Innovation Ventures, the court found as a matter of law that Innovation Ventures’ 5-HOUR ENERGY trademark had become famous in California within the meaning of the state statute. The court found that Hoodiamax’s use of 5-HOUR APPETITE SUPPRESSANT and 5 HOUR marks had, among other things, diluted Innovation’s mark within the meaning of California’s statute.

B. Use of the 2007 Model Bill to Protect Locally and Regionally Famous Marks

Although states were at the forefront of protecting marks from dilution, the enactment of the FTDA in 1995 and the revisions of the TDRA in 2006 gave strong federal anti-dilution protection to nationally famous marks. However, in passing the FTDA and TDRA, Congress still recognized a role for state anti-dilution statutes, specifically for “cases involving locally famous or distinctive marks.” Congress recognized that federal and state trademark law coexisted for many years, and that there was no expected problems with federal and state dilution law coexisting. States need to be able to exercise this power because Congress is unable to

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169 Cmty. Fed. Savs. & Loan Ass’n., 678 F.2d at 1034.
170 Id. at 1036.
171 Id. at 1037.
173 Id. at *3.
174 Id. at *4.
protect marks that are not used in interstate commerce.\textsuperscript{177} State laws should protect the hard-
earned goodwill of marks that are famous in a given geographical area.

Some states statutes already reflect a desire to protect locally famous marks from dilution. Many state statutes specifically protect “a mark which is famous in this state.”\textsuperscript{178} However, adopting this language without provisions for local or regional fame would lead to absurd results when comparing the same facts in different states. Determining fame based on the level of recognition throughout an entire state fails to acknowledge the vast differences between large and small states. For example, it is easy to imagine a mark becoming famous, or paraphrasing the TDRA, widely recognized by the general consuming public of a geographical area as a designation of origin, in the San Francisco Bay area, but not achieving the same high level of recognition in Los Angeles or San Diego. Basing local or regional fame on state borders may be useful in smaller states, but a similar rule in large states leads to, in effect, a standard closer to the federal fame definition.

A better approach is found in the 2007 Model Act. In determining whether a mark is famous, a court should consider the following modified set of factors based on the 2007 Model Act:

\begin{quote}
\text{(b) A mark is famous if it is widely recognized by the general consuming public of this State or a geographic area in this State as a designation of source of the goods or services of the mark's owner. In determining whether a mark is famous, a court may consider factors such as, but not limited to:}
\end{quote}

\begin{quote}
\text{(1) The duration, extent, and geographic reach of advertising and publicity of the mark in this state, whether advertised or publicized}
\end{quote}

\textsuperscript{177} See The Trade-Mark Cases, 100 US at 82.
by the owner or third parties;
(2) The amount, volume, and geographic extent of sales of goods or services offered under the mark in this state;
(3) The extent of actual recognition of the mark in this state; and
(4) Whether the mark is the subject of a state registration in this state, or a federal registration under the Act of March 3, 1881, or under the Act of February 20, 1905, or on the principal register under the Trademark Act of 1946, as amended.\textsuperscript{179}

By concentrating on fame within “a geographic area in this State,”\textsuperscript{180} the 2007 Model Act allows for protection of locally and regionally famous marks. The 2007 Model Act also limits the scope of injunctions that may issue in response to locally and regionally famous marks.

In an action brought under this section, the owner of a famous mark shall be entitled to injunctive relief throughout the geographic area in which the mark is found to have become famous prior to commencement of the junior use, but not beyond the borders of this state.\textsuperscript{181}

The concerns regarding the reach of an injunction are not new. In \textit{Hyatt Corp v. Hyatt Legal Services}, the Seventh Circuit had suggested that the proper remedy was a nationwide injunction on the defendant’s activities after a finding of dilution under the Illinois state statute, and the district court reluctantly issued the nationwide injunction.\textsuperscript{182} In \textit{Eastman Kodak Co v. Rakow}, the district court discussed none of the \textit{Hyatt} court’s reluctance in stating it would issuing a nationwide injunction on the basis of the New York Statute alone.\textsuperscript{183} An earlier Illinois court explained its choice to issue a nationwide injunction:

\begin{quote}
It would be the height of absurdity to hold that Illinois had a legitimate interest in protecting vested rights (especially those of Illinois residents) against dilution but that, having acquired jurisdiction over an offender, courts sitting in Illinois would be helpless to deal with dilutive acts once they crossed state lines.\textsuperscript{184}
\end{quote}

\begin{itemize}
\item[\textsuperscript{179}]2007 Model State Trademark Bill; 4 McCarthy on Trademarks and Unfair Competition § 24:79.50.
\item[\textsuperscript{180}]Id.
\item[\textsuperscript{181}]2007 Model State Trademark Bill § 13(c); 4 McCarthy on Trademarks and Unfair Competition § 24:79.50.
\item[\textsuperscript{182}]610 F.Supp. 381, 386 (N.D. Ill. 1985). The court stayed the order, limiting the injunction to Illinois only pending appeal. \textit{Id.}
\item[\textsuperscript{183}]739 F.Supp. 116, 120 n.3 (W.D.N.Y. 1989).
\end{itemize}
However, other courts have questioned the wisdom of such wide injunctions. The court in *Deere & Co.* concluded that issues of comity strongly favored a more limited injunction, even though the weight of authority was that courts do have the power to issue nationwide injunctions.\(^{185}\) The court in *Deere & Co.* was concerned that nearly half the states at the time of its ruling, including the states in which both parties were based, would not have recognized the Plaintiff’s dilution claim.\(^{186}\)

As stated above, many states still have chosen not to pass anti-dilution statutes or otherwise recognize a cause of action for dilution. The differences between the statutes in states that have passed anti-dilution laws are substantial. Rather than encourage forum shopping to the states with the strictest laws and seeking nationwide injunctions based upon those state statutes, the wiser course would be to allow each state to make their own determination as to the proper balance between mark holders and the public, and allow injunctions only to reach as far as the state’s borders. By tying the scope of the injunction to the area in which the mark is famous, but not beyond the borders of the state, the 2007 Model Bill attempts to respect the differences between current state laws, but still allow for protection where states have chosen to protect locally and regionally famous marks.

Moreover, state dilution claims are nearly always asserted in federal court along side federal trademark infringement and federal dilution claims.\(^{187}\) Because of this, having claims

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\(^{186}\) *Id.* at *5*. MTD was based in Ohio, which has no statute on dilution, although as stated above it may recognize a common-law version. John Deere was based in Illinois, which has a dilution statute, but it does not recognize dilution between competitors.

\(^{187}\) Welkowitz, supra note 1, at 700.
asserting trademark dilution under multiple state laws would not be a problem. Indeed, this practice already occurs.\textsuperscript{188}

In order to determine whether a given mark is famous under the 2007 Model Bill, the court must determine the size and boundaries of the geographic region at issue. This is not a new concern to trademark law. Such concerns already arise in the context continuing use of unregistered senior users of a mark when a junior user registers a mark with the PTO.\textsuperscript{189} In these cases, an unregistered senior user may continue using his mark in the area in which it is already known, while the registration with the PTO gives a junior user the right to use the mark everywhere else in the United States.\textsuperscript{190} Determining the geographical area in which a mark is famous would follow a similar analysis. Junior users, even if they did register the mark with the PTO, would not be able to prevent the senior user from using their mark in their current markets.\textsuperscript{191}

\textbf{V. Conclusion}

State anti-dilution statutes have historically played an important role in protecting mark holders from the slow erosion of their distinctive marks. Federal anti-dilution provisions under


\textsuperscript{189} United Drug Co. v. Theodore Rectanus Co. 248 U.S. 90 (1903).

\textsuperscript{190} See Nat. Ass’n for Healthcare Comms., Inc. v. Central Ark. Area Agency on Aging, Inc., 257 F.3d 732, 735 (8th Cir. 2001) (“the owner of a registered mark has the right to expand its use into a new market unless an infringing user had penetrated that market prior to registration”) (emphasis in original).

\textsuperscript{191} United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90 (1903). Additionally, in some circuits, the senior user would also have the right to expand into a “zone of natural expansion,” although the Restatement (Third) of Unfair Competition and other circuits have rejected this approach. Compare Tally-Ho, Inc. v. Coast Community College Dist., 889 F.2d 1018 (11th Cir. 1989) and Dawn Donut Co., Inc. v. Hart’s Food Stores, Inc., 267 F.2d 358 (2d Cir. 1959) (zone of expansion allowed); with Raxton Corp v. Anania Assoc.s. 668 F.2d 622 (1st Cir. 1982) and Restatement (Third) of Unfair Competition § 19, cmt. (c) (1995) (no zone of expansion). However, because the PTO only considers dilution under the TDRA when assessing whether registration would dilute an existing mark, senior users could not use local or regional fame to prevent federal registration. See 15 U.S.C. § 1052(f); Welkowitz, supra note 1, at 689-90.
the FTDA and TDRA provided some marks additional protections, but even in passing these laws Congress still recognized a role for states to play in this arena: the protection of locally and regionally famous marks. States should take advantage of this invitation to protect the hard-earned goodwill of locally and regionally famous businesses.