

Linguistic Thoughts on Trademark Dilution

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Dilution, as a concept in trademark law, has been around for a long time. As early as 1927, Frank Schechter started the idea off when he referred to dilution as "a 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." He went on to say that the selling power of the mark depends "not merely upon the merits of the goods upon which it is used, but equally upon its own uniqueness or singularity." Note that Schechter made no mention of a mark's famousness (Harvard Law Review 813, 831, 1927).

Prior to the FTDA, the Lanham Act had addressed trademark registration and infringement, as well as false advertising and unfair competition. In 1995 a new section to the Lanham Act, called the Federal Trademark Dilution Act, was passed, setting forth a new cause of action--dilution. After years of discussion about Schechter's ideas, the FTDA included the following definitions, adding "famous" to Schechter's earlier observations:

"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 a famous mark and other parties, or (2) likelihood of confusion, mistake or deception." (15 U.S.C. § 1127)

Besides famousness, the act went on to use words such as "blurring," "tarnishment," and "disparagement," without defining them, but indicating that "blurring" (diminishing the uniqueness and singularity of the mark) was encompassed by the law while "tarnishment" (financially diminishing the mark) was not. FTDA also indicated that the law applies to both registered and unregistered marks.

The FTDA was little used and hardly noticed until very recently, when in Kentucky a maker of sexy women's garments, Victoria's Secret, complained that a small porn shop, Victor's Little Secret had infringed its mark (Mosely v. V Secret Catalogue No. 01-1015). Victoria's Secrets' claim that confusion would result was dismissed by the federal court, leaving dilution as the only remaining claim, probably based on the concept of blurring. The Sixth Circuit affirmed this claim and the case was appealed to the US Supreme Court. Many trademark lawyers gave a sigh of relief, believing that the disagreements of interpretation might finally be resolved.

But no. During oral argument the statutory phrase, "causes dilution," was the subject of heated discussion. Unfortunately the FTDA offers no insight about how the owner of a famous trademark is to prove that use by a given junior creates dilution. The statutory use of "distinctive" was also much discussed. Did it mean any protectable trademark? Or did it mean a mark having the quality of "uniqueness" apart from its protectability? The issue of what constitutes "famousness" was not discussed by the Court, apparently conceding that Victoria's Secret was indeed famous. But defining "famous" also would have been helpful.

At a conference on dilution held by the International Trademark Association in March 2003, there was large scale confusion among leaders in the trademark law business about the meaning of the trademark dilution statute, as well as several other important concepts, such as "famous," "blurring," "tarnishment," "inherently distinctive," and others. After the FTDA law was passed, virtually every US Circuit Court, despite the federal law, had interpreted FTDA somewhat differently (Shire 2000). Since the field of trademark law is a speech community and speech communities tend to find agreement on what their words mean, there was reason for some concern. In addition, if I may I be so bold to say it, there is also reason for trademark law to reach out to linguistics to help them with this problem. Lawyers are experts with language but apparently not expert enough to solve some linguistic problems without further expert help.

Curiously, the Supreme Court came out with its decision on Victoria's Secret only two days before the conference began, causing those who were presenting papers to scurry around and change their notes. An oversimplified summary of what The Court decided included the following:

- FTDA requires a showing of actual dilution rather than a likelihood of dilution
- the preservation of a mark's uniqueness is the only rational basis for its protection
- the fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution
- consumers of Victoria's Secret did not suffer from what it perceived to be an attempt to by Victor's Little Secret to use its mark to promote the sale of unwholesome and tawdry merchandise
- No financial harm came to Victoria's Secret

There were 16 hour long presentations at the conference; 15 by experienced trademark lawyers and one by a linguist. I had worked on a dozen or so trademark cases but, in truth, I had never even heard of "dilution" until I was asked to speak there. I did as good a job as I could reading up on the literature, especially in the most respected journal of the field, Trademark Review, and nervously noted that most of the articles were written by the trademark experts on the program. It was obvious that my talk would be an "out of the box" type presentation. My task was to respectfully show those present that linguistics could help with at least some of the problems they were facing.

As a linguist, the first thing that occurred to me was that dilution involves some sort of change in meaning. One of the speakers had written about dilution, saying, "a famous mark must demonstrate that the English language has changed." Now this struck me, as a linguist-outsider to trademark law, as very odd. Dilution of an original meaning doesn't change the English language; it changes the consumer's understanding of what the word means. One of the enduring principles of linguistics is that language change is inevitable. Despite the efforts of language academies and purists, living languages never stand still. Even the law can't change the language, although it seems to believe that it can.

It also occurred to me that "dilution" is not always a negative thing. For example, some medicines are routinely diluted for children and during some arguments we might consider it good to dilute the excessive anger of a friend or spouse. I also couldn't help thinking about the current need in the world to dilute some of the international pronouncement of our government leaders. But if FTDA chose to limit itself to the negative aspects of dilution, so be it.

Trademark law also proclaims that its underlying purpose is to protect the consumer. This claim is far from evident in most trademark infringement cases, where the protection is usually focused on the senior user of the mark. If the consumer is somewhere in all this, such evidence is not very apparent. And even one of the leading authorities on dilution, Jerre Swann, has written that there is a serious question about the protection of the consumer in dilution cases, where the entire concern is about protecting the owner (Swann 2002. p. 611).

As I delved into the concept of a mark's possible dilution, I was reminded of a point I made in my book, *Linguistic Battles in Trademark Disputes*--that law and the social sciences have very different ideologies and beliefs about language and human behavior. I reminded myself to go gently into this dark night. Better to ask question rather than to try to give advice to experts. So I asked five questions about how dilution is determined.

1. Do the Processes of Meaning Change Have Any Bearing on Determining Dilution?

So what about meaning change anyway? Linguists who specialize in how words change their meanings have long noted four major processes that accomplish this: amelioration, pejoration, generalization, and specialization. I wondered if the process of change might have some relevance to the dilution issue.

It is conceivable that dilution originating from specialization of meaning could have the effect of emphasizing the difference between the same or similar marks rather than diluting the famous one. Two or more specialized meanings would tend to set them off from each other and, therefore, not lead to dilution.

It is also possible that if a mark should happen to ameliorate the meaning of a senior user (assuming that this is even a remote possibility), no harm to the senior owner's mark would accrue. It's difficult to imagine the positive rather than negative definition of dilution, but at least it is a possibility. If, in this process, the distinction between the marks was blurred, what harm is done if the junior user actually improved the senior user's mark?

If the junior user of a famous mark causes the senior's mark to become pejorative, this would likely result in a claim that financial harm accrued to the senior user. As such, the case would not fall within the boundaries of the dilution statute, since this law deals

only with the loss of the uniqueness and singularity of the famous mark and not with loss of revenue.

For the owner of a famous trademark, it would seem that the major process of meaning change leading to dilution is generalization in which some former kind of distinctiveness is diminished. At the same time, however, that same process might be considered amelioration to the junior user who is treading on the senior user's mark. For him, this type of semantic change is not a bad thing at all, since his own mark is positively enhanced by the same meaning change that is considered generalization by the senior user.

2. Are the Agents and Times of the Change of Meaning Relevant in Dilution?

It also seems reasonable, to a linguist at least, that it might be prudent to try to discover who brought about the alleged dilution in the first place as well as when such change started. It would seem obvious that if the agent of change was the complainant, the charge might seem frivolous. And when did such a change start? Was the meaning change already in progress when the junior user began to use it?

As I thought about this issue, I was reminded of a case I once worked on in which McDondald's Restaurants objected to Quality Inns using the name, McSleep Inns as the name of a new motel chain. Although dilution was not raised in this case, the parallels can be instructive. The focus was allegedly on tarnishment of McDonald's name if a motel would use the Mc- prefix. By using such an argument, McDonald's was essentially saying that when Quality Inns used the Mc- prefix, it would possibly tarnish the good name of McDonald's and run the risk of creating a pejorative understanding by consumers in the same way that "villain" once was only a benign farm laborer but pejorated to mean a bad guy.

To address McDonald's fears, Quality Inns carried out research showing that the media currently used the prefix, "Mc'," in words that had nothing to do with McDonald's stores or even with restaurants and hamburgers in general. The study found that McDonald's had been encouraging the generalization that "Mc-" stood for the core meanings, "inexpensive, convenient, standardized, and basic." Newer uses of these newer meanings found in the media included McLawyers, McFuneral Parlors, McPaper, McStory, McArt, McOffice Supplies, and many others, all of which espoused more than one of the new core meanings of "Mc-."

Evolution of the meaning change of this prefix narrowed from the earlier sense of a Scottish patronym ("son of") and, through much advertising and marketing, came to symbolize McDonald's restaurants and hamburgers. This meaning then broadened by McDonald's own efforts to signify "inexpensive, convenient, standardized, and basic." It does not seem reasonable to think that this semantic journey was ameliorative, since the four new senses were rather mundane, if not outright pejorative.

Dilution was not raised in the McDonald's case, but if Quality Inns' use of "Mc-" were said to dilute the prefix and create a loss of singularity of the consumer's mental perception of it, it could have been pointed out that such dilution had already taken place, as was evidenced by hundreds of media citations using the four new core senses. The loss of the distinctiveness of "Mc-" as McDonald's alone had already taken place in the general population of consumers.

My point here is that Quality Inns new motel, McSleep Inn, was conceived to be "inexpensive, convenient, standardized, and basic," echoing the new meaning created by McDonald's itself. It is difficult to see how this could be considered tarnishment. By analogy then, it would seem reasonable that the evolution of allegedly diluted marks could well be created by their original owners. Thus, in the search for dilution, attorneys would be prudent to find out who caused the dilution and when it started. From the literature on dilution one gets the distinct impression that it is thought to occur when a junior mark owner begins to use the same or similar mark of a senior owner of a famous mark. But apparently the senior owners of famous marks can create dilution all by themselves.

Although he didn't ask who started the alleged dilution in the Victoria's Secret case, Supreme Court Justice Souter asked how we can know whether or not a lessening of the public perception of singularity had already taken place. If this question had been asked in the McDonald's case, the answer would have been pretty clear. The lessening of singularity was well on its way before the new hotel name was even suggested.

3. Does Context Play a Role in Determining Dilution?

All lawyers know about context but it is apparently easy for them to forget it when their cases deal with individual names. Sociolinguists argue that seeing words in isolation is not as meaningful as seeing them in sentences and larger discourse units. Even the best lexicographic practice tries to show how words are used in sentences.

In the McDonald's case, the media uses of "Mc-" can best be understood by the contexts in which they occurred. Thus the California Law Review's story, "McLaw: Lawyering for the Masses," describes the easily accessible, inexpensive and basic legal services that were then cropping up around the country. No reference or inference was made about hamburgers or McDonald's restaurants. Context did all the work. If the owner of the fictitious Bugweiser Insecticide were to receive a dilution challenge from Budweiser Beer, the obvious thing for the insecticide people to do is to point out the context in which the names appear. Rule number one in the Five Golden Rules for the use of trademarks is always to use the mark as an adjective that qualifies a noun or noun phrase, which is the name of the product, not the manufacturer (Blackett 1998). This provides the context in which the word is to be understood.

People go through life using context to determine meaning. We get very good at it because language is not always clear and explicit.

When we share the same world knowledge with each other, there is less need to be explicit. When my wife told me, "The man came today," I was not the least bit concerned about our marriage relationship, since we shared the world knowledge that our dishwasher wasn't working properly. To me, "the man" clearly meant the repair man, even though she didn't say it that way. She didn't need to. On the other hand, if the insecticide maker had referred to his product simply as "Bugweiser," he would have omitted the context clue that makes communication work so well. If Golden Rule number one was ignored, Budweiser would have had an easier case to make for the dilution of its uniqueness and singularity.

My point is that context is very important in accusations of dilution. Words in isolation seldom occur in our lives, except in spelling bees and grocery lists. Since humans commonly use context to disambiguate and figure out what is meant, it is reasonable to expect them to keep on doing this with trademarks. But woe be to the owner of a mark who leaves important context clues out.

4. Does Polysemy Play a Role in Dilution?

Dilution cases seem to hinge on the belief that two identical or similar marks cannot operate at the same time without diminishing the uniqueness and singularity of the senior or most famous mark, even though they may operate in different forms of commerce. Swann argues that once an association starts, the consumer's perception of singularity begins to end (Swann 2002, p. 611). But isn't the human mind capable of maintaining more than one perspective at the same time?

It is certainly true, as cognitive psychologists claim, that unique signals carry more information, but it is also true that the human mind is infinitely more complex and competent than we have ever imagined possible and that it is capable of defining and sorting out different information when it needs to. Linguists may agree with cognitive psychologists about the uniqueness of signals, but there is apparently less agreement about what constitutes the signal itself. Is it the term by itself, as psychologists seem to feel? Or is it the term within a context, linguistic or otherwise, that constitutes the unit of uniqueness?

It is quite apparent that in English, as in other languages, the same word can have more than one accepted referent. Linguists call this polysemy. Humans are perfectly capable of handling polysemy in their everyday use of language. Linguistic and discourse context enables them to hear or see the word, "chip," for example, and know immediately whether the reference is to a piece of wood, a tidbit of chocolate in a cookie, or an electronic circuit. Likewise they know that a "screen" refers to a diverse and unconnected range of objects, including a window covering to keep out insects, the surface upon which movies are shown, and a device for the fireplace to prevent the escape of flames. These are all widely divergent references, yet the human mind manages to keep them separate and unique and to preserve them in memory slots, largely by the way they are used in context. Is there any reason to believe that the human mind would have difficulty keeping

straight several different products, such as Delta airlines and Delta faucets, or Ford autos and Ford potato chips in their distinct and unique linguistic and commercial contexts?

What polysemy says about trademark dilution is that the mere presence of two identical marks does not, in itself, guarantee that one is diluting the other in the perception of consumers. Both could retain their uniqueness and singularity within the sphere of their uses.

5. Does Inferencing Play a Role in Measuring Dilution?

Dilution is considered to occur when consumers make a mental association of one mark with an identical or similar mark. Swann observes that trademarks afford access to the consumers' minds, that the nuances are elusive, and that the courts are uncomfortable with intuitive arguments (Swann 2002, p. 595).

Getting into the consumers' minds is something that no field of inquiry can do very well, if at all. The farther away the language gets from explicitness, the more it requires the reader or listener to infer the intended meaning that was implied by the writer or speaker. Indexical expressions (such as "him," "here," and "then"), whose reference cannot be determined without taking into consideration the context of the utterance, must be interpreted. Minimally, such a context includes such things as the time, place, speaker, topic, and any presuppositions therein.

When people have to infer, there is also a strong possibility that they will infer incorrectly. This is one reason why the FBI guidelines for undercover operations involving tape recorded evidence require the agents to be explicit, unambiguous and clear in their representations about the illegality of what they are proposing to their targets. Those who bring charges of trademark dilution will need to have stronger evidence than that which comes from inferences. If lawyers can't figure this out themselves, linguists can help them determine what is inferred from what is explicit.

6. How Can diminishment and capacity be measured?

If evidence for dilution cannot be achieved through inference, how can it be proved? According to Deputy Solicitor General Lawrence Wallace, there is no dilution unless consumers are diminished in their capacity to recognize a famous mark. There are two difficult words in this statement--"diminished," and "capacity." In order to determine what consumers infer about trademarks, it is necessary to discover and report any evidence of such inferences as best we can. We simply can't depend on our own ability to infer consumer inferences. If dilution cases currently depend on our discovering the diminished capacity of consumers to recognize the uniqueness and singularity of the original mark, there is at least one way to resolve this issue.

Following standard and acceptable procedures of science, an assessment of diminishment would require pre-tests and post-tests in order to prove any changes in consumer perception. If we are to learn anything about changing consumer perceptions,

we need to learn about the consumers' recognition of the famous mark before the alleged dilution took place as well as what this recognition was after the mark was allegedly diluted. If the courts are not comfortable with intuitive evidence, they must be equally uncomfortable about hearing only after-the-fact reports of diminished consumer perception. This puts a burden on the famous mark's owner to have the foresight to anticipate that, at some point in time, another product may try to trade on its good name. A pre-test would not only be an insurance policy to fall back on if and when this happens, but it also compiles useful information about consumer perception that could be used in advertising campaigns, similar to the "nine out of ten doctors suggest Crest" type ads. Most of all, however, the senior mark's owner would be able to cite evidence to support proof of the diminishment of consumer perception of their mark's uniqueness and singularity.

The measure of the consumer's "diminished capacity" to recognize a famous mark's uniqueness and singularity is a more daunting problem. The most relevant dictionary definitions of "capacity" seem to be: "the potential or suitability for holding, sorting or accommodating" and "the faculty or potential for treating, experiencing, or appreciating." The key word seems to be "potential." How does one measure potential? "Diminishment" has temporal reference markers, beginning and end points that can be noted and measured. "Capacity" appears to be more like a mental state of readiness, a potential for the future, with neither clear beginning nor clear end points that can be marked and compared.

Other dictionary definitions of "capacity" suggest a person's ability: "legal competency and fitness," and "an individual's mental or physical ability." Past efforts to measure ability are a bit more promising, as evidenced by attempts in the field of education to measure the knowledge and skills of students. But efforts to predict potential, such as the widely heralded and much misunderstood SAT exams, are, at best, correlation studies. Furthermore, it is largely unnoticed that the SAT claims is only to predict success in a taker's first year of college--not much of a prediction after all, even if it were accurate. In short, any effort by a famous mark's owner to pre-test and post-test the capacity of consumers to recognize the uniqueness and singularity of its mark will need to overcome much of the already existing confusion in the murky world of testing.

Assuming that such effective pre and post tests can be constructed, we are still left with a number of puzzling issues. For example, how do we define "famous," in FTDA's expression, "a famous mark?" Should the owner of a mark give proof of its fame before he can bring a suit against a junior user? What kind of evidence would this be?

Even if pre and post tests of consumer perceptions of uniqueness and singularity are made, what is the tipping point or degree that consumers must meet in order for litigants to be able to say convincingly that they have a "diminished its capacity for recognizing a famous mark?"

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Different disciplines not only have different knowledge bases, but also different ways of thinking. Trademark law is largely about language. The trademark dilution statute is largely about changes in meaning, language context, the way the mind works as it uses language, and the way language can be measured. These are things that linguists know better than lawyers do. I wonder how long it will take for the two fields to get together and try to resolve some of the paradoxes that currently plague trademark law.

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