

DEFINING AND QUANTIFYING DILUTION UNDER THE FEDERAL TRADEMARK DILUTION ACT OF 1995: USING SURVEY EVIDENCE TO SHOW ACTUAL DILUTION

PATRICK M. BIBLE

INTRODUCTION

Historically, the United States has provided protection for marks used in commerce based on a “likelihood of confusion” standard.¹ This standard prevents competitors from using a protected mark on their own product in order to deceive the consumer, divert sales from the original owner, and increase their own profits.² In 1927, however, the changing arena of consumer economics, with its massive advertising and expansive networks of intermediaries, prompted Professor Frank I. Schechter to propose a different rationale for trademark protection based on a trademark’s “uniqueness and singularity” in the marketplace.³ Under Schechter’s theory, a party harmed a trademark when it used an identical or similar mark on a dissimilar product and created in the mind of the consumer a new association with the original mark, thereby diluting the original mark’s “selling power.”⁴

In 1995, Congress codified protection for harm caused by dilution by amending the existing trademark statute, the Lanham Act,⁵ to include the Federal Trademark Dilution Act (“the Act”).⁶ The Act provides relief where there has been a “lessening of the capacity of a famous mark to identify and distinguish goods or services.”⁷

Because a showing of actual dilution through survey evidence is highly probative of such harm, consumer surveys can play a

1. See 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:1 (4th ed. 1996).

2. See *id.*

3. Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 831 (1927).

4. *Id.* at 819.

5. 15 U.S.C. §§ 1051-1128 (1994 & Supp. II 1996).

6. 15 U.S.C. §§ 1125(c), 1127 (Supp. II 1996).

7. *Id.* § 1127.

fundamental role in federal dilution litigation. Further, as courts increasingly accept and accord significant weight to survey evidence, surveys will become indispensable in trademark litigation. To be effective, however, surveys must isolate and conclusively demonstrate the dilution harm envisioned by Congress and the courts.

This comment examines survey considerations and methods essential to proving "actual dilution" under the Federal Trademark Dilution Act. Part I outlines the development of dilution in the United States. Part II focuses on how the Federal Trademark Dilution Act should be and is being interpreted by courts. Finally, Part III examines methods and considerations that are essential to compiling effective and admissible survey evidence.

I. HISTORY OF TRADEMARK DILUTION

From its foreign origins to its present status in the Lanham Act, the development of the theory of trademark dilution has been marked by distinct periods of expanding trademark protection against an often conservative backdrop of traditional trademark concepts. The following history outlines the major periods of expanding protection, emphasizing the judiciary's perception and interpretation of the dilution theory. The first part of this section describes dilution's emergence in the 1920s as a theory of trademark protection and early responses thereto. The second part examines efforts to codify the theory.

A. *The Emergence of a New Basis for Trademark Protection*

Early in this century, the United States Supreme Court stated the traditional theory of trademark protection as being established "upon the ground that a party has a valuable interest in the good-will of his trade or business, and in the trademarks adopted to maintain and extend it."⁸ A trademark owner's primary motivation in bringing a trademark suit was to protect the mark's reputation and to prevent a competitor from appropriating the mark in an effort to obtain profits that would

8. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916).

otherwise belong to the owner.⁹ With the trademark owner's reputation and goodwill in mind, courts developed a standard whereby the owner acquired protection from the defendant's unauthorized use upon a demonstration that consumers were likely to be confused as to the source of the defendant's product.¹⁰ The Lanham Act codified this traditional theory by affording protection when a defendant's use that is "likely to cause confusion, or to cause mistake, or to deceive" infringes a federally registered trademark.¹¹

In 1927, prior to the adoption of the Lanham Act, Professor Frank I. Schechter proposed another "rational basis" on which to accord trademark protection.¹² Although the idea of trademark dilution originated in German and English courts, commentators recognize Professor Schechter as the first to bring the dilution theory to the United States.¹³ Schechter realized that the traditional "confusion" basis for trademark protection did not apply universally in the modern arena of consumer economics.¹⁴ He suggested that consumers are unlikely to know the source of a product in light of the chain of intermediaries through which a product must pass before it reaches the ultimate purchaser.¹⁵ The true value of a modern trademark, Schechter maintained, "lies in its selling power," which is partially based upon a mark's own "uniqueness and singularity" in the marketplace.¹⁶ Schechter's primary concern was how a mark used by a vendor of a non-competing product could devalue an original mark's selling power.¹⁷ He defined the injury to the original mark as "the

9. *See id.*

10. *See* 3 MCCARTHY, *supra* note 1, § 23:1; Robert J. Shaughnessy, *Trademark Parody: A Fair Use and First Amendment Analysis*, 77 TRADEMARK REP. 177 (1987).

11. 15 U.S.C. § 1114(1) (1994).

12. *See* Schechter, *supra* note 3, at 813.

13. *See generally* 3 MCCARTHY, *supra* note 1, § 24 II A. Interestingly, the German precedent comes from a court's interpretation of a German law providing a remedy for a complainant who was injured "in a manner violating good morals." Schechter, *supra* note 3, at 831 (quoting German Civil Code, Section 826). The court found that the complainant has "the utmost interest in seeing that its mark is not diluted: it would lose in selling power if everyone used it as the designation of his goods." *Id.* at 832 (quoting the German "Odol" case, Judgment of Sept. 11, 1924, Landgericht Elberfeld, 25 Juristische Wochenschrift 502, XXV Markenschutz und Wettbewerb (M.U.R.) 264).

14. *See* Schechter, *supra* note 3, at 814-19.

15. *See id.*

16. *Id.* at 831.

17. *See id.* at 825. For example, Schechter states, "If 'Kodak' may be used for

gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name" caused by the mark's use on non-competing goods.¹⁸

Soon after publishing his seminal article, Professor Schechter attempted to create a new federal trademark act¹⁹ that would have recognized the dilution harm and replaced the ineffective 1905 Trademark Act.²⁰ This early effort marked the first attempt to codify the dilution theory in a federal statute. Congress, however, did not adopt Schechter's proposals. Instead, Congress passed the Lanham Act, also known as the 1946 Trademark Act, which offered no remedy for dilution claims.²¹

Although the Lanham Act recognized no federal grounds for relief from dilution, the harm identified in Schechter's article began influencing trademark jurisprudence almost immediately. Even though most judges were unwilling to deviate from the Lanham Act's traditional "likelihood of confusion" analysis, they nevertheless realized that trademarks were valuable beyond their function as mere source identifiers. Occasionally, courts applied the notion of dilution to common law unfair competition claims.²² Most notably, Judge Learned Hand remarked in his famous 1928 *Yale Electric Corp. v. Robertson*²³ decision:

[A merchant's] mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows *the owner's reputation*, whose

bath tubs and cakes . . . [the mark] must inevitably be lost in the commonplace of words of the language, despite the originality and ingenuity in their contrivance, and the vast expenditures in advertising." *Id.* at 830.

18. *Id.* at 825.

19. See Julie Arthur Garcia, *Trademark Dilution: Eliminating Confusion*, 85 TRADEMARK REP. 489, 491 (1995).

20. See 1 MCCARTHY, *supra* note 1, § 5:3. McCarthy discusses the extreme limitations of the early act, which included the inability to register descriptive marks, lack of provisions for registering service marks, and the perpetual registration problem that cluttered the registration files with abandoned names. See *id.*

21. See *id.* § 5:4.

22. See, e.g., *Bulova Watch Co. v. Stolzberg*, 69 F. Supp. 543, 546-47 (D. Mass. 1947) (adopting a broader view of unfair competition, wherein likelihood of confusion is not necessary); *Acme Chemical Co. v. Dobkin*, 68 F. Supp. 601, 614 (W.D. Pa. 1946) ("[A] name and reputation like a face is the symbol of its possessor and creator."); *Great Atl. & Pac. Tea Co. v. A. & P. Radio Stores*, 20 F. Supp. 703, 704-05 (E.D. Pa. 1937) (noting that diverting customers is not the only injury that may result from a competitor's use of a trademark).

23. 26 F.2d 972 (2d Cir. 1928).

quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or *divert any sales by its use*; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask.²⁴

Significantly, Judge Hand acknowledged that a competitor need not “divert any sales” to injure a trademark owner’s mark.²⁵ The simple existence of the other mark causes injury by jeopardizing the owner’s complete ownership and control over the original mark and its symbolic worth.

The United States Supreme Court also recognized the dual role of the trademark. In a 1942 decision, Justice Frankfurter commented that “[t]he protection of trade-marks is the law’s recognition of the psychological function of symbols. . . . Once [the desirability of the commodity] is attained, the trade-mark owner has something of value.”²⁶ Justice Frankfurter further commented:

If it is true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits the human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. . . . If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.²⁷

Although the case concerned two companies competing in similar markets, and consequently addressed a likelihood of confusion, the decision was significant for its recognition of a trademark’s symbolic worth.

24. *Id.* at 974 (emphasis added). *Yale Electric Corp.* concerned the interference claim of defendant Yale and Towne Manufacturing Co., a long-time manufacturer of hardware, against plaintiff Yale Electric Corp., a manufacturer of “flash-light torches” and batteries, who was seeking to compel registration of its “Yale” mark. *See id.* at 973. Based on a likelihood of confusion among the defendant’s buyers, the court enjoined the plaintiff from using the defendant’s mark. *See id.* at 974. Although a likelihood of confusion existed in this case, Judge Hand’s remarks indicate how trademark law was evolving and expanding.

25. *Id.* at 974.

26. *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942).

27. *Id.*

As a result of the dilution concept's influence in common law unfair competition claims, a number of state legislatures began recognizing the claim and enacting state anti-dilution statutes. Massachusetts was the first state to do so in 1947 with a statute that provided injunctive relief upon proof of "[l]ikelihood of injury to business reputation or of *dilution* of the *distinctive quality* of a trade name or trade-mark . . . notwithstanding the absence of . . . confusion as to the source of goods or services."²⁸ This early statute embodied many of Schechter's ideas, most notably that a trade name contains a "distinctive quality" that may be devalued by a competitor's use, despite the absence of source confusion.

Following the passage of the Massachusetts statute, other states gradually began adopting similar statutes.²⁹ In 1964, the United States Trademark Association ("USTA") added a dilution provision to their highly influential Model State Trademark Bill ("the Model Bill"),³⁰ prompting many states to adopt similar provisions. The Model Bill's dilution provision largely replicated the Massachusetts statute, providing for injunctive relief upon a showing of likelihood of injury to reputation and dilution of the "distinctive quality of a mark."³¹ Today, there are at least twenty-five states with anti-dilution statutes, the majority of which have adopted the language of the Model Bill.³² Although

28. Patrick H. Harrington, Jr., Comment, *Governmental Regulation of Business—Unfair Competition—Trade Name Legislation*, 27 B.U. L. REV. 489, 489 (1947) (quoting MASS. GEN. LAWS ch. 110, § 7A (1947)) (emphasis added). The adoption of this first anti-dilution statute was likely a result of the Massachusetts court's unwillingness to broaden their own unfair competition concepts to be in line with federal decisions. The Massachusetts courts firmly believed that a plaintiff always must show a likelihood of confusion before obtaining judicial relief. *See id.* at 490.

29. *See, e.g.*, CONN. GEN. STAT. ANN. § 35-11i(c) (West 1997) (enacted 1963); GA. CODE ANN. § 10-1-451(b) (1994) (enacted 1955); 765 ILL. COMP. STAT. ANN. 1035/15 (West 1993) (enacted 1953, repealed Jan. 1, 1998); N.Y. GEN. BUS. LAW §360-1 (McKinney 1988) (enacted 1955).

30. UNITED STATES TRADEMARK ASSOCIATION MODEL STATE TRADEMARK BILL § 12 (1964), *reprinted in* 3 MCCARTHY, *supra* note 1, § 22:8, at 22-22.

31. *Id.* Section 12 of the Model Bill reads in full:

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.

Id.

32. According to the *Restatement (Third) of Unfair Competition*, the following states have anti-dilution statutes: Alabama, Arkansas, California, Connecticut,

many critics argued that the state laws conflicted with the purposes of the Lanham Act and consequently were preempted, the vast majority of courts addressing the issue have found that the laws provide additional rights to the trademark holder without harming existing federal rights.³³ This scattered and often inconsistent approach to dilution protection promulgated a greater need for a federal statute that could offer consistent, predictable, and uniform protection throughout all states.

B. The Federal Dilution Act and Its Antecedents

After Professor Schechter's failed attempt to introduce a federal dilution bill, the next serious effort to provide a federal statutory remedy for trademark dilution came in 1987, when Congress considered changes to update and modernize the Lanham Act. Commissioned by the USTA to evaluate the effectiveness of the United States trademark system, the Trademark Review Commission ("TRC") submitted findings and recommendations to Congress that played a crucial role in shaping the proposal to amend the Lanham Act.³⁴ The TRC report recommended that Congress amend the Lanham Act to include a highly selective dilution statute that would provide dilution relief for "famous" marks.³⁵ Encouraged by recent Supreme Court opinions recognizing a mark's inherent selling power and its need for protection,³⁶ the TRC felt confident that

Delaware, Florida, Georgia, Idaho, Illinois, Iowa, Louisiana, Maine, Massachusetts, Missouri, Montana, Nebraska, New Hampshire, New Mexico, New York, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, and Washington. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25, at 275-76 (1995).

33. See 3 MCCARTHY, *supra* note 1, § 24:82.

34. See *The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375 (1987) [hereinafter *USTA Report and Recommendations*].

35. See *id.* at 455.

36. Specifically, the committee believed that the Supreme Court holding in *San Francisco Arts & Athletics, Inc. v. United States Olympic Committee*, 483 U.S. 522 (1987), finding that the Olympic Committee had an exclusive right to use the word "olympic" regardless of whether the defendant's use would cause confusion, indicated the Court's strong support of dilution. See *USTA Report and Recommendations*, *supra* note 34, at 456. In addition, the committee found support in earlier Supreme Court language in *Mishawaka Rubber & Woolen Co. v. S.S. Kresge Co.*, 316 U.S. 203 (1942). See *USTA Report and Recommendations*, *supra* note 34, at 455.

the climate was right for introducing a federal dilution statute.³⁷ Although the Senate passed a bill recommending changes which included adding dilution protection,³⁸ the House of Representatives refused to include the new protection in its version of the bill due to concerns about the anti-competitive aspects a dilution amendment might create.³⁹ In the debate between the congressional branches, the House ultimately prevailed. Consequently, the 1988 amendments to the Lanham Act passed without provisions for trademark dilution.⁴⁰

Despite this major setback, the theory of dilution continued to gain support and recognition. In 1990, the American Law Institute published a draft of the *Restatement (Third) of Unfair Competition* that included a section on dilution.⁴¹ Ultimately, the section, entitled "Liability Without Proof of Confusion: Dilution and Tarnishment," was included in the final version of the *Restatement*.⁴² Additionally, the USTA continued to support amending the Lanham Act to include dilution.⁴³

Finally, in March of 1995, California Representative Carlos Moorhead introduced a bill to amend the Lanham Act and make revisions relating to the protection of famous marks—the Federal Trademark Dilution Act of 1995.⁴⁴ Despite earlier resistance to a dilution amendment in 1988, Congress was markedly more receptive to the 1995 bill. To gain support for the new bill, proponents often pointed to the problems that existed under the current state anti-dilution laws. First, they argued, the "patchwork system" of state statutes made it difficult for companies to implement national brand management strategies and encouraged forum shopping for those state courts which

37. See *USTA Report and Recommendations*, *supra* note 34, at 454-57 (discussing the incongruous state opinions regarding dilution and the need for uniformity in a national statute).

38. See S. 1883, 100th Cong. (1988).

39. See H.R. 5372, 100th Cong. (1988).

40. See Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935 (codified as amended at 15 U.S.C. §§ 1051-1128 (1994 & Supp. II 1996)).

41. See Jerome Gilson, *A Federal Dilution Statute: Is It Time?*, 83 TRADEMARK REP. 108, 115 (1993).

42. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 (1995).

43. On November 20, 1991, the Board of Directors of the USTA adopted a resolution supporting a Lanham Act amendment that would include trademark dilution based substantially on the recommendations which were proposed in 1987. See Gilson, *supra* note 41, at 115.

44. See H.R. 1295, 104th Cong. (1995).

offered the broadest protection.⁴⁵ Second, decisions under these state statutes lacked a clear, consistent application of dilution theory.⁴⁶ Arguably, a federal statute would provide judicial uniformity.⁴⁷

On December 12, 1995, the House of Representatives passed the bill,⁴⁸ and on December 29, the bill was approved by the Senate without debate.⁴⁹ The bill was signed into law by President Clinton in early 1996, marking the end of a long but successful effort to recognize dilution in the nation's Trademark Act.⁵⁰ Curiously, Congress passed the Act merely to supplement,

45. See 141 CONG. REC. H14318 (daily ed. Dec. 12, 1995).

46. See *Madrid Protocol Implementation Act and Federal Trademark Dilution Act of 1995: Hearing on H.R. 1270 and H.R. 1295 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 104th Cong. 121-23 (1996) (statement of Thomas E. Smith, Chair, section of Intellectual Property Law, American Bar Association).

47. See *id.*

48. See 141 CONG. REC. H14317 (daily ed. Dec. 12, 1995).

49. See 141 CONG. REC. S19312 (daily ed. Dec. 29, 1995) (passage of the Federal Trademark Dilution Act of 1995).

50. The new dilution section of the Lanham Act reads:

(c) Remedies for dilution of famous marks.

(1) 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. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to—

(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 of 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 registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

(2) In an action brought under this subsection, the owner of the famous mark shall be entitled only to injunctive relief unless the person against whom the injunction is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark. If such willful intent is proven, the owner of the famous mark shall also be entitled to the

not preempt, existing state dilution laws, somewhat contrary to the earlier stated purpose of providing greater uniformity.⁵¹ With dilution finally codified, courts are left to examine the terms of the statute and determine what must be shown before a trademark owner may be granted relief for dilution to his trademark.

II. DEFINING DILUTION

The Federal Trademark Dilution Act of 1995 gives little guidance as to what constitutes trademark dilution and how litigants may prove the dilutive harm in court. Therefore, courts must consult other sources—largely congressional intent and existing state law—when determining how to apply the Act.

This section examines the definition of dilution as it has developed under the Federal Trademark Dilution Act of 1995. The first part outlines the types of dilution courts traditionally have addressed. The second part looks at how the new Act approaches these concepts. Finally, the third part examines how courts have interpreted the Act to incorporate the various types of dilution.

remedies set forth in sections 1117(a) and 1118 of this title, subject to the discretion of the court and principles of equity.

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

- (A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.
- (B) Noncommercial use of a mark.
- (C) All forms of news reporting and news commentary.

15 U.S.C. § 1125(c) (Supp. II 1996).

Further, the definition of "dilution" states:

The term "dilution" means 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.

Id. § 1127.

51. See H.R. REP. NO. 104-374, at 2-3, 8 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1029-30, 1035.

A. *The Types of Dilution*

Courts operating under state dilution statutes have recognized two distinct types of dilutive harm that can injure a trademark owner's interests. The first and more traditional type of harm is dilution by "blurring." Blurring occurs primarily to marks that, through their high degree of distinctiveness or through their owner's extensive advertising, create a "positive response that is associated exclusively with the goods or services of the trademark owner."⁵² The harm occurs when a junior party⁵³ uses an identical or similar mark on a different product, thereby creating in the consumer's mind a new association with the original mark. The original mark is blurred to the extent that this new association decreases the mark's "selling power."⁵⁴ Examples of this type of dilution would include use of the trade name DuPont on shoes, Buick on aspirin, or Kodak on pianos.⁵⁵

The second type of dilution, "tarnishment," occurs in a much more direct and injurious manner. A junior user tarnishes an original mark when it degrades the positive associations of the senior user's mark, typically by marketing products that create negative impressions of the mark in the minds of consumers.⁵⁶ In a classic tarnishment case, a New York court found that the defendant's use of the words "Enjoy Cocaine" on a poster, written in a script similar to the famous "Coca-Cola" trademark, diluted plaintiff Coca-Cola's mark.⁵⁷ The court found that the "plaintiff's good will and business reputation are likely to suffer in the eyes of those who, believing it responsible for defendant's poster, will

52. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. c (1995).

53. The junior party is the later-in-time user of an original mark.

54. See, e.g., *Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1031 (2d Cir. 1989) (quoting 1954 N.Y. LEGIS. ANN. 49, which defines blurring as involving "the whittling away of an established trademark's *selling power* and value through its unauthorized use by others upon dissimilar products" (emphasis added)); *Sally Gee, Inc. v. Myra Hogan, Inc.*, 699 F.2d 621, 624-25 (2d Cir. 1983) (defining the dilution cause of action as protection of "the selling power that a distinctive mark or name with favorable associations has engendered for a product").

55. See 141 CONG. REC. S19310 (daily ed. Dec. 29, 1995) (statement of Sen. Hatch).

56. See 3 MCCARTHY, *supra* note 1, § 24:95; see also *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 507 (2d Cir. 1996) ("The sine qua non of tarnishment is a finding that plaintiff's mark will suffer negative associations through defendant's use.").

57. See *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972).

refuse to deal with a company which would seek commercial advantage by treating a dangerous drug in such jocular fashion."⁵⁸ Tarnishment, then, directly assails a consumer's positive evaluation of a mark, whereas blurring causes a devaluation by redistributing the exclusive associative powers of the original mark.

In 1994, the Second Circuit expanded upon the tarnishment theory, arguably creating a third form of dilution. In *Deere & Co. v. MTD Products, Inc.*,⁵⁹ the Second Circuit Court of Appeals found that the defendant's alteration of Deere's logo in a television commercial caused a dilution-type harm because consumers might "come to attribute unfavorable characteristics to [the] mark."⁶⁰ The commercial depicted an animated John Deere logo running "in apparent fear" from a dog and from a lawn tractor manufactured by the defendant.⁶¹ The court placed special emphasis on the purpose of the alteration, the promotion of the defendant's competing product, as opposed to the mere parody of the Deere logo.⁶² Perhaps out of concern over the characterization of its decision, the Second Circuit stated in a later case: "*Deere* is better understood as a recognition of a broad view of tarnishment"⁶³

B. Dilution as Defined by the Federal Trademark Dilution Act

Any understanding of a law must begin with the language of the law itself. Accordingly, this section examines the content of the Federal Trademark Dilution Act. The first subsection discusses whether the Act encompasses the harms identified in the preceding section, while the second subsection examines the standards the Act suggests for proving dilution.

58. *Id.* at 1191.

59. 41 F.3d 39 (2d Cir. 1996).

60. *Id.* at 45. Significantly, this case comes from New York, which has consistently been the source of a great deal of dilution precedent.

61. *Id.* at 41.

62. *See id.* at 45.

63. *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 507 (2d Cir. 1996).

1. Blurring and Tarnishment

There has been some debate as to whether the Federal Trademark Dilution Act covers the dilution theories discussed above. As defined by the Act, dilution means "the lessening of the capacity of a famous mark to identify and distinguish goods and services."⁶⁴ This definition clearly encompasses the blurring type of harm recognized universally by the states. Additionally, although not expressly stated in the Act, legislators intended the Act to encompass the tarnishment theory of dilution.⁶⁵ In his introduction of the bill to the Senate, Senator Orrin Hatch stated: "[T]his bill is designed to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or *tarnish or disparage* it, even in the absence of likelihood of confusion."⁶⁶ Further, some commentators argue that tarnishment can be read into the language of the statute because "tarnishment necessarily involves some degree of probable loss of the capability of the mark to serve as a distinctive identifier."⁶⁷

2. Actual Dilution Versus Likelihood of Dilution Standards

Another equally important feature of the Federal Trademark Dilution Act of 1995 is the language establishing the elements of a plaintiff's case. The Act provides relief only when the junior mark "*causes dilution* of the distinctive quality of the [original] mark,"⁶⁸ suggesting that a plaintiff must show actual dilution before recovery. In this respect, the Act differs from state statutes, which normally allow for recovery upon a demonstration of a "likelihood of dilution."⁶⁹ The Act's language also differs from the 1964 USTA Model Bill, which permitted recovery in the face of a "[l]ikelihood of injury to business reputation or . . . dilution."⁷⁰

64. 15 U.S.C. § 1127 (Supp. II 1996).

65. See 141 CONG. REC. S19310 (daily ed. Dec. 29, 1995).

66. *Id.* (emphasis added).

67. 3 MCCARTHY, *supra* note 1, § 24:95, at 24-168.

68. 15 U.S.C. § 1125(c)(1) (Supp. II 1996) (emphasis added).

69. See 3 MCCARTHY, *supra* note 1, § 24:80.

70. UNITED STATES TRADEMARK ASSOCIATION MODEL STATE TRADEMARK BILL § 12, reprinted in 3 MCCARTHY, *supra* note 1, § 22:8, at 22-22.

The two standards differ largely in regard to *when* a plaintiff properly may bring its claim and *what* a claimant must show in order to obtain relief. Under the actual dilution standard, the defendant's mark must have been in the market long enough to have caused some measurable dilution.⁷¹ Under the likelihood of dilution standard, however, a court may be asked to determine in advance of a defendant's entry into the market whether his use of the plaintiff's mark will cause dilution.⁷² In order to make this determination, states usually apply a balancing test developed by Judge Sweet of the Second Circuit Court of Appeals.⁷³ Although the "causes dilution" language in the Act suggests an actual dilution standard, some contend that the "causes dilution" standard of the Act encompasses the likelihood of dilution standard.⁷⁴ The argument maintains that, because dilution is defined by the Act as the "lessening of *the capacity* of a famous mark to identify and distinguish goods or services," and because actual dilution is not necessary to adversely affect this capacity, the Act must encompass the likelihood of dilution standard.⁷⁵

C. *Judicial Interpretation of the Federal Trademark Dilution Act of 1995*

Although the Act is only a few years old, the judiciary already has made significant decisions and established important trends regarding the Act's interpretation and application. This section explores how courts have been interpreting the Act. The first subsection examines what types of dilution courts have recognized under the Act. The second subsection investigates the standards courts have recognized for showing dilution.

71. See 3 MCCARTHY, *supra* note 1, § 24:90.

72. See Eric A. Prager, *The Federal Trademark Dilution Act of 1995: Substantial Likelihood of Confusion*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 121, 131 (Autumn 1996).

73. See *infra* Part II.C.2 (discussing the likelihood of dilution standard).

74. See 3 MCCARTHY, *supra* note 1, § 24:94.

75. See *id.*

1. Blurring and Tarnishment

Because it is unclear which types of dilution the Federal Trademark Dilution Act of 1995 governs, courts have looked to the existing bodies of state law for guidance. Significantly, one New York district court applying both federal and state anti-dilution statutes found that, “[b]ecause the anti-dilution statutes are meant to coexist, the analysis of Plaintiff’s claims is the same under either [the state or federal] statute.”⁷⁶ Further, the New York court recognized that Congress intended to provide protection against blurring and tarnishment when it passed the Act.⁷⁷ Not surprisingly, courts hearing federal dilution claims have reached similar conclusions and thus far have accepted traditional tarnishment as a harm covered by the new statute.⁷⁸ Nevertheless, it is still unclear what effect *Deere’s* expansive view of tarnishment will have in shaping judicial interpretation of the Act.

Indicative of the broad impact of the Act, courts also have interpreted it to encompass a new breed of trademark dilution occurring on the Internet that is best described as “domain name dilution.”⁷⁹ Indeed, Congress intended to address growing

76. *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp.*, 937 F. Supp. 204, 209 (S.D.N.Y. 1996).

77. *See id.* at 208.

78. *See, e.g.*, *I.P. Lund Trading v. Kohler Co.*, No. CIV.A.97-10427-NG, 1998 WL 294031, at *2 (D. Mass. Apr. 2, 1998) (“Section 43(c) permits the owner of a ‘famous’ mark to obtain injunctive relief against uses of its mark which either tarnish or blur its distinctiveness.”); *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 306 (D.N.J. 1998) (“The term ‘dilution’ . . . encompasses traditional state law doctrines of blurring and tarnishment.”); *Star Mkts., Ltd. v. Texaco, Inc.*, 950 F. Supp. 1030, 1033 (D. Haw. 1996) (“Dilution may be established by showing tarnishment or blurring.”); *Elvis Presley Enter. v. Capece*, 950 F. Supp. 783, 798 (S.D. Tex. 1996) (“The likelihood of dilution can be shown in two ways—either through blurring or tarnishment.”); *Circuit City Stores, Inc. v. Officemax, Inc.*, 949 F. Supp. 409, 412 (E.D. Va. 1996) (“[T]he legislative history supports the conclusion that Congress also intended the Act to cover dilution through tarnishment.”); *Intermatic, Inc. v. Toeppen*, 947 F. Supp. 1227, 1238 (N.D. Ill. 1996) (restating congressional intent of statute to include all forms of dilution including dilution by tarnishment); *Dr. Seuss Enter. v. Penguin Books USA, Inc.*, 924 F. Supp. 1559, 1573 (S.D. Cal. 1996) (“The legislative history supports the conclusion that Congress also intended the Act to cover dilution through tarnishment.”).

79. *See, e.g.*, *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998); *Avery Dennison Corp. v. Sumpton*, 999 F. Supp 1337 (C.D. Cal. 1998); *Jews for Jesus v. Brodsky*, 993 F. Supp. 282 (D.N.J. 1998); *Planned Parenthood Fed’n of America, Inc. v. Bucci*, 42 U.S.P.Q.2d (BNA) 1430 (S.D.N.Y. 1997); *Panavision Int’l, L.P. v. Toeppen*, 947 F. Supp. 1227 (N.D. Ill. 1996); *Panavision Int’l, L.P. v. Toeppen*, 945

concerns about trademark use on the Internet, particularly with regard to "cybersquatters."⁸⁰ Cybersquatters are individuals who take advantage of the Internet's unique architecture by registering domain names in the names of famous trademarks before the trademark owner establishes a presence on the Internet. Because domain names must be unique, the cybersquatter essentially monopolizes the name and can sell or license it at a fee that greatly exceeds the registration costs. By registering a domain name in a famous mark, a cybersquatter not only dilutes but essentially *eliminates* the ability or "capacity of the [owner's] marks to identify and distinguish [its] goods and services on the Internet."⁸¹

2. Actual Dilution Versus Likelihood of Dilution Standards

The Act allows a trademark owner to recover from a junior user upon proof of a "lessening of the capacity of a famous mark to identify and distinguish goods or services."⁸² Although this definition of dilution contains no mention of a likelihood of dilution standard, most courts that have heard blurring-type claims under the Act either have applied or referred to the standard.⁸³ Significantly, no court has held a likelihood of

F. Supp. 1296 (C.D. Cal. 1996).

80. Addressing how the Act would deal with problems on the Internet, Senator Patrick Leahy stated that his hope was "that this antidilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others." 141 CONG. REC. S19312 (daily ed. Dec. 29, 1995).

81. Panavision Int'l, L.P. v. Toeppen, 945 F. Supp. 1296, 1304 (C.D. Cal. 1996).

82. 15 U.S.C. § 1127 (Supp. II 1996).

83. See, e.g., Naultiques Cosmetic Corp. v. Salon Sciences Corp., No. 96-2709-CIV-NESBITT, 1997 WL 244746, at *4 (S.D. Fla. Jan. 10, 1997) (finding that defendant's use of its mark "is likely to dilute the distinctive quality" of the plaintiff's mark); Elvis Presley Enterp., Inc. v. Capece, 950 F. Supp. 783, 797-98 (S.D. Tex. 1996) ("[A] finding of dilution in the present case depends on whether there is the likelihood of dilution."); American Express Co. v. CFK, Inc., 947 F. Supp. 310, 316-17 (E.D. Mich. 1996) (citing Judge Sweet's likelihood of dilution test as "accurately reflect[ing] the concerns and considerations in a dilution case"); Clinique Lab., Inc. v. Dep Corp., 945 F. Supp. 547, 562 (S.D.N.Y. 1996) (applying Judge Sweet's likelihood of dilution factors for finding dilution by blurring); Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp., 937 F. Supp. 204, 211 (S.D.N.Y. 1996) ("The second element which must be shown in order to establish a claim for dilution is a likelihood of dilution . . ."). Cf. Intermatic Inc. v. Toeppen, 947 F. Supp. 1227, 1240 (N.D. Ill. 1996) (relying not on likelihood of dilution analysis,

dilution standard inappropriate and required a demonstration of actual dilution. Therefore, the judicial trend has been to recognize both standards as alternate theories upon which a trademark owner may recover. This trend is also significant because it allows a plaintiff to seek preliminary injunctive relief under a likelihood of dilution standard from defendants who have yet to market their dissimilar products with a mark identical or similar to the plaintiff's famous trademark.

Judge Sweet of the Second Circuit developed the most influential likelihood of dilution standard, a balancing test of several factors likely to lead to the blurring of two marks.⁸⁴ In his analysis, Judge Sweet lists the following as the relevant factors for finding a likelihood of dilution caused by blurring:

- (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; and
- (6) renown of the junior mark.⁸⁵

Despite reliance on the test by many courts, the factors do not adequately isolate the harm caused by dilution from the harm in a typical "likelihood of confusion" case and, to some extent, completely misapply the dilution concept.⁸⁶ For example, it is clear from Professor Schechter's original article and the plain language of the Act that dilution occurs when a famous mark is used on dissimilar goods.⁸⁷ The "similarity of the products" factor

but instead applying the language from the Seventh Circuit stating that dilution occurs when a mark's distinctiveness is adversely affected); *Panavision Int'l., L.P. v. Toeppen*, 945 F. Supp. 1296 (C.D. Cal. 1996) (finding that the plaintiff's inability to register its mark on the Internet has effectively diluted the mark within the meaning of the federal statute).

84. See *Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1035 (2d Cir. 1989).

85. *Id.*

86. See 3 MCCARTHY, *supra* note 1, § 24:94.1; Terry R. Bowen, *The Federal Trademark Dilution Act of 1995—Does it Address the Dilution Doctrine's Most Serious Problems?*, 7 DEPAUL-LCA J. ART & ENT. L. 75, 96 (Fall 1996); Clinton Hein, *Confused About Federal Trademark Dilution?*, 87 TRADEMARK REP. 370, 394 (1997); Kenneth L. Port, *The "Unnatural" Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?*, 85 TRADEMARK REP. 525, 545-51 (1995).

87. See Schechter, *supra* note 3, at 825 ("It is the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its

in Sweet's test, however, directly contradicts this manifest intention. Further, the "predatory intent" factor is misplaced in any analysis under the Act because the Act expressly states that consideration of this factor is *only* proper when the plaintiff seeks a remedy beyond injunctive relief.⁸⁸ Moreover, in the blurring cases, harm occurs regardless of the existence of the defendant's predatory intent. Inclusion of this factor may only cause courts to blend "likelihood of confusion" analysis with dilution analysis, because a defendant who intentionally uses another's mark most likely is attempting to confuse the consumer and divert sales away from the well-established mark.⁸⁹ Therefore, application of Sweet's likelihood of dilution analysis does not accurately reflect either Schechter's intentions or the intentions of Congress in enacting the Act, and often results in a misguided effort to isolate dilution.

In contrast to the standard prescribed in Judge Sweet's decision, a standard requiring proof of actual dilution through direct evidence tends to be more accurate and dispositive. One commentator even has suggested that proof of actual harm is a necessity, as "[a] court will not assume harm based on a favorable review of [Judge Sweet's factors]."⁹⁰ Although only a few cases brought under the Act have addressed the presentation of direct evidence, courts appear willing to assign such evidence substantial weight. In *Wawa, Inc. v. Haaf*,⁹¹ for example, the judge found that the plaintiff's "Wawa" mark on convenience stores was diluted by the defendant's "HaHa" mark on similar

use upon non-competing goods."); H.R. REP. NO. 104-374, at 8 (1995), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1035 ("Thus, a mark protected against dilution can have acquired its fame in connection with one type of good or service and, as a result, be so famous as to be entitled to protection against dilution when used on or in connection with an unrelated good or service.").

88. The statute provides that "the owner of the famous mark shall be entitled only to injunctive relief unless the person against whom the injunction is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark," in which case the owner may seek other remedies including monetary damages. 15 U.S.C. § 1125(c)(2) (Supp. II 1996); *see also* *Clinique Lab., Inc. v. Dep Corp.*, 945 F. Supp. 547, 562 n.22 (S.D.N.Y. 1996) ("Unlike the New York anti-dilution statute, predatory intent is not a factor in a dilution analysis under Section 43(c) of the Lanham Act.").

89. *See* 3 MCCARTHY, *supra* note 1, § 24:94.1.

90. Garcia, *supra* note 19, at 514.

91. 40 U.S.P.Q.2d (BNA) 1629 (E.D. Pa. 1996). Note, however, the judge also relied on Judge Sweet's six factors in arriving at his decision. *See id.* at 1632.

stores.⁹² To reach his conclusion, the judge relied on survey evidence showing that consumers in the defendant's neighborhood associated the defendant's mark with the plaintiffs.⁹³

Similarly, in *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*,⁹⁴ the court relied on the plaintiff's admission of survey evidence to find that its mark was not, in fact, being diluted by the defendant's use.⁹⁵ Thus, the *Ringling Bros.* court essentially used the plaintiff's survey to support a verdict for the defendant, illustrating the importance of conducting a proper survey probative of the dilutive harm. The *Ringling Bros.* case also illustrates how courts have struggled with distinguishing likelihood of confusion standards from dilution standards.⁹⁶

It is clear, however, that as survey techniques for demonstrating dilution improve and courts begin to understand the advantages of direct evidence over application of the Sweet factors, litigants will rely increasingly on survey evidence as dispositive and decisive proof of trademark dilution. However, where plaintiffs seek preliminary injunctive relief to prevent a junior user's products from entering the market, survey evidence of actual dilution will be unavailable, and courts will have to rely on a likelihood of dilution standard. To strike an ideal balance, courts should apply a modified likelihood of dilution standard in cases where the junior user's mark has yet to be introduced into a market and survey evidence of actual dilution is unavailable, and apply an actual dilution standard in cases where the junior user's mark has coexisted in the market with the original mark and actual dilution can be shown conclusively without reliance on an inherently uncertain and questionable balancing test.

92. See *id.* at 1633.

93. See *id.* at 1632.

94. 955 F. Supp. 605 (E.D. Va. 1997).

95. See *id.* at 618, 621.

96. In *Ringling Bros.*, the court found that results showing that 21% of respondents within Utah associated the mark "THE GREATEST _____ ON EARTH" with both Ringling Brothers and the State of Utah did not prove any dilution to the mark. See *id.* at 617-18. This conclusion ignores the existence of any blurring-type dilution and seems to be based on likelihood of confusion logic. See Courtland L. Reichman, *State and Federal Trademark Dilution*, 17 FRANCHISE L.J. 111 (1998). To be fair, however, the court did find that the relevant mark was "THE GREATEST SHOW ON EARTH," and not "THE GREATEST _____ ON EARTH" mark which was the focus of the survey. See 955 F. Supp. at 617-18.

III. DEMONSTRATING ACTUAL DILUTION

In federal trademark dilution litigation, a survey that clearly demonstrates actual dilution may be a plaintiff's strongest and most persuasive evidence.⁹⁷ This section illustrates how a plaintiff can use survey evidence effectively to show actual dilution as envisioned by the Act. First, this section introduces the subject of survey evidence in trademark litigation cases. Next, it outlines the major methodological considerations involved in conducting a proper survey. Particular emphasis is placed on what types of questions litigants should use to measure both blurring and tarnishment types of dilution harm. Finally, this section concludes with a discussion of how the evidence should be compiled and presented to a court.

A. *An Introduction to Survey Evidence in Trademark Cases*

Because dilution litigation deals with the existence or nonexistence of consumers' mental associations with a trademark, courts often struggle to determine what weight to give evidence proffered by litigants. As proof of the existence of mental associations, a litigant may offer testimonial evidence from consumers.⁹⁸ Although such evidence certainly may bear on the case, practical considerations limit the number of testimonials a litigant may offer, and, thus, the evidence may not effectively reflect the views of the relevant consumer community. Further, those consumers who testify run the risk of having been influenced by anomalous market factors.⁹⁹ Survey evidence, which introduces "the actual responses of a group of [relevant

97. In one recent case, the court granted summary judgment for a plaintiff's federal dilution claim based on a showing of actual dilution evidenced by customer complaints. See *Pirelli Armstrong Tire Corp. v. Titan Tire Corp.*, 4 F. Supp. 2d 794 (C.D. Ill. 1998). While the case does not concern a typical dilution scenario, as the trademark was used on similar products, it does show the effectiveness of proof of actual dilution.

98. See 5 MCCARTHY, *supra* note 1, § 32:158.

99. See Prager, *supra* note 72, at 132 (noting that, at least in the context of tarnishment suits, consumer testimonials may be influenced by other market factors).

consumers] whose perceptions are at issue in [the] case," provides a "more scientific means" of demonstrating trademark dilution.¹⁰⁰

Survey evidence often has been used in trademark litigation to prove a likelihood of confusion, since it is directed to the "subjective mental associations and reactions of prospective purchasers."¹⁰¹ Litigants typically hire experts to design and conduct the consumer surveys.¹⁰² At trial, the experts describe the results of the surveys to the trier of fact, providing an efficient and highly effective way to convey information about a large population of consumers.¹⁰³

The admissibility of an expert's findings is authorized under the Federal Rules of Evidence, which states:

If scientific, technical, or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge, skill, experience, training, or education, may testify thereto in the form of an opinion or otherwise.¹⁰⁴

Rule 403 of the Federal Rules of Evidence tempers this broad standard of admissibility by maintaining that "evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading of the jury."¹⁰⁵ Therefore, it is important to design and conduct surveys using scientifically accepted methods so as to assure their admissibility and lend as much weight as possible to the findings.

Survey results are generally admitted after proper authentication of the testifying expert under Federal Rule of Evidence

100. 5 MCCARTHY, *supra* note 1, § 32:158, at 32-189.

101. *Id.*

102. See Shari Seidman Diamond, *Reference Guide on Survey Research*, in FEDERAL JUDICIAL CENTER, REFERENCE MANUAL ON SCIENTIFIC EVIDENCE 221, 227-28 (1994).

103. See *id.* at 229.

104. FED. R. EVID. 702. The data or opinions themselves are controlled by Rule 703, which states:

The facts or data in the particular case upon which an expert bases an opinion or inference may be those perceived by or made known to the expert at or before the hearing. If of a type reasonably relied upon by experts in the particular field in forming opinions or inferences upon the subject, the facts or data need not be admissible in evidence.

FED. R. EVID. 703.

105. FED. R. EVID. 403.

901(b)(9), which requires a showing of the process by which the survey was conducted and proof that the process "produces an accurate result."¹⁰⁶ In response to hearsay objections, courts universally have found that survey results are admissible as evidence of the state of mind of the person surveyed¹⁰⁷ or are sufficiently reliable to fit within the catch-all exception to the hearsay rule.¹⁰⁸

The creation and administration of surveys, however, is not a perfect science, due to the methodological difficulties that arise when assembling a meaningful, accurate, and admissible study. Because of these problems, courts tend to view survey evidence with a fair amount of skepticism, sometimes leading to the exclusion of the survey's findings.¹⁰⁹ Nevertheless, courts generally tolerate some degree of imprecision in exchange for the valuable insight into the minds of consumers.¹¹⁰ After all, "[t]rials would be very short if only perfect evidence were

106. FED. R. EVID. 901(b)(9); *see also* CHRISTOPHER B. MUELLER & LAIRD C. KIRKPATRICK, *MODERN EVIDENCE—DOCTRINE AND PRACTICE* § 9.18, at 1527 (1995) ("Survey evidence, whether in the form of an opinion poll or a sampling of statistical or other data, is generally admissible . . ."); *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579 (1993) (setting out criteria to be used by a judge in making admissibility decisions regarding scientific evidence).

107. *See, e.g.*, *Randy's Studebaker Sales, Inc. v. Nissan Motor Corp.*, 533 F.2d 510, 519-20 (10th Cir. 1976) (admitting survey under the state-of-mind exception); *Zippo Mfg. Co. v. Rogers Imports, Inc.*, 216 F. Supp. 670, 682-84 (S.D.N.Y. 1963) (finding two alternative grounds for admitting opinion surveys: (1) surveys are not hearsay because they are not offered for the truth of the matter asserted; and (2) if they are so offered, they fall under the "present sense impression" exception of the federal rules). *See also* 3 MCCARTHY, *supra* note 1, § 32:169; MUELLER & KIRKPATRICK, *supra* note 106, § 9.18; *Diamond*, *supra* note 102, at 227 n.11.

108. *See, e.g.*, *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 522-23 (10th Cir. 1987) (admitting survey under catchall exception for showing a likelihood of confusion).

109. *See, e.g.*, *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 791 (8th Cir. 1995) (mocking the district court's exclusion of survey evidence because of the ridiculous standards the court desired; "it would prefer a survey of people who are casual, but not *too* casual"); *American Footwear Corp. v. General Footwear Co.*, 609 F.2d 655, 661 n.4 (2d Cir. 1979) ("[I]n light of these methodological defects, the district court's rejection of this survey evidence was not clearly erroneous.").

110. In fact, the introduction of survey evidence can even be considered outcome determinative in some cases. As Judge Ackerman noted:

Failure of a trademark owner to run a survey to support its claim of brand significance and/or likelihood of confusion, where it has the financial means of doing so, may give rise to the inference that the contents of the survey would be unfavorable, and may result in the court denying relief.

Eagle Snacks, Inc. v. Nabisco Brands, Inc., 625 F. Supp. 571, 583 (D.N.J. 1985).

admissible."¹¹¹ Although only a few federal courts have dealt with survey evidence in dilution cases, all circuits have accepted survey evidence as valuable and useful in deciding trademark-related claims.¹¹²

111. *Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club*, 34 F.3d 410, 416 (7th Cir. 1994).

112. See generally PHYLLIS J. WELTER, TRADEMARK SURVEYS §§ 10.01-20.04 (1997). In the First Circuit, surveys have been accepted to show genericness, secondary meaning, and confusion in trademark suits. See *Boston Athletic Ass'n v. Sullivan*, 867 F.2d 22, 31 n.9 (1st Cir. 1989); *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 375 (1st Cir. 1980); *President of Colby College v. Colby College-New Hampshire*, 508 F.2d 804, 809 (1st Cir. 1975). Similar acceptance can be found in the Second Circuit. See *Centaur Communications Ltd. v. A/s/m Communications, Inc.*, 652 F. Supp. 1105, 1110 (S.D.N.Y. 1987), *aff'd*, 830 F.2d 1217 (2d Cir. 1987); *Mattel, Inc. v. Azrak-Hamway Int'l, Inc.*, 724 F.2d 357, 361 (2d Cir. 1983); *E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502, 527 (E.D.N.Y. 1975). In the Third Circuit, surveys are accepted so long as they are "conducted with proper safeguards to insure accuracy and reliability." *Pittsburgh Press Club v. United States*, 579 F.2d 751, 758 (3d Cir. 1978). Nevertheless, the Third Circuit is generally more skeptical of surveys and is often willing to disregard such evidence for flawed methodology. See, e.g., *Harlem Wizards Entertainment Basketball, Inc. v. NBA Properties, Inc.*, 952 F. Supp. 1084, 1089 (D.N.J. 1997); *A&H Sportswear Co. v. Victoria's Secret Stores*, 926 F. Supp. 1233, 1256-57 (E.D. Pa. 1996). Despite similar concern that litigants properly conduct surveys, the Fourth Circuit generally has found surveys very valuable in trademark-related suits. See *Jefferson Bankshares, Inc. v. Jefferson Sav. Bank*, 14 U.S.P.Q.2d (BNA) 1443, 1449 (W.D. Va. 1989); *Quality Inns Int'l v. McDonald's Corp.*, 695 F. Supp. 198, 207 (D. Md. 1988); *Convenient Food Mart, Inc. v. 6-Twelve Convenient Mart, Inc.*, 690 F. Supp. 1457, 1461 (D. Md. 1988), *aff'd without opinion*, 870 F.2d 654 (4th Cir. 1989). The Fifth Circuit also accepts survey evidence. See WELTER, *supra*, § 14. The Sixth Circuit strongly embraces survey evidence to show harm in trademark suits. See *Burke-Parsons-Bowlby Corp. v. Appalachian Log Homes, Inc.*, 871 F.2d 590, 596 (6th Cir. 1989); *Kern's Kitchen, Inc. v. Bon Appetit*, 850 F.2d 692, 695 (6th Cir. 1988); *Elvis Presley Enters., Inc. v. Elvisly Yours, Inc.*, 817 F.2d 104, 106 (6th Cir. 1987). The Seventh Circuit is more skeptical of survey evidence than the other circuits, but will accept surveys if properly conducted. See *V & V Food Prods. v. Cacique Cheese Co.*, 683 F. Supp. 662, 669, 670 (N.D. Ill. 1988); *G. Heileman Brewing Co. v. Anheuser-Busch, Inc.*, 676 F. Supp. 1436, 1484 (E.D. Wis. 1987); *W.H. Brady Co. v. Lem Prods. Inc.*, 659 F. Supp. 1355, 1366 (N.D. Ill. 1987). The Eighth Circuit has strongly endorsed the use of surveys in trademark related litigation. See *Calvin Klein Cosmetics Corp. v. Lenox Lab., Inc.*, 815 F.2d 500, 504 (8th Cir. 1987); *First Nationwide Bank v. Nationwide Sav. & Loan Ass'n*, 682 F. Supp. 965, 972 (E.D. Ark. 1988); *Anheuser Busch, Inc. v. Stroh Brewery Co.*, 750 F.2d 631, 638 (8th Cir. 1984). The Ninth Circuit also has offered strong endorsement of survey evidence. See *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1358 (9th Cir. 1985); *Park N'Fly, Inc. v. Dollar Park & Fly, Inc.*, 718 F.2d 327, 330 (9th Cir. 1983); *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316, 1323-24 (9th Cir. 1982). The Tenth Circuit has accepted surveys as evidence in likelihood of confusion and secondary meaning cases. See *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1487 (10th Cir. 1987); *J.M. Huber Corp. v. Lowery Wellheads, Inc.*, 778 F.2d 1467, 1470 (10th Cir. 1985); *Paramount Pictures Corp. v. Video Broad. Sys., Inc.*, 724 F. Supp.

In an important decision concerning the use of survey evidence in trademark suits, Judge Richard Posner illuminated some of the concerns that most worry the courts regarding survey evidence.¹¹³ Posner noted, “[m]any experts are willing for a generous (and sometimes for a modest) fee to bend their science in the direction from which their fee is coming.”¹¹⁴ Courts cannot respond adequately to slanted expert testimony because judges “lack training or experience in the relevant fields of expert knowledge.”¹¹⁵ To combat such practices, courts often are mindful of basic survey methodologies and common problems with conducting surveys.¹¹⁶ As a result, while courts almost universally admit survey evidence at trial, litigants can attack the evidence on technical grounds in an effort to reduce its probative value or relevance.¹¹⁷ Therefore, in order to compile the most reliable survey possible, litigants must understand the basic methodologies used to prepare surveys and how these methodologies pertain to trademark dilution litigation.

B. Methodologies of Collecting Survey Evidence in Dilution Suits

Generally, courts evaluating the probative value or reliability of a survey use the guidelines set forth in the *Manual for Complex Litigation*.¹¹⁸ Relying on these guidelines, courts will

808, 816 (D. Kan 1989). In the Eleventh Circuit, surveys appear to be universally accepted. See *Investacorp, Inc. v. Arabian Inv. Banking Corp.*, 722 F. Supp. 719, 723 n.4 (S.D. Fla. 1989); *Burger King Corp. v. Pilgrim's Pride Corp.*, 705 F. Supp. 1522, 1525 (S.D. Fla. 1988); *Brooks Shoe Mfg. Co. v. Suave Shoe Corp.*, 533 F. Supp. 75, 80 (S.D. Fla. 1981); see also Neal Miller, *Facts, Expert Facts, and Statistics: Descriptive and Experimental Research Methods in Litigation*, 40 *RUTGERS L. REV.* 101, 137 (1987) (noting that the use of statistical evidence is more prevalent in trademark law than in other areas of law).

113. See *Indianapolis Colts, Inc. v. Metropolitan Baltimore Football*, 34 F.3d 410 (7th Cir. 1994).

114. *Id.* at 415. Posner paints the picture of a typical trademark trial as a “battle of experts” and remarks that the entire process is “frequently unedifying.” *Id.*

115. *Id.*

116. Judges presiding over trademark litigation cases often refer to the *MANUAL FOR COMPLEX LITIGATION* § 21:493 (3d ed. 1995). See also *infra* Part III.B.

117. See 5 MCCARTHY, *supra* note 1, § 32:170.

118. *MANUAL FOR COMPLEX LITIGATION* § 21:493 (3d ed. 1995). See, e.g., *National Football League Properties v. New Jersey Giants, Inc.*, 637 F. Supp. 507, 513-14 (D.N.J. 1986) (listing the factors in the *Manual for Complex Litigation* as those which must be shown in order for the proponent of a survey to show that it was

inquire whether the population was properly chosen and defined, the sample chosen was representative of that population, the data gathered was accurately reported, the data was analyzed in accordance with accepted statistical principles, the questions asked were clear and not leading, the survey was conducted by qualified persons following proper interview procedures, and the process was conducted so as to ensure objectivity.¹¹⁹ Accordingly, this subsection focuses on those factors that are most relevant to survey evidence of dilution: properly choosing and defining the population, ensuring the surveyed consumers are representative of that population, and asking clear, non-leading questions.¹²⁰

1. Choosing and Defining the Population

As a preliminary matter, a litigant must determine the relevant "universe" to survey. The universe is "that segment of the population whose perception and state of mind are relevant to the issues in the case."¹²¹ For example, in a typical likelihood of confusion suit, the universe is the group of possible consumers of the plaintiff's product who may be confused by the defendant's use of a mark.¹²² Because the potential universe in trademark litigation may be very large and interviewing all relevant parties would be impractical, a litigant must select a smaller subset of individuals from the universe to be the target of the survey.¹²³ This smaller subset is the "survey population" and should represent the larger universe accurately.¹²⁴

conducted using acceptable methods and principles).

119. MANUAL FOR COMPLEX LITIGATION § 21:493 (3d ed. 1995).

120. *See id.*

121. 5 MCCARTHY, *supra* note 1, § 32:159, at 32-193. Because the other factors largely address the reliability and expertise of the individual persons conducting the survey and are not relevant to the content or the scope of the survey itself, they will not be discussed here. Where appropriate, however, techniques or guidelines that may pertain to these other factors.

122. Because surveys testing for dilution will have many of the same initial considerations as those testing for likelihood of confusion, many of the cases cited in this section are likelihood of confusion cases.

123. *See* Jacob Jacoby & Amy H. Handlin, *Non-Probability Sampling Designs for Litigation Surveys*, 81 TRADEMARK REP. 169, 170 (1991). This process of "sampling" from a larger universe in order to determine the characteristics of that larger universe is a well-accepted scientific method used in social and physical sciences. *See id.*

124. MANUAL FOR COMPLEX LITIGATION § 21:493, at 102 (3d ed. 1995) (including among the relevant factors for a judge to weigh in determining the relevance of a

In determining the relevant universe and survey population for a trademark-related survey, the survey administrator must consider two major concerns. The first, and potentially most damaging, is the threat of "underinclusion."¹²⁵ Underinclusion occurs when the survey population or universe does not consist of all persons whose perceptions or states of mind are relevant to the litigation. Although the survey will capture appropriate data for the population actually tested, the perceptions of another group of relevant persons will remain completely unrecorded. For example, in one likelihood of confusion case involving the public's recognition of a design trademark on a running shoe, the plaintiff's survey universe comprised spectators and participants at running events around the Baltimore-Washington area.¹²⁶ The court held that this universe was "far too narrow to give a fair indication of whether the consuming public associates [the disputed design mark with the plaintiff's shoes]."¹²⁷ Because the plaintiff directed its advertising toward serious runners, the people who participated in the survey were those most likely to recognize the design mark rather than people "whose opinions would fairly represent the opinions of [all] consumers of athletic footwear."¹²⁸ Accordingly, the court discounted the weight of the survey because the plaintiff failed to test the perceptions of a substantial number of consumers.¹²⁹

The converse concern is the threat of "overinclusion." Overinclusion occurs when the survey universe encompasses a group of people whose perceptions are not relevant to the dispute and whose answers, therefore, inappropriately skew the results.¹³⁰ For example, in a trademark infringement suit concerning the plaintiff's "Dom Pérignon" mark for fine champagne and the defendant's "Dom Poppingnon" mark for popcorn packaged in champagne bottles, the court found the

particular survey, whether "the sample chosen was representative of that population").

125. See *Diamond*, *supra* note 102, at 237.

126. See *Brooks Shoe Mfg. v. Suave Shoe Corp.*, 533 F. Supp. 75, 80 (1981).

127. *Id.* The court also quoted Fifth Circuit language stating that one of the most important factors in evaluating survey evidence is the adequacy of the survey universe. See *id.*

128. *Id.*

129. See *id.*

130. See 5 MCCARTHY, *supra* note 1, § 32:161.

survey universe too broad.¹³¹ Instead of restricting the universe to “that group of consumers who were in the market for Dom Pérignon, or at least for champagne,”¹³² the tested group included all persons between the drinking age of twenty-one and sixty-four.¹³³ In general, overinclusive surveys are less problematic than underinclusive surveys because survey experts may be able to isolate the responses of consumers who fall within the more narrow universe.¹³⁴ With underinclusive studies, however, the only realistic remedy is to redo the study.¹³⁵

In a likelihood of confusion survey, the relevant universe consists of consumers who should not only have exposure to the two relevant marks, but should also be potential purchasers for the junior user’s product.¹³⁶ In dilution suits, however, the two marks need not appear on similar products, and confusion as to the source of the product is not the primary concern. Instead, the relevant inquiry in federal dilution suits is whether the presence of the junior user’s mark has resulted in a “lessening of the capacity of a famous mark to identify and distinguish goods or services.”¹³⁷ Therefore, the relevant universe should comprise consumers who have been exposed to both marks.¹³⁸ Typically,

131. See *Scheffelin & Co. v. Jack Co.*, 850 F. Supp. 232, 246 (S.D.N.Y. 1994).

132. *Id.*

133. See *id.* The court’s reasoning is based on the language in *Universal City Studios v. Nintendo Co.*, which says, “[t]o be probative and meaningful . . . surveys . . . must rely upon responses by *potential consumers* of the products in question.” 746 F.2d 112, 118 (2d Cir. 1984) (quoting *Dreyfus Fund, Inc. v. Royal Bank of Canada*, 525 F. Supp. 1108, 1116 (1981)) (emphasis added) (alteration in original).

134. See *Diamond*, *supra* note 102, at 237. In *Scheffelin & Co.*, 850 F. Supp. at 246, the court found that, despite the survey’s overinclusive properties, it was still relevant to the litigation since it tended to shed light on how consumers would react to the Dom Pérignon product.

135. See *Diamond*, *supra* note 102, at 246.

136. See *WELTER*, *supra* note 112, § 4.02[3].

137. 15 U.S.C. § 1127 (Supp. II 1996).

138. In *Wawa, Inc. v. Haaf*, the court accepted a survey where the relevant universe included “persons in [Defendant] HAHAs neighborhood who were interviewed about Defendant’s market.” 40 U.S.P.Q.2d (BNA) 1629, 1632 (E.D. Pa. 1996). From a practical standpoint, this makes sense, since it is these consumers who will have been exposed to both the junior user’s mark and the senior user’s mark. Interestingly, the court in *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development* held that the survey population universe was proper where it focused on the plaintiff’s market, rather than the defendant’s, since “it is this universe of persons that comprises the market for Ringling’s goods and services.” 955 F. Supp. 605, 616-17 (E.D. Va. 1997). This conclusion seems to contradict the court’s later analysis of the “sophistication of consumers” factor of

the universe consists of consumers of the senior user's products who have been exposed to the junior user's mark, or possible purchasers of the junior and senior user's products.¹³⁹

Additionally, when determining the appropriate universe and sample population, litigants also must consider the geographic area in which to administer the study. In federal trademark dilution claims, determining the relevant geographic area may be problematic due to the Act's national character and fame prerequisite.¹⁴⁰ Under the Act, a mark can only be protected if it is "famous," and one of the factors for determining fame is "the geographical extent of advertising and publicity of the mark."¹⁴¹ One might conclude, then, that a litigant should administer a dilution survey over a geographical range proportionate to this fame factor. This conclusion, however, would confuse the two separate issues of whether a mark is famous and whether the mark has been diluted.¹⁴²

Judge Sweet's likelihood of dilution test. *Id.* at 619. In that analysis, the court found it necessary to consider not only the plaintiff's consumers but also the defendant's consumers, since "only this subset is likely to come into contact with the junior mark, and such contact is essential to demonstrating [that] any dilution by blurring is caused by that junior mark." *Id.* at 620. In *Hershey Foods Corp. v. Mars, Inc.*, a case concerning the possible dilution of Hershey's Reese's Peanut Butter Cup trade dress by Mars's peanut butter M&Ms, a survey was admitted where the relevant universe was defined as "consumers of (i) candy containing chocolate, peanuts, almonds or peanut butter in a sugar-coated shell; (ii) chocolate and peanut butter candies; or (iii) other kinds of peanut butter candies." 998 F. Supp. 500, 509 (M.D. Pa. 1998). Therefore, the universe included those who had been exposed to both marks and were potential consumers for either the plaintiff's peanut butter cup products or the defendant's sugar-coated shell products. The case is somewhat unusual, however, in that it involved similar, but not identical, products, simplifying selection of the proper universe. *See id.* at 502.

139. Further, this author believes that it is not even necessary that the participants be customers or potential purchasers of either the plaintiff's or defendant's products, since exposure to both marks in the market is the key requirement. With dilution, the question is either broadly associative (i.e. whether the plaintiff's mark conjures up both products in one's mind) or qualitative (i.e. how the consumer subjectively feels about the plaintiff's mark)—questions which any general consumer who has been exposed to both marks can answer capably and competently. As a logistical matter, however, the best way to ensure that the survey participant has been exposed to both marks is to focus on potential consumers, especially in the junior user's market.

140. *See* 15 U.S.C. § 1125(c)(1) (Supp. II 1996).

141. *Id.*

142. It is possible, and quite effective, to administer general population surveys over a broad area to determine the fame of a mark. *See* Gerald L. Ford, *Dilution Surveys New Challenges*, in PRACTICING LAW INSTITUTE, LITIGATING COPYRIGHT, TRADEMARK AND UNFAIR COMPETITION CASES FOR THE EXPERIENCED PRACTITIONER

Litigants need not administer a dilution survey over a wide geographical range to obtain useful and persuasive evidence. In a dilution suit where a small local mark is diluting a famous mark, the relevant sampling area will be only those areas where the two marks coexist.¹⁴³ For example, in the case concerning the dilution of the "Wawa" trademark, used by a famous chain of convenience stores originating in the New England area, the court found defendant's "HaHa" mark, used on a single store in Pennsylvania, diluted the Wawa mark.¹⁴⁴ The court based its judgment, in part, on survey evidence conducted on a sampling population of people "in HaHa's neighborhood who were interviewed about [HaHa's] market."¹⁴⁵

Where both marks exist in a national market, however, litigants will need to survey a broad range of geographical areas. In doing so, a larger sampling population will be tested, resulting in a correction for any local market biases and a reduction in the likelihood that the court will find the sampling population underinclusive.¹⁴⁶

157, 160-61 (1997).

143. See *Wawa*, 40 U.S.P.Q.2d (BNA) at 1632 (relying on survey evidence administered only to residents of neighborhood where both marks coexisted).

144. See *id.* at 1633.

145. *Id.* The same is true in the likelihood of confusion context where the usual target group of the survey are those consumers who live in an area served by both marks. See 3 MCCARTHY, *supra* note 1, § 32:161. In *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*, the plaintiff submitted surveys which were conducted in shopping malls around the United States. 955 F. Supp. 605 (E.D. Va. 1997). The court found that "shoppers generally" comprised an appropriate universe, and found for the defendant based in part on the weak showing of actual dilution. See *id.* at 617. If, however, the plaintiff had confined its survey universe just to shoppers in Utah (who most likely would be familiar with Utah's use of the phrase "The Greatest Snow on Earth") or if the court had not confused the necessary universe, the survey would likely have been valid and would have been much stronger proof of dilution. See Reichman, *supra* note 96, at 134-35. Further, the plaintiff could have used the non-Utah surveys as control benchmarks to make a comparison between consumers exposed to both marks and consumers exposed only to the plaintiff's mark. Instead, the court relied on the non-Utah survey evidence to further their finding of no dilution. See 955 F. Supp. at 617. Nonetheless, the plaintiff's survey evidence still would not have been probative of the dilution harm because of the inadequate questions used therein. See *id.* at 617-18.

146. This problem has been articulated in a number of likelihood of confusion decisions, but it is just as applicable in the dilution context. See *Exxon Corp. v. Xoil Energy Resources, Inc.*, 552 F. Supp. 1008, 1021 (S.D.N.Y. 1981) (finding 194 persons informally interviewed at a New York City train station not indicative of the national market); *General Motors Corp. v. Cadillac Marine & Boat Co.*, 226 F. Supp. 716, 737 (W.D. Mich. 1964) (finding 150 people in a single area not representative

2. Choosing a Representative Sample of the Population

One of the principle concerns for courts evaluating survey evidence is how the litigants selected survey participants from the relevant sampling population. The type or "design"¹⁴⁷ of survey overwhelmingly used in trademark litigation is the "non-probability survey."¹⁴⁸ A non-probability survey, almost always in the form of a "mall-intercept" survey, consists of responses that are not obtained completely at random and are usually obtained "on the basis of availability at a designated location."¹⁴⁹ Because several elements of randomness are lost under such conditions, non-probability sampling is not ideal for obtaining objective survey results,¹⁵⁰ but it is a technique which is often economically and practically superior to other types of surveys.¹⁵¹ Further, the vast majority of researchers in the fields of commercial surveying and behavioral and social sciences accept non-probability survey techniques.¹⁵² Therefore, non-probability

of the entire U.S. market).

147. See Jacoby & Handlin, *supra* note 123, at 170 ("Samples may be drawn according to a wide variety of plans, termed 'sampling design.'").

148. *Id.* at 173.

149. 5 MCCARTHY, *supra* note 1, § 32:165, at 32-206. Conversely, in probability sampling, "every element in the population has a known, equal probability of being included in the sample, and all possible samples of a given size are equally likely to be selected." Diamond, *supra* note 102, at 237. Using this known probability and statistical analysis, the researcher can extrapolate these unbiased results to the entire relevant universe and calculate a confidence level of how reliable the result is. *See id.*

150. "Non-probability sampling is the method used when not every unit . . . in the defined universe is capable of being identified or . . . when the respondent must be shown something in a manner eliminating the option of [using probability sampling]." WELTER, *supra* note 112, § 5.02[2], at 5-5.

151. See CARL MCDANIEL, JR. & ROGER GATES, CONTEMPORARY MARKETING RESEARCH 473-74 (2d ed. 1993).

152. See Jacoby & Handlin, *supra* note 123, at 173, 175 (concluding that in commercial advertising, marketing, and consumer research, in more than 97% of the cases, non-probability designs are used, and in empirical literature in the social and behavioral sciences, non-probability sampling is relied on 94% of the time); *see also* National Football League Properties, Inc. v. New Jersey Giants, Inc., 637 F. Supp. 507, 517-18 (D.N.J. 1986) (noting that non-probability studies are "the type of study employed in the vast majority of market research and relied upon by experts in the field," and that such surveys should be accorded "substantial weight"); *cf.* American Home Prods. Corp. v. Barr Labs., Inc., 656 F. Supp. 1058, 1070 (D.N.J. 1987) ("While non-probability survey results may be admissible, they are weak evidence of behavior patterns in the test universe.").

sampling satisfies the requirements of Federal Rule of Evidence 703, which permits experts to base testimony on a survey if it is "of a type reasonably relied upon by experts in the particular field in forming opinion or inferences upon the subject."¹⁵³

Despite the inevitability of introducing some bias into a non-probability survey, litigants can take some measures to reduce its effects. For example, litigants should conduct mall-intercept surveys at different malls randomly selected from a list of potential locations within the selected geographic range.¹⁵⁴ This helps correct any biases that may result from a particular mall's location or clientele. Further, the time of the day and day of the week on which litigants administer the survey should vary, since different types of people shop at different times.¹⁵⁵ Additionally, the interviewers should survey as broad a population as possible within the designated universe—not merely those they would like to interview.¹⁵⁶ Finally, the survey should include objective screening questions to assure that the respondents fit the selected sampling population but are not biased. For example, if the mark being tested is "Nike" brand running shoes, and the defined universe includes possible consumers of those shoes in the defendant's market, an objective screening question would be: "Have you recently or are you considering purchasing running shoes?" Properly phrased screening questions are particularly important in trademark litigation, because an improperly worded screening question may give the respondent an idea of who is performing the survey and what answers the surveyors hope to obtain.¹⁵⁷

Probability sampling, on the other hand, is much more objective but often prohibitively difficult to administer. Probability sampling requires that "every unit in the defined

153. FED. R. EVID. 703. Further, two court opinions found that a mall-intercept survey (non-probability sampling) and a telephone survey (probability sampling) had essentially identical results. See *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316, 1324-25 (9th Cir. 1982); *Quality Inns Int'l v. McDonald's Corp.*, 695 F. Supp. 198, 218 (D. Md. 1988).

154. See *Diamond*, *supra* note 102, at 240.

155. See *id.*

156. See *id.* at 241 (noting that interviewers may tend to interview only "friendly looking" people and thereby interject a potential bias to the results); see also WELTER, *supra* note 112, § 5.02[2], at 5-7 ("In all cases, interviewers need to be instructed not to 'sight screen,' that is, not to select individuals who look like someone the interviewer would like to interview.").

157. See *Diamond*, *supra* note 102, at 241.

universe . . . have an equal and known probability of being selected in the sample."¹⁵⁸ This means that the survey administrator must know all the members of the defined universe so that he may select a random sample from the universe, thereby assuring objectivity in participant selection and giving no discretion to the interviewer.¹⁵⁹ The most common way of administering probability samples is through telephone interviews; however, this method prohibits litigants from using visual stimuli in the survey. Although non-probability sampling tends to be the dominant technique in trademark litigation, probability sampling may become more common in situations where a junior party has had limited use of a mark in a specific geographic region and potential survey questions would not require any visual stimuli.

As a final concern, the sample must be sufficiently large to represent the greater universe and produce statistically meaningful results.¹⁶⁰ Although courts have not endorsed any particular sampling size, any qualified expert should be familiar with methods to obtain an appropriate size. Generally, such calculations take into account an estimate of a population standard deviation, the tolerable level of sampling error, and the desired degree of confidence.¹⁶¹ Nevertheless, such calculations assume random selection of survey participants and thus are proper only for probability surveys. For non-probability surveys, the type most frequently used in trademark litigation, sample size likely will be based on the available budget and past research experience.¹⁶²

158. WELTER, *supra* note 112, § 5.02[1], at 5-2.

159. *See id.*

160. *See* JEFFREY L. POPE, PRACTICAL MARKETING RESEARCH 233-34 (1993) ("Especially when survey sample sizes are small, it's often difficult to find differences that are large enough to be statistically significant.").

161. *See* MCDANIEL & GATES, *supra* note 151, at 495-519. In most scenarios discussed here, the calculation of the sample size is as follows: $n = (Z^2\sigma^2)/E^2$, where n is the required sample size, Z is the level of confidence (in standard errors), σ is the population standard deviation, and E is the acceptable amount of sampling error. *See id.* at 509.

162. *See id.* at 474-75.

3. Asking Clear, Non-Leading Questions

Perhaps the most important element of a properly conducted survey, and the one courts struggle with most, is the use of "clear and non-leading questions that are probative of the harm" involved in the case.¹⁶³ The elusive psychological nature of trademark dilution cases makes constructing such questions particularly difficult. Further, litigants must use different types of questions depending on whether they intend to prove dilution by blurring or by tarnishment.

a. Blurring

Blurring occurs when a junior party uses a mark identical or similar to that of a senior owner on a different product line, thereby creating a new association with the original mark in the consumer's mind and possibly diluting the "selling power"¹⁶⁴ or "distinctiveness"¹⁶⁵ of the mark.¹⁶⁶ The Federal Trademark Dilution Act defines this type of harm as "the lessening of the capacity of a registrant's mark to identify and distinguish goods or services."¹⁶⁷ An effective survey, then, must establish not only that consumers associate the mark with both parties, but also

163. MANUAL FOR COMPLEX LITIGATION § 21.493 (3d ed. 1995). In *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*, the court noted that the plaintiff's survey could have been much stronger had it tested the phrase "THE GREATEST SHOW ON EARTH," not the incomplete phrase "THE GREATEST ____ ON EARTH." 955 F. Supp. 605, 618 (E.D. Va. 1997). In *Hershey Foods Corp. v. Mars, Inc.*, the court noted that there is "no standard criteria for surveying for dilution" and admitted a survey that really went to show source confusion and *not* dilution. 998 F. Supp. 500, 518 (M.D. Pa. 1998).

164. *Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1031 (2d Cir. 1989) (quoting 1954 N.Y. LEGIS. ANN. 49 which defines blurring as involving "the whittling away of an established trademark's *selling power* and value through its unauthorized use by others upon dissimilar products" (emphasis added)).

165. According to the RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25(1)(a) (1995), blurring occurs when a party uses another's mark on its own product, "the other's mark is highly distinctive and the association of the mark with the actor's goods, services, or business is likely to cause a reduction in that distinctiveness."

166. See *supra* Part II.A.

167. 15 U.S.C. § 1127 (Supp. II 1996). In order for a mark to be protected under the Act, it must first be "famous," as defined by the many factors listed within the statute. See *id.* § 1125(c)(1). The determination of whether a mark is famous for purposes of the statute is similar to the *Restatement's* requirement that the mark be "distinctive." See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. e (1995).

that some quanta of the original mark's identifying ability or selling power has been diminished.

One way to measure the amount of dilution caused by blurring is to identify and examine how the junior party's use has affected the original mark's "brand equity."¹⁶⁸ Broadly defined, brand equity is the "set of assets and liabilities that a trademark adds or subtracts from the value provided by a product or service to a business or its customers."¹⁶⁹ The collective impressions of all the perceptions and associations a consumer has experienced with a brand constitute a brand's equity.¹⁷⁰ Factors that may contribute to a brand's equity include: the amount and nature of a product's advertising and marketing, the amount of time the product has been in the market, the consumer's personal experience with the product, the consumer's perception of people who buy the product, and whether the brand-name is used on only a single type of product or service.¹⁷¹

For example, the brand "Black & Decker" immediately triggers the image of rugged, loud, built-to-last power tools and the construction workers or handymen who use them. On the other hand, the brand "Gerber" conjures images of baby food and the wholesome, quiet, nurturing environment that surrounds newborns. This equity in the product provides the trademark with a "clear, distinctive personality," which is part of what the consumer pays for each time he or she purchases the product.¹⁷² If a junior party uses the same name on a dissimilar product, the equity of the original trademark may be altered and thereby diluted. This can occur when the junior party uses the mark on a product whose brand equity is discordant with that of the original mark. If a junior party began to market Black & Decker baby foods, for example, the Black & Decker mark's equity would begin to blur from tough to tender and from durable to delicate.

A survey question measuring brand equity typically will ask the survey participant to rank quantitatively certain attributes

168. See Steve Hartman, *Brand Equity Impairment—The Meaning of Dilution*, 87 TRADEMARK REP. 418 (1997).

169. *Id.* at 419 n.3.

170. See *id.* at 419.

171. See *id.*

172. See *id.*

about a mark using a scaled response.¹⁷³ For example, a hypothetical survey question might ask:

On a scale of 1-9, how durable are X brand power tools (1 being the least durable and 9 being the most durable)?

Litigants may also test a consumer's social perception of a product in this fashion. For example:

What class of car would describe X brand cars (1 being low-class and 9 being high-class)?

A slight variation on the question may also be introduced, asking the participant to rate how much he or she agrees with a particular statement.¹⁷⁴ For example:

On a scale from 1-9, please rate how much you agree with the following statement: I associate Brand X with the home and family.

Asking sliding-scale questions allows a litigant to accumulate a large amount of quantitative data that can be analyzed statistically and thereby demonstrate actual differences or trends in consumer perceptions.¹⁷⁵

Another method to obtain evidence of dilution by blurring is to test for a reduction in a brand's "typicality," or its "ability to conjure up a particular product category."¹⁷⁶ Dilution of a senior mark's typicality occurs when consumers mentally associate the senior brand-name and the junior product line.¹⁷⁷ For instance,

173. See *id.* at 433-35 (giving examples of how such sliding-scale questions could be formatted); Alexander F. Simonson, *How and When Do Trademarks Dilute: A Behavioral Framework to Judge "Likelihood" of Dilution*, 83 TRADEMARK REP. 149, 173 (1993) (noting that when testing for evaluative dilution a five-point to nine-point scale may be used).

174. See Hartman, *supra* note 168, at 434.

175. See THOMAS C. KINNEAR & JAMES R. TAYLOR, *MARKETING RESEARCH, AN APPLIED APPROACH* 319-25 (3d ed. 1987); MCDANIEL & GATES, *supra* note 151, at 428-29.

176. Simonson, *supra* note 173, at 152-53. Simonson's article includes an excellent description of the different steps that occur in the process of typicality dilution and the various mental associations which may lead to harm to the senior mark. See *id.* at 154.

177. In general, typicality dilution occurs differently when the marks in question are distinguishable from when they are indistinguishable. Where the

when exposed to the brand-name "Lexis," the consumer may think of both the computerized research service (Lexis) and the luxury automobile (Lexus).¹⁷⁸ The increased typicality of the Lexis mark results in a "lessening of the capacity of [the] . . . mark to identify and distinguish goods or services."¹⁷⁹ This type of dilution closely resembles Schechter's "gradual whittling away or dispersion of the identity and hold upon the public mind of the mark."¹⁸⁰

Surveying for typicality dilution involves the use of a "cued-recall" test, which requires consumers to identify the product lines manufactured under a given trade name.¹⁸¹ For example, a typical question might be:

*Could you please name all the products that you associate with the name Kodak?*¹⁸²

The survey administrator then can evaluate the responses on a number of bases, including the percentage of total responses that listed the pertinent product lines, the percentage of those responses that listed the senior party's product lines before listing the junior party's lines, and the average response time to the questions.¹⁸³

marks are indistinguishable, a consumer will not be able to differentiate between different product categories to which the mark might apply. If the marks are distinguishable, consumers may still associate the senior mark with the junior user's product category because of the similarity, despite being aware that the two marks are distinct. Under the Federal Trademark Dilution Act, both types of typicality dilution are actionable, since both reduce the strength of the senior mark due to the new mental associations with the junior user's product. *See id.* at 155-56.

178. In fact, this was the central question in *Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d. 1026 (2d Cir. 1989). In that case, the court held the marks were distinguishable. *See id.* at 1030.

179. 15 U.S.C. § 1127 (Supp. II 1996).

180. Schechter, *supra* note 3, at 825.

181. *See* Simonson, *supra* note 173, at 168.

182. Alternatively, the question might ask, "Could you name all the products you associate with this mark?" The participant then would be shown a picture of the plaintiff's mark as it appears in commerce. This method would be used where the plaintiff's name alone does not have the requisite fame, but the mark as it appears in commerce does.

183. *See* Simonson, *supra* note 173, at 169.

b. *Tarnishment*

The hallmark of tarnishment is “a finding that [a] plaintiff’s mark will suffer negative associations through [a] defendant’s use.”¹⁸⁴ The actual harm caused by tarnishment is identifiable as a decrease in the positive associations consumers have with a trademark. Consequently, an ideal survey measures the consumer’s attitude toward the mark. In essence, such a survey closely resembles the brand-equity survey discussed above, but is tailored to measure only those associations or qualities which would be directly “tainted” or “blackened” by a junior party’s use.¹⁸⁵ For example, if a junior party were to adopt the name “Gerber” for use on pornographic magazines, a survey question regarding the “wholesomeness” or “nurturing nature” of the product’s image would be ideal for detecting tarnishment to the brand’s equity. Because a defendant’s tarnishing use directly injures the plaintiff’s trademark, brand-equity surveys are highly effective and probative of the harm to the mark. In other words, tarnishment is the paradigmatic harm that brand-equity surveys measure.

c. *The Importance of Comparisons*

When compiling survey evidence of dilution, the most authoritative evidence will require a comparison of surveys administered to a sample of consumers unexposed to the junior party’s use and surveys administered to an exposed sample.¹⁸⁶ Through this comparison, a plaintiff can demonstrate that a mark has been diluted from some benchmark figure.¹⁸⁷ For instance, if a typicality survey is used merely as evidence that consumers associate the senior mark with a junior user’s line of products, it fails to show a loss of “selling power”¹⁸⁸ or “whittling

184. *Hormel Foods Corp. v. Jim Henson Prod., Inc.*, 73 F.3d 497, 507 (2d Cir. 1996).

185. *See* *Simonson*, *supra* note 173, at 173.

186. *See id.* at 172.

187. The relevant universe for the control survey should be identical to the dilution survey, except that participants should have had *no* exposure or knowledge of the junior user’s mark.

188. *Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1031 (2d Cir. 1989).

away"¹⁸⁹ of the original mark's identity, and thus actual dilution.¹⁹⁰ However, a comparison may not be necessary in the typical blurring case, where the junior user's mark is new to the market or has entered the market after the plaintiff's mark became famous. The court logically may infer that no prior association existed.

Trademark owners hoping to protect their marks may periodically conduct brand-equity or typicality surveys.¹⁹¹ In the event of litigation, they have a control survey which predates the entrance into the market of the junior party's use of the mark, thereby maximizing the effect of a comparison with a later survey.¹⁹² The same result is possible if the junior party sells its product in a small isolated market. In such a situation, the survey may be given to two distinct groups of respondents: consumers in the junior user's market, and consumers outside that market. Where, however, two identical marks have co-existed in the same market and the senior party has not previously conducted a survey, a litigant still can make a meaningful comparison by gathering comprehensive data about the survey participants. The last question on the survey, for instance, could ask whether or not the survey participant has heard of the junior user's product. Presumably, due to the distinctiveness of the plaintiff's mark and the timeliness of the lawsuit, an appreciable number of respondents will have heard only of the senior party's mark and, therefore, will make an ideal control group for purposes of comparison. By placing the question last, the survey remains unbiased and does not provide clues about the nature of the lawsuit.

189. Schechter, *supra* note 3, at 825.

190. Further, in cases where the litigated trade-names are not identical but highly similar, testing whether a consumer thinks of the original mark and its products upon being stimulated by the new mark (i.e. the reverse of the normal typicality survey described *supra* Part III.B.3.a) is less probative of dilution because it does not show any loss to the original mark. See Simonson, *supra* note 173, at 173.

191. See *id.* (suggesting that companies should put periodic surveys of this sort on file as a benchmark so as to "employ a meaningful comparison"). The time period between such periodic surveys should be short enough to assure no significant change not related to litigation has occurred. This period may vary depending on the market.

192. See *id.*

C. Using the Survey

Once a litigant obtains survey data, she must analyze and present the data in a manner that adequately addresses and answers any relevant questions a court or an opponent may have. The methods and statistical tools used to analyze the data will vary depending on the type of survey presented.¹⁹³ For instance, in a non-probability typicality survey, a standard analysis often will examine whether a statistically significant difference exists between the responses of two groups being tested.¹⁹⁴ If such a difference appears in the acquired data, it can guide the court to find the requisite harm to the mark. With brand-equity and other types of surveys that include scaled-response questions, a report of the survey results also should include calculations of the mean, median, mode, and standard deviation of the responses.¹⁹⁵ These figures help courts determine whether the reported conclusions accurately reflect the data. Litigants should remember that a variety of statistical tests can be used to analyze survey data, and a certain situation may demand a particular test.¹⁹⁶ Because courts and opposing counsel will scrutinize the techniques used to analyze data, litigants should explain the methods followed to reach their conclusions.¹⁹⁷

In general, a skilled and experienced expert¹⁹⁸ should prepare the survey results in a complete and detailed report. Ultimately, this report will become the center of the expert's testimony during trial and likely will be admitted separately from the expert's testimony.¹⁹⁹ The report itself is of paramount

193. For example, an accurate analysis of error and calculation of the confidence level of the results technically is possible only by using data from a probability sample. See POPE, *supra* note 160, at 229-30. Nevertheless, researchers often do use confidence ranges as guidelines to interpret other types of surveys, including non-probability surveys. See *id.*

194. See *id.* at 230-32 (discussing significant differences and showing a typical chart of differences at varying sample sizes and results obtained). Other analyses which may be used include the Chi-square test, analysis of variance, and student's t-test. See *id.*; MCDANIEL & GATES, *supra* note 151, at 575-79, 582-84, 588-91.

195. See POPE, *supra* note 160, at 227-28.

196. See *id.*

197. See Diamond, *supra* note 102, at 231-33, 263-66; see also WELTER, *supra* note 112, § 25.04[2].

198. See Diamond, *supra* note 102, at 232-33. The expert's qualifications will be scrutinized on several bases including graduate training, professional experience, statistics background, and other peer-review related criteria. See *id.*

199. See *supra* Part III.A.

importance since the "completeness of the survey report is one indicator of the trustworthiness of the survey and the professionalism of the expert."²⁰⁰ Finally, litigants should bear in mind that a court may pre-approve the admissibility of a proposed survey or require that parties resolve methodological disagreements prior to conducting a survey.²⁰¹

After hearing the expert testimony and considering the survey reports, a court must evaluate the results and decide whether the findings are sufficient to grant relief. Although courts will likely turn to precedent in constructing their decisions, only one of the courts hearing federal dilution claims to date offers any solid guidance.²⁰² In *Wawa, Inc. v. Haaf*, the court enjoined the defendant based, in part, on survey evidence showing that twenty-nine percent of those interviewed associated the defendant's mark with the plaintiff.²⁰³ The case is instructive mostly as a starting point for later decisions and should not be viewed as establishing any firm limits on what constitutes sufficient proof of dilution. One conclusion to draw from the

200. Diamond, *supra* note 102, at 264. The report should describe in detail:

1. the purpose of the survey;
2. a definition of the target population and a description of the population that was actually sampled;
3. a description of the sample design, including the method of selecting respondents, the method of interview, the number of callbacks, respondent eligibility or screening criteria, and other pertinent information;
4. a description of the results of sample implementation, including (a) the number of potential respondents contacted, (b) the number not reached, (c) the number of refusals, (d) the number of incomplete interviews or terminations, (e) the number of noneligibles, and (f) the number of completed interviews;
5. the exact wording of the questions used, including the actual questionnaire, interviewer directions, and visual exhibits;
6. a description of any special scoring (e.g., grouping of verbatim responses into broader categories);
7. estimates of the sampling error where appropriate (i.e., in probability samples);
8. statistical tables clearly labeled and identified as to source of data, including the number of raw cases forming the base for each table, row, or column; and
9. copies of interviewer instructions, validation results, and codebooks.

Id. at 264-65.

201. *See id.* at 263-64.

202. The other federal dilution cases to date are less instructive because the probative values of surveys considered in those cases were severely discounted based on methodological deficiencies. *See Hershey Foods Corp. v. Mars, Inc.*, 998 F. Supp. 500, 519 (M.D. Pa. 1998); *Ringling Bros.-Barnum & Bailey, Inc. v. Utah Div. of Travel Dev.*, 955 F. Supp. 605, 621-22 (E.D. Va. 1997).

203. *See* 40 U.S.P.Q.2d (BNA) 1629, 1632 (E.D. Pa. 1996).

Wawa decision is, in cases where use of the defendant's mark is limited to a small area, a large number of persons need not associate the plaintiff's mark with the defendant's products to indicate dilution. In such situations, the focus of a court's inquiry will be on the percentage, not the number, of consumers in the relevant universe who associate a plaintiff's mark with the defendant's products.

The nature of the dilution harm may also offer guidance to courts hearing federal dilution claims.²⁰⁴ One commentator argues that the standard for finding dilution should be higher than that for likelihood of confusion, because showing the requisite association in consumers' minds for dilution is easier than showing source confusion.²⁰⁵ A court therefore may require a showing slightly higher than the typical fifteen to twenty percent necessary for finding infringement based on likelihood of confusion.²⁰⁶ A prudent court, however, will carefully consider the individual facts of each case, using precedent and analogous likelihood of confusion decisions merely as guideposts in its decisionmaking.

CONCLUSION

The Federal Trademark Dilution Act of 1995 introduced a new and powerful basis for protecting a famous mark's distinctiveness and selling power from a similar or identical mark's use on dissimilar products. In passing the Act, Congress recognized that much of a trademark's value depends on its power to create mental associations between the mark and a particular product, giving the product a distinct personality that belongs exclusively to the trademark owner. The Act allows for recovery when the original trademark owner can prove that a junior party's mark causes dilution,²⁰⁷ defined by the Act as the "lessening of the capacity of [the] mark to identify and distinguish [its] goods and services."²⁰⁸

Although most courts hearing federal dilution claims have relied on the controversial likelihood of dilution standard

204. See Ford, *supra* note 142, at 169.

205. See *id.*

206. See *id.*

207. See 15 U.S.C. § 1125(c) (Supp. II 1996).

208. *Id.* § 1127.

developed under state dilution statutes, they universally have accepted direct evidence of dilution. Because of its objective nature and ability to isolate the harm in a trademark dilution suit where the junior user has already entered the market, courts increasingly should regard direct evidence gathered through surveys as superior to the malleable likelihood of dilution standard. To ensure the admissibility and effectiveness of survey evidence, however, litigants need to be aware of certain survey methodologies unique to the dilution context. Litigants must take special care to define and select a proper survey universe and sample, poll representative members of that sample, and use clear and non-leading questions probative of the dilutive harm. Appropriate application of these principles will result in the sort of highly persuasive dilution surveys that are becoming increasingly vital to successful federal dilution litigation.

APPENDIX

A Hypothetical Situation and Survey

This hypothetical fact pattern is designed to show the reader what an ordinary typicality survey²⁰⁹ would look like for a situation where a junior party's use of a senior party's famous trademark blurs that senior party's mark. Of course, the survey has been simplified in some respects.

Gargantaco is a well-known manufacturer of household appliances, such as blenders, food processors, coffee makers, and microwave ovens. For years it has marketed its products as highly durable, no-nonsense appliances that may lack the flash and aesthetic appeal of those produced by other manufacturers, but outperform and outlast the competition. Gargantaco has enjoyed great success in a nationwide market and invested a significant portion of its profits in advertising its registered brand-name and strengthening its mark. In the last few years, Golfco, a small company based in San Diego, began marketing GARGANTACO golf clubs. The clubs sold surprisingly well, due in part to their large titanium heads, which allow average golfers to hit balls farther and more consistently. Golfco has limited its advertising and sales to stores in California, but has plans to enter the national market soon. Gargantaco recently learned of the use of its mark on golf clubs and now seeks to enjoin Golfco's use of the GARGANTACO brand-name on Golfco's golf clubs.

The following survey would be appropriate to test whether Golfco has diluted Gargantaco's trademark. The survey universe includes consumers who have been exposed to both Gargantaco's home appliances and Golfco's GARGANTACO golf clubs.²¹⁰ In this case, Gargantaco has concluded that middle- to upper-class consumers of both sexes between the ages of twenty-four and fifty, in areas where golfing is popular, are most likely to have been exposed to both marks in the marketplace. Further, Gargantaco is worried that a screening question asking whether a survey participant plays golf might give away the purpose of

209. See *supra* Part III.B.3.a (discussing the use of typicality surveys to show the blurring-type of dilutive harm).

210. See *supra* Part III.B.1 (discussing the selection of the relevant survey universe).

the survey and has decided to limit the screening questions accordingly.²¹¹ For purposes of this hypothetical, assume GARGANTACO was a "famous" mark before Golfco's entrance into the market.²¹²

Question 1: How old are you?²¹³ _____

Question 2: Do you live in the area?²¹⁴ _____

Question 3: Have you purchased any appliances for your home in the last year?²¹⁵ _____

Question 4: Could you please name all the types of products that you associate with the name GARGANTACO?²¹⁶ _____

Question 5: Have you ever heard of GARGANTACO golf clubs?²¹⁷ _____

211. See *supra* Part III.B.2 (discussing the selection of survey participants from the relevant survey universe).

212. See 15 U.S.C. §1125(c)(1) (Supp. II 1996) (protection under the Federal Trademark Dilution Act is only available for marks that meet the requisite fame requirements).

213. This preliminary background question ensures that the participant is in the relevant survey universe (between the ages of 24 and 50). See *supra* Part III.B.2.

214. This preliminary background question is also used to ensure that the participant is a member of the relevant survey universe. See *supra* Part III.B.2.

215. This preliminary background question further isolates the survey to participants who are likely consumers of the plaintiff's products and have most likely been exposed to the plaintiff's mark. Further, the question is objective and does not advantage the plaintiff. See *supra* Part III.B.1. The question is also the last preliminary question, and interviewers should be instructed to discontinue the survey if the participant does not belong to the relevant survey universe.

216. This question is the heart of the survey. See *supra* Part III.B.3.a. The interviewer should be instructed to record responses in the order they are given and time each answer. The interviews should be taped in order to make response time reporting more accurate. Further, the interviewer should not prompt the participant once the question has been asked.

217. This question is included so that a comparison may be made between consumers who have been exposed to the defendant's mark and those who have not, enabling a clearer showing of dilution. The question is asked last so as not to bias any of the survey participants or trigger any particular answer in the preceding questions. See *supra* Part III.B.3.c. This comparison also may be made with a survey conducted in an area where the defendant's mark is not present. See *supra* Part III.B.3.c.

The survey was given at five different "upper-class" malls in the Los Angeles area at different times of the day and days of the week. A total of 820 consumers were tested. The results could then be compiled and presented in the following manner:

	Participants who knew of Defendant's use of the mark	Participants who did not know of Defendant's use of the mark	Difference
Number of responses	600	220	N/A
Percent of responses listing at least the product lines related to Plaintiff ²¹⁸	78%	90%	-12% ²¹⁹
Percent of responses listing at least the product line related to Defendant	70%	0%	70% ²²⁰
Percent of responses listing both Defendant's and Plaintiff's product lines	60%	0%	60%
Of those listing Plaintiff's line, average response time for listing one of Plaintiff's product lines	9 sec.	4 sec.	5 sec. ²²¹
Of those listing both lines, percent of responses where Defendant's products were listed first	25%	0%	25% ²²²
Percent of total responses listing unrelated products	2%	2%	N/A

218. The results reflect the fact that some respondents were unable to recall any product line related to the mark until after they were asked the last question on the survey: whether they had ever heard of GARGANTACO golf clubs.

219. This difference shows a clear dilution of the selling power or distinctiveness of the original mark, thereby "lessening . . . the capacity of a famous mark to identify and distinguish goods or services." 15 U.S.C. § 1127 (Supp. II 1996).

220. This difference demonstrates that consumers have an additional association in their minds when thinking of the plaintiff's brand-name, thereby showing harm to the mark's "uniqueness and singularity" in the marketplace. See Schechter, *supra* note 3, at 831.

221. The difference in average response time further shows a "lessening of the capacity of a famous mark to identify and distinguish goods or services" and clearly indicates that the mark has lost some of its selling power in consumers' minds. 15 U.S.C. § 1127 (Supp. II 1996).

222. The percentage of respondents who list the defendant's product first is also indicative of a loss to the mark's ability to "conjure up a particular product category." Simonson, *supra* note 172, at 152-53, 169.

The results of this survey offer the plaintiff some significant evidence regarding the existence of actual dilution. First, the twelve percent decrease in consumers who were able to identify the plaintiff's product line convincingly shows a significant decrease in the overall selling power of the mark. Further, seventy percent of those who knew of the defendant's use of the mark associated GARGANTACO with at least the defendant's product, and sixty percent associated the mark with both product lines, demonstrating a clear mental association of the original brand-name with the new product. The five-second difference in the average response time for listing the plaintiff's product line also shows a significant decrease in the brand-name's uniqueness and ability to trigger mental associations with distinct products. Finally, the twenty-five percent of responses that identified the defendant's products first shows a further loss in the brand-name's associative value. Overall, the results show a classic case of dilution by the junior user's mark.