

Victoria's Secret Wins Trademark Anti-Dilution Case

By Howard Hoffenberg

After a trip to the U.S. Supreme Court and an act of Congress overruling the High Court, the trademark anti-dilution case by Victoria's Secret against Victor's Secret ends with the lower courts crafting a judicial presumption of dilution under circumstances of semantic similarity between marks and a sexual product. This presumption could not be overcome by the junior user and Victoria's Secret won its case. (*Victor's Secret v. V Secret Catalogue*, 6th Cir. Case No. 08-5793 (May 19, 2010))

Initially, Victoria's Secret brought suit for trademark dilution against a business then called Victor's Little Secret, a purveyor of adult sexual devices. The case went up to the Supreme Court, which held that Victoria's Secret had the burden of proving actual dilution. This could not be done and summary judgment in favor of Victoria's Secret was reversed. While the case was pending on remand, Congress responded by changing the statute to require a likelihood of dilution.

On remand proceedings, the 6th U.S. Circuit Court of Appeals set out two types of trademark dilution; dilution by tarnishment and dilution by blurring. The present case concerned dilution by tarnishment. This is defined as an "association arising from the similarity between a mark...and a famous mark that harms the reputation of the famous mark;" 15 USC Section 1125(2)(c).

The court defined the key issue as follows: "Whether...a semantic 'association' is equivalent to a liability-creating mental 'association' of a junior mark like 'Victor's Little Secret' with a famous mark like 'Victoria's Secret' ...when the junior mark is used to sell sexual toys..." To answer this issue, the 6th Circuit engaged in judicial legislation, finding that: [A]ny mark with a lewd or offensive-to-some sexual association raises a strong inference of tarnishment. The inference must be overcome by evidence that rebuts the probability that some consumers will find the new mark both offensive and harmful to the reputation and favorable symbolism of the famous mark."

Of great interest is the double reference of "to some" and "some consumers." This takes a very restrictive view of what commercial speech is allowed. That is, it only takes some offended consumers in perhaps just one geographical area out of the about 300 million Americans living in 50 states to create a

presumption blocking a merchant's use of a mark in this context.

The Honorable Karen Nelson dissented. She wrote that "despite the clear negative association of this one individual...Victoria's Secret has presented no evidence...that anyone else's, distaste or dislike of 'Victor Little Secret,' is likely to taint their positive opinion...of Victoria's Secret. Yet evidence that the junior mark is likely to undermine...or is likely to harm reputation...is precisely the showing required." She wrote further, "I still maintain that it is improper simply to assume likelihood of harm to the reputation of a senior mark when dealing with a junior mark of sexual character."

Allowing a limited number of consumers to set the standard of trademark dilution seems to smack against the spirit of the federal anti-dilution law. The test to determine if a mark is famous under the federal anti-dilution law, depends on whether or not "it is widely recognized by the general consuming public of the United States" (15 USC Section 1125(c)(2)(A).) One of the hallmarks of the statute was that a mark that was famous and distinctive in just a region of the United States among some consumers would not qualify. It is contrary to this spirit when assessing liability to allow just some consumers, who could be located in just one region, to set the standard.

This restrictive presumption also seems to offend the First Amendment. In *Asticraft v. American Civil Liberties Union*, 542 U.S. 656 (2004) the constitutionality of the Child Online Protection Act was challenged. The High Court applied a plausible and less restrictive alternatives test. It struck down a statute criminalizing certain adult material on the grounds of a less restrictive alternative of Internet filtering. The Court stated that this is necessary "to ensure that speech is restricted no further than necessary to achieve the goal, for it is important to ensure that legitimate speech is not chilled or punished."

This presumption does just the opposite. Rather than restricting speech no more than necessary, it restricts speech to the maximum extent. It imposes a "feather trigger" standard of just "some consumers" to shift the burden of proof. This imposes on the junior user the burden of proving a negative. Any philosopher or scientist can expound upon the difficulties of proving a negative. Further, in the criminal arena, the state cannot transfer the burden of an element of a crime to the defendant to disapprove that it occurred.

There is another problem with the presumption — it is triggered by the judges' subjectivity. The 6th Circuit obviously did not consider the racy negligees sold by Victoria's Secret to be on par with the adult sexual devices sold by Victor's Secret such that its mark could be tarnished. Some consumers might disagree and find the racy negligees as offensive as the adult sexual devices sold by Victor's Secret. Accordingly, under this scenario, the reputation of the Victoria's Secret mark could not be tarnished.



Howard Hoffenberg is a registered patent attorney; member of the California State Bar and has a technical background in chemistry and biochemistry. He is the principal at The IP Law Offices of Howard L. Hoffenberg, Esq. (Los Angeles, www.ipcounselor.com.)

Subscribe
receive
online

DAILY APPEALS

available on

ONLINE DAILY APPEALS

- Conveniently filed in the Federal court, judge, and
- Search by case
- Cross-reference
- Daily opinion e-
- Review granted
- California case

**Access valuable
to help you**

To receive a user name
contact our Client Service
or e-mail your request
Once we've received your

www.dailyjournal.com