

Trademark Dilution and a New Merchandising Right by [Paul D. Supnik](#)

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INTRODUCTION

Trademark dilution laws are state enacted laws which protect distinctive marks from injury to reputation and from tarnishment. Dilution laws establish rights related to trademark infringement, but differ in purpose, proof required and remedies available. These laws are of particular importance in the merchandise area.

Unauthorized goods which bear marks similar to those established in connection with merchandising properties may be stopped by dilution statutes when ordinary trademark laws are not be applicable. This article will discuss dilution statutes and trends, as well as a new merchandising right available in California appended to the existing California dilution statute.

Rights granted in a merchandising license typically are enforced by remedies provided by the legal theories of trademark infringement,¹ violation of Section 43(a) of the Lanham Act², unfair competition,³ and trademark dilution.⁴ as well as rights of publicity⁵ and copyright.⁶ Trademark related rights are important, but in some situations, enforcement is difficult as a result of an inability to prove likelihood of confusion.

A prerequisite for obtaining relief from trademark infringement or unfair competition is that there be a likelihood of consumer confusion as to source or sponsorship of the goods would be infringing. While some courts might infer that likelihood of confusion of source or sponsorship exists,⁷ others have required more tangible proof of likelihood of consumer confusion.⁸

Consider, for example, allegedly infringing goods which conjures up the mark of the licensor. If the allegedly infringing activity simply conjures up the licensor's mark, that may not be infringement.⁹ If the consuming public purchases the allegedly infringing goods because they want goods emblazoned with a mark, that may not be infringement. Determination of likelihood of confusion is generally based on the judge's own experiences as to what he or she thinks of the public's perception of the alleged infringing activity. Yet proof is required even if it only be a statement of similarities set out in declarations filed in a motion for injunction.

If the mark is merely "functional", and does not designate source or sponsorship, trademark infringement will not be present. Thus, goods bearing a mark which function to give the purchaser an opportunity to simply show the goods with the mark to their friends and show off the mark to people

passing on the street may be functional. The mark "functions" as something other than source identification or sponsorship. The mark may be a status mark,¹⁰ the mark may be a trendy fad or slogan, or the mark may be something with which the public wishes to identify. To convince a court of trademark infringement, the court must be convinced that the public is likely to believe that the goods are sponsored or endorsed by the source or sponsor traditionally associated with that mark beyond being merely decorative or "functional".

Thus, a bracelet with the slogan DAMN I'M GOOD was not subject to an action for trademark infringement, as the slogan was considered "functional" --people purchased it, not because of its sponsorship or source, but because they simply wanted to be able to wear the slogan.¹¹ In the JOBS DAUGHTERS case,¹² fraternal jewelry bearing insignia of the organization was not licensed or sponsored by the organization, likelihood of confusion rejected and injunctive relief originally granted in the District Court was reversed on appeal. In *University of Pittsburgh v. Champion Products, Inc.*,¹³ collegiate sportswear bearing the nickname of the university team was not considered to be infringing since likelihood of confusion was not proved. The court considered that the public who purchased the goods did so because they wanted to identify with the mark on the goods, with the school or the organization, but did not care as to whether or not the goods were officially sponsored by the school or organization. Other cases have held differently. Thus, in the music merchandising area, courts have considered that since the public generally perceived rock music groups to sponsor merchandising items and that therefore they would believe that the allegedly infringing goods were sponsored by the rock groups, therefore resulting in deception to the consumer.¹⁴

What can a cause of action for dilution do for the merchandising licensor? It can be the basis for an injunction without the necessity of proving likelihood of confusion. It can provide a backup basis for the court to grant an injunction if trademark infringement is not proved. All that is necessary is that there be proof that the mark has a tendency to injure its reputation by diluting its distinctiveness of the mark, or to tarnish the mark.

NATURE OF DILUTION

Trademark stems from the law of deceit and its purpose is to prevent the public from deception and confusion. Dilution, is more like the tort of trespass, and establishes a right of the trademark owner in gross, without the necessity of showing deceit or confusion. One favoring strong unfettered rights in the trademark owner might be an advocate of the dilution statutes.

The dilution concept is a nebulous one difficult to grasp. How can one determine when a usage tends to "dilute the distinctiveness" of a mark? Traditionally, only certain types of cases have been appropriate subjects of enforcement by to dilution laws. One category is where a very famous status mark is used in connection with non competitive goods such as ROLLS ROYCE on radio tubes,¹⁵ KODAK on bicycles¹⁶ and TIFFANY¹⁷ in connection with a restaurant.

TARNISHMENT

A second traditional area where dilution statutes have been used is to prevent tarnishment. This is often said to occur in connection with marks which are applied to the "adult" industries, such as motion pictures and the like. In both cases, to some extent, it may be difficult to convince a court that the public is not likely to believe that so prestigious a firm would sponsor the other activity, particularly in the "adult subject matter" situations¹⁸ or other areas distasteful to trademark owner.¹⁹ The public is not being harmed by deception. Yet with dilution statutes, it is possible to stop that use. A claim will generally be stated where the image imposed on the consumer is likely to leave a bad taste or connotation or come close to something like trade libel.

MERCHANDISING MARKS ARE IDEAL CANDIDATES FOR ENFORCEMENT BY DILUTION STATUTES

Merchandising marks are those which are generally inherently distinctive. They are also marks applied to goods purchased by consumers for the purpose of showing others the consumers' desire to identify with the merchandised mark--though not necessarily an official sponsor and thus tend to have a more dominant "functional component".²⁰

Thus, merchandising marks may be ideal candidates for the remedy of dilution--when available. The concept of dilution is controversial, as it completely bypasses the concepts of trademark law requiring likelihood of confusion. Trademark infringement laws protect the public, and incidentally protect the owners of the marks. Dilution laws, on the other hand, directly protect the owner of the mark, in gross. Why should a court interfere with free enterprise and business dealings (other than enforcing specific contractual relations between licensors and licensees) unless there is a public interest involved? Only if the public is injured by deception, or likelihood of confusion, should a court step in to interfere in business dealings. Trademark law has developed over a long period of time and why should this concept completely bypass the likelihood of confusion requirements of the trademark law?

The case against expansion of the dilution doctrine was articulated by Professor Milton Handler at the 1985 United States Trademark Association Meeting in San Antonio, which speech was reproduced in an article in the Trademark Reporter.²¹ The concern raised was at least in part in response to a growing awareness of the dilution statutes and a greater and broader use of these statutes by the courts in recent years.

DILUTION LAWS ARE STATE STATUTES

Trademark dilution, a concept not present in the federal Lanham Act,²² has been adopted by about half of the states in the country.²³ Traditionally, dilution statutes were enforced only for exceptionally strong marks²⁴. The remedy for dilution typically is limited to injunctive relief as opposed to damages.²⁵

THE APPARENT TREND--BROAD INTERPRETATION AND GREATER FREQUENCY

Dilution laws provide injunctive relief against noncompetitive products. Two important developments in the dilution area have occurred. The first is a trend toward broader interpretation²⁶ and the second is a recent amendment to the California dilution statute²⁷ effective January 1, 1986. This parallels in some manner California's right of publicity statute²⁸ creating in effect a limited property or merchandising right in a registered trademark though does not set forth a catalog of exemptions which might adequately protect and circumscribe First Amendment related rights. This new dilution right does enhance the ability to formulate an effective remedy for those who appropriate merchandising properties without authorization.

DISTINCTIVENESS NECESSARY

Limitations on the enforcement of the dilution statute are exemplified by, for example, *AMF, Inc. v. Sleekcraft Boats*, in which the mark SLEEK CRAFT was not held to be strong enough to be diluted. The court found that the evidence did not show that the use of the defendant's mark would tarnish plaintiff's image.²⁹ In another case, *GODZILLA* was not entitled to protection against dilution against the mark BAGZILLA when used in connection with plastic trashbags.³⁰ Similarly, the mark CELLINI as used in connection with pipes and tobacco products was held not strong enough to be diluted by the use of the mark in connection with cosmetics and men's clothes, under the Illinois Anti-Dilution Act.³¹ The original California Anti-Dilution statute speaks of "the distinctive quality of a mark".³² The New York statute requires that plaintiff must first possess trademark or name that is of truly distinctive quality or one that has acquired secondary meaning in the mind of public.³³

LIKELIHOOD OF CONFUSION AND COMPETITION ARE NOT REQUIRED

The original California dilution statute has been held not to require confusion. The focus is on the damage to the mark's inherent value as a symbol rather than whether consumers have been misled as to origin or sponsorship.³⁴

The purpose of the dilution statutes was noted by the Southern District of New York in *Aris-Isotoner Gloves, Inc.* in which it stated:

"The New York statute authorizes injunctive relief where there is a "[l]ikelihood of injury to business reputation or of dilution of distinctive quality of a mark or trade name. N.Y. Gen. Bus. L. ~368-d. As the New York Court of Appeals has noted, '[t]he evil which the legislature sought to remedy was not public confusion caused by similar products or services sold by competitors, but a cancer-like growth of dissimilar products or services which feeds upon the business reputation of an established distinctive trademark or name.' *Allied Maintenance Corp. v. Allied Mechanical Trades, Inc.*, 42 N.Y.S.2d 538, 544, 399 N.Y.S.2D 628, 632, 369 N.E. 2d 1162, 1165, 198 U.S.P.Q. 418 (1977)."³⁵

*Warner Bros., Inc. v. American Broadcasting Cos., Inc.*³⁶ included, inter alia, a claim under the New York Dilution Law. Likelihood of confusion as to source was unnecessary, the court noting that the mark must be one of sufficient distinction to warrant the statute's special protection, and there must be blurring or tarnishing of the mark sufficient to constitute dilution. This case involved an action related to the use of "The Great American Hero" brought by those claiming ownership of "Superman". Similarities involved the use of capes, the Great American Hero, having a red and black outfit similar to Superman's red and blue costume. The court found:

"Even if we assume that the Superman character and related indicia function as trademarks with the requisite distinctiveness, plaintiffs have failed as a matter of law to present a triable issue as to the blurring or tarnishing of their marks. ... Even if Superman's trademarks are not as indestructible as the character that spawned them, no reasonable jury could find that the Hero series or 'promos' blurred or tarnished those marks."³⁷

In *Sally Gee, Inc. v. Myra Hogan, Inc.*,³⁸ *SALLY GEE v. SALLY LEE*, the court determined that the marks were not likely to create consumer confusion because of noncompetition in the marketplace and therefore there was no trademark infringement. While pointing out that likelihood of confusion and competition is not necessary for dilution claims, the lower court found no instances of any tarnishing of products reputation. No evidence on a "blurring" theory of product identification was presented, no conjuring up of the plaintiff's mark was established and no predatory intent was shown.

A TREND TO BROADENED ACCEPTANCE?

There has been a recent trend in the law for the courts to rely on dilution statutes in granting injunctive relief. Perhaps the most striking example of this was the case last year of Hyatt Corp. v. Hyatt Legal Services in which the Seventh Circuit held that the "HYATT" mark was sufficiently distinctive to warrant protection.³⁹

Oregon has held that their dilution statute was sufficient to enable WEDGEWOOD to be able to be used to prevent its use in connection with a development WEDGEWOOD HOMES.⁴⁰

"Where tradename owners have created a favorable association between their name and their product, they possess a valuable marketing tool. This aura of recognition enhances the value of plaintiff's name. Subsequent use of the name with a nonrelated product broadens the association linking name and product in the minds of consumers of plaintiff's product and diminishes the specific association plaintiff seeks to foster. '[U]nrelated use erodes selling power by destroying the automatic identification of the trademark with the original product and the favorable images created by advertising.' Greiwe, *Antidilution Statutes: A New Attack on Comparative Advertising*, 72 *Trademark Rep* 178, 186 (1982)."⁴¹

The trademark dilution laws are a creation of state statutes. They are not a part of the Lanham Act.⁴² The dilution laws come into play typically in a trademark infringement lawsuit where the plaintiff has difficulty in establishing competition between the parties or likelihood of confusion. Courts have previously hesitated to apply the dilution doctrine literally, less it "swallow up" the whole trademark law, and have thus reserved its use for situations where there has been a high level of distinctiveness.

Courts have been quick to apply the doctrine where "tarnishment" is likely.⁴³ In *Pillsbury Co. v. Milky Way Productions, Inc.*, the court granted injunctive relief for the use of the Pillsbury Doughboy characters used in a sexually explicit parody in *Screw* magazine, while denying copyright infringement claims based on the grounds of fair use. It would appear that First Amendment considerations should apply here, or that some form of a fair use or First Amendment argument would be equally applicable in a trademark context, where there is even a weaker policy argument for enforcing rights than in the copyright arena.⁴⁴

PUBLIC POLICY BEHIND THE TRADEMARK LAWS

The primary difficulty in using trademark and unfair competition statutes in connection with the merchandising area has been with the nature of the trademark laws themselves.⁴⁵ They were initially enforced and enacted on the basis of protection of the consumer. There should be no reason for the government to interfere in free enterprise absent some compelling benefit to the public. Enforcement of other types of intellectual property arise out of different policy considerations. In the copyright area, the copyright law is based on the constitutional mandate:

"The Congress shall have Power ... To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.⁴⁶ The copyright proprietor creates, and is given the limited right to prevent copying. That right does not go so far as to protect ideas, but only the embodiment and expression of those ideas. In the patent area, rights are based on the same constitutional mandate from which Congress has enacted legislation. There, there may be a potentially broader, yet limited monopoly granted in exchange for the disclosure to the public of ones inventions. However, the trademark laws are not rooted in that same section of the Constitution. The Lanham Act is based on the Commerce clause of the Constitution.

The original basis for the trademark laws is to prevent the public from deception and confusion as to the source or origin of goods and services. In vindicating the rights of the trademark owner, the public is also served by the prevention of deception. In a sense the public is served by granting strong trademark rights to the owner of a mark, as this is said to facilitate brand recognition and prevent deception to the public. However, absent likelihood of confusion, the trademark laws are generally not enforced. Thus in *International Order of Job's Daughters v. Lindeberg*,⁴⁷ the Ninth Circuit refused to grant an injunction against the maker of so called "fraternal jewelry" because the consumers of the jewelry did not purchase the goods because of their concern over the source, origin or sponsorship of the jewelry, but because they wished to be identified with the jewelry. Similarly, an ornamental word message DAMN I'M GOOD on a bracelet was considered not to have trademark significance.⁴⁸ In *University of Pittsburgh v. Champion Products, Inc.*⁴⁹ the insignia PITT as used on t-shirts was held not to create a likelihood of consumer confusion. Of significance in both the Jobs Daughters case and the University of Pittsburgh cases were the issues of laches and the inordinate length of time that the defendants had used the marks without license from the plaintiff. However, the U.S. Patent and Trademark Office has recognized that the public expects that certain types of decorative uses of visual material and words can indicate to the public sponsorship of goods. Thus, registration was ultimately allowed in the MORK and MINDY case for artwork appearing on decals for t-shirts.⁵⁰

THE AMENDED CALIFORNIA STATUTE--A NEW MERCHANDISING RIGHT

In addition to the traditional trademark dilution provision, the new California statute adds paragraph (b) to the existing dilution statute and provides that one who infringes:

"irrespective of whether the mark is used primarily as an ornament, decoration, garnishment, or embellishment on or in products, merchandise, or goods, for the purpose of enhancing the commercial value of, or selling or soliciting purchases of, products, merchandise, goods or services, ... shall be subject to an injunction."⁵¹

The purpose of this statute is to provide a rather clear remedy for unauthorized collateral product merchandising. It fills the gaps left by traditional trademark and dilution statutes. It does not matter if the mark is applied in a decorative manner and it does not matter that the usage by the defendant is not trademark usage.

TRADEMARK REGISTRATION IS A PREREQUISITE

A prerequisite for using the new paragraph (b) (establishing the merchandising right), though not the original and still existing paragraph (a) of the California statute, is that the mark be registered either with the U.S. Patent and Trademark Office or with the California Secretary of State. No requirement of "distinctiveness" appears in this paragraph. Presumably, a mark must be distinctive to be registrable, but the degree of distinctiveness in supporting a trademark registration, at least traditionally was much lower than that required to support a dilution claim.⁵²

Assume a state court registration has been made. It is not clear the extent and effort taken to insure that the marks registered with various offices of Secretary of State are truly distinctive. A typical application fee of \$10 is not sufficiently significant to warrant the government to consider each registration in depth.

Typically state registration is inexpensive and fast. Marks tend to be rejected less frequently at the state level than at the federal level. The filing fee at the U.S. Patent and Trademark Office is currently \$175 and that of the various states ranges generally from about \$10 to \$25 though occasionally more. While a state registration may be had in a few weeks, a simple federal registration, which currently are being obtained relatively rapidly compared to a few years ago, may still take 6 months to a year.

DILUTION AND MOTION PICTURE TITLES

Because registration of motion picture titles has been difficult in the U.S. Patent and Trademark Office,⁵³ in addition to the lack of U.S. copyright protection for titles, the contractual arrangement provided by the MPAA's Title Registration Bureau has importance. Rights in marks in the United

States are established by use of the mark after which they may become eligible for registration. Titles of films, rather than series, are considered to be descriptive of the film, since the title refers to only that particular film. Thus, titles, as with other descriptive marks are generally considered not to be registrable as such. Once a film acquires a secondary meaning, it may be possible for the film title to be registered, at least indirectly, perhaps by usage in connection with other goods, with the Patent and Trademark Office. Titles of series are specifically registrable. Should the new California dilution laws be adopted elsewhere, it may then become beneficial for titles to be registered in some manner, if it appears that the title will have merchandising potential.

Is the use of the parody of a title of a motion picture distributed by a major studio in connection with an adult film title confusingly similar? Probably not as it is unlikely that the public would believe that one was sponsored by the other.⁵⁴ Does it enhance the commercial value? Perhaps, but probably not in the same manner as use of the mark "PORSCHE" might enhance the sale of unauthorized sunglasses. Note that California statute does not say that the mark has to be the same or identical in order to be subject to paragraph (b), but only that it "infringes".

Song titles, at least in the United States, carry no copyright protection. Generally, they may be subject to the same infirmity of book and motion picture titles and not registered as a trademark, at least with the U.S. Patent and Trademark Office. Song titles are protectable under common law principles. If the title used as a mark is registered, may the use on various merchandise products under the new California statute be enjoined based on that registration? It would appear that the use of the title on an article of merchandise would enhance its value.⁵⁵ The key words in the statute are "for the purpose of enhancing the commercial value of" and "or selling or soliciting purchases of" products, merchandise, goods or services.

The limit of the remedies here is in providing injunctive relief. Damages are not available, but often injunction is the more important and more powerful remedy.

EXEMPTIONS

What if the selection of a film title involves the use of a word or symbol registered as a mark? So long as its use does not enhance the commercial value of the product, it would not fall within scope of paragraph (b). Comparative advertising uses are specifically exempted by newly added paragraphs (c) and (d).

Suggested legislation would have provided exemptions which parallel the California Right of Publicity statute, for:

- (1) "A play, book, magazine, newspaper, musical composition, film, radio or television program."
- (2) Material that is of political or newsworthy value.
- (3) Single and original works of fine art; and
- (4) An advertisement or commercial announcement for a use permitted by paragraphs (1), (2) or (3).⁵⁶

One problem area which the statute does not address is the First Amendment issues which might be in conflict. For example, in "Stop the Olympic Prison" poster case, critical of the Olympics, the poster was held not in violation of the amateur sports act, as the use of the interlocking rings and the word "Olympiad" held not a use for the purpose of trade. However, there may be limits to which the First Amendment may prohibit enforcement.⁵⁷

A related situation existed in connection with *Girl Scouts of America, Inc. v. Personality Posters*⁵⁸ in which the depiction of a pregnant girl in a girl scout uniform was held to be not an infringement because the public would not be confused as to source or origin of the poster. It would appear that it might be easier to obtain injunctive relief in this situation based on the new California statute, but is questionable whether those types of prohibitions on the uses of registered marks are in the public interest.

A graphic example of the limits of the dilution statute are illustrated by using an example of the dramatic monograph, "Advertising the Contradictions".⁵⁹ The publication is a collection of advertisement montages from the 60's primarily pitting the images of sanitized commercial advertisements against images of war victims and third world tragedy. Each page of the monograph carries an advertisement which includes a famous trademark. Under standards of trademark infringement, there is no likelihood of confusion. Certainly, the public is not likely to believe that the publication is endorsed or sponsored by the owner of the marks appearing in the advertisements. Moreover, each page carries the notice "(this is not an advertisement)". Under dilution, arguably the montages tarnish the reputation of the trademark owner by associating the mark with negative images. The 36 page monograph sells for \$6.95 and obviously has a commercial purpose. But it does make a statement about commercial images of society pitted against cold realities of life outside the comforts of the United States, suggesting a nebulous cause and effect connection between the state of the world and our participation by conspicuous consumption of mass advertised consumer goods. Under the traditional dilution theory, dilution is present. However, it is suggested that it is inappropriate to enjoin dilution under the First Amendment principles perhaps of greater importance than those involved in comparative advertising cases.⁶⁰ What if one of the montages was sold as a poster? Would the new merchandising right established under the California statute be applicable? The famous trademark certainly increases the value of the poster. Is the famous mark there for enhancing the commercial value of the product? Is the famous mark there to sell merchandise or to attempt to prove a point or to make an artistic statement? In any event, it would appear that whatever the characterization, the application of the dilution doctrine should not be applicable here and this should demarcate its limitations.

In the case of *Conan Properties, Inc. v. Conan Pizza, Inc.*,⁶¹ it was held that the mark "Conan the Barbarian" was infringed by pizza parlors. Whether or not likelihood of confusion is found in this type of factual situation, the new California statute would appear to present a basis for issuing an injunction.

Assume a bar or restaurant opens with the name CASABLANCA which conjures up the images of the film. The court finds that there is no likelihood of consumer confusion as to source or sponsorship between the producers of the film and the restaurant. The traditional dilution theory might not apply, as the usage may not result in harm to the mark CASABLANCA. However, if the use of the mark conjures up the name of the movie, it might be actionable. Under the new California type of dilution statute, damage or injury is not required. It only be necessary that the mark have been registered and that the use of the mark is used "for the purpose of enhancing the commercial value of or selling or soliciting purchase of ... goods or services ... without prior consent..."

But the title of the movie, even having acquired a secondary meaning has an infirmity. CASABLANCA, at least originally is primarily geographically descriptive. Casablanca is the name of the capital city of Morocco. As a trademark, then the title of the film is inherently a weak mark initially, and though in connection with the film it has acquired a secondary meaning, it is not a mark which is inherently distinctive.⁶²

Under the trend in dilution law, it could be argued that even though the mark is initially weak, since it has acquired significant secondary meaning, it is now capable of being diluted. More traditional doctrine would have it that the mark must be intrinsically strong to support a claim for dilution.

PREEMPTION

One important issue pertaining to dilution statutes in general and which has been addressed in only a limited manner in the case law,⁶³ is the issue of preemption.⁶⁴ That is whether the federal scheme for regulating and enforcing trademarks preempts statutory attempts by the dilution statutes. Generally, state trademark laws are not considered to be preempted by the Lanham act because those statutes simply enhance or further the objectives of the Lanham Act. That may not be said necessarily for the dilution statutes because dilution statutes are not based on a presumption of likelihood of confusion, but disregard the concept of likelihood of confusion and say that despite a failure to show likelihood of confusion, if the mark tends to dilute the distinctiveness of a mark, or tarnish it, an injunction may issue. Moreover, the dilution statutes interfere with the registration and notice system provided for by the Lanham Act through the federal register of marks. Must a company seeking to use a mark now search all classes of goods to determine if a mark is available?

PREEMPTION AS APPLIED TO THE MERCHANDISING RIGHTS STATUTE

It is suggested that the new merchandising rights probably is not more likely, but perhaps even less likely to be subject to claims of preemption than the ordinary dilution statute. Only when the purpose of the use of the mark is to enhance the value, does the new California statute come into play.

Is the new merchandising right statute more likely or less likely to be subject to claims of preemption than preexisting dilution statutes? There are parallels to the ordinary dilution statutes. In many situations, the effect of dilution statutes are to prevent application of marks to enhance the value of goods or services. Thus, when famous marks such as ROLLS ROYCE are used in connection with other products, the purpose is to enhance the value of goods and a cause of action might result under both the ordinary dilution statute and the new California merchandising right. The difference between the statutes and rights may lie in the following. Dilution statutes are to stop the situation where the strong mark is conjured up. The new merchandising right addresses the situation where the consumer not only thinks of, in passing, perhaps, of the original mark, but is motivated to buy the goods because the mark appears on the goods.

STATE REGISTRATIONS

As a practical matter, it is generally relatively simple to obtaining registrations in many states in the United States. While in some jurisdictions, obtaining a state trademark registration is somewhat difficult, in many states they are granted after a cursory search and are rejected only where they clearly appears to be a traditional basis for not providing trademark rights. The filing cost is generally nominal. Traditionally a state trademark registration did not carry much in the way of substantive rights for the owner of the mark. The state trademark registration had the effect of showing to a state court judge the fact that the owner was concerned enough to protect the plaintiff's rights in a mark. In some states, state registration provides a rebuttable presumption that the facts stated in the registration certificate are true and in others, only a presumption of title. But otherwise it did little substantive in the face of a defendants who cared to present a case. Now, there is a greater incentive for California registration of a merchandising property.

CONCLUSION

The expanded law of dilution is likely to provide beneficial remedies in the merchandising areas where likelihood of confusion is not readily proved. Prerequisites of registration for use of the new California dilution statute should prompt greater consideration of seeking registration for merchandisable properties.

Footnotes

1. E.g. Wyatt Earp Enterprises, Inc. v. Sackman, Inc., 157 F. Supp. 621, 116 U.S.P.Q. 122 (S.D.N.Y. 1958).
2. 15 U.S.C. ~1125(a); see e.g. Warner Brothers, Inc. v. Gay Toys, Inc., 658 F.2d 76, 211 U.S.P.Q. 1017 (2d Cir. 1981).
3. Wyatt Earp Enterprises, Inc. v. Sackman, Inc., supra.
4. See e.g. California Business and Professions Code Section 14430 and New York Gen. Bus. Code ~368-d.
5. E.g. Factors Etc., Inc. v. Pro Arts, 444 F. Supp. 288 (S.D.N.Y. 1977).
6. 17 U.S.C. ~101 et seq.
7. Boston Professional Hockey Assn., Inc. v. Dallas Cap & Emblem Mfg., Inc., 510 F.2d 1004, 185 U.S.P.Q. 364 (5th Cir. 1975), cert. denied 423 U.S. 868 (1975), reh. denied 423 U.S. 991 (1975).
8. International Order of Job's Daughters v. Lindeburg & Co., 633 F.2d 912, 208 U.S.P.Q. 718 (9th Cir. 1980), cert. denied 452 U.S. 941 (1980). See also Universal City Studios, Inc. v. The T-shirt Gallery, Ltd., 230 U.S.P.Q. 23 (S.D.N.Y. 1986) in which MIAMI MICE parody on t-shirts held not to infringe MIAMI VICE television series, and Hooker v. Columbia Picture Industries, Inc., 551 F.Supp. 1060 (N.D. Ill. 1982)(T.J. HOOKER wood carver and T.J. HOOKER television program).
9. Id. General Mills, Inc. v. Henry Regnery Co., 421 F. Supp. 359, 193 U.S.P.Q. 543 (N.D. Ill. 1976) ("Betty Cooker's Crock Book for Drunks" not enjoined, dilution doctrine not mentioned in decision).
10. See Vuitton et Fils S.A. v. J. Young Enterprises, Inc., 644 F.2d 769, 210 U.S.P.Q. 351, 212 U.S.P.Q. 85 disagreeing with the decision of the District Court which found that the Louis Vuitton LV and fleur-de-lis design to be "functional".
11. Damn I'm Good, Inc. v. Sakowitz, 212 U.S.P.Q. 685 (S.D.N.Y. 1981).
12. N.8 supra, 633 F.2d 912, 208 U.S.P.Q. 718 (9th Cir. 1980).

13. *University of Pittsburgh v. Champion Products, Inc.*, 529 F. Supp. 464, 566 F.Supp. 711 (W.D. Pa. 1983), 686 F.2d 1040 (a significant component of the decision, however, is attributable to the issue of laches. Plaintiff had delayed in filing suit for a period of 47 years of usage by the defendant without significant instances of confusion).
14. See *Winterland Concessions Co. v. Sileo*, 528 F. Supp. 1201 (N.D. Ill. 1982) and *Bi-Rite Enterprises, Inc. v. Button Master*, 555 F. Supp. 1188, 1195-1196 (dictum). But in *Bi-Rite*, the court found that unauthorized merchandise not only did not harm the plaintiffs business reputation but enhanced it by operating to strengthen plaintiffs' marks. "Rather than clouding the distinctive message of quality that plaintiffs' marks carry, defendants provide fans of the various Performers an opportunity to announce their allegiance to the groups, thereby publicizing the popularity of the groups. Thus, although defendants are clearly capitalizing on the popular appeal plaintiffs have built in their names or likenesses, plaintiffs have failed to allege, let alone demonstrate, that such use will weaken the appeal of their names and thereby provide a basis for relief under ~368-d." See also the *MIAMI MICE* case supra at n8. As to rock music merchandising remedies, see Clark, Andrew E., "The Trouble With T-Shirts: Merchandise Bootlegging in the Music Industry," 6 COMM/ENT 1 [1984].
15. *Walls v. Rolls Royce of America, Inc.*, 4 F.2d 333 (3d Cir. 1925).
16. *Eastman Kodak Co. v. Kodak Cycle Co.*, 15 Rep. Pat. Cas. 105 (1898).
17. *Tiffany & Co. v. Boston Club, Inc.*, 231 F. Supp. 836, 143 U.S.P.Q. 2 (D. Mass. 1964).
18. *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 476 F. Supp. 366, 201 U.S.P.Q. 740 (S.D.N.Y. 1979), aff'd 604 F.2d 200 (2d Cir. 1979)(cheerleaders uniform used to advertise adult film); *Pillsbury Co. v. Milky Way Productions, Inc.*, 215 U.S.P.Q. 124 (N.D. Ga. 1981); *Community Federal Savings and Loan Assn. v. Orondorff*, 678 F.2d 1034, 215 U.S.P.Q. 26 (11th Cir. 1982) (*COOKIE JAR* automatic teller v. *ANNIE's COOKIE JAR* adult entertainment across the street from main branch of S&L).
19. *Coca Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183, U.S.P.Q. 56 (E.D.N.Y. 1972)(*DRINK COCAINE* poster in the familiar red and white script of Coca Cola).
20. official sponsorship
21. Handler, Milton W., "Are the State Antidilution Laws Compatible With the National Protection of Trademarks", 75 *The Trademark Reporter* 269 [May-June 1975].
22. See *Hertz System, Inc. v. A-Drive Corp.*, 222 U.S.P.Q. 625 (T.T.A.B. 1984)(dilution not being a part of federal trademark law, could not be used as a ground to support an opposition proceeding).

23. See Battersby and Grimes, "The Law of Merchandise and Character Licensing" 8.06[1] at 8-72.
24. Walls v. Rolls Royce of America, Inc., 4 F.2d 333 (3d Cir. 1925).
25. See n.4, supra.
26. See Pattishall, Beverly W., "Dawning Acceptance of the Dilution Rationale for Trademark-Trade Identity Protection", 74 The Trademark Reporter 289 (July-August, 1984) and "Trademark Dilution: The Need for Reform", 74 The Trademark Reporter 311 (July-August, 1984).
27. California Business and Professions Code ~14330, AB 1900, Ch. 478.
28. California Civil Code ~3344. Remedies resulting from California legislation in the right of publicity area is beyond the scope of this article, and are covered in Brassell, Roz and Kulzick, Ken, "Life After Death for the California Celebrity", The Los Angeles Lawyer 10 (January 1985); and Rohde, Stephen F., "Dracula Still Undead", The California Lawyer 51 (April 1985).
29. AMF v. Sleekcraft Boats, 599 F.2d 341, 204 U.S.P.Q. 808 (9th Cir. 1979).
30. Toho Company Ltd. v. Sears Roebuck & Co., 645 F.2d 788 (9th Cir. 1981)
31. Victory Pipe Craftsmen, Inc. v. Faberge, Inc., 223 U.S.P.Q. 258 (N.D. Ill. 1984).
32. California Business and Professions Code ~14330(b).33. Plus Products, Inc. v. Plus Discount Foods, Inc., 564 F.Supp. 984, 222 U.S.P.Q. 373 (S.D.N.Y. 1983).
34. Steinway & Sons v. Robert Demars & Friends, 210 U.S.P.Q. 954 (C.D. Cal. 1981).
35. Aris-Isotoner Gloves, Inc. v. Fownes Brothers & Co., Inc., 594 F. Supp. 15, 222 U.S.P.Q. 489, 496 (S.D.N.Y. 1983).
36. 222 U.S.P.Q. 101, (2d Cir. 1983) see also 211 U.S.P.Q. 51, 211 U.S.P.Q. 97.
37. 222U.S.P.Q. at 114.
38. 699 F.2d 621, 217 U.S.P.Q. 658 (2d Cir. 1983); see also Estee Lauder, Inc. v. Cinnabar 2000 Haircutters, Inc., 218 U.S.P.Q. 191 (S.D.N.Y. 1982)(CINNABAR 2000 for hair styling salons tends

to dilute CINNABAR for beauty products).

39. 736 F.2d 1153, 222 U.S.P.Q. 669 (7th Cir. 1984), cert. denied 105 S. Ct 434 (1984).

40. Wedgewood Homes, Inc. v. Lund, 222 U.S.P.Q. 446 (Ore. Sup.Ct. 1983).

41. Id. at 451.

42. See generally Handler, Milton W., "Are the State Antidilution Laws Compatible With the National Protection of Trademarks", 75 The Trademark Reporter 269 (May-June 1985)

43. See Dallas Cowboy Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2 Cir. 1979), U.S.P.Q. 163, 164, n.8 (2d Cir. 1979)(dilution by showing "sexually depraved film" using distinctive uniforms "almost identical" with those of plaintiffs).

44. 215 U.S.P.Q. 124, 204 U.S.P.Q. 106 (N.D. Ga. 1981)

45. See generally, McCarthy, 2 Trademarks and Unfair Competition, ~24.13-24.16 at 212-229 [2d ed. 1984].

46. U.S. Const., Art. 1, ~8.

47. 633 F.2d 912 (9th Cir. 1980), cert denied 452 U.S. 941 (1981).

48. Damn I'M Good v. Sakowitz, Inc., 514 F. Supp. 1357 (S.D.N.Y. 1981).

49. 566 F. Supp. 711 (W.D. Pa. 1983), see also 529 F. Supp. 464, rev'd 686 F.2d 1040 (3d Cir. 1982) (reversing trial courts original refusal to grant injunction on the latches issue. The decision was ultimately vacated on settlement of the lawsuit).

50. In re Paramount Pictures Corp., 213 U.S.P.Q. 1111 (T.T.A.B. 1982).

51. California Business and Professions Code ~14330, AB 1900, Ch. 478.

52. Application of Cooper, 254 F.2d 611, 117 U.S.P.Q. 396 (C.C.P.A. 1958), cert. denied 358 U.S. 840, 3 L.Ed. 2d 75, 79 S.Ct. 63, 119 U.S.P.Q. 501.

53. See *Dallas Cowboy Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2 Cir. 1979), U.S.P.Q. 163, 164, n.8 (2d Cir. 1979).

54. *Tomlin v. Walt Disney Productions*, 18 Cal. App. 3d 226, 96 Cal. Rptr. 118 (1971)

55. California Business and Professions Code ~14330.

56. California Civil Code ~3344. See n.28 supra.

57. Resolution proposed by the Los Angeles County Bar Association presented to the California State Bar Conference, withdrawn upon passage of AB 1900, ch. 478.

58. *Stop the Olympic Prison v. United States Olympic Committee*, 489 F. Supp. 1112, 207 U.S.P.Q. 237 (S.D.N.Y. 1980).

59. 304 F.Supp. 1228, 163 U.S.P.Q. 505 (S.D.N.Y. 1969).

60. Violet Ray, "Advertising the Contradictions" (1984), P.O. Box 5332, Berkeley, CA 94705. The fair use doctrine, well developed and now codified in the copyright area, is not well developed in the trademark related areas. See *Apple Corps. Ltd. v. Leber*, 229 U.S.P.Q. 1015 (Los Angeles Sup. Ct. 1986, Case No. C 299149)(fair use not established as a defense in Beatlemania case).

61. *Triangle Publications, Inc. v. Knight-Ridder Newspapers*, 626 F.2d 1171 (5th Cir. 1980).

62. 752 F.2d 145 (5th Cir. 1985).

63. See Angel, Dennis, "Legal Protection for Titles in the Entertainment Industry", 52 Southern California Law Review 279, 294 (January 1979) referring to a letter from Groucho Marx to Warner Brothers after threatening Marx with a lawsuit for using the title of a motion picture entitled "A Night in Casablanca".

64. See n. 21, supra.

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