

Michigan Telecommunications and Technology Law Review


Volume 21 | Issue 1

2014

Dilution at the Patent and Trademark Office

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Jeremy N. Sheff, *Dilution at the Patent and Trademark Office*, 21 MICH. TELECOMM. & TECH. L. REV. 79 (2014).
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DILUTION AT THE PATENT AND TRADEMARK OFFICE

*Jeremy N. Sheff**

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ABSTRACT

This Article undertakes the first systematic investigation of trademark dilution in registration practice before the US Patent and Trademark Office (PTO). The Article consists of three distinct descriptive empirical analyses. In the first, I present a new hand-coded dataset of all 453 Trademark Trial and Appeal Board (TTAB) dispositions of dilution claims through June 30, 2014, and report that dilution has been necessary to the PTO's refusal of exactly three registrations in over a decade. In the second part, I apply algorithmic coding of the recently released PTO Casefiles Dataset to demonstrate that concurrent registration of identical marks to different registrants in different product classes is a long-standing feature of the registration system that does not appear to have changed with the advent of anti-dilution rights. In the third part, I examine third-party applications to register famous marks, and find some suggestion that anti-dilution rights coincide with a modest decrease in the success of such applications—more likely due to an increased rate of abandonment by applicants than to increased opposition by prior registrants. But this change, even if it is not illusory, would correspond to at most an additional 5 to 30 rejected applications per year, against an annual volume of as many as 200,000 applications for word marks in general. While additional research may help buttress the case that anti-dilution rights have had a modest effect on registration for a very narrow class of marks, I conclude that their primary effect appears to be imposing increased costs on those who have business with the trademark system, with little if any apparent benefit to justify those costs.

* Professor of Law, St. John's University. Thanks to Amanda Fila Myers of the USPTO's Office of the Chief Economist, Kevin Brown and Michelle Dopp at Crain's/AdvertisingAge, the staff of the Rittenberg Law Library at St. John's Law School (particularly Martin Cerjan and Aru Satkalmi), and Professor Barton Beebe for their generous assistance and guidance concerning the data sources for this project. This paper has benefited from comments received at the 13th Annual Intellectual Property Scholars Conference (Cardozo Law School), the 4th Annual Tri-State Region IP Workshop (NYU Law School), and the Intellectual Property Law Colloquium at the University of Michigan School of Law, and particularly the comments of Professors David Abrams, Rebecca Eisenberg, Jessica Litman, Peggy Radin, and Felix Wu. All errors are the author's alone.

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INTRODUCTION

For most of the twentieth century, the organized trademark bar persistently lobbied at the state and federal level for statutory recognition of an anti-dilution right¹—the right to relief against non-competing, non-confusing uses of a trademark by persons or entities other than its owner. In the late 1990s, after decades of only middling successes at the state level, these efforts bore fruit in the form of a new federal trademark dilution statute, which has now been amended multiple times since its original passage.² The advent of federal anti-dilution protection could have been the single most significant innovation in American trademark law in the past two decades. But by

1. See *infra* notes 20–23 and accompanying text.

2. See *id.*; see also *infra* notes 24–28, 57–60 and accompanying text.

most accounts, anti-dilution claims in the federal courts have been at best superfluous and at worst a failure.³

Still, judicial enforcement of trademark rights is only one piece of the trademark system. Registration affords significant rights under federal trademark law, and to date there has been no systematic⁴ analysis of how (if at all) federal dilution law has affected registration practice at the United States Patent and Trademark Office (PTO). This article offers the first such analysis. I conclude that, as in the courts, dilution appears to have been largely (though perhaps not entirely) a failure at the PTO. In any event, it appears unlikely that any effect of dilution law on the registration system could justify its costs.

My analysis has three principal components. First, to determine the effect of anti-dilution rights in contested registration proceedings, I created a new hand-coded dataset of all reported Trademark Trial and Appeal Board (TTAB) opinions disposing of dilution claims or proceedings in which such claims were asserted, and report on the nature and grounds of disposition. I show that, out of the over four hundred dispositive TTAB opinions issued, dilution has been necessary to the TTAB's rejection of exactly three (3) applications for registration over the doctrine's fifteen-year history.⁵ Second, using algorithmic coding of a new data set released by the PTO in early 2013 (the PTO Dataset), I report descriptive findings regarding the behavior of applicants for trademark registrations, owners of existing registrations, and government decision-makers at the PTO both before and after the advent of federal dilution law. While the data are somewhat ill-suited to the task, this analysis suggests that the advent of dilution law does not appear to coincide with any significant change in behavior of, or results for, any of the players in the trademark registration system.⁶ Put simply, the registration of identical marks to different parties in different product classes appears to be a long-standing and stable feature of American trademark practice. Third and finally, I collate the PTO Dataset with commercial data on well-known brands to examine the effect of anti-dilution protection on third-party efforts to register famous marks (the class of marks to which anti-dilution rights are limited by statute).⁷ This analysis suggests that famous marks were under

3. See *infra* notes 25–31 and accompanying text.

4. For a practitioner-oriented assessment of strategies for pursuing dilution claims before the TTAB, see generally John L. Welch, *Dilution at the TTAB: What to Prove and How to Prove It*, ALLEN'S TRADEMARK DIG., Jan. 2004, at 9, available at http://home.comcast.net/~jlw28129/Dilution_at_the_TTAB.pdf. For a similar "recent developments" assessment of important dilution decisions by the TTAB, see generally Alisa C. Simmons, *Trademark Dilution Developments from the TTAB*, LANDSLIDE, Nov.–Dec. 2012, at 37 (2012), available at http://www.americanbar.org/publications/landslide/2012_13/november_december/trademark_dilution_developments_the_ttab.html.

5. See *infra* Part II.

6. See *infra* Part III.

7. See *infra* Part IV.

very little threat at the PTO prior to the advent of dilution law, and that dilution law, at best, may have marginally improved their already secure status.

Based on these three descriptive empirical investigations, I argue that dilution law is doing very little real work in the registration system—principally because there is very little work for it to do. If there is an effect of dilution claims on *registration outcomes*, it appears to be limited to truly famous marks (and even then it appears to be a rather small effect). Still, anti-dilution rights appear to be invoked fairly frequently, though almost always fruitlessly, as the analysis of TTAB opinions suggests. This is inherently costly both to those who assert dilution claims and to those who defend against such claims. Thus, I conclude my investigation with a critique of dilution law, but not (or not only) along the typical lines of previous academic scholarship, which has argued that it affords trademark owners overbroad rights. Rather, I argue that federal dilution law has simply been a tremendous waste of the time, effort, and resources of those who have business with the registration system, to a degree far outweighing any benefit of anti-dilution protection. Thus, I argue that it is in the interests of the overwhelming majority of current and future trademark owners to remove dilution issues from registration practice.

This article proceeds as follows. Part I provides a historical and theoretical overview of trademark dilution law in the United States, reviews the history of dilution in the federal courts, and explains the particular doctrines and authorities relevant to anti-dilution rights in the registration system. Part II sets forth the aforementioned empirical analysis of all the TTAB's dispositive dilution opinions through the end of 2013. Part III undertakes algorithmic analysis of the PTO Dataset (while also reviewing limitations imposed by the data), and reports the results of that analysis. Part IV reports my analysis of applications to register "famous" marks. I conclude by arguing that dilution claims in the registration system likely impose more costs than are justified by their modest and potentially illusory benefits, and by identifying avenues for future research.

I. AN OVERVIEW OF DILUTION LAW

Dilution has had a tortuous history in American trademark law, and an even more tortuous history in the registration system. In this Part, I provide an overview of that history, describe the trademark registration process, and summarize doctrinal developments from the application of dilution law to registration.

A. *Theory and Origins*

American trademark law in the early 20th century conferred a fairly narrow set of rights on trademark owners. The Trademark Act of 1905 gave

trademark owners the right to prevent others from “reproduc[ing], counterfeit[ing], copy[ing], or colorably imitat[ing]” their registered mark on goods of “substantially the same descriptive properties” as the goods for which the mark was registered.⁸ In the early years under the 1905 Act, these rights were roughly commensurate with what is currently known in international trademark law as the “double identity” basis for trademark enforcement⁹—the right to prevent others from using an identical mark on identical goods. Over time, courts liberalized their interpretation of the “same descriptive properties” standard to permit enforcement of trademarks against third parties using the mark on related but not directly competitive goods.¹⁰ But during this transition, courts frequently frustrated trademark owners and their lawyers with a refusal to enforce a trademark outside of the very narrowly defined range of products for which the mark owner was actually using it, on the theory that the owner could not demonstrate the competitive injury of lost sales.¹¹ These cases often observed that a claim of “unfair competition,” the common law source of trademark rights, presupposes that the parties actually compete with one another.¹²

This was the state of the law when Frank Schechter, a trademark attorney in New York, became one of the first doctoral candidates in law at Columbia University and the first recipient of its Doctor of Jurisprudence degree.¹³ In 1927, two years after publishing his dissertation on the history of trade-

8. Act of Feb. 20, 1905, Pub. L. No. 58-84, § 16, 33 Stat. 724, 728, *repealed by* Lanham Act, Pub. L. No. 79-459, 60 Stat. 427 (1946) (codified as amended in various sections of 15 U.S.C.).

9. See Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, art. 16, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 306, 33 I.L.M. 81, 89 [hereinafter *TRIPS*] (“In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.”); see also Directive 2008/95, of the European Parliament and of the Council of 22 October 2008 to Approximate the Laws of the Member States Relating to Trade Marks, 2008 O.J. (L 299) 25, 29 (stating that trade mark registrants have the right to prevent others from using “any sign which is identical with the trademark in relation to goods or services which are identical with those for which the trade mark is registered”).

10. See generally Edward C. Lukens, *The Application of the Principles of Unfair Competition to Cases of Dissimilar Products*, 75 U. PA. L. REV. 197, 201–02 (1927) (describing this shift).

11. See, e.g., *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 414 (1916) (“If he does not carry on a trade in iron, but carries on a trade in linen, and stamps a lion on his linen, another person may stamp a lion on iron.”) (quoting *Ainsworth v. Walmsley*, 1 L.R.Eq. 518, 524 (1866)); *Borden Ice Cream Co. v. Borden’s Condensed Milk Co.*, 201 F. 510 (7th Cir. 1912) (holding a trademark registered for use on milk, cream, condensed milk, and related products not enforceable against a maker of ice cream).

12. *Borden*, 201 F. at 514 (“The phrase ‘unfair competition’ presupposes competition of some sort.”); *Beech-Nut Packing Co. v. P. Lorillard Co.*, 7 F.2d 967, 970 (3d Cir. 1925) (“Generically, the term ‘unfair competition’ presupposes competition of some kind.”); Lukens, *supra* note 10, at 198 & n.4.

13. See FRANK I. SCHECHTER, *THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS* (1925) (Schechter’s published dissertation); Robert G. Bone, *Schechter’s*

marks, Schechter published an article in the *Harvard Law Review* entitled *The Rational Basis for Trade Mark Protection*.¹⁴ In it, he proposed a radical departure from the trademark doctrines of his day, arguing that trademark law's true purpose was to protect the "uniqueness and singularity" of a mark—and thus its "selling power"—against an evil called "dilution."¹⁵ Dilution, Schechter argued, is the injury that results from the "gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods."¹⁶

"Schechter's ideas received a remarkably positive, if relatively mild, reception in the decade after publication of *Rational Basis*."¹⁷ But his dilution theory did not become a basis for federal trademark rights, which came to accommodate the demand for enforcement against noncompeting goods by instead holding that the misappropriation or endangering of a mark owner's goodwill could be a basis for an infringement action.¹⁸ By the time the Lanham Act was enacted twenty years later, the even broader and more malleable notion of consumer confusion had become the basis for trademark infringement claims against related but non-competing goods.¹⁹

B. Congress and the Courts

As the likelihood-of-confusion test expanded federal trademark infringement liability well beyond the scope of direct competition over the course of the twentieth century, state legislatures slowly but steadily enacted their own anti-dilution statutes under aggressive lobbying by their local trademark bars.²⁰ But "[m]ost judges in the 1950s and 1960s refused to apply the state statutes broadly, insisting instead that trademark owners offer some proof of likely confusion in dilution cases."²¹ Nevertheless, dilution remained attractive to trademark owners because it offered the promise of enforcing trademark rights "regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury."²² Eventually, fur-

Ideas in Historical Context and Dilution's Rocky Road, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 469, 474 (2008) (describing Schechter's career).

14. Frank I. Schechter, *The Rational Basis of Trade Mark Protection*, 40 HARV. L. REV. 814 (1927).

15. *Id.* at 830–33.

16. *Id.* at 825.

17. Bone, *supra* note 13, at 495.

18. See Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1899–1904 (2007).

19. See Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. REV. 547, 593–96 (2006).

20. See Bone, *supra* note 13, at 496–504.

21. *Id.* at 505.

22. 15 U.S.C. § 1125(c) (2012); see also Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 4, 105 Stat. 985, 986 (1996) [hereinafter *FTDA*] (providing a similar definition of dilution under the earlier version of the federal dilution statute).

ther lobbying by the organized trademark bar²³ led to the enactment of the Federal Trademark Dilution Act of 1995 (FTDA).²⁴

The FTDA received a chilly reception from the federal courts. By 2006, Professor Clarisa Long reported that “[j]udicial enforcement of dilution law is not robust today and has been eroding over time.”²⁵ This was the same year in which Congress enacted the Trademark Dilution Revision Act (TDRA),²⁶ a statute expressly designed to abrogate²⁷ the Supreme Court’s pro-defendant ruling in *Moseley v. V Secret Catalogue, Inc.*²⁸ But early reports suggest that the TDRA failed to reverse the trend, which Professor Barton Beebe described as a “debacle” for dilution plaintiffs: “[C]ourts’ dilution determinations are largely redundant of their infringement determinations, and . . . the former fail to yield any remedies not already provided by the latter.”²⁹ While dilution claims continue to be asserted as a matter of course—perhaps simply as a makeweight³⁰—in trademark litigation, it seems that academic “focus on dilution . . . is hugely disproportionate to [its] practical significance.”³¹

At the risk of aggravating this disproportionality, this Article examines one aspect of dilution law that has attracted no scholarly attention to date: its role in the federal registration system. The federal anti-dilution statutes operate differently for registration than they do for litigation. The extent to which outcomes in the administrative arena differ from those in the judicial arena may thus inform future policymaking, to the extent dilution law continues to be the subject of policy debate. As this study shows, dilution law appears to be as much of a debacle at the PTO as it is in the courts.

C. The Registration Process³²

Registration of a trademark on the Principal Register affords registrants some valuable rights not available at common law. Registration provides nationwide constructive notice of the registrant’s claim of ownership of the

23. See Jerre B. Swann, Sr., *INTA and Dilution*, 93 TRADEMARK REP. 159, 159 (2003).

24. *FTDA*, *supra* note 22, at 985.

25. Clarisa Long, *Dilution*, 106 COLUM. L. REV. 1029, 1031 (2006).

26. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (2006).

27. See 152 CONG. REC. 2941–42 (2006) (statement of Sen. Patrick Leahy) (describing the TDRA as a measure to clarify Congressional intent in the wake of *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003), and undo the central holding of that case).

28. 537 U.S. 418 (2003).

29. Barton Beebe, *The Continuing Debacle of U.S. Antidilution Law: Evidence from the First Year of Trademark Dilution Revision Act Case Law*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 449, 459 (2008).

30. See Long, *supra* note 25, at 1054.

31. Mark P. McKenna, *Testing Modern Trademark Law’s Theory of Harm*, 95 IOWA L. REV. 63, 66–67 (2009).

32. This summary of the registration process elides the distinctions between use-based, intent-to-use, and foreign-filing-basis applications. While these distinctions are quite important

mark,³³ and the Lanham Act makes such notice a prerequisite to the recovery of damages for infringement.³⁴ Registration also establishes nationwide priority of right to use the registered mark in connection with the goods or services for which it is registered.³⁵ It provides *prima facie* evidence of the mark's validity and of the registrant's right to use the mark in connection with those same goods or services.³⁶ After a period of five consecutive years of use following registration, a registration may obtain "incontestable" status.³⁷ Though incontestability does not actually immunize the mark from challenge,³⁸ it does constitute "conclusive evidence" of the registrant's right to use the mark and limits the possible grounds for its invalidation.³⁹

When an application for a federal registration is submitted, it is assigned to an examiner—a PTO employee—who reviews the application for compliance with certain technical⁴⁰ and substantive⁴¹ requirements.⁴² If the examining attorney finds grounds for refusing the registration, he or she will issue an "office action" informing the applicant of the refusal and providing the reasons therefor; the applicant may then reply to the examiner's reasons or amend the application to attempt to moot the grounds for refusal.⁴³ This process can be repeated several times until the examiner either approves the application or issues a final refusal.⁴⁴

An applicant disappointed in a final refusal may appeal the examining attorney's decision to the Trademark Trial and Appeal Board (TTAB), an administrative tribunal of the PTO.⁴⁵ The TTAB's ruling may be further appealed to the U.S. Court of Appeals for the Federal Circuit (CAFC) on the record generated in PTO proceedings,⁴⁶ or may be challenged in a civil action in federal district court (where additional discovery may be taken and new evidence submitted).⁴⁷

in registration practice, they are not particularly relevant to dilution, which can only be raised after publication of an application. *See infra* notes 48–60 and accompanying text.

33. 15 U.S.C. § 1072 (2012).

34. *Id.* § 1111.

35. *Id.* § 1057(c).

36. *Id.* §§ 1057(b), 1115(a).

37. *Id.* § 1065.

38. *See id.* § 1115(b) (setting forth grounds for contesting an "incontestable" registration).

39. *Id.*; *see also* Park N' Fly Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189, 201 (1985) (holding an incontestable registration may only be challenged on grounds specified in the Lanham Act).

40. 15 U.S.C. § 1051 (2012); U.S. PATENT AND TRADEMARK OFFICE, TMEP ch. 800 (Apr. 2014).

41. 15 U.S.C. § 1052; TMEP ch. 1200.

42. 15 U.S.C. § 1062; TMEP ch. 700.

43. 15 U.S.C. § 1062; TMEP ch. 700.

44. 15 U.S.C. § 1062; TMEP ch. 700.

45. 15 U.S.C. § 1070; TMEP § 1501; TBMP § 102.

46. 15 U.S.C. § 1071(a).

47. *Id.* § 1071(b).

If the examiner finds no barrier to the registration, or is satisfied by the applicant's arguments or amendments in response to a negative office action, the application will be approved for publication in the Official Gazette of the PTO.⁴⁸ Publication provides interested parties with notice and an opportunity to be heard prior to the registration issuing. "Any person who believes that he would be damaged by the registration" has thirty days from publication to oppose the registration, which triggers an *inter partes* proceeding before the TTAB at which any grounds for refusing registration may be litigated.⁴⁹ If a published application is not successfully opposed, the applied-for mark "shall be registered in the Patent and Trademark Office, a certificate of registration shall be issued, and notice of the registration shall be published in the Official Gazette. . . ." ⁵⁰

Finally, even after a registration issues, it may be susceptible to cancellation if abandoned or later determined to be invalid. Such cancellation can be the result of an *inter partes* cancellation proceeding before the TTAB, which may be initiated by "any person who believes that he is or will be damaged . . . by the registration."⁵¹ A cancellation proceeding may be initiated at any time after registration, though as noted above the permissible grounds for such a proceeding narrow as a registration ages.⁵² Cancellation may also be ordered by an Article III court in a lawsuit involving a federal registration, for example where a defendant successfully asserts invalidity as a defense in a trademark infringement or dilution action.⁵³

The substantive bars to registration are found in Section 2 of the Lanham Act.⁵⁴ One such bar is that the mark applied for would cause dilution of a famous mark—as defined under Section 43(c) of the Act—if used on the goods or services for which it is claimed in the application.⁵⁵

D. Dilution Doctrine at the PTO

Dilution is unique among the substantive bars to registration in that it may not be raised *sua sponte* by an examiner as a basis for refusal to register. Rather, dilution will only bar registration if raised in an *inter partes* opposition or cancellation proceeding.⁵⁶ Indeed, even this was not always permissible; upon the passage of the FTDA, no express provision was made for considering dilution in the registration process, and the TTAB held at an

48. *Id.* § 1062(a); TMEP § 1502.

49. 15 U.S.C. § 1063; TMEP § 1503.

50. 15 U.S.C. § 1063(b); TMEP § 1502.

51. 15 U.S.C. § 1064; TMEP § 1607.

52. *See supra* notes 38–39 and accompanying text; *see also* 15 U.S.C. § 1064(1)–(3).

53. *See* 15 U.S.C. § 1119.

54. 15 U.S.C. § 1052.

55. *Id.* §§ 1052, 1125(c).

56. *Id.*

early date that the statute did not give the PTO authority to do so.⁵⁷ In the wake of this ruling, the organized trademark bar again lobbied for a broader dilution law.⁵⁸ In 1999 they prevailed, convincing Congress to explicitly make dilution a permissible basis for opposition or cancellation of a registration as part of the Trademark Amendments Act of 1999 (TAA).⁵⁹ The effective date of the TAA is therefore the most obvious date at (or around) which we might expect to see anti-dilution protections having an impact in the registration system.⁶⁰

Common-law developments at the TTAB and CAFC and Congressional tinkering with the dilution statute have affected its role in the registration system over time. Some of the more notable doctrinal developments include:

1. Pleading Standards

Once dilution became a permissible ground for opposition or cancellation of a registration, the relevant authorities came to develop standards for what facts must be pleaded to state a dilution claim. In particular, the TTAB and CAFC held that the FTDA's language required a dilution claimant to plead (and ultimately prove) not only that its mark is famous, but that it had become famous prior to any use (or the filing of an intent-to-use application) of the mark by the applicant or registrant being challenged.⁶¹ As shown below in Part II, practitioners before the TTAB have not been especially scrupulous in adhering to this fairly simple pleading requirement.

2. Proving Fame

For some time under the FTDA, there was judicial debate as to whether a mark that enjoyed fame only in a limited or "niche" market was "famous" enough to be protected under the statute.⁶² That question was laid to rest by

57. Babson Bros. Co. v. Surge Power Corp., 39 U.S.P.Q.2d (BNA) 1953 (T.T.A.B. 1996); see also Chock Full O'Nuts Corp. v. Calgene, Inc., 1996 TTAB LEXIS 52, at *6 n.6 (T.T.A.B. June 19, 1996).

58. See generally *Trademark Amendments Act of 1999: Hearing on H.R. 1565 Before the Subcomm. on Courts & Intellectual Prop. of the H. Comm. on the Judiciary*, 106th Cong. 62-504 (1999) (record of hearing at which all witnesses—including three representatives of intellectual property bar associations—testified in favor of making dilution a basis for opposing or cancelling a registration).

59. Trademark Amendments Act of 1999, Pub. L. No. 106-43, 113 Stat. 218 (1999) [hereinafter *TAA*].

60. However, these changes may affect applications filed as early as the effective date of the FTDA. See *Boral Ltd. v. FMC Corp.*, 59 U.S.P.Q.2d (BNA) 1701, 1703 (T.T.A.B. 2000) ("We conclude that the 1999 Act explicitly permits retroactive application so as to allow oppositions, brought against applications filed on or after January 16, 1996, to be amended to include dilution claims.")

61. See *Polaris Indus. Inc. v. DC Comics*, 59 U.S.P.Q.2d (BNA) 1798, 1800 (T.T.A.B. 2000); *Toro Co. v. ToroHead Inc.*, 61 U.S.P.Q.2d (BNA) 1164, 1175 (T.T.A.B. 2001).

62. See 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:105 (4th ed. 2013).

the TDRA, which requires fame among the “general consuming public” of the United States, as recognized by the Federal Circuit.⁶³ Aside from settling the “niche fame” question, this interpretation also means that a “well-known” mark within the meaning of international trademark law⁶⁴ is not entitled to anti-dilution protection under federal law unless it is also “famous” within the United States.⁶⁵ Moreover, the TTAB and CAFC have made this standard rather difficult to meet. Strictly enforcing the requirement that fame must precede the would-be registrant’s first use of a mark, the TTAB has refused to draw inferences of fame from evidence post-dating that use.⁶⁶ More generally, the TTAB has warned would-be dilution claimants that they ought not be hopeful of their chances:

Fame for dilution purposes is difficult to prove. . . . In effect, an owner of a famous mark is attempting to demonstrate that the English language has changed. . . . [T]he mark’s owner must demonstrate that the common or proper noun uses of the term and third-party uses of the mark are now eclipsed by the owner’s use of the mark. What was once a common noun, a surname, a simple trademark, etc., is now a term the public primarily associates with the famous mark. To achieve this level of fame and distinctiveness, the party must demonstrate that the mark has become the principal meaning of the word. . . . Therefore, an opposer . . . must provide evidence that when the public encounters opposer’s mark in almost any context, it associates the term, at least initially, with the mark’s owner.⁶⁷

As shown below in Part II,⁶⁸ it is exceedingly rare for a litigant to meet this standard.

63. *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1372 (Fed. Cir. 2012) (“By using the ‘general consuming public’ as the benchmark, the TDRA eliminated the possibility of ‘niche fame,’ which some courts had recognized under the previous version of the statute.”).

64. See Paris Convention for the Protection of Industrial Property, art. 6bis, Mar. 20 1883, 32.4 U.S.T. 4530, 828 U.N.T.S. 325, available at <https://treaties.un.org/doc/Publication/UNTS/Volume%20828/volume-828-I-11851-English.pdf>; *TRIPS*, *supra* note 9.

65. See *Fiat Group Autos. S.p.A. v. ISM, Inc.*, 94 U.S.P.Q.2d (BNA) 1111, 1113 (T.T.A.B. 2010); cf. *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135, 142 n.2 (2d Cir. 2007) (“Although the term ‘famous marks’ is often used to describe marks that qualify for protection under the federal anti-dilution statute, the ‘famous marks’ doctrine is, in fact, a different and distinct ‘legal concept’” (internal citations omitted)).

66. *Coach Servs., Inc. v. Triumph Learning LLC*, 96 U.S.P.Q.2d (BNA) 1600, 1612 (T.T.A.B. 2010), *aff’d in relevant part*, 668 F.3d 1356, 1375 (Fed. Cir. 2012) (“[M]any of the articles submitted are dated *after* Triumph filed its registration applications and thus do not show that CSI’s mark was famous *prior* to the filing date.”) (emphasis in original).

67. *Toro Co. v. ToroHead Inc.*, 61 U.S.P.Q.2d (BNA) 1164, 1180–81 (T.T.A.B. 2001).

68. See *infra* Part II.

3. Similarity

The degree of similarity between the parties' marks required to support a dilution claim under the original FTDA was extremely high:

For dilution purposes, a party must prove more than confusing similarity; it must show that the marks are identical or very or substantially similar. The test for blurring is not the same as for determining whether two marks are confusingly similar for likelihood of confusion purposes. To support an action for dilution by blurring, the marks must be similar enough that a significant segment of the target group sees the two marks as essentially the same.⁶⁹

After passage of the TDRA, the TTAB announced in *Nike, Inc. v. Maher*⁷⁰ that it was loosening this standard somewhat to conform to new statutory language, allowing a dilution claim against "a 'look-alike' mark, one that is close enough to the famous mark that consumers will recall the famous mark and be reminded of it."⁷¹

4. Noncommercial Use

One often-expressed concern about anti-dilution rights is that they might be so broad as to impermissibly proscribe or chill constitutionally protected expression that evokes a well-known trademark.⁷² Accordingly, some courts have attempted to erect a fence around such uses by broadly construing the federal dilution statute's "noncommercial use" exception to dilution liability.⁷³ The TTAB has held, however, that this concern is not relevant to disputes over registrability. Reasoning that the right to register a trademark is premised on the use of the mark *in commerce*, the Board has held that the "noncommercial use" defense is categorically inapplicable to dilution claims asserted in an opposition or cancellation proceeding.⁷⁴ This interpretation is notably at odds with Judge Kozinski's influential interpretation of the "non-commercial use" exception as extending to any use of a trademark that is not pure "commercial speech" under the First Amendment.⁷⁵

This categorical rule has not been an explicit basis for disposition of any *inter partes* proceeding since the TTAB announced it in 2010. However, as

69. *Toro*, 61 U.S.P.Q.2d at 1183 (internal citations and quotation marks omitted).

70. 100 U.S.P.Q.2d (BNA) 1018 (T.T.A.B. 2011).

71. *Id.* at 1030.

72. See generally Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507, 558–61 (2008); Stacey L. Dogan, *An Exclusive Right To Evoke*, 44 B.C. L. REV. 291 (2003).

73. See, e.g., *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 904–07 (9th Cir. 2002).

74. *Am. Express Mktg. & Dev. Corp. v. Gilad Dev. Corp.*, 94 U.S.P.Q.2d (BNA) 1294, 1298–1300 (T.T.A.B. 2010).

75. *Mattel*, 296 F.3d at 904–07.

will be shown below in Part II, two of the only three cases where dilution has been necessary to the TTAB's rejection of an application for registration involved applications for joke or parody trademarks.⁷⁶ Thus, the exclusion of an applicant's expressive interests from dilution analysis may in fact generate some of the "chilling" of expression that some dilution critics have warned against.

5. The Registration Defense

In 2011, an article in the *Trademark Reporter* noted that a clerical error in the text of the TDRA inadvertently created a complete defense against cancellation of a live federal registration on grounds of dilution.⁷⁷ A year later, in a case of first impression, the TTAB held that this "registration defense" did indeed preclude cancellation on dilution grounds (though some cancellation proceedings asserting dilution among other claims had been entertained in the six years since the TDRA's passage).⁷⁸ Congress eliminated the registration defense with a technical amendment shortly after the TTAB decision.⁷⁹ But for proceedings commenced between October 6, 2006 and October 5, 2012, cancellation of a federal registration on grounds of dilution was technically impossible. As it turns out, this drafting error in the statute appears to have been a non-issue—to this day no cancellation petition before the TTAB has *ever* been granted on grounds of dilution.⁸⁰ Moreover, the fact that it took six years for this statutory drafting error to be identified, presented, adjudicated, and finally resolved offers a hint at the ultimate finding of this Article: that dilution law has been doing very little work in the registration system.

II. DILUTION AT THE TTAB: A DESCRIPTIVE EMPIRICAL ANALYSIS OF AN ORIGINAL TTAB DATASET

Doctrinal analysis is helpful in identifying key issues in litigating dilution claims before the PTO, but to understand the aggregate effect of dilution law on the registration system, a more comprehensive empirical approach is called for. My first effort at such an approach examines decisions of the TTAB disposing of fully litigated dilution claims. Notwithstanding that such TTAB opinions may present all the selection biases typical of judicial opin-

76. See *infra* notes 99–109 and accompanying text.

77. See Timothy A. Lemper & Joshua R. Bruce, *The Dilution Defense Congress Never Meant to Create (And Needs to Fix)*, 101 TRADEMARK REP. 1580, 1580 (2011).

78. Acad. of Motion Picture Arts & Scis. v. Alliance of Prof'ls & Consultants Inc., 104 U.S.P.Q.2d (BNA) 1234 (T.T.A.B. 2012).

79. Trademark Act of 1946 Amendments, Pub. L. No. 112-190, 126 Stat. 1436 (2012).

80. See *infra* App. A.

ions,⁸¹ they seem a useful place to start when trying to understand the registration system's experience with dilution law, as they constitute the most visible and tangible result of that experience. Analysis of these opinions demonstrates that despite being frequently raised and litigated, dilution claims almost never affect the result of a vigorously contested application for registration.

I have created a hand-coded dataset based on review of every hit in Westlaw's FTP-TTAB database and Lexis's Trademark Trial and Appeal Board Decisions database for the expanded search term "dilut!" in the period from the date of passage of the FTDA to June 30, 2014.⁸² This constitutes a total of 905 opinions from Westlaw (including a small number of duplicates) plus an additional 62 unique opinions from Lexis's database that were not present in Westlaw's database. The dataset also includes five additional opinions available on the TTAB's online docketing system that I discovered through review of the opinions in the commercial databases, for a total of 972 cases reviewed.⁸³ From these 972 cases, I identified and coded all 453

81. See generally George L. Priest & Benjamin Klein, *The Selection of Disputes for Litigation*, 13 J. LEGAL STUD. 1 (1984) (modeling such selection effects using economic analysis).

82. The dataset is publicly available in .dta format at <http://goo.gl/fCuV6Q>.

83. A few of the opinions in the Westlaw search results make reference to earlier opinions in the same matters which disposed of a dilution claim, but did not appear in the Lexis or Westlaw search results despite containing the search term and being within the reported coverage periods of the databases. *Compare* United Parcel Serv. of Am., Inc. v. Unigroup Worldwide, Inc., 2012 WL 1267951, at *1 n.8 (T.T.A.B. Mar. 26, 2012), *D'Ascoli v. Omni Sports Int'l, Inc.*, 2009 WL 1692517, at *6 (T.T.A.B. May 13, 2009), *Utopy, Inc. v. CallMiner, Inc.*, 2008 WL 2619545, at *7 n.3 (T.T.A.B. June 19, 2008), and *Intel Corp. v. Emeny*, 2007 WL 1520948, at *2 (T.T.A.B. May 15, 2007), with *United Parcel Serv. of Am., Inc. v. Unigroup Worldwide, Inc.*, Opp. No. 91175419, slip op. at 6–7 (T.T.A.B. Nov. 9, 2008), available at <http://ttabvue.uspto.gov/ttabvue/ttabvue-91175419-OPP-34.pdf>, *D'Ascoli v. Omni Sports Int'l, Inc.*, Opp. No. 91154277, slip op. at 6–7 (T.T.A.B. Apr. 18, 2008), available at <http://ttabvue.uspto.gov/ttabvue/v?pno=91154277&pty=OPP&eno=48>, *Utopy, Inc. v. CallMiner, Inc.*, Opp. No. 91168109, slip op. at 5 (T.T.A.B. Mar. 14, 2008), available at <http://ttabvue.uspto.gov/ttabvue/v?pno=91168109&pty=OPP&eno=32>, *Utopy, Inc. v. CallMiner, Inc.*, Opp. No. 91166270, slip op. (T.T.A.B. Apr. 10, 2008), available at <http://ttabvue.uspto.gov/ttabvue/ttabvue-91166270-OPP-42.pdf>, and *Intel Corp. v. Emeny*, Opp. No. 91123312 (T.T.A.B. Sept. 25, 2006), available at <http://ttabvue.uspto.gov/ttabvue/v?pno=91123312&pty=OPP&eno=45>. I have added these earlier opinions to the dataset, but because the TTAB's own online repository of its case files is not publicly full-text-searchable, I cannot be certain that all such missing opinions are accounted for. For example, it appears that in one matter, a motion to amend a notice of opposition to include a dilution claim was denied (presumably under the rule of *Babson Bros. Co. v. Surge Power Corp.*), but that denial does not appear in either commercial database nor is it available through the PTO's own online docketing system. See *Interdigital Comm. v. Shaw Indus. Ltd.*, 2000 TTAB LEXIS 520, at *1 n.2 (T.T.A.B. July 28, 2000). Thus, while the dataset should be reasonably comprehensive, there is some reason to believe it may not be entirely complete, and there does not appear to be any way of knowing if there is any systematic omission of certain types of opinions.

unique opinions that were dispositive⁸⁴ of either a dilution claim⁸⁵ or an entire *inter partes* proceeding in which a dilution claim was raised.⁸⁶ These 453 opinions can further be divided into 398 opposition proceedings, 49 cancellation proceedings, and six opinions involving both an opposition and a petition to cancel in one consolidated proceeding.⁸⁷

I have coded each disposition according to whether the dilution claim prevailed, failed, or was not reached due to disposition on other grounds. With regard to claims that were adjudicated and prevailed, I have coded whether the claim prevailed on the merits or rather as a result of the applicant's default. With regard to claims that were adjudicated and failed, I have coded whether the failure was on a procedural ground (such as insufficient pleading or waiver for failure to brief or argue the claim) or on the merits of the claim (such as failure to establish sufficient fame or similarity). In many cases the TTAB will offer multiple grounds for its disposition, which means a single opinion may appear more than once in the coding results. For example, in one case, the Board stated that it need not reach a dilution claim due to a finding that confusion was likely, then also stated that the dilution claim was inadequately pleaded and proven in any event;⁸⁸ this case was coded as positive for three indicator variables: failure to reach the dilution claim, dismissal for inadequate pleading, and waiver for failure to brief, try, or argue

84. By "dispositive," I am referring to opinions which resolve a claim or proceeding at trial or summary judgment, grants of motions to dismiss or for judgment on the pleadings, as well as motions denying leave to amend where the denial is grounded in some deficiency of a pleaded dilution claim (even where the denial is without prejudice).

85. I interpret "claim" broadly to encompass any assertion of a dilution-based argument as grounds for refusing or cancelling a registration, even if the claim was not formally or sufficiently pleaded, so long as the TTAB indicated its understanding that the litigant may have been attempting to invoke anti-dilution protections.

86. The reviewed opinions that do not dispose of a dilution claim or its parent proceeding typically involve interlocutory orders, denials of motions to dismiss or for summary judgment, or uses of the word "dilution" or "diluted" in irrelevant contexts (such as when reviewing an examining attorney's *ex parte* refusal to register, or discussing third-party uses of an opposer's trademark under the TTAB's likelihood-of-confusion analysis). See, e.g., *In re Application of Hub Distrib., Inc.*, 218 U.S.P.Q. (BNA) 284, 285 (T.T.A.B. 1983) ("[T]hird party registration evidence proves nothing about the impact of the third-party marks on purchasers in terms of dilution of the mark in question or conditioning of purchasers as to their weakness in distinguishing source.").

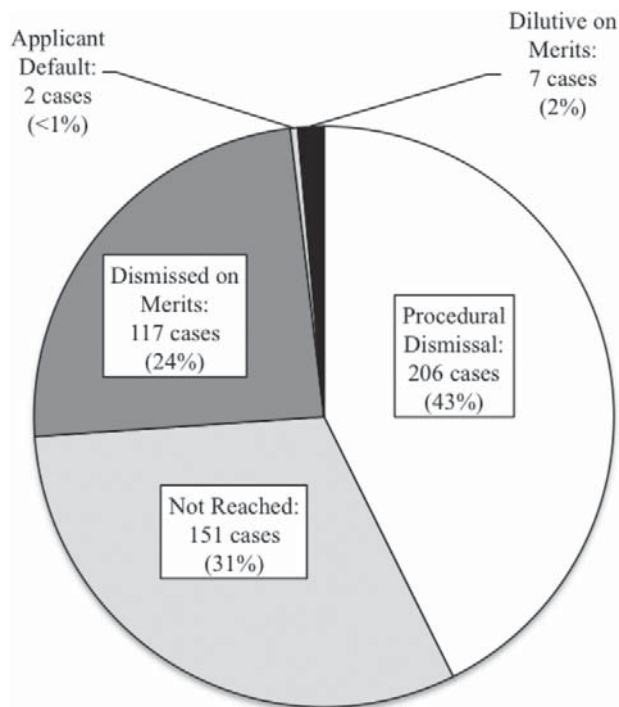
87. For some perspective on these figures, consider that in Fiscal Year 2013 the TTAB decided 676 cases, including *ex parte* appeals as well as *inter partes* proceedings; that year the TTAB received over twice as many filed *inter partes* proceedings as *ex parte* appeals (oppositions and cancellation proceedings before the TTAB are *inter partes* proceedings, while appeals are *ex parte*, involving only a review by the TTAB of a determination made by the PTO's examining attorney, at the request of the applicant). See Trademark Trial & Appeal Bd., *TTAB Incoming Filings and Performance Measures for Decisions (2013)*, U.S. PATENT & TRADEMARK OFFICE, http://www.uspto.gov/trademarks/process/appeal/TTAB_New_Filings_and_Performance_Measures.jsp (last visited Nov. 2, 2014).

88. *Volkswagen AG v. Venture Works Inc.*, 2008 WL 4354190, at *5 n.6 (T.T.A.B. Sept. 10, 2008).

(both procedural dismissals). In another case the Board found that an opposer failed to adequately plead its asserted dilution claim, waived the claim by failing to brief it, and that the litigant failed to establish the fame of its mark;⁸⁹ this case was coded as positive for dismissal for inadequate pleading and waiver (both procedural dismissals) as well as for dismissal for lack of fame (a dismissal on the merits). These belt-and-suspenders rationales for dismissing dilution claims are fairly common, and they can admittedly blur the issue whether a particular disposition deals with the merits of those claims.

Figure 1 graphically presents the aggregate results of this coding process:⁹⁰

FIGURE 1. DISPOSITIONS OF DILUTION CLAIMS BEFORE THE TTAB



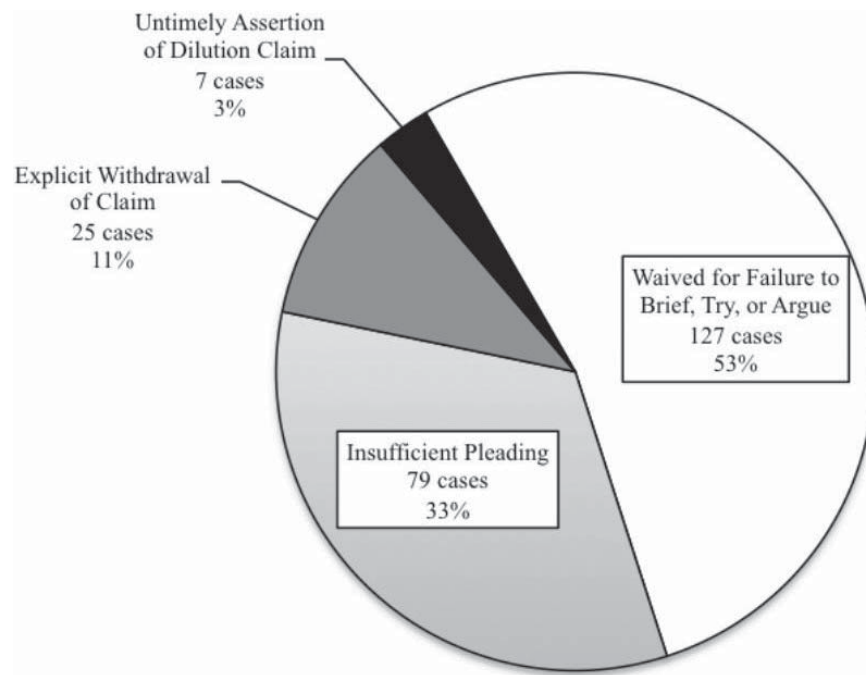
These results demonstrate that it is not only rare to prevail on a dilution claim, but that it is fairly rare for the TTAB to even consider the claim on the merits. Drilling deeper into the finding that nearly half of all dilution claims end in a procedural dismissal, we find some support for the proposi-

89. Learning Annex, LLC v. The Energy Infuser, Inc., 2008 WL 4354199, at *1 (T.T.A.B. Sept. 9, 2008).

90. A more detailed tabular presentation of the data, including breakouts by proceeding type, is set forth in Appendix A, *infra*.

tion that the strongest determinant of success is simply showing up. Specifically, it appears that opposers and cancellation petitioners often simply omit pleaded dilution claims from their evidence and argument:⁹¹

FIGURE 2. GROUNDS FOR PROCEDURAL DISMISSALS



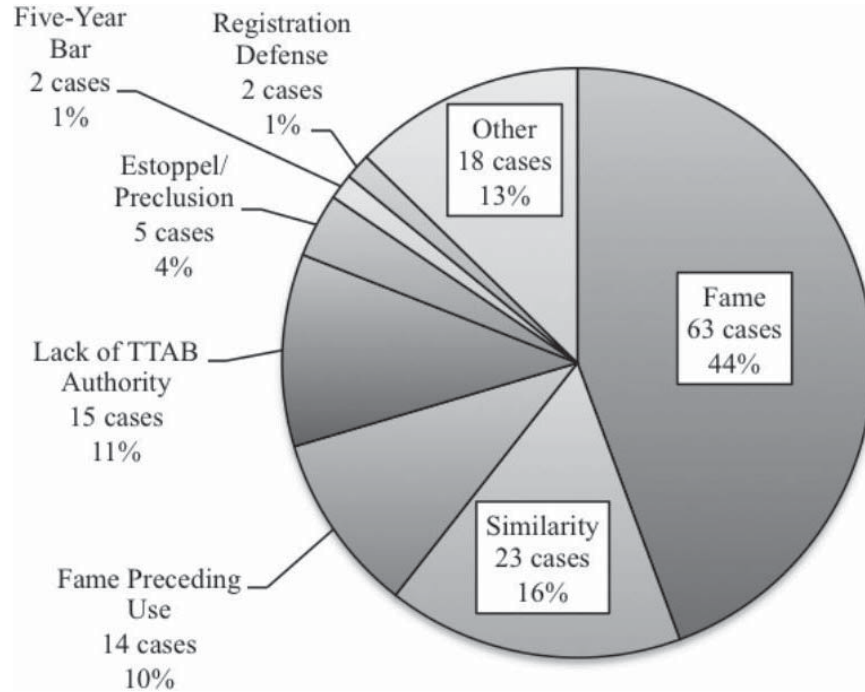
Even dilution claimants are not taking their own dilution claims very seriously—not seriously enough, at least, to devote attention or resources to litigating them.

In those cases where a dilution claim does reach a decision on the merits, it tends not to fare very well, as can be seen in Figure 3:⁹²

91. Percentages are of all instances of a positive result in one of the procedural dismissal indicator variables.

92. Percentages are of all instances of a positive result in one of the merits dismissal indicator variables.

FIGURE 3. GROUNDS FOR DISMISSALS ON THE MERITS



Looking at these data as a whole, we can see that there may be good reason for dilution claimants to neglect the prosecution of their dilution claims. Of the 453 dispositive opinions coded, a dilution claim has prevailed on the merits in precisely seven cases.⁹³ In four of those seven, the success of the dilution claim was entirely superfluous, as it merely duplicated the result of a Section 2(d) likelihood of confusion claim.⁹⁴ This includes:

93. In an additional two cases, the opposer obtained a judgment on its dilution claim due to the applicant's abandonment of its application—in one instance after having had the claim adjudicated against it on the merits at an earlier stage of the proceeding. *See* *Rolex Watch USA Inc. v. AFP Imaging Corp.*, 107 U.S.P.Q.2d (BNA) 1626, 3 (T.T.A.B. 2013); *Sharp Kabushiki Kaisha v. Sharp Circle Consulting, LLC*, 2003 WL 22905318, at *2 (T.T.A.B. Dec. 4, 2003).

94. As this article was going to press, one additional proceeding was decided in which the Board sustained an opposition on *both* confusion *and* dilution grounds. *McDonalds Corp. v. McSweet, LLC*, 2014 WL 5282256 (T.T.A.B. Sept. 29, 2014). Again, the dilution finding in that case was entirely superfluous, and the “family of marks” doctrine gave opposer additional ammunition to defeat the application without resort to anti-dilution rights. This case is not included in the reported dataset, as it falls outside the collection window ending on June 30, 2014. Several other proceedings involving dilution claims were also disposed of between June 30, 2014 and the publication of this article, but none of them sustained a dilution claim.

- Nike's opposition to the registration of JUST JESU IT for apparel,⁹⁵
- UMG Recordings' opposition to the registration of MOTOWN METAL for toy cars,⁹⁶
- Warner Brothers' opposition to the registration of HARRY POTHEAD for entertainment services,⁹⁷ and
- The Nasdaq Stock Market's opposition to the registration of NASDAQ for sporting equipment and clothing.⁹⁸

In a fifth case, the dilution claim was *almost* entirely superfluous. The Board sustained Blackberry maker Research In Motion's opposition to registration of CRACKBERRY for various online and computer related services on both confusion and dilution grounds, but found confusion unlikely to result from the applicant's proposed use of CRACKBERRY on apparel. For that class of goods, the Board instead sustained RIM's opposition only on dilution grounds.⁹⁹ *Research in Motion* is the only extant case in which the TTAB has refused registration on dilution grounds to a mark that it found to be non-confusing. This leaves exactly two cases in which dilution was the sole ground for sustaining an opposition: *National Pork Board v. Supreme Lobster and Seafood Company*,¹⁰⁰ and the very recent case of *Chanel, Inc. V. Jerzy Makarczyk*.¹⁰¹ But in both of these cases, it is conceivable that registration would have been refused on likelihood of confusion grounds if the Board had followed its almost universal practice of considering confusion prior to dilution.

In *National Pork Board*, the marketing arm of the pork industry opposed a seafood wholesaler's application to register THE OTHER RED MEAT for salmon, on the basis of the opposer's THE OTHER WHITE MEAT mark for promoting pork. Notably, the Board did not reach the opposer's pleaded likelihood of confusion claim.¹⁰² As Table 1 illustrates, this is precisely the opposite of the Board's typical practice of considering likelihood of confusion claims first and only turning to dilution claims if necessary to dispose

95. Nike, Inc. v. Maher, 100 U.S.P.Q.2d (BNA) 1018, 1018 (T.T.A.B. 2011).

96. UMG Recordings Inc. v. Mattel Inc., 100 U.S.P.Q.2d 1868, 1870 (T.T.A.B. 2011).

97. Warner Bros. Entm't, Inc. v. Campo, 2006 WL 2850871, at *8 (T.T.A.B. Sept. 13, 2006).

98. NASDAQ Stock Mkt., Inc. v. Antartica, S.r.l., 69 U.S.P.Q.2d 1718, 1726 (T.T.A.B. 2003).

99. Research in Motion Ltd. v. Defining Presence Mktg. Grp. Inc., 102 U.S.P.Q.2d (BNA) 1187 (T.T.A.B. 2012).

100. Nat'l Pork Bd. v. Supreme Lobster & Seafood Co., 96 U.S.P.Q.2d (BNA) 1479 (T.T.A.B. 2010).

101. Chanel, Inc. v. Jerzy Makarczyk, 110 U.S.P.Q.2d (BNA) 2013 (T.T.A.B. 2014).

102. *Nat'l Pork Bd.*, 96 U.S.P.Q.2d at 1489 ("Because we have found for opposer in connection with its likelihood of dilution claim, we do not reach its claim of likelihood of confusion.").

of the proceeding. The staging of the issues in the *National Pork Board* case may be a result of the Board's (unstated) view that the likelihood of confusion claim was a more difficult one for the opposer to make out, given the differences between the parties' products, but we simply do not know whether THE OTHER RED MEAT would have been refused registration on grounds of likelihood of confusion if that had been the only claim available.

In *Chanel* there is a much stronger indication that registration would have been refused on likelihood of confusion grounds had the Board followed its usual practice and reached that issue first (which, as in *National Pork Board*, it did not). In *Chanel*, the applicant sought to register the mark CHANEL for residential and hotel real estate development and construction services.¹⁰³ The case thus presents the classic dilution scenario of a famous luxury mark being used by an unauthorized third party for its "selling power," just as Schechter had feared.¹⁰⁴ But unlike in Schechter's day, the modern understanding of trademark injuries is based on consumer confusion, and such confusion, for good or for ill, includes confusion as to sponsorship or affiliation.¹⁰⁵ The Board noted in *Chanel* that the applicant had affirmatively (and falsely) claimed an affiliation with Chanel and other luxury goods companies in his marketing literature.¹⁰⁶ The Board also noted that many luxury goods companies enter licensing arrangements with hotels and other real-estate-related industries.¹⁰⁷ These facts would appear suffi-

103. 110 U.S.P.Q.2d at 2014–15.

104. See *supra* note 15 and accompanying text.

105. 15 U.S.C. § 1052(d) (2012) (allowing refusal to register marks whose use is likely "to cause confusion, or to cause mistake, or to deceive"); U.S. PATENT AND TRADEMARK OFFICE, TMEP § 1207.01 (April 2013) ("The issue is not whether the respective marks themselves, or the goods or services offered under the marks, are likely to be confused but, rather, whether there is a likelihood of confusion as to the source or sponsorship of the goods or services because of the marks used thereon." (citing cases)). For a critique of trademark rights premised on sponsorship or affiliation confusion, see generally Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 STAN. L. REV. 413 (2010).

106. *Chanel*, 110 U.S.P.Q.2d at 2026 ("According to . . . applicant's websites, . . . applicant markets luxury rental properties by naming units after luxury brands such as Chanel, Dior, Givenchy, and Versace. Applicant stated on his web site that opposer Chanel is among his former or current clients. . . . Indeed, applicant, in promoting his services on his web site, has referred to the elevated status he purportedly enjoys from his relationship with Chanel. Opposer's corporate counsel testified however that opposer 'has not done business with the applicant, nor have we licensed the CHANEL mark to him.'" (internal citations omitted)).

107. *Id.* ("We note that although opposer has no current involvement in the real estate or hotel industry, the record shows that many luxury brand companies have licensed use of their marks in connection with hotels. In other words, they have found opportunities to commercially exploit the distinctiveness of their marks in those industries. In addition, many other well-known luxury brands have either expanded into or licensed use of their brand names in fields outside of the fashion industry that are related to real estate. For example, Versace now offers interior design services, Fendi provides kitchen design services and Jason Wu markets designer-styled bathroom fixtures." (internal citations omitted)).

cient to support a finding of sponsorship confusion,¹⁰⁸ but for whatever reason, the Board again decided to act contrary to typical practice and consider dilution before confusion in its analysis.

It is also worth noting one common element between two of the three cases where a dilution claim was necessary to a registration opposer's success: they are jokes. That is, both CRACKBERRY and THE OTHER RED MEAT are playful twists on their opposers' well-known marks. And in the third case (*Chanel*), as noted, the Board appeared to have ample reasons for refusing registration on likelihood of confusion grounds, but never reached the issue. Thus, to the extent anti-dilution protection adds anything of substance to a trademark owner's rights within the registration system, it appears to add only the right to prevent others from registering humorous adaptations of a trademark outside the mark owner's field of actual use. This finding would appear to confirm the fears of many dilution critics: that anti-dilution protection has little to do with protecting the singularity of a well-known mark and everything to do with chilling third-party expression related to that mark—specifically by preventing others from enjoying (and, yes, profiting from) a joke at the mark owner's expense.¹⁰⁹

Finally, in addition to these seven cases, there are a small number of cases in which the TTAB's dismissal of a dilution claim did not survive appeal or *de novo* review in federal district court. Most notable of these is *Nike, Inc. v. Nikepal Int'l, Inc.*,¹¹⁰ in which Nike challenged the TTAB's finding that its NIKE mark was insufficiently similar to the applicant's claimed NIKEPAL mark for import/export and distributorship services related to laboratory equipment to justify rejecting the application on dilution grounds.¹¹¹ Proceeding in a *de novo* action in the Eastern District of California, Nike introduced new survey evidence tending to refute the TTAB's findings of fact regarding likely customer perception of the similarity of the two marks, and prevailed on that basis.¹¹² This is the only case I have been able to identify in which the TTAB's substantive finding on dilution was later overturned on the merits. To be sure, the TTAB's dispositions of appli-

108. See, e.g., *Frank Sinatra Enters., LLC v. Loizon*, 2012 WL 4361418, at *9 (T.T.A.B. Sept. 12, 2012) (finding confusion on grounds that "it is commonplace for performers to expand their product lines to incorporate a diverse set of goods and services to capitalize on the renown of their names and brands"); *Kenneth Cole Prods. (LIC), Inc. v. Craig*, 2010 WL 1233880, at *8 (T.T.A.B. Mar. 23, 2010) (finding confusion on grounds that "it would not be uncommon for consumers to encounter the same trademark being used as a source identifier for clothing apparel as well as accessory items that would include applicant's identified goods").

109. See Tushnet, *supra* note 72, at 554–58; Stacey L. Dogan & Mark A. Lemley, *Parody as Brand*, 47 U.C. DAVIS L. REV. 473, 484–91, 511–12 (2013). See generally Stacey L. Dogan, *An Exclusive Right to Evoke*, 44 B.C. L. REV. 291 (2003) (discussing the growth of a "right to evoke" in trademark law).

110. *Nike, Inc. v. Nikepal Int'l, Inc.*, 84 U.S.P.Q.2d (BNA) 1521 (E.D. Cal. 2007).

111. *Nike, Inc. v. Nikepal Int'l, Inc.*, 2005 WL 1024833, at *6 (T.T.A.B. Apr. 21, 2005).

112. *Nike*, 84 U.S.P.Q.2d at 1528–29, n.10.

cations that were opposed on grounds including dilution have been reversed or vacated on other substantive grounds,¹¹³ as part of a negotiated settlement,¹¹⁴ or on procedural grounds.¹¹⁵ Still, as far as I have been able to determine, no reviewing court has ever reversed a TTAB dismissal of a dilution claim on the merits on an identical record. And there are several reported cases where the TTAB's rejection of a dilution claim was affirmed on review.¹¹⁶

This analysis suggests that the hundreds of litigated dilution claims before the TTAB have been a significant waste of time and resources. In proceedings that reach a final disposition by the TTAB, dilution directly affects the outcome of less than one percent of the cases in which it is raised. Moreover, two of the only three examples of anti-dilution claims doing real work in TTAB opinions vindicate all the direst warnings of academic critics of anti-dilution rights, while the third could almost certainly have been resolved on likelihood of confusion grounds. Still, a fair number of opposers and cancellation petitioners do seem willing to go through the trouble of building a dilution case—or perhaps more to the point, putting their adversaries to the trouble of defending a dilution case—notwithstanding the miniscule likelihood that it will have any effect on the ultimate outcome on the merits. The cost of all this fruitless litigation to actual trademark owners—and to those prospective trademark owners who are trying to secure the rights of registration—is likely substantial, and those costs appear to be almost entirely wasted.

113. For example, in *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 719 F.3d 1367 (Fed. Cir. 2013), the Court of Appeals for the Federal Circuit reversed the TTAB's rejection of a dilution claim on issue preclusion grounds, but did not express any opinion on the merits of the claim, which is currently suspended as the parties pursue settlement. See Court's Order of Dec. 31, 2013, *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, Opp. No. 91175601 (T.T.A.B. Dec. 31, 2013), available at <http://ttabvue.uspto.gov/ttabvue/v?pno=91175601&pty=OPP&eno=36>.

114. See, e.g., *Bellsouth Intellectual Prop. Corp. v. VCS Techs., Inc.*, No. Civ.A.041476 GK, 2004 WL 2475558, at *3 (D.D.C. Oct. 29, 2004) (consent judgment including a stipulated finding that the applicant's mark would dilute the opposer's mark).

115. See, e.g., *Rolex Watch USA Inc. v. AFP Imaging Corp.*, 107 U.S.P.Q.2d (BNA) 1626 (T.T.A.B. 2013); *Blue Man Prods., Inc. v. Tarmann*, No. Civ.A.052037, 2008 WL 6862402, at *3 (D.D.C. Apr. 3, 2008) (applicant who prevailed before the TTAB defaulted in *de novo* action, resulting in cancellation).

116. See, e.g., *Swatch AG v. Beehive Wholesale, LLC*, 888 F. Supp. 2d 738 (E.D. Va. 2012), *aff'd*, 739 F.3d 150, 163 (4th Cir. 2014); *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1376 (Fed. Cir. 2012); *FirstHealth of Carolinas, Inc. v. CareFirst of Maryland, Inc.*, 479 F.3d 825 (Fed. Cir. 2007); *Enterprise Rent-A-Car Co. v. Advantage Rent-A-Car, Inc.*, 330 F.3d 1333, 1344 & n.8 (Fed. Cir. 2003).

III. BEYOND THE REPORTED CASES: EMPIRICAL ANALYSIS OF THE APPLICATIONS DATASET

Of course, litigated cases, let alone those that proceed to a final disposition, represent only a small—and perhaps misleading—part of the universe of trademark interests that might be affected by the advent of dilution law. For example, one might argue that the overwhelming failure of dilution claims in *inter partes* proceedings before the TTAB merely demonstrates that the creation of anti-dilution rights has been enormously successful in weeding out dilutive trademark applications earlier in the registration process. One could imagine multiple mechanisms for such a weeding-out process: anti-dilution protections might deter would-be registrants from even attempting to register dilutive trademarks, or they might lead examiners to surreptitiously treat dilutive applications unfavorably at the *ex parte* examination stage notwithstanding the absence of explicit statutory authority to do so. We fortunately have a new, voluminous source of data that can help shed light on such theories: the PTO's Trademark Case Files Dataset (the PTO Dataset). This Part will attempt to use these new data to determine how the failure of dilution claims before the TTAB fits into the larger picture of the effects of anti-dilution rights on the registration system. While the data do not allow direct observation of the effect of dilution law in the registration process, they provide some persuasive indirect evidence that the advent of anti-dilution rights has not had an appreciable effect on applications for which it might have been expected to do so.

A. Sources and Methodology

The ultimate task of this Article is to determine whether the advent of dilution law has made any appreciable difference in the federal registration system. Specifically, three questions are of particular interest:

- 1) Does the advent of anti-dilution statutes coincide with any change in applicant behavior?
- 2) Does the advent of anti-dilution statutes coincide with any change in previous registrants' behavior vis-a-vis new applicants?
- 3) Does the advent of anti-dilution statutes coincide with any change in PTO behavior?

The word “coincide” is used advisedly here; due to limitations of the available data that will be reviewed in this Part, it is difficult to generate any causal inferences from the PTO Dataset alone. The ambition of the present study is to provide a descriptive account of the relevant data and to see if they suggest any plausible hypotheses.

To answer these three questions, I propose to analyze the PTO Dataset, released in January 2013 by the PTO's Office of the Chief Economist.¹¹⁷ The PTO Dataset has been described more fully elsewhere,¹¹⁸ but for present purposes it is useful to go over its main features and its (substantial) limitations. The dataset contains information on approximately 6.7 million applications for federal trademark registrations dating from January 1870 to January 2012. The older data is (predictably) less complete. Indeed, prior to approximately January 1982 it is so incomplete as to be useful for only very limited purposes, while the most recent data will not reflect the outcomes of applications that are still pending.¹¹⁹ Still, the period of the most complete coverage includes the passage of all federal anti-dilution statutes and lengthy periods before and after their passage, so the dataset should be useful in identifying any changes in practice that coincide with passage. More problematic is the fact that the PTO Dataset does not include data on the *grounds* for an examiner's (or the TTAB's) refusal to register, for an opposition, or for a cancellation petition.¹²⁰ Accordingly, the data do not presently allow for direct observation of dilution law at work in the registration system.

This is no reason to surrender, however, as there may be other means—including indirect means—of observing the effects of dilution law. One possibility is to look to other sources of data, which was the strategy of Part II, *supra*. Another possibility is to seek out *proxies* for dilution in the PTO Dataset; this not only allows for indirect observation of the behavior of applicants and their adversaries (questions 1 and 2 above), but may also provide some information about PTO officials outside the TTAB (question 3). Indeed, given the proscription of examiners' explicit consideration of dilution as a basis for refusal to register, such indirect observation may be the *best* way of detecting *sub rosa* consideration of dilution in the registration process.¹²¹ For example, if we believe that examiners and TTAB judges might seek to implement anti-dilution rights despite an absence of statutory authority to do so, we might expect them to apply stricter scrutiny to non-

117. See Stuart Graham et al., *The USPTO Trademark Case Files Dataset: Descriptions, Lessons, and Insights* (2013), available at http://www.uspto.gov/ip/officechiefecon/Trademark_Case_File_Data_Documentation_31January2013_final.pdf (describing the dataset). The actual data files and supporting documentation can be found at http://www.uspto.gov/ip/officechiefecon/tm_casefiles.jsp.

118. See *id.*

119. See *id.* at 31–32.

120. Hopefully this will not be a permanent limitation; most trademark registration practice now occurs online, often through highly systematized form documents, and therefore bulk machine-readable data should exist and can hopefully be made available by the PTO in the future.

121. Cf. *In re Time Warner Entm't Co.*, No. 75/100922, 2000 TTAB LEXIS 229, at *16 (T.T.A.B. Mar. 31, 2000) (reversing a distinctiveness-based refusal to register WARNER BROS. for restaurant services to the owner of the same mark for entertainment products, citing the expanded protections afforded to famous marks under the FTDA).

competing uses of existing trademarks when considering *other* grounds for refusal to register.

To try to detect such hidden changes in practice, I developed an algorithm to automatically code each application in the PTO Dataset by reference to the existence of prior registrations that might give rise to either dilution concerns or traditional confusion concerns.¹²² To ease the analysis and work with the most complete data possible, I coded only applications including claims for standard-character marks filed on or after January 1, 1981, a total of 3,869,805 applications. The proxy measures generated by the coding algorithm constitute four overlapping categories. The first category, which I refer to as “Dilutive,” refers to applications that satisfy each of the following conditions:

- 1) The applied-for mark text is identical to the text of a previously registered mark (standard character or other) that was still live as of the application’s filing date (the “Identical Mark Condition”);
- 2) The previously registered mark has no owner entry identical to any owner entry associated with the history of the application (the “Different Owner condition”); and
- 3) The previously registered mark does not cover the same Nice Agreement international class¹²³ as the application in question (the “Different Class condition”).

Applications that satisfy the Identical Mark and Different Owner conditions but not the Different Class condition are coded as “Confusing.” The coding algorithm also looks to see whether an application corresponds to a prior registration owned by the applicant. Thus, applications that satisfy the Same Mark and Different Class conditions but not the Different Owner condition are coded as “Extensions” (following the marketing concept of a brand extension), while applications that satisfy the Identical Mark Condition but not the Different Owner or Different Class conditions are coded as “Reinforcements.” Applications that fail the Identical Mark Condition and

122. The relevant code is available as Stata do-files compiled into a compressed archive: <http://goo.gl/dwpiup>. Loading the scripts into a Stata working folder with .dta versions of the PTO Dataset files and running the master script titled “SheffDilution.do” will allow completely automated replication of all results reported in Parts III and IV, but casual readers should proceed with caution. Due to the vast amount of data in the dataset, running the automated scripts takes a week or more of processing on a standard consumer computer. I have included comments in the code to identify the most processor-intensive routines to allow replication efforts to be scheduled appropriately. Those who simply wish to review the primary data files generated by my analyses may find them in a compressed archive at <http://goo.gl/mRXt4O>.

123. Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, June 15, 1957, 23.2 U.S.T. 1336, 828 U.N.T.S. 191, available at <http://www.wipo.int/treaties/en/classification/nice/>.

thus fall outside all four other categories will be referred to herein as “Unique.”¹²⁴ The assignment of proxy categories to each application observation by reference to existing, still-live registrations as of the filing date of the application to be coded is summarized in the following Table:

TABLE 1. PROXY CATEGORIES GENERATED
BY ALGORITHMIC CODING

	Same Owner		Different Owner	
	Same Class	Different Class	Same Class	Different Class
Identical Mark	Reinforcement	Extension	Confusing	Dilutive
No Identical Mark	Unique			

There are some features of the PTO Dataset that seriously limit the power of these proxy categories. First and most importantly, the coding algorithm relies on exact text matches; false negatives on the first and second criteria (mark text and owner name) are therefore highly likely. This is particularly true for owner data, where minor differences in an entity name or suffix may mask common ownership or control. I performed some data cleaning on the owner data prior to running the coding algorithm in the hopes of mitigating the problem,¹²⁵ but many false negatives remain and I have not taken further steps to remove them. As a result, applications that ought to be coded “Extensions” or “Reinforcements” may be erroneously coded “Dilutive” or “Confusing,” respectively. Moreover, these false negatives are likely to be especially problematic for large firms with complex organizational structures or long lifespans—precisely the types of businesses that would be more likely to attract free-riders on their brand equity. Because false negatives may also result from exact matching on mark text, applications that should fall into one of the four proxy categories may not be coded as such. And indeed, spot-checking of the data suggests that false negatives in owner-name matching are a substantial concern, particularly for famous marks. Part IV will report the results of a more targeted analysis that overcomes many of these issues by operating on a much smaller scale that allows for hand-coding.

124. Strictly speaking, the marks claimed in this category of applications may not be truly unique in the federal registration system. For example, they may be identical to previously registered marks that were abandoned or cancelled prior to the filing date of the coded application.

125. In particular, I standardized the order of personal names; removed most business entity identifiers at the ends of owner names such as “Inc.,” “Corp.,” and “LLC”; removed “The” at the beginning of entity names; and removed superfluous punctuation. The scripts used to achieve this data cleaning are in the file ownerclean.do in the compressed archive of Stata do-files discussed in note 122, *supra*.

Similarly, requiring exact matches on mark text likely results in misclassification of many applications that the PTO would consider confusing or dilutive. As demonstrated above, *most* successful dilution claims before the TTAB do not involve identical marks: only two of the seven marks found dilutive by the TTAB (CHANEL and NASDAQ) would be coded as dilutive by this algorithm.¹²⁶ Still, given the likelihood that dispositive TTAB opinions may select for the most marginal dilution claims, and insofar as identical marks provide the most straightforward argument for confusion or dilution, aggregate analysis of them may provide meaningful information. Moreover, the vast size and comprehensiveness of the PTO dataset ensures that there will be sufficient exact matches to provide some fodder for analysis.

Another potential problem arises from the use of the Nice Agreement classification system to measure competitive proximity. The inclusion or exclusion of goods and services from one or another international class has changed over time,¹²⁷ meaning (for example) that the classifications of applications on closely similar goods or services at widely separated times may escape the coding algorithm. Moreover, the Nice Classification is an inherently imperfect proxy for the kind of competitive proximity that marks the difference between likelihood of confusion and dilution, which the PTO considers on a fact-specific, context-sensitive basis.¹²⁸ Some international classes, such as Class 9,¹²⁹ are so broad that even applications directed at goods within this class might be considered too commercially remote from one another to generate consumer confusion. The converse problem may also arise; for example, the Nice Classification places beers in Class 32 and other alcoholic beverages in Class 33, but there is case law to support a finding of likelihood of confusion between beer and Scotch whisky.¹³⁰ So again, some applications may be mis-classified by the automated coding algorithm: Dilu-

126. See *supra* Part II.

127. See *Nice Classification, Previous Editions*, WORLD INTELLECTUAL PROP. ORG., http://www.wipo.int/classifications/nice/en/nice_archives.html (last visited Nov. 1, 2014).

128. See generally U.S. Patent and Trademark Office, TMEP § 1207.01(a) (Apr. 2014) (“[T]he more similar the marks at issue, the less similar the goods or services need to be to support a finding of likelihood of confusion.”).

129. Class 9 includes “Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signaling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment, computers; computer software; fire-extinguishing apparatus.” WORLD INTELLECTUAL PROP. ORG., NICE CLASSIFICATION - CLASS 9, (last updated Apr. 14, 2014), available at <http://web2.wipo.int/nicepub/edition-20140101/taxonomy/class-9/>.

130. See, e.g., *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149, 155–56 (9th Cir. 1963).

tive applications may be miscoded as Confusing (and vice versa); Reinforcements may be miscoded as Extensions (and vice versa).

Finally, as discussed above, anti-dilution protection at the federal level has always been limited to “famous” marks.¹³¹ While, as previously noted, the definition of “fame” has vacillated somewhat over the brief history of federal dilution law, there does not appear to be any useful proxy for it in the PTO dataset.¹³² This leads to two caveats. First, to the extent that the effects of dilution law are indeed limited to famous marks, the analysis herein would capture a great deal of irrelevant data—perhaps too much to allow meaningful analysis of the questions of interest. Second and conversely, to the extent that the effects of dilution law are *not* confined to truly famous marks, there would seem to be little reason to think that dilution law would have more predictable (or observable) effects with respect to its other criteria such as competitive proximity or similarity of mark text. Again, the more targeted analysis in Part IV will largely address this concern, at the cost of operating on a narrower scale.

In short, the content of the available data imposes serious limitations on the conclusions that can be drawn from it regarding the role of dilution law in the trademark registration system. Accordingly, the ambitions of the analysis herein are quite modest. I seek only to provide a description of how, if at all, rough measures of the interaction of mark similarity, competitive proximity, and mark ownership shed light on the three questions of interest described above regarding the effect of dilution law on the registration system. With all these caveats firmly in mind, we can proceed to look at the results of the algorithmic coding process, determine whether they suggest that the problems with the data are surmountable, and if so, whether the data suggest that dilution law is having a substantial effect on registration. As I explain below, I believe the answers to these questions are yes and no, respectively.

131. 15 U.S.C. § 1125(c) (2012).

132. The only possible exception is a notation concerning acquired distinctiveness in the Casefiles Dataset, but this is present only for a very small number of applications. Graham, *supra* note 117, at 21, 33. Moreover, it is unlikely that such a notation would be present for all marks that *could* establish acquired distinctiveness (as a far less burdensome showing of inherent distinctiveness would obviate the need to do so), and the evidence of acquired distinctiveness proffered to support registration would typically be insufficient to establish the degree of renown among the general public that the PTO requires of a dilution claim. *See* Coach Servs., Inc. v. Triumph Learning LLC, 668 F.3d 1356, 1372 (Fed. Cir. 2012) (“By using the ‘general consuming public’ as the benchmark, the TDRA eliminated the possibility of ‘niche fame,’ which some courts had recognized under the previous version of the statute.”); *see also* Toro Co. v. ToroHead Inc., 61 U.S.P.Q.2d (BNA) 1164, 1170 (T.T.A.B. 2001) (describing the high bar for fame under the FTDA); *Zabars & Co., Inc. v. Zabas Grill, LLC*, 2008 WL 2817087, at *6 (T.T.A.B. July 10, 2008) (“[E]vidence of regional or niche fame falls short of demonstrating that awareness of opposer’s products and services among those segments of the population translates into widespread recognition of the mark.”).

B. Findings

Table 2 provides a summary of the results of the coding algorithm described in the previous Section:

TABLE 2. SUMMARY OF AUTOMATED CODING OF PTO DATASET

		Not Reinforcement		Reinforcement	
		Not Extension	Extension	Not Extension	Extension
Not Dilutive	Not Confusing	3,083,395	40,104	43,783	8,809
	Confusing	50,222	1,003	2,366	667
Dilutive	Not Confusing	412,399	19,257	12,626	6,131
	Confusing	170,244	6,532	8,017	4,250

Perhaps the most striking result in Table 2 is the number of “Unique” applications in the analyzed data: 3,083,395 out of 3,869,805 applications, or nearly 80%. Of the remaining 786,410 applications categorized, 639,456 are coded as “Dilutive”—approximately 81% of the non-unique marks and by far the largest category. Thus, roughly 16% of standard-character applications are dilutive under the three-prong test described in the previous Part—not a trivial proportion. The next largest category, “Confusing,” contains 243,301 applications: approximately 31% of the non-unique applications or approximately 6% of all applications coded.

Another important feature of the data is the significant overlap in the categories. Any one application could fall within anywhere from zero to four of the coded categories. There is some overlap among all the categories, but especially among the “Confusing” and “Dilutive” categories. To summarize, more than three out of every four confusing applications are also dilutive, while slightly less than one in three dilutive applications are also confusing. This is yet another reason why telling a causal story about the role of dilution law in the registration system would be somewhat difficult—interactions among the proxy variables will make it difficult to isolate any effects of dilution specifically.¹³³ Notwithstanding this limitation, the volume of data is so large that we may still be able to arrive at a useful descriptive picture of the application system and the role of dilution in it.

133. In an effort to strip away these interactions a bit, I have reproduced the analyses presented in Figures 4–16, *infra*, in Appendix B, *infra*, with the modification that I analyze only those applications that fall into one of the proxy categories but not any other (i.e., confusing but not dilutive, extension, or reinforcement; dilutive but not confusing, extension, or reinforcement; etc.). The results of that analysis appear similar to those of the analysis in this Part with respect to the dilutive category; the other categories end up having a much smaller number of applications in them but otherwise do not exhibit any startling differences.

1. Gut-Check: Does the Coding Align with our Intuitions?

Felicitously, macro-level measures of registration outcomes seem to suggest that the proxy categories are indeed useful in distinguishing applications from one another. As a first-pass assessment of whether the coding algorithm is capturing anything meaningful in the applications data, we might ask whether the four proxy categories align with our intuitions regarding the underlying features of the registration system we are hoping to use them to approximate. In general, we would expect registration outcomes to be worse for confusing marks than for dilutive marks, and for outcomes to be most favorable for reinforcements, followed by extensions. And in fact, when we look at publication and registration rates over time, this is exactly what we find, as illustrated by Figures 4 and 5 below (the vertical line in each figure marks the effective date of the TAA):

FIGURE 4. PUBLICATION RATES, BY CATEGORY

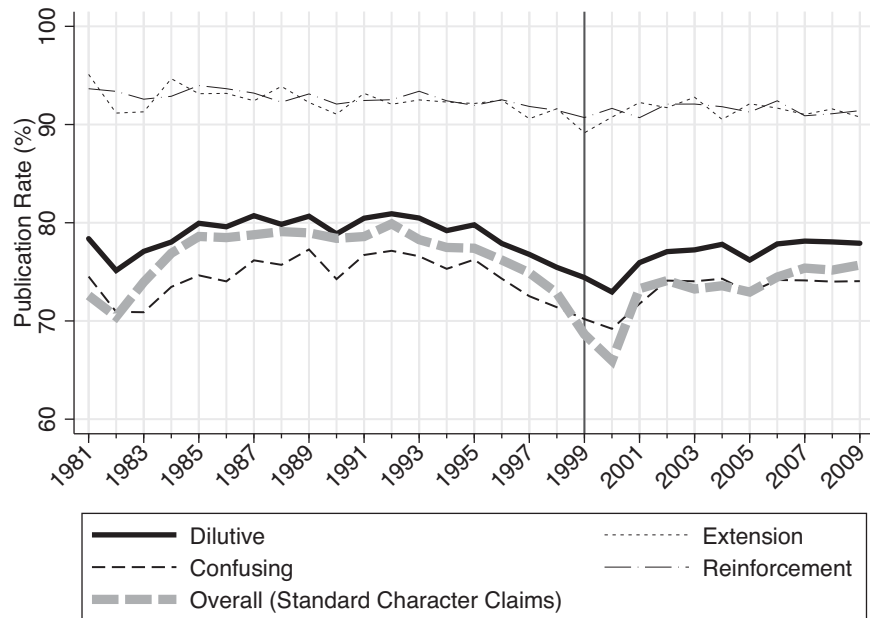
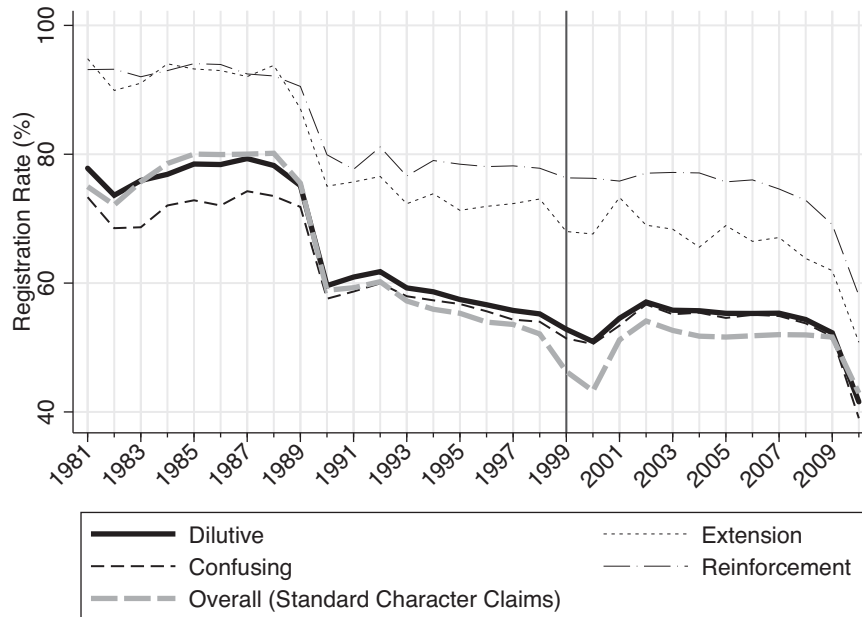


FIGURE 5. REGISTRATION RATES, BY CATEGORY

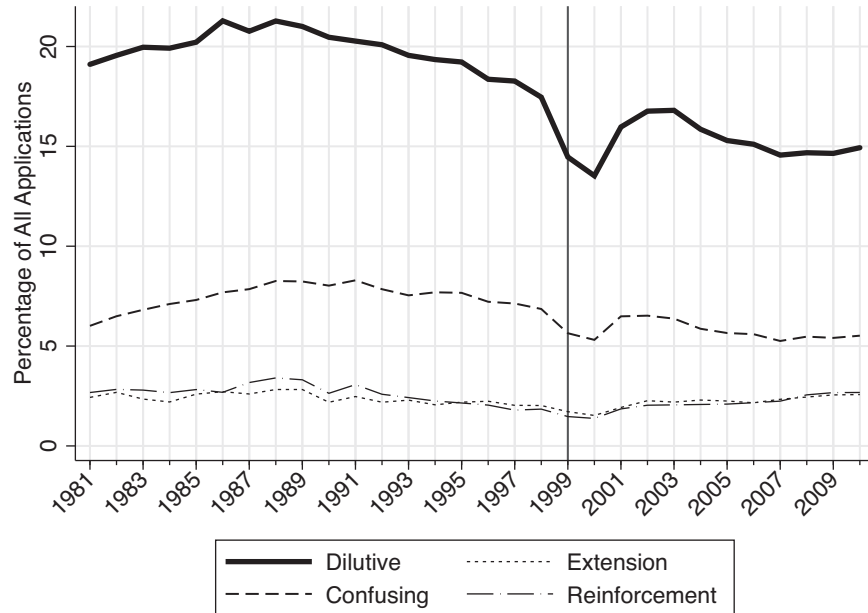


Here we see that Extensions and Reinforcements enjoy far more favorable outcomes than the typical standard character mark, while Confusing marks fare about the same as or slightly worse than the typical standard character mark at the publication stage. Interestingly enough, Dilutive marks appear to have performed slightly better than typical standard character marks since the advent of the intent-to-use system in 1989. Indeed, since 1999, even Confusing marks, while less likely to be published than the typical standard character mark, are more likely to be registered (the difference presumably being largely attributable to abandonment subsequent to publication). While this is perhaps a surprising result, it is consistent with a favorable evaluation of the proxy categories for present purposes: relative to one another at least, they seem to perform in alignment with our intuitions. I therefore propose to use them as a lens to examine the behavior of participants in the registration system over time.

2. Applicant Behavior

Applicants do not seem to have changed their behavior in response to the advent of dilution law. If they had, we would expect application rates for dilutive marks to decrease when anti-dilution rights took effect. So Figure 6, which shows a relative decrease in the proportion of applications coded as dilutive around the effective date of the TAA, might at first glance suggest that dilution law is affecting applicant behavior:

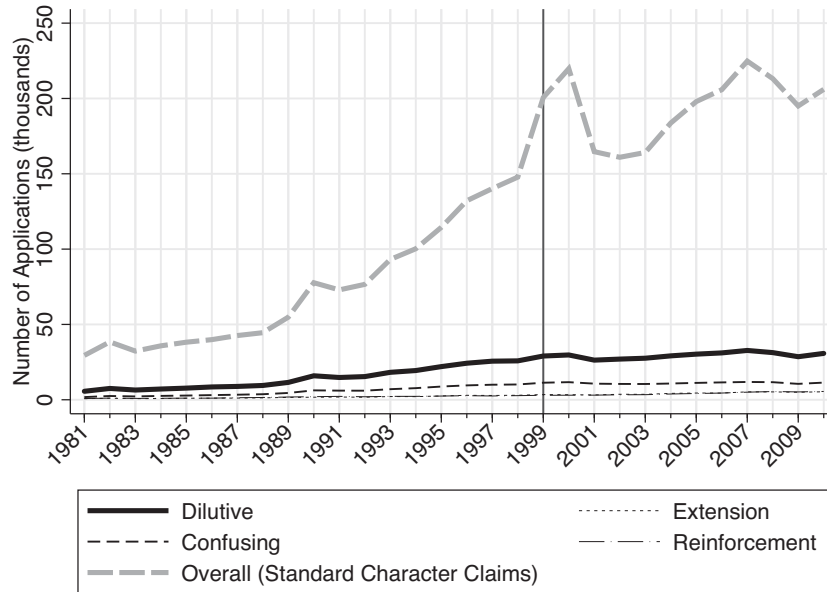
FIGURE 6. APPLICATION RATES, BY CATEGORY



However, this dip appears to be a result of changes in the denominator, rather than the numerator. Specifically, it occurs during the spike of application activity accompanying the dot-com boom which was previously described by Barton Beebe in his early analysis of applications data.¹³⁴ As most of this spike appears to have involved new, unique trademarks, it has the effect of showing a drop in the *rate* of dilutive applications even as the *number* of such applications remains on a steady, slow, upward trend:

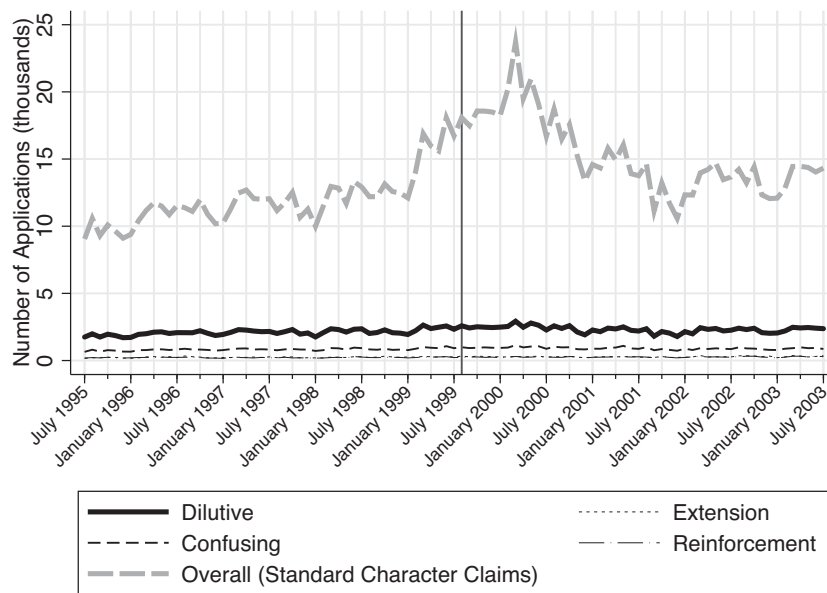
134. Barton Beebe, *Is the Trademark Office a Rubber Stamp?*, 48 HOUS. L. REV. 751, 761 (2011).

FIGURE 7. APPLICATION COUNTS, BY CATEGORY (YEARLY)



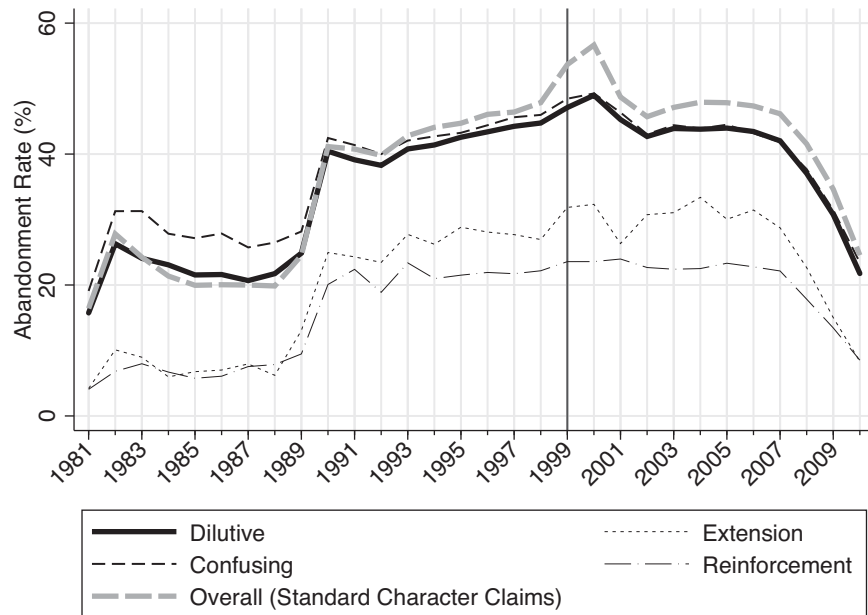
And indeed, when looking more closely at the timeframe corresponding to the passage of the TAA, the number of applications for dilutive marks appears essentially flat:

FIGURE 8. APPLICATION COUNTS, BY CATEGORY (MONTHLY)



Finally, there does not appear to be any shift in abandonment rates upon the advent of the TAA. To the contrary, as Figure 9 demonstrates, abandonment became much more common with the institution of the intent-to-use regime, but since then has been relatively flat (including over the period covering passage of the TAA):

FIGURE 9. ABANDONMENT RATES, BY CATEGORY



In sum, there does not seem to be any suggestion in the data that the advent of dilution law made new applicants any more wary of applying for marks identical to previously registered marks in different categories (or, for that matter, in the same category).

3. Prior Registrant Behavior

Somewhat surprisingly, the added power of anti-dilution rights does not appear to have affected the behavior of *existing* trademark registrants either. Given the trademark bar's insistent lobbying for anti-dilution protection, we might expect, for example, that the number and share of opposition proceedings targeting dilutive marks (relative to other marks) would increase with the advent of anti-dilution protection. Again, this does not appear to be the case:

FIGURE 10. OPPOSITION COUNTS, BY CATEGORY

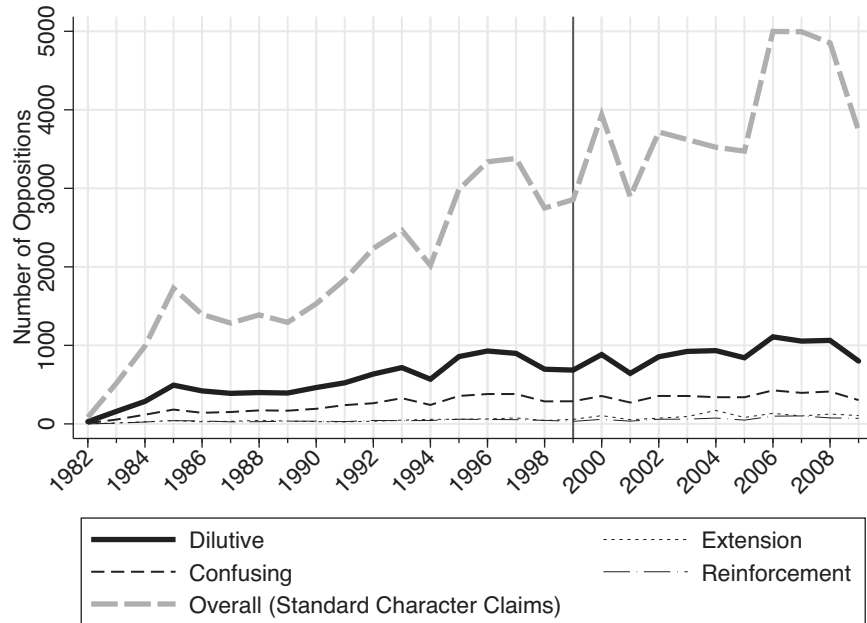
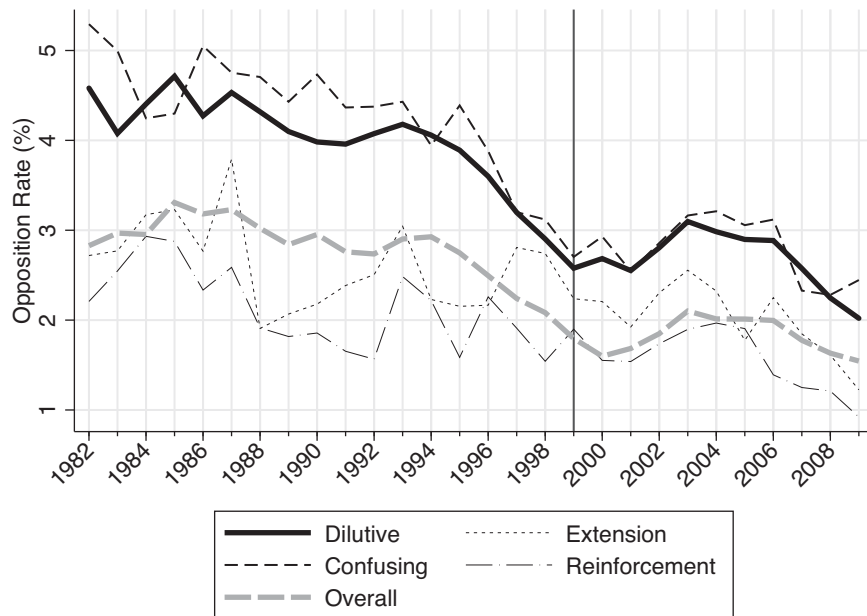


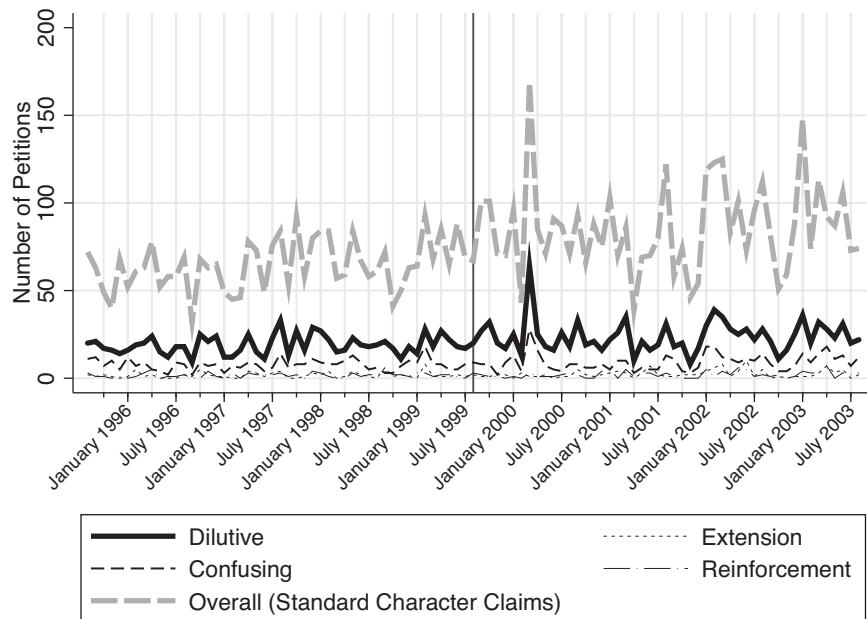
FIGURE 11. OPPOSITION RATES, BY CATEGORY AND APPLICATION DATE



Here we see that, even as the total number of oppositions is rising steadily, the number of oppositions targeting dilutive marks is nearly flat, or at most growing at a much more restrained pace. Moreover, though the rate at which dilutive applications draw an opposition has always been higher than the rate for applications overall, it is still quite low at between two and five percent, and does not appear to show any significant discontinuity upon passage of the TAA. Indeed, it appears to closely track the opposition rate for confusing applications throughout the period under examination.

Analyzing cancellation petitions is somewhat more complicated because the timing of a cancellation petition is less likely than that of an opposition to correlate to the filing date of the challenged application. Moreover, given the retroactivity of the TAA, we might expect a significant number of cancellation petitions filed soon after the effective date of that statute, as pent-up demand for cancellation of dilutive-but-not-confusing marks finally gains an outlet. Accordingly, I graph cancellation petitions below by date of petition, rather than by the filing date of the application. And indeed, looking at the monthly data, we do see a spike in cancellation petitions a few months after passage of the TAA:

FIGURE 12. CANCELLATION PETITIONS, BY CATEGORY AND PETITION DATE (MONTHLY)



This spike in cancellation activity occurs in March of 2000, and is followed by an apparent (though modest) increase in variability. The spike oc-

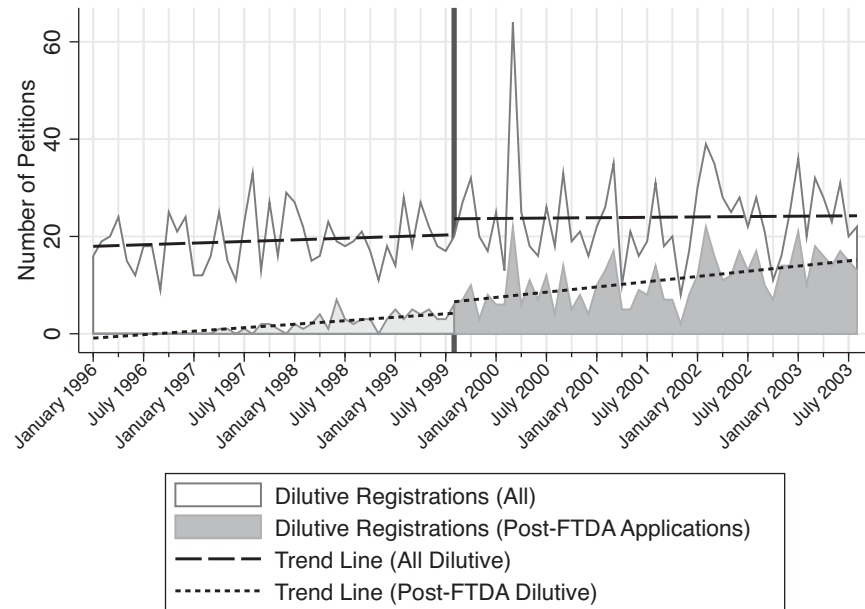
curs seven months after passage of the TAA, which would be an odd time to see such an acute effect from that law's passage. Moreover, the spike affects all standard-character marks, not just dilutive (or even dilutive and confusing) ones. Thus, the advent of anti-dilution protection seems to be an unlikely cause of this brief spike in cancellation petitions. Rather, there seems to be a more likely explanation grounded not in law, but in technology. To wit: the PTO's Trademark Electronic Search System website (TESS) went live on February 29, 2000.¹³⁵ If there was pent-up demand among trademark owners for cancellation of competing registrations, it appears not to have been directed against dilutive marks in particular. Rather, here we seem to see a one-shot release of pent-up demand for cancellations in general, driven by a one-time lowering of search costs through technological innovation. This may actually be the most interesting result that emerges from this project, insofar as it suggests that technological innovation in the administration of government, perhaps more than changes in substantive law, can meaningfully affect the behavior and experience of those who access government services.

To return to the analysis of prior registrant behavior vis-à-vis dilution, it is important to note that the TAA's cancellation provisions apply retroactively, but only to registrations that were filed on or after the FTDA's effective date. Thus, many petitions targeting dilutive registrations could not be doing so on grounds of dilution, even if the petitions themselves were filed after the effective date of the TAA.¹³⁶ In Figure 10 below, we see the cancellation-eligible registrations in gray as a share of all cancellation petitions targeting dilutive registrations in white. As one might expect, the proportion grows over time as the share of all registrations that post-date the FTDA naturally increases with the passage of time. However, there does not appear to be any discontinuity around the passage of the TAA. Thus, again, the data fails to suggest any change in petitioner behavior.

135. Press Release, U.S. Patent & Trademark Office, USPTO Introduces New Trademark Electronic Search System (Feb. 29, 2000), available at <http://www.uspto.gov/news/pr/2000/00-14.jsp>.

136. Indeed, this limitation was grounds for at least one dismissal of a dilution claim by the TTAB. See *Moosehead Breweries Ltd. v. Otto Bros.' Brewing Co.*, 2002 WL 575720, at *1 n.3 (T.T.A.B. Apr. 16, 2002). On the other hand, the Board did hold that Congress intended the TAA to apply retroactively to oppositions filed before the effective date of the TAA against applications for registration applied after the effective date of the FTDA so long as other prerequisites for leave to amend are met. See *Boral Ltd. v. FMC Corp.*, 59 U.S.P.Q.2D (BNA) 1701, 1703 (T.T.A.B. 2000) ("We conclude that the 1999 Act explicitly permits retroactive application so as to allow oppositions, brought against applications filed on or after January 16, 1996, to be amended to include dilution claims."); see also *Polaris Indus. v. DC Comics*, 2000 WL 33321170, at *2 (T.T.A.B. Nov. 30, 2000).

FIGURE 13. CANCELLATION PETITIONS TARGETING DILUTIVE REGISTRATIONS, BY PETITION DATE



In sum, the one group of actors in the registration system who would seem to have the strongest motivation for taking advantage of new anti-dilution rights—the prior registrants who lobbied for those rights—appear to have greeted the advent of dilution law with a shrug.

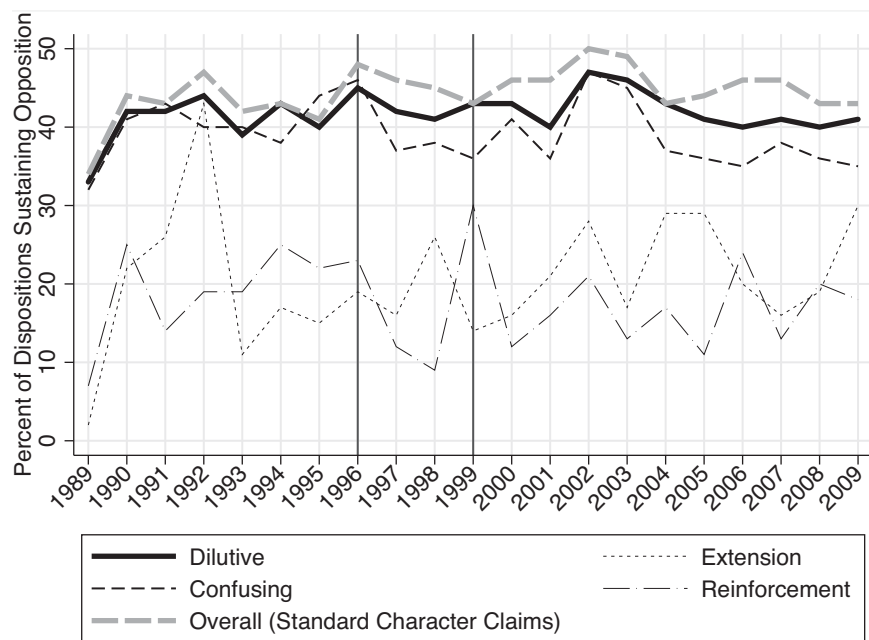
4. Agency Behavior

Finally, the PTO itself appears not to have changed its treatment of dilutive applications upon the advent of dilution law. Much of the useful data on this question was reviewed in Part II above, where I demonstrated just how little an effect dilution claims have had on the disposition of litigated *inter partes* proceedings. But again, *inter partes* proceedings litigated to an ultimate disposition are only a fraction of the applications that come before the PTO, let alone the TTAB, and it may be that Congressional action recognizing dilution as a harm was internalized by PTO actors in such a way that they might treat dilutive applications less favorably, even without explicitly invoking the new dilution statutes.

As discussed in Part II, *supra*, this story does not appear to be borne out in the caselaw, which could be fairly described as hostile to dilution claims. When we look at aggregate measures of examiner and TTAB activity, we similarly fail to see any obvious support for the theory that the PTO is taking the initiative in enforcing anti-dilution rights. Figures 4 and 5 above demon-

stated that publication and registration rates for dilutive applications have been consistently better than rates for applications overall and for confusing applications in particular, and passage of the TAA appears to have been a non-event with respect to those measures. When looking to the TTAB, we can look beyond the issued opinions to all applications that were opposed to try to see whether dilutive applications are suffering a lower success rate with changes in the law.¹³⁷

FIGURE 14. OPPOSITION SUCCESS RATES, BY CATEGORY AND DISPOSITION DATE

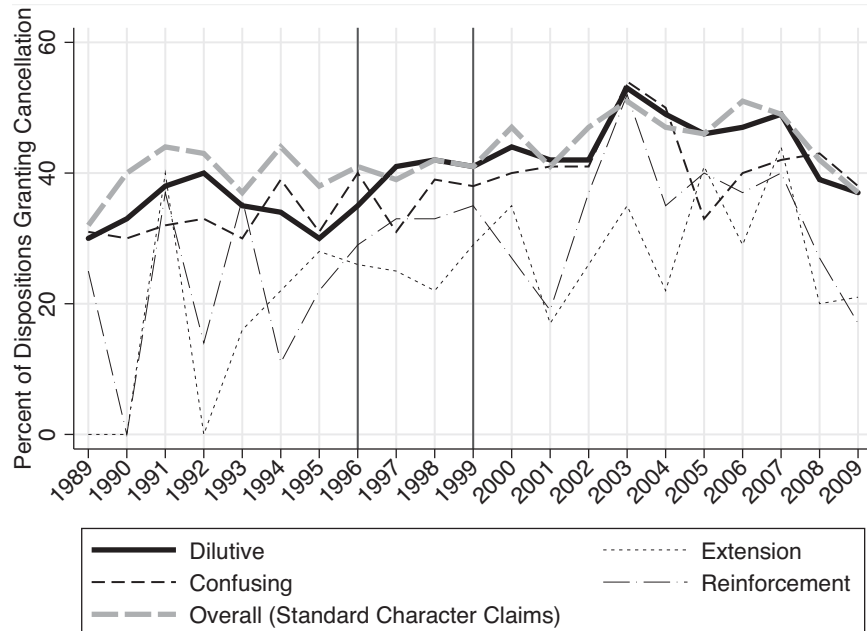


While Figure 14 is significantly noisier than previous charts (due to the much smaller number of observations), it tells a consistent story. Specifically, it fails to suggest that either the passage of the FTDA or the passage of the TAA coincided with any relative change in the success of oppositions targeting dilutive applications.

137. A note on the metric used in Figure 14 is warranted. Given the nature of the dataset, these rates were calculated by dividing the number of sustained oppositions in each category-year by the sum of the number of sustained oppositions and dismissed oppositions in each category-year. Thus, it does not include oppositions that were voluntarily terminated or settled in either the numerator or denominator, which is appropriate when trying to assess the behavior of the TTAB, but likely introduces some degree of selection bias.

Given the rarity of cancellation petitions (relative to oppositions), an analogous chart illustrating cancellation success rates reveals even more noise, but the same general result:¹³⁸

FIGURE 15. CANCELLATION SUCCESS RATES, BY CATEGORY AND DISPOSITION DATE



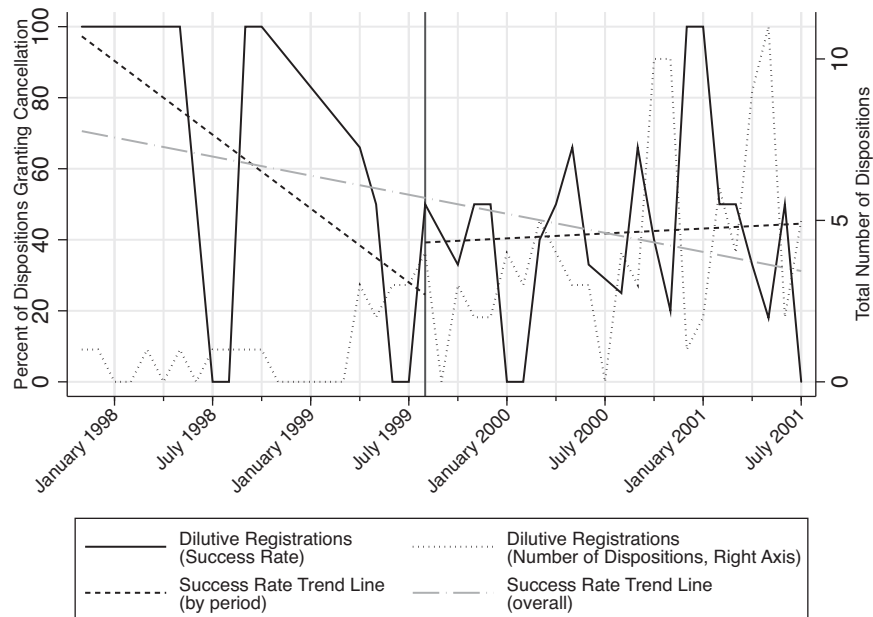
And finally, given the complicated timing and retroactivity issues surrounding cancellation on grounds of dilution,¹³⁹ it is worth looking at the success rates for cancellation petitions specifically targeting dilutive registrations whose original application date post-dates the FTDA. That metric, which is admittedly based on an extremely small number of observations relative to the dataset as a whole, can be seen in Figure 16 below:¹⁴⁰

138. Again, these rates were calculated by dividing the number of granted cancellation petitions in each category-year by the sum of the number of granted petitions and dismissed petitions in each category year. Thus, it does not include petitions that were voluntarily terminated or settled in either the numerator or denominator.

139. See *supra* note 136 and accompanying text.

140. Again, success rates were calculated by dividing the number of granted cancellation petitions in each period by the sum of the number of granted petitions and dismissed petitions in each period. Thus, it does not include petitions that were voluntarily terminated or settled in either the numerator or denominator.

FIGURE 16. NUMBER AND SUCCESS RATES OF CANCELLATIONS TARGETING POST-FTDA DILUTIVE REGISTRATIONS, BY DISPOSITION DATE



Again, the number of cancellation petitions in this category is small enough that a slight change in the number of successful petitions has an outsized effect on success rates, though this effect lessens with time as more registrations become eligible for cancellation on dilution grounds. Nevertheless, the success rate on petitions targeting eligible registrations does not show any statistically significant change with the passage of the TAA.¹⁴¹ Instead, Figure 16 appears mainly to represent noise around a steady success rate of approximately 40%, with the variability decreasing over time as the number of observations increases. In short, there is little reason to think that the TTAB is any different from any other actor in the registration system when it comes to responding to the advent of dilution law.

IV. FAMOUS MARKS

As discussed above, the TTAB and the CAFC have made clear their intent to limit anti-dilution protection to marks that meet a very high standard of fame, but the PTO Dataset does not contain any direct or indirect data on fame. Accordingly, some alternative method of analyzing the experi-

141. A two-group test of proportions—itsself of limited usefulness given the small numbers involved—reveals a difference in success rates between pre- and post-TAA cancellation rulings directed at dilutive applications filed after the effective date of the FTDA of 5.1%, with a standard error of 11.5% ($P = 0.652$).

ence of truly famous marks in the registration system is called for. This Part endeavors to provide such an analysis.

A. Methodology

I compiled a list of “famous” marks using a combination of data from two sources. The first is the *Advertising Age* “Megabrands” ranking, which has been published annually since 1989.¹⁴² The second is the annual “Best Global Brands” ranking published by the Interbrand Group since 2000.¹⁴³ I used these sources to compile a list of brands ranked by the frequency of their appearance in the top 100¹⁴⁴ positions on each of these two rankings over the entirety of their history. For purposes of this study, I am treating as “famous” brands that meet either of the following two criteria:

- The brand made at least one appearance in the top 100 positions on both the *Advertising Age* and Interbrand rankings at some point in their history (59 brands)
- The brand appeared in the top 100 positions of the *Advertising Age* ranking for at least 15 of the 20 years examined (27 additional brands)

Using regular expressions corresponding to the resulting consolidated list of 86 famous brands¹⁴⁵ (along with some common corruptions and variants, such as “COKE” for “COCA-COLA” and “BUD” for “BUDWEISER”,

142. See, e.g., *Megabrands Index*, ADVERTISING AGE (June 23, 2008), <http://adage.com/article/datacenter/megabrands-index/106349/>. Early editions of the Megabrands index were provided by Crain’s KnowledgeCenter staff. See, e.g., Kevin Brown, *Top 200 Mega-Brands by 1990 Ad Spending*, ADVERTISING AGE, May 20, 1991, at 22. I am particularly grateful to Kevin Brown and Michelle Dopp for their assistance in locating and providing these older publications, and to Martin Cerjan and Aru Satkalmi for their coordination of that effort.

143. See, e.g., Interbrand, *Best Global Brands 2013*, BEST GLOBAL BRANDS, <http://www.bestglobalbrands.com/previous-years/2013> (last visited Nov. 1, 2014).

144. The first year of the Interbrand ranking included only 75 brands. Interbrand, *Best Global Brands 2000*, BEST GLOBAL BRANDS, <http://www.bestglobalbrands.com/previous-years/2000> (last visited Nov. 1, 2014).

145. A few caveats about the limitations of the list of famous marks are in order. First, the *Advertising Age* ranking methodology has changed somewhat over time, and in general has been based on total advertising spending on a primary brand and all its sub-brands, not on any survey of consumers. Interview with Kevin Brown, Director of Data Management, Advertising Age (Feb. 4, 2014). Thus, it is biased in favor of heavily advertised product categories (particularly automotive brands), and may not capture precisely the type of fame the PTO considers most relevant for dilution purposes. *Toro Co. v. ToroHead, Inc.*, 61 U.S.P.Q.2d (BNA) 1164, 1179 (T.T.A.B. 2001) (“Fame for FTDA purposes cannot be shown with general advertising and sales figures and unsupported assertions of fame by the party. . . . Parties claiming their marks are famous must establish conclusively that the advertising has succeeded.”).

Second, the Interbrand ranking is based on a proprietary methodology designed to assess brand *value*, not brand *fame*. See Interbrand, *Methodology*, BEST GLOBAL BRANDS, <http://www.interbrand.com/en/best-global-brands/2013/best-global-brands-methodology.aspx> (last visited Oct. 22, 2014). While there is some causal connection between these two concepts, see *id.*,

and minor spelling variants of these brands and sub-brands), I searched the PTO Dataset for matching mark text in all applications for standard-character marks filed on or after January 1, 1981. A complete list of the brands and the regular expression search terms used is reproduced in Appendix C.

I then reviewed the search results by hand to identify applications that satisfied two criteria:¹⁴⁶

- The mark applied for appeared to be identical to, or a plausible approximation or derivation of, the famous mark, and
- The applicant for the mark in question was not the owner of the famous mark (or a parent, subsidiary, or affiliate of that owner).

Having identified such third-party applications for registration of famous marks, I was able to measure the rate of those applications over time and analyze various measures of how they fare in the registration process. The results of that analysis are reported below.

they are not identical, and the focus on brand value biases Interbrand's list toward luxury, technology, and financial brands.

Third, the Interbrand ranking explicitly sets out to identify the most valuable brands with a *global* presence, *see id.*, while dilution doctrine at the PTO rejects evidence of extraterritorial fame. *See Fiat Group Autos. S.p.A. v. ISM, Inc.*, 94 U.S.P.Q.2d (BNA) 1111, 1113 (T.T.A.B. 2010). For this reason, I did not include in this study's list of famous marks any brands that appeared frequently on the Interbrand ranking if they never appeared on the *Advertising Age* ranking.

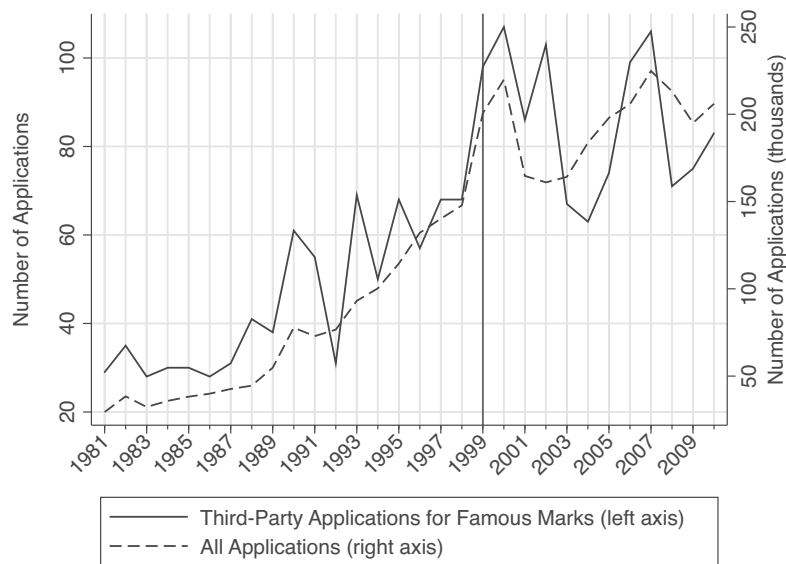
Finally, it is notable that of the six cases in which the TTAB found dilution, only two (*Nike, Inc. v. Maher*, 100 U.S.P.Q.2d (BNA) 1018 (T.T.A.B. 2011), and *Warner Bros. Entm't, Inc. v. Campo*, 2006 WL 2850871 (T.T.A.B. Sept. 13, 2006)) involved opposers whose brands appear on this list—and in both cases the applied-for mark was a sub-brand (JUST DO IT, HARRY POTTER) rather than the parent brand—thus neither would be captured by the analysis described herein. So the list of famous brands compiled for purposes of this study is somewhat underinclusive with respect to the types of marks the PTO might consider famous enough to qualify for anti-dilution protection. Still, we should be fairly confident that the list includes a representative subgroup of the most famous brands in the United States, and for that reason is a useful tool in understanding how that category of marks fares in the registration system. As the analysis below demonstrates, such marks appear never to have been in any danger of dilution through third-party registrations, which may help explain the previous two Parts' findings that dilution claims appear to be at best a marginal phenomenon in the registration system.

146. These coding criteria, as well as the crafting of regular expressions to capture more or fewer variants on a famous mark, necessarily involve some degree of judgment. For example, I have typically searched for instances of a famous mark or its variant only at the beginning of applied-for mark text. As another example, while the mark APPLE may be famous, it is also a descriptive term in many compound word marks, so I purposely limited my search to marks that consisted solely of the word APPLE (I take a similar approach with common surnames such as LINCOLN and PHILIPS). But for the less common mark GOOGLE, I searched for any mark beginning with the word GOOGLE or with the alternate spellings GOOGOL and GOOGEL. In order to make these and all my other judgments transparent, I have not only reproduced the regular expressions used as search terms in Appendix C, but I have scripted the process I used to sort through and code my search results in the Stata do-file "famous-marks.do", included in the compressed archive of materials described in note 122, *supra*.

B. Results

My searches of the PTO Dataset identified 7,579 applications for famous marks since January 1, 1981. Of these, 1,928 appear to be applications by a party not affiliated with the owner of the famous mark. And of these, 920 progressed to registration—an average rate of slightly less than 30 per year. Moreover, many if not most of these registrations are for marks with legitimate concurrent users. This is because many of the identified famous marks are surnames (FORD, KELLOGG’S, LINCOLN, PHILIPS), or have an abstract connotation of superiority (HP,¹⁴⁷ SPRINT, SATURN, TARGET), or are susceptible to concurrent use for some other reason.¹⁴⁸ I have left these (probably legitimate) third-party applications in my search results to be generous to proponents of dilution who may be unpersuaded by the analysis of the preceding parts. But even including such applications in my results, the phenomenon of unaffiliated parties applying to register another firm’s famous mark appears to be fairly trivial. As Figure 17 demonstrates, such applications tend to loosely track the overall volume of applications for registration, but at a scale roughly three orders of magnitude smaller:

FIGURE 17. THIRD-PARTY APPLICATIONS FOR FAMOUS MARKS AND ALL APPLICATIONS COMPARED



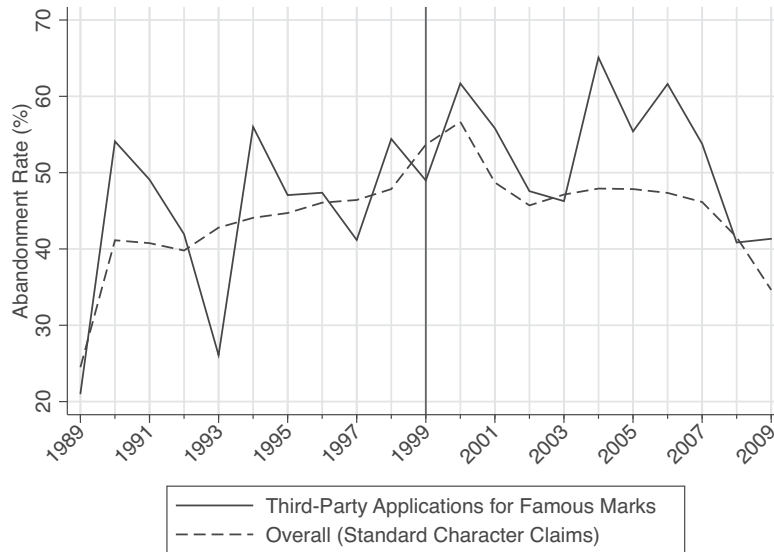
147. Many applicants appear to use HP as a descriptive acronym indicating “High Performance.”

148. For example, many variations on the mark LEXUS were captured by the search, and I include them in my analysis even though these variations are unlikely to be held to be dilutive. See generally *Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026 (2d Cir. 1989).

Thus, measured against the scale of the registration system in general, third-party applications for registration of famous marks are extremely uncommon.

The success of these third-party applications in the registration process, however, does not seem to track the overall set of applications quite as closely. As we see in Figures 18 through 21, there does appear to be some slight change around the time of the passage of the TAA. First, abandonments of third-party applications seem to increase slightly relative to the overall abandonment rate:

FIGURE 18. ABANDONMENT RATES OF THIRD-PARTY APPLICATIONS FOR FAMOUS MARKS



Moreover, registration and publication rates appear to decrease slightly relative to overall registration and publication rates:

FIGURE 19. PUBLICATION RATES OF THIRD-PARTY APPLICATIONS FOR FAMOUS MARKS

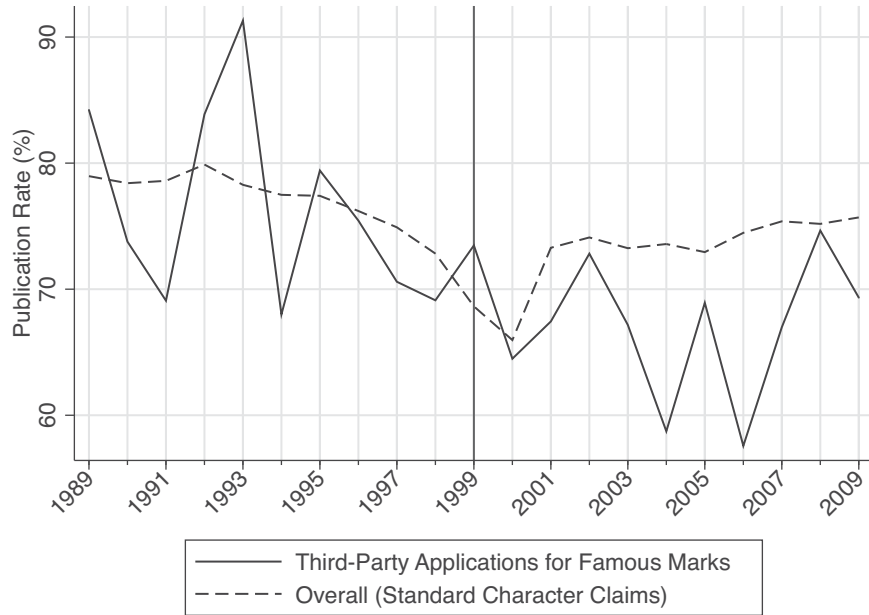
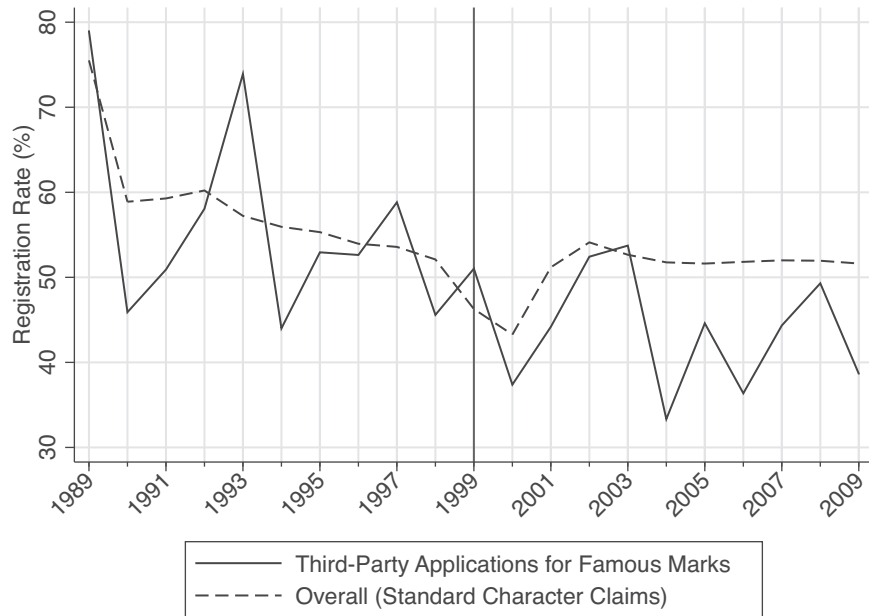
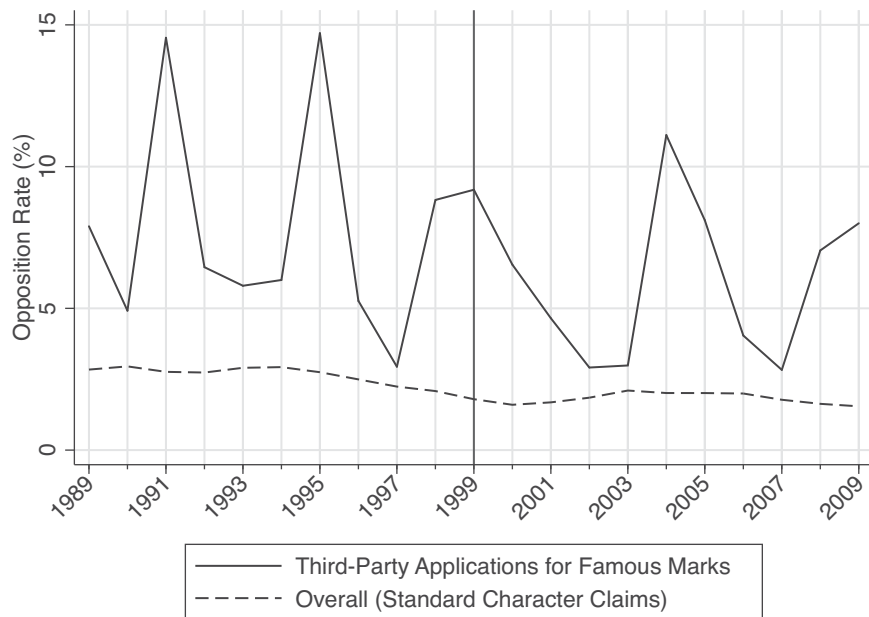


FIGURE 20. REGISTRATION RATES OF THIRD-PARTY APPLICATIONS FOR FAMOUS MARKS



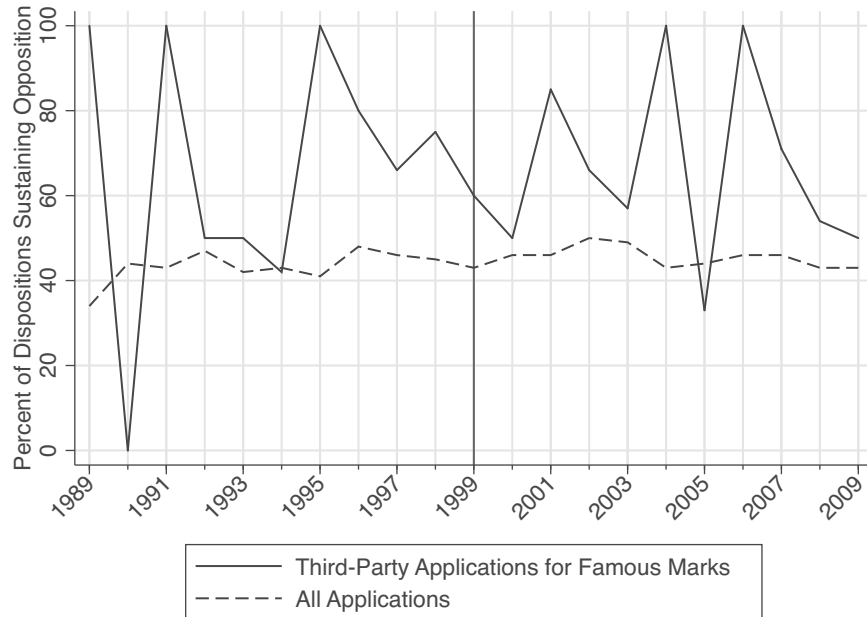
However, this decrease does not appear to be attributable to increased enforcement by famous mark owners. While opposition rates against third-party applications to register famous marks are substantially higher and more volatile than opposition rates overall, they do not exhibit any clear discontinuity with the passage of the TAA:

FIGURE 21. OPPOSITION RATES AGAINST THIRD-PARTY APPLICATIONS FOR FAMOUS MARKS



And finally, while oppositions to third-party applications for registration of famous marks tend to be more successful than oppositions overall, they do not appear to have become substantially more successful with passage of the TAA:

FIGURE 22. OPPOSITION SUCCESS RATES AGAINST THIRD-PARTY APPLICATIONS FOR FAMOUS MARKS



C. Discussion

The data reported above suggests a small decrease in the success rate of third-party applications for registration of famous marks, and moreover suggests that this decrease is attributable to something other than *inter partes* proceedings—such as increased rates of abandonment or stricter scrutiny during *ex parte* examination. Before leaping to such a conclusion, however, several caveats are in order.

First, these apparent shifts in success rates may be illusory. Given the small number of third-party applications for famous marks in any given period, the variability of their success is bound to be higher than the variability of success for applications overall. Thus this apparent effect may simply be an artifact of noisy data that might revert to the mean with additional observations.

Second, these shifts, even if they are not illusory, appear small. At best they would appear to suggest a 5- to 25-percentage point decrease in the success rate of third-party applications for famous marks (relative to overall application success rates). Even at the peak volume of registration activity, this approximately corresponds to between 5 and 30 marginal failed applications per year, out of over 200,000 total annual applications. Even if such an effect were causally attributable to anti-dilution protection, and even if it were believed to be a benefit to the trademark system as a whole to weed out

this small number of marginal registrations, we might still question whether the magnitude of that benefit justifies the cost in additional resources directed to preparing for, entertaining, litigating, and adjudicating dilution claims before the PTO.

Notwithstanding the small size of this potential effect and the possibility that it is illusory, further study is likely warranted to determine whether any causal inference is justifiable. It may well be the case that the availability of dilution claims in registration proceedings does result in slightly increased rates of abandonment of third-party applications for famous trademarks, and slightly decreased publication and registration rates for those applications, even while it does not appear to have had such an effect on third-party applications for non-famous marks. If this were the case, we might conclude that dilution doctrine was serving its stated purpose in terms of *outcomes*: it would be marginally reducing third-party uses that invoke (and thereby, it is claimed, diminish) the “selling power” of a “famous” mark.¹⁴⁹ Of course, we might still question whether that purpose is normatively justified at all, let alone in light of the costs it imposes on the registration system. But the fact that this potential effect appears for famous marks, but not other marks, does tend to mitigate some commentators’ concerns that anti-dilution rights would lead to a free-wheeling “right in gross” in trademarks.¹⁵⁰

Moreover, even if there were a causal relationship between the advent of dilution law and a change in registration outcomes for famous marks, such a relationship could not be reasonably inferred from the PTO Dataset alone. This is because any control group we might construct from that Dataset would also be subject to whatever incentives resulted from changes in federal law, and would therefore almost certainly be biased. Future research may be able to lend support to such a causal inference, for example by comparing data from foreign trademark registration systems where such a legal change has not occurred, or occurred at a different time.¹⁵¹ Such an investigation, however, is beyond the scope of the present Article. My ambition here is simply to take the lay of the land; more thorough exploration is reserved for future work.

CONCLUSION

A comprehensive analysis of dilution law’s role in the registration system is overdue. While dilution doctrine has its detractors and its apologists, few of the arguments raised in the debate over dilution rely on the actual on-

149. See *supra* notes 14–16 and accompanying text.

150. See, e.g., Kenneth L. Port, *The “Unnatural” Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?*, 18 SETON HALL LEGIS. J. 433, 466–67 (1994).

151. For an example of this research design in the field of patent law, see David S. Abrams & R. Polk Wagner, *Priority Rules: An Empirical Exploration of First-To-Invent Versus First-To-File* (2011) (unpublished manuscript), available at http://www.utexas.edu/law/wp/wp-content/uploads/centers/clbe/abrams_priority_rules.pdf.

the-ground experience of those having business with the trademark system, let alone of the registration system. This article has essayed the first such analysis and suggests that dilution has largely been a waste of time and effort. It is an invitation to divert significant resources to litigating and adjudicating a new form of claim that is almost entirely superfluous. At best, the payoff for this diversion of resources is to weed out a thimbleful of questionable registrations, while giving humorless incumbents an added tool to stamp out the occasional irreverent joke brand.

One can be cynical and say this is precisely dilution's intent: that it is designed as a tax—or a threat—levied by powerful incumbents against all other actors having business with the trademark system. But even if that were the purpose of anti-dilution protection, it would not appear to be having its desired deterrent effect on behavior. While this Article has eschewed causal claims, the descriptive analysis herein does suggest that dilutive marks are applied for at roughly the same rate, they are published for opposition at roughly the same rate, they are registered at roughly the same rate, they draw oppositions and cancellation petitions at roughly the same rate, and they withstand those challenges at roughly the same rate, as we might expect them to even in the absence of dilution law. It may someday come to pass that a more sensitive statistical analysis than I have attempted here will prove that there is in fact a causal connection between dilution law and slight changes in registration behaviors or outcomes (particularly with regard to famous marks). But even if this were proven, this marginal and normatively questionable benefit cannot justify the cost of adding another layer of claiming and disputation to the registration process. Rather, lobbying for anti-dilution rights has simply been either a mistake by trademark owners, or an exercise in rent-seeking by powerful brand owners at the expense of other trademark claimants (or worse, by trademark lawyers at the expense of their clients). Perhaps underestimating how broad their existing rights already were, dilution advocates have mainly succeeded in increasing the cost of interacting with the trademark system—even to themselves. And according to the data reviewed in this Article, they appear to have precious little to show for it.

* * *

APPENDIX A: TABULAR PRESENTATION OF TTAB DATA

TABLE APPENDIX A TABLE 1. DISPOSITIONS OF DILUTION CLAIMS BEFORE THE TTAB

PROCEEDING TYPE	PROCEDURAL DISMISSAL	NOT REACHED	DISMISSED ON MERITS	APPLICANT DEFAULT	DILUTIVE ON MERITS
OPPOSITION	175	142	99	2	7
CANCELLATION	27	8	17	0	0
BOTH	4	1	1	0	0
TOTAL	206	151	117	2	7

TABLE APPENDIX A TABLE 2. GROUNDS FOR PROCEDURAL DISMISSALS

PROCEEDING TYPE	INSUFFICIENT PLEADING	EXPLICIT WITHDRAWAL OF CLAIM	WAIVED FOR FAILURE TO BRIEF, TRY, OR ARGUE	UNTIMELY ASSERTION OF DILUTION CLAIM
OPPOSITION	109	66	23	7
CANCELLATION	14	13	2	0
BOTH	4	0	0	0
TOTAL	127	79	25	7

TABLE APPENDIX A TABLE 3. GROUNDS FOR DISMISSALS ON THE MERITS

PROCEEDING TYPE	FAME	SIMILARITY	FAME PRECEDING USE	LACK OF TTAB AUTHORITY	ESTOPPEL/PRECLUSION	FIVE-YEAR BAR	REGISTRATION DEFENSE	OTHER
OPPOSITION	58	20	14	10	3	0	0	16
CANCELLATION	5	3	0	5	1	2	2	2
BOTH	0	0	0	0	1	0	0	0
TOTAL	63	23	14	15	5	2	2	18

APPENDIX B: ALTERNATE ANALYSES OF ALGORITHMIC CODING RESULTS

FIGURE 4B. PUBLICATION RATES, BY CATEGORY

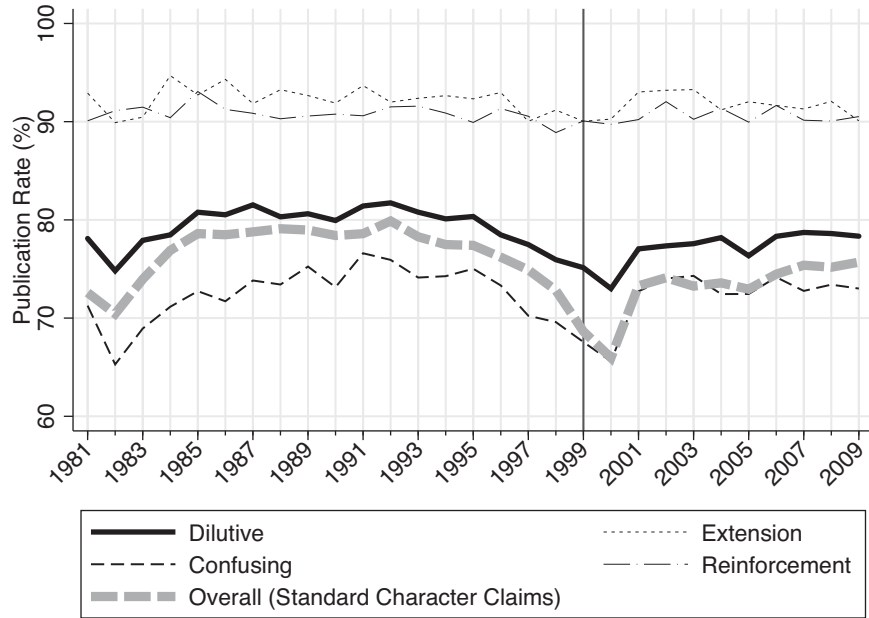


FIGURE 5B. REGISTRATION RATES, BY CATEGORY

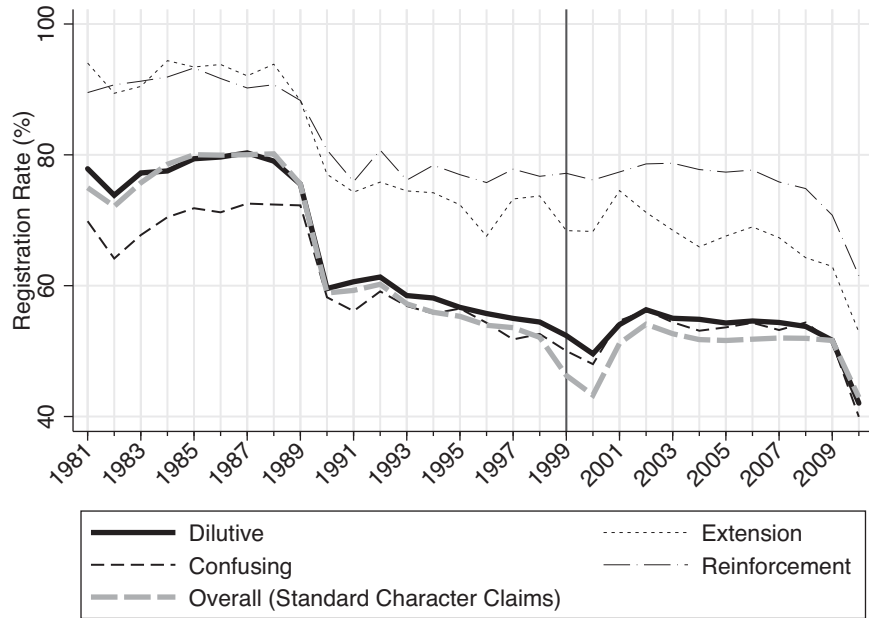


FIGURE 6B. APPLICATION RATES, BY CATEGORY

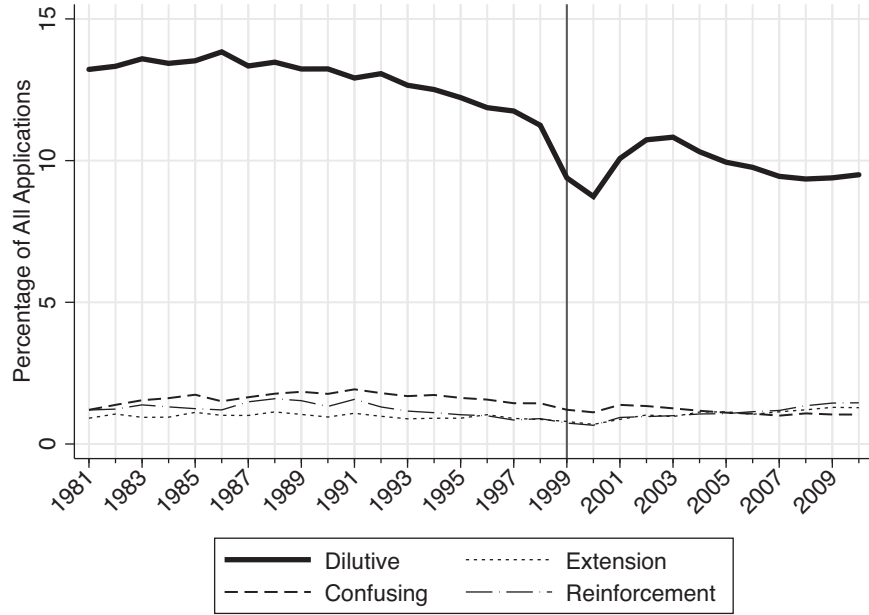


FIGURE 7B. APPLICATION COUNTS, BY CATEGORY (YEARLY)

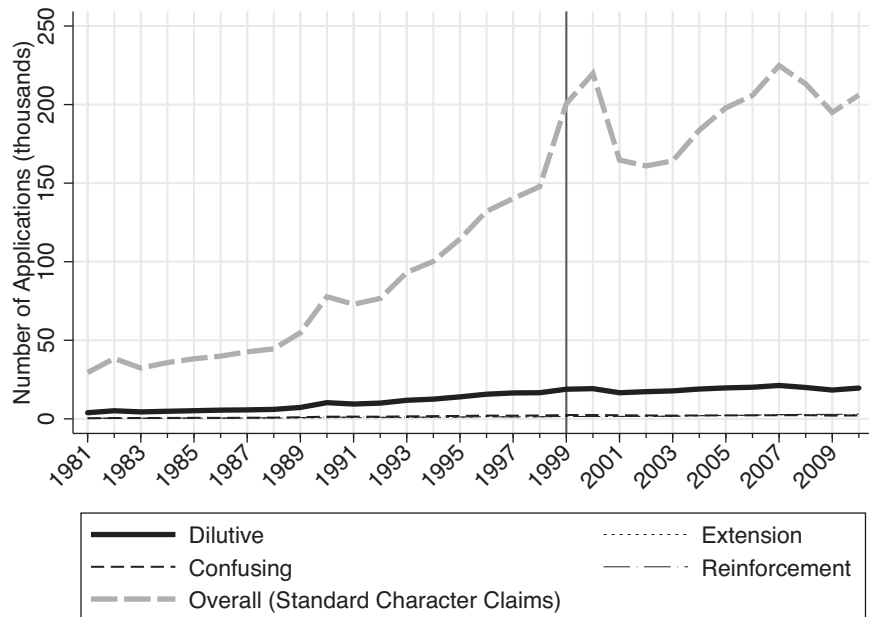


FIGURE 8B. APPLICATION COUNTS, BY CATEGORY (MONTHLY)

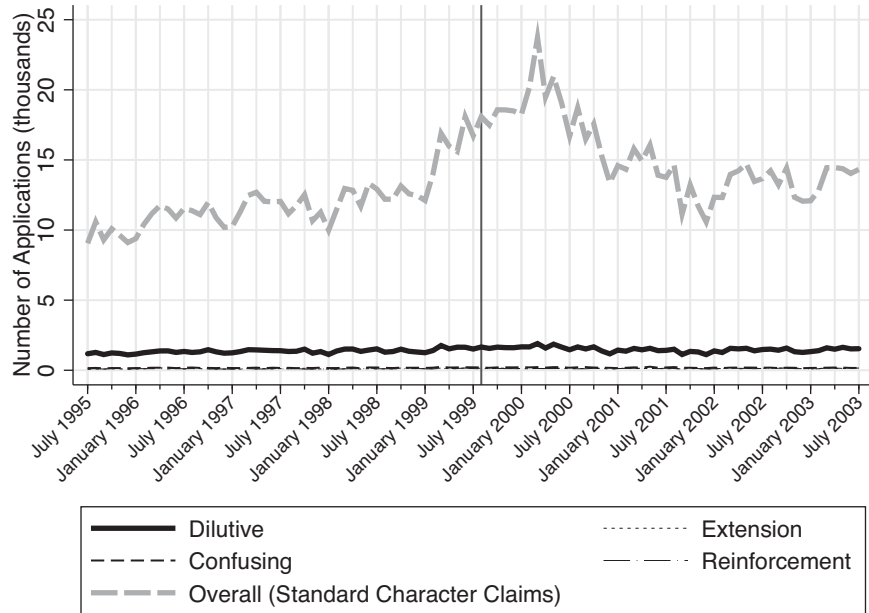


FIGURE 9B. ABANDONMENT RATES, BY CATEGORY

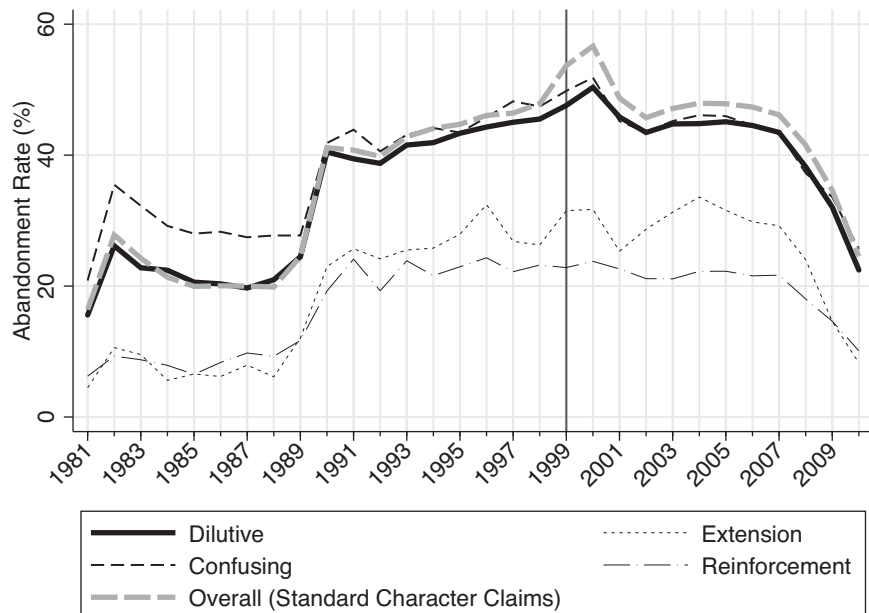


FIGURE 10B. OPPOSITION COUNTS, BY CATEGORY

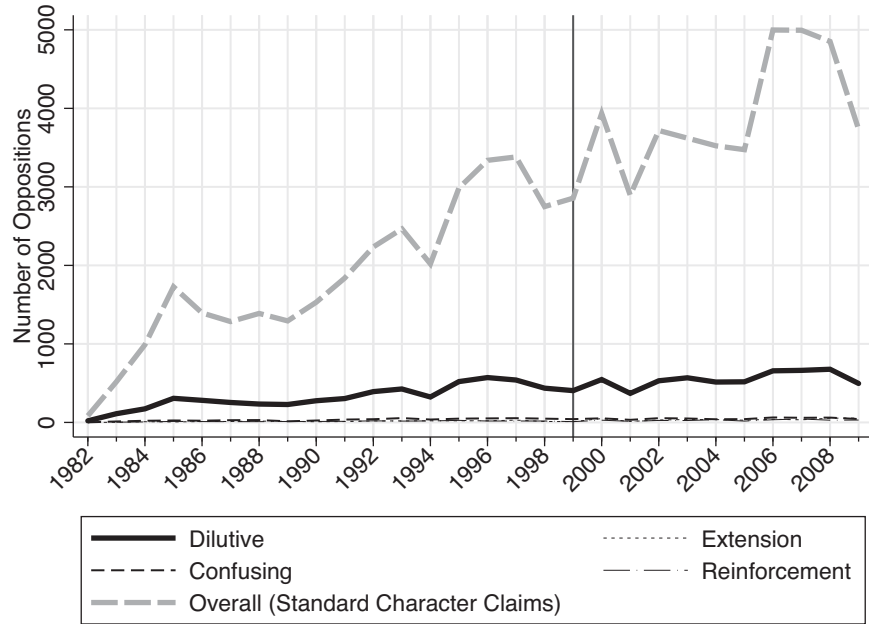


FIGURE 11B. OPPOSITION RATES, BY CATEGORY

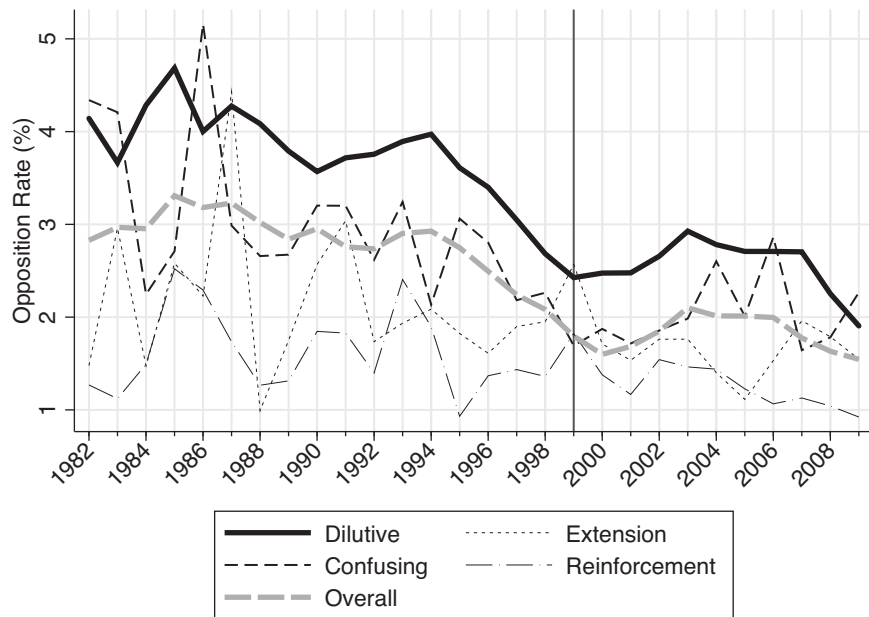


FIGURE 12B. CANCELLATION PETITIONS, BY CATEGORY AND PETITION DATE (MONTHLY)

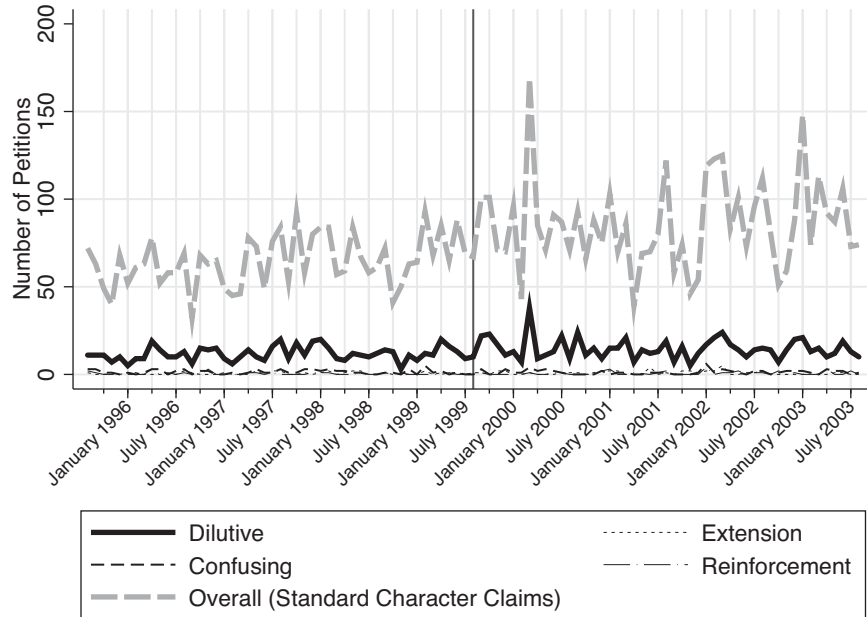


FIGURE 13B. CANCELLATION PETITIONS TARGETING DILUTIVE REGISTRATIONS, BY PETITION DATE

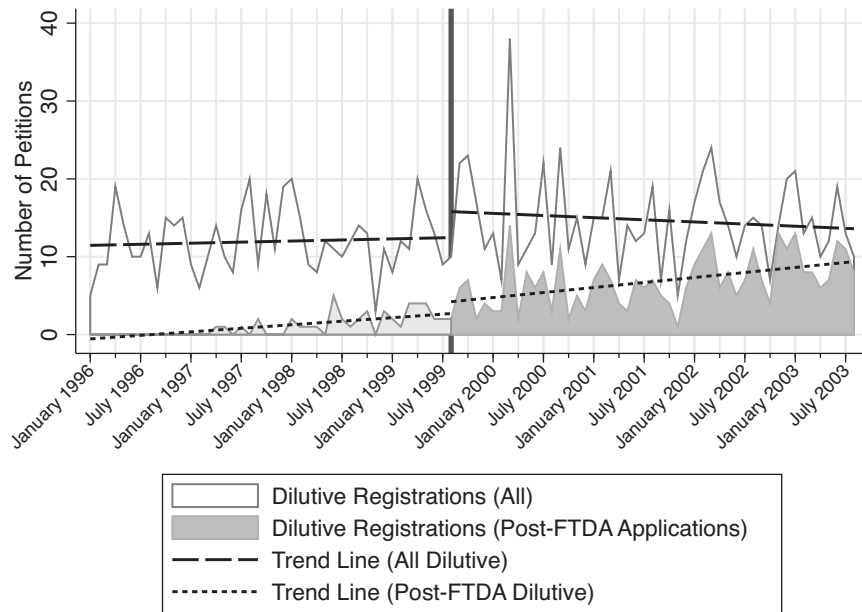


FIGURE 14B. OPPOSITION SUCCESS RATES, BY CATEGORY AND DISPOSITION DATE

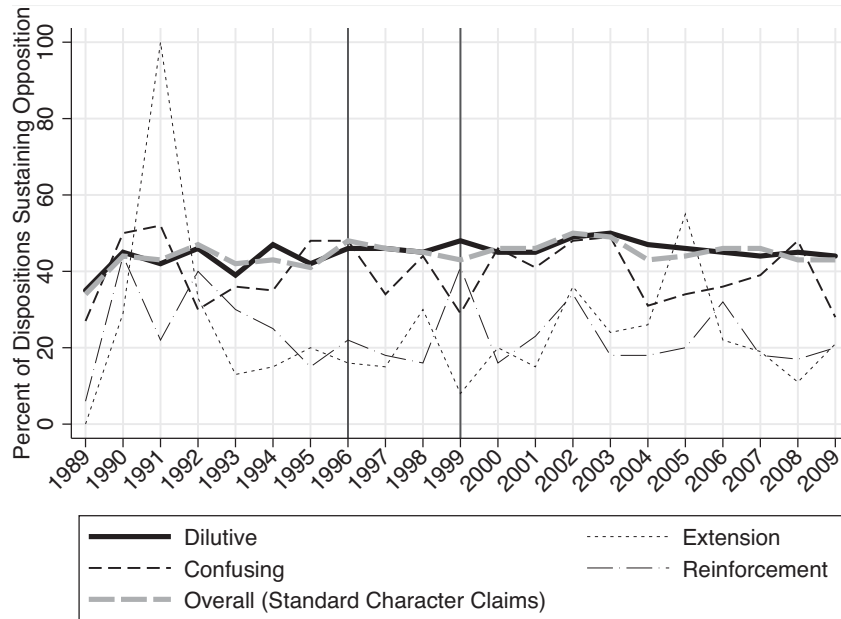


FIGURE 15B. CANCELLATION SUCCESS RATES, BY CATEGORY AND DISPOSITION DATE

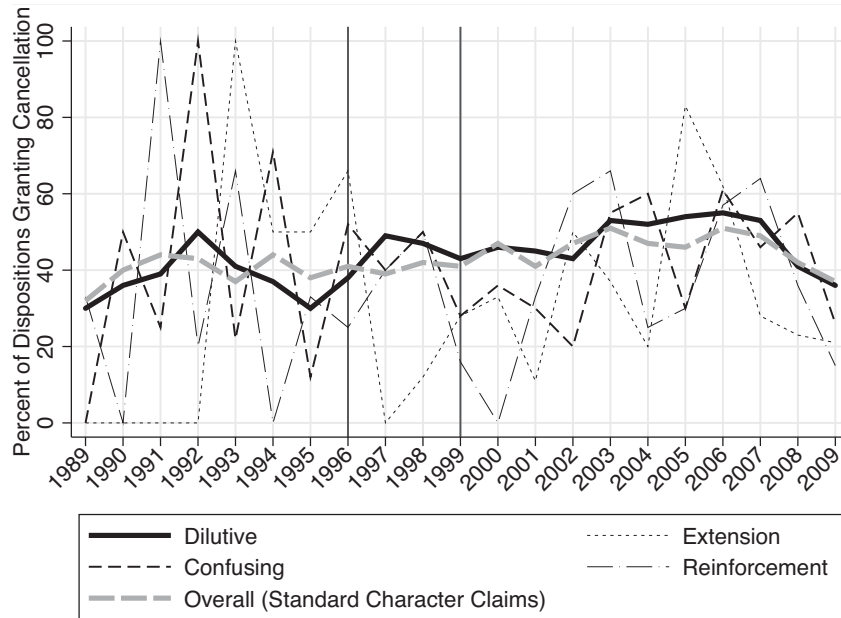
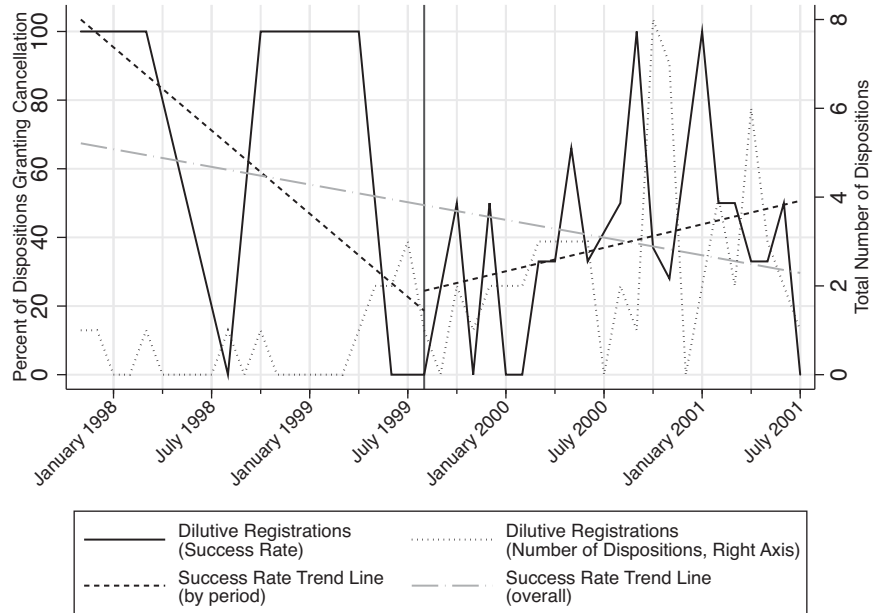


FIGURE 16B. NUMBER AND SUCCESS RATES OF CANCELLATIONS TARGETING POST-FTDA DILUTIVE REGISTRATIONS, BY DISPOSITION DATE¹⁵²



152. As with Figure 16, *supra*, there is not a statistically significant difference between the cancellation petition success rate before the effective date of the TAA, *supra* note 59, and the success rate after the effective date. See *supra* note 141 and accompanying text. The difference in success rates is 1.46%, but with a standard error of 13.89% (P = 0.916).

APPENDIX C: LIST OF “FAMOUS” MARKS, WITH REGEX EXPRESSIONS

BRAND	REGEX SEARCH TERM ¹⁵³
ACURA	^ACURR?A([:punct:] \$)
AMAZON	^AMAZON(\.COM)?\$
AMERICAN EXPRESS	^AM(ERICAN)?(:[:punct:])?EX(PRESS)?([:punct:] \$)
AOL	^A(MERICA)?(:[:punct:])?ON?(:[:punct:])?L(INE)?([:punct:] \$)
APPLE	^APPLE\$
AT&T	^A ?T ?& ?T([:punct:] \$)
BEST BUY	^BEST(:[:punct:])?BUY([:punct:] \$)
BMW	^B(:[:punct:])?M(:[:punct:])?W([:punct:] \$)
BP	^B(RITISH)? ?P(ETROLEUM)?\$
BUDWEISER	^BUD(W[IE][EI]?[SZ]ER)?([:punct:] \$)
BURGER KING	^BURGER ?KING([:punct:] \$)
CADILLAC	^[CK]ADD?ILL?A[CK]K?([:punct:] \$)
CAMPBELL'S	^CAMPBELL'S?([:punct:] \$)
CANON	^CANON([:punct:] \$)
CHEVROLET	^[CS]HEVV?(ROL(ET AY) Y)([:punct:] \$)
CHRYSLER	^(CH? K)RYSLER([:punct:] \$)
CIRCUIT CITY	^CIRCUIT(:[:punct:])?CITY([:punct:] \$)
CITI	^CITI(BAN(C K) GROUP)?([:punct:] \$)
COCA-COLA	^[CK]O[CK][AE](\ -)?[CK]OLA)?([:punct:] \$)
COMPAQ	^[CK]OMPAQ([:punct:] \$)
COORS	^COORS([:punct:] \$)
CREST	^CREST([:punct:] \$)
DELL	^DELL([:punct:] \$)
DILLARD'S	^DILLARD'S?([:punct:] \$)
DISNEY	^DI[SZ]NEY([:punct:] \$)
DODGE	^DODGE([:punct:] \$)
EBAY	^EBAY([:punct:] \$)
FORD	^FORD([:punct:] \$)
GAP	^GAP([:punct:] \$)
GE	^G(ENERAL)?(:[:punct:])?E(LECTRIC)?([:punct:] \$)
GILLETTE	^[GJ]ILL?ETT?E?([:punct:] \$)

153. Search terms are formulated to run on Stata's implementation of regular expressions, which are a variant of the POSIX.2 Standard. See STATA CORP LP, STATA DATA-MANAGEMENT REFERENCE MANUAL RELEASE 12, 248, 250 (2011).

BRAND	REGEX SEARCH TERM ¹⁵³
GM	^G(ENERAL)?(:punct:)?M(OTORS)?(:punct:)?C?(ORP(ORATION)?(:punct:)?)\$
GOOGLE	^GOOG(LE OE)L(:punct:)\$
HOME DEPOT	^(THE)?HOME(:punct:)?DEPOT(:punct:)\$
HONDA	^HONDA(:punct:)\$
HP	^H(EWLETT)?(:punct:)?P(A[CK]K?[AE]RD)?(:punct:)\$
HYUNDAI	^HY?UNDA(I Y)(:punct:)\$
IBM	^I(:punct:)?B(:punct:)?M(:punct:)\$
INTEL	^INTELL(:punct:)\$
J.C. PENNEY	^(J(\.)?C(\.)?)?PENNEY'S?(:punct:)\$
JEEP	^JEEP(:punct:)\$
JOHNSON & JOHNSON	^J(OH?NSON)? & J(OH?NSON)?(:punct:)\$
KELLOGG'S	^KELLOGG'S?(:punct:)\$
KFC	^K(ENTUCKY)?(:punct:)?F(RIED)?(:punct:)?C(HICKEN)?(:punct:)\$
KIA	^KIA(:punct:)\$
KLEENEX	^(C K)LE(E A)NEX(:punct:)\$
KMART	^K(:punct:)?MART(:punct:)\$
KODAK	^[KC]ODA[KC](:punct:)\$
KRAFT	^KRAFT(:punct:)\$
L'OREAL	^L'?OREAL(:punct:)\$
LEVI'S	^LEVI'S?(:punct:)\$
LEXUS	^LEX[AEIIOU]S(:punct:)\$
LINCOLN	^LINCOLN\$
MACY'S	^MACY'S?(:punct:)\$
MARLBORO	^MARLB[OU]RR?O[UW]?(:punct:)?(GH)?(:punct:)\$
MASTERCARD	^MASTER(:punct:)?CARD(:punct:)\$
MAZDA	^MA[ZS]DA(:punct:)\$
MCDONALD'S	^MCDONALD'S?(:punct:)\$
MERCEDES-BENZ	^(M[EU]R[CSZ][EA]D[EI][SZ])(\-)?(BEND?[SZ]?(:punct:)\$ BENZ)
MERRILL LYNCH	^MERR?[IY]LL? L[YI]NCH(:punct:)\$
MICROSOFT	^MICRO(:punct:)?SOFT(:punct:)\$
MILLER	^MILLER(:punct:)\$
MORGAN STANLEY	^MORGAN(:punct:)?STANLEY(:punct:)\$
NIKE	^NIKE(:punct:)\$
NINTENDO	^NINTENDO(:punct:)\$
NISSAN	^NISSAN(:punct:)\$

BRAND	REGEX SEARCH TERM ¹⁵³
OLAY	^(OIL(?:[:punct:])?)?OF(?:[:punct:])?)?OLAY([:punct:] \$)
PEPSI	^PEPS[IY]([:punct:] \$)
PHILIPS	^PHILL?IPP?S\$
PIZZA HUT	^PIZZA HUT([:punct:] \$)
SAMSUNG	^SAMSUNG([:punct:] \$)
SATURN	^SATURN([:punct:] \$)
SEARS	^SEARS([:punct:] \$)
SONY	^SONY([:punct:] \$)
SPRINT	^SPRINT([:punct:] \$)
SUBWAY	^SUB(?:[:punct:])?WAY([:punct:] \$)
TACO BELL	^TACO(?:[:punct:])?BELL([:punct:] \$)
TARGET	^TARGET\$
TIME WARNER	^TIME((?:[:punct:])?)?(WARNER LIFE)([:punct:] \$) \$)
TOYOTA	^TOYOTA([:punct:] \$)
UPS	^U(NITED)?(?:[:punct:])?P(ARCEL)?(?:[:punct:])?S(ERVICE)?([:punct:] \$)
VISA	^VI[SZ]A([:punct:] \$)
VOLKSWAGEN	^V(OLKS)?W(AGEN)?([:punct:] \$)
WAL-MART	^WALL(?:[:punct:])?MART([:punct:] \$)
WENDY'S	^WENDY(\$ '?S([:punct:] \$))
WRIGLEY	^WRIGLEY'?S?([:punct:] \$)