Ninth Circuit Rejects "Identical or Nearly Identical" Requirement for Trademark Dilution Claims

Addressing a key question under the federal Trademark Dilution Revision Act ("TDRA"), the Ninth Circuit rejected pre-TDRA case law and its own *dicta* in cases under the TDRA, holding that the federal dilution statute, as amended in 2006, does not require that the mark accused of dilution be "identical or nearly identical" to the plaintiff's famous mark. *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 2011 WL 383972 (9th Cir. Feb. 8, 2011). Rather, as the Second Circuit previously has held, similarity of the marks is but one factor for a court to consider in determining whether trademark dilution by blurring is likely.

Levi sued Abercrombie for using a jeans pocket stitching that Levi asserted was dilutive of Levi's v-shaped "Arcuate" stitching design, which Levi has used on its jeans since 1873. The stitching designs at issue are pictured below:

Levi design

Abercrombie design

Levi argued that the Abercrombie design constituted dilution by blurring under the TDRA, which is defined as an "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark." 15 U.S.C. § 1125(c)(2)(B). The TDRA provides a list of six non-exclusive factors relevant to the likelihood of dilution by blurring:

(i) the degree of similarity between the diluting mark and the famous mark;
(ii) the degree of distinctiveness of the famous mark;
(iii) the extent to which the owner of the famous mark is engaged in substantially exclusive use of the mark;
(iv) the degree of recognition of the famous mark;
(v) whether the user of the diluting mark intended to create an association between it and the famous mark; and
(vi) any actual association between the diluting mark and the famous mark. 15 U.S.C. § 1125(c)(2)(B).

In the *Levi* case, the district court held that in order to establish a likelihood of dilution under the TDRA, Levi had to show that the accused mark was "identical or nearly identical" to the famous mark. In doing so, the district court relied on pre-TDRA Ninth Circuit cases, as well as language in post-TDRA Ninth Circuit cases such as *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628 (9th Cir. 2008), which stated, without analysis, that a dilution plaintiff must show that the accused mark is "identical or nearly identical" to the plaintiff's famous mark. The *Levi* district court instructed an advisory jury accordingly, and later issued findings of fact and conclusions of law, consistent with the advisory jury's verdict, that (a) the accused

design was not "identical or nearly identical" to Levi's Arcuate design, and (b) balancing the TDRA blurring factors, there was no likelihood of dilution.

Levi appealed, arguing that the "identical or nearly identical" standard did not survive the TDRA. After examining the history of the "identical or nearly identical" standard and engaging in a detailed explanation of why the Ninth Circuit's earlier post-TDRA statements on the issue were not binding, the Court of Appeals analyzed the statutory language of the TDRA. It noted that the phrase "identical or nearly identical" does not appear in the statute, and that the statute defines dilution by blurring as an "'association arising from the *similarity* between a mark ... and a famous mark that impairs the distinctiveness of the famous mark.'" 2011 WL 383972, at *7 (quoting U.S.C. 15 § 1125(c)(2)(B)) (emphasis by the Court). It further noted that the statute lists the "'*degree of similarity* between the mark ... and the famous mark'" as one non-exhaustive factor to determine whether dilution is likely. *Id.* (emphasis added). The Court concluded that "the plain language of 15 U.S.C. § 1125(c) does not require that a plaintiff establish that the junior mark is identical, nearly identical or substantially similar to the senior mark" in order to establish dilution by blurring. *Id.* at *13. "Rather, a plaintiff must show, based on the factors set forth in § 1125(c)(2)(B), including the degree of similarity, that a junior mark is likely to impair the distinctiveness of the famous mark." *Id.*

Turning to the case at hand, the Court of Appeals held that the district court's ruling was not harmless error given that, putting aside the degree of similarity factor, only two of the dilution factors favored Abercrombie and (the district court had assumed) two favored Levi. Accordingly, the Court of Appeals remanded the case for application of the correct standard for similarity.

In clarifying that near-identical similarity is not a prerequisite for a dilution claim, the *Levi* decision helps assure that the TDRA will remain an important tool for owners of famous marks who seek to prevent the slow whittling away of their brands' distinctiveness as a result of other marks that are similar to some degree. In addition, the decision aligns Ninth Circuit law on this issue with that of the Second Circuit in *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009), which held that consideration of "degree" of similarity is a factor in determining the likelihood of dilution, and that the TDRA does not require marks to be "substantially similar" for a dilution claim to succeed. The decision also is arguably consistent with that of the Trademark Trial and Appeal Board in *National Pork Board v. Supreme Lobster & Seafood Co.*, 96 U.S.P.Q.2d 1479 (T.T.A.B. June 11, 2010), where the TTAB refused registration of the mark THE OTHER RED MEAT because it would likely dilute by blurring the registered mark THE OTHER WHITE MEAT, and did so without any reference to a threshold "identical or nearly identical" standard, merely considering the "degree of similarity" factor in finding a likelihood of dilution.

In sum, *Levi* is an important decision that adds needed clarity and consistency to the law and should provide owners of famous marks with greater confidence that they can enforce their trademark against a broad range of diluting uses.

Chicago Office
+1.312.583.2300

Frankfurt Office
+49.69.25494.0

London Office
+44.20.7105.0500

Los Angeles Office
+1.310.788.1000

New York Office
+1.212.836.8000

Palo Alto Office
+1.650.319.4500

Shanghai Office
+86.21.2208.3600

Washington, DC Office
+1.202.682.3500

West Palm Beach Office
+1.561.802.3230