

## Use of Potentially Dilutive Mark on “Sex-Related” Products or Services Creates a “Strong Inference” of Dilution by Tarnishment

The United States Court of Appeals for the Sixth Circuit recently affirmed entry of a permanent injunction under the federal trademark dilution statute against use of “Victor’s Little Secret” in connection with “sex-related” products on the ground that *defendants* had failed to submit any evidence that such use was *not* likely to tarnish plaintiff’s “Victoria’s Secret” mark. *V Secret Catalogue v. Moseley*, 2010 WL 1979429 (6th Cir. May 19, 2010). In particular, the majority opinion by Judge Merritt, when read in conjunction with Judge Gibbons’ concurrence, held that there is a “strong” “inference” that because the defendants’ mark was used in connection with “sex-related” products, it “disparages and tends to reduce the positive associations and ‘selling power’ of the ‘Victoria’s Secret’ mark” and is likely to dilute it by tarnishment. *Id.* at \*1, \*6. Although the Court stated that the tarnishing effect on the senior mark was “somewhat speculative,” the District Court had properly enjoined defendants’ use of its dilutive mark because defendants failed to submit any “evidence to overcome the strong inference.” *Id.* at \*4.

The Court’s decision was on appeal of the entry of summary judgment on remand from the Supreme Court’s ruling in *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003). The Supreme Court had held that the Federal Trademark Dilution Act required a showing of “actual dilution” rather than merely a “likelihood of dilution.” *Id.* at 433. In response, Congress enacted the Trademark Dilution Revision Act of 2006 (“TDRA”), amending the statute to proscribe use of a mark “that is *likely* to cause dilution by blurring or dilution by tarnishment.” 15 U.S.C. § 1125(c) (emphasis added). Relying on the House Judiciary Committee Report’s statement that the TDRA was intended to “reduce the ‘burden’ of evidentiary production” on the holder of the famous mark, Judge Merritt concluded that the TDRA created “a kind of rebuttable presumption, or at least a very strong inference, that a new mark used to sell sex-related products is likely to tarnish a famous mark if there is a clear semantic association between the two.” 2010 WL 1979429 at \*4. In her concurrence, Judge Gibbons disagreed with the use of the term “rebuttable presumption,” explaining that because “the legislative history is not explicit on the point of modification of the burden of proof, I think it best to end our analysis by characterizing the inference” as a “strong” “inference.” *Id.* at \*6.

In holding that a presumption of tarnishment applied, the Sixth Circuit stated that there “appears to be a clearly emerging consensus in the case law . . . that the creation of an ‘association’ between a famous mark and lewd or bawdy sexual activity disparages and defiles the famous mark and reduces the commercial value of its selling power.” *Id.* at \*3. This “consensus” was based on “eight federal cases in six jurisdictions” that held that “a famous mark is tarnished when . . . [it] is semantically associated with a new mark that is used to sell sex-related products.” *Id.*

Judge Moore dissented: “[T]he majority sanctions an almost non-existent evidentiary standard and, in the process, essentially eliminates the requirement that a plaintiff provide some semblance of proof of likelihood of reputational harm in order to prevail on a tarnishment claim, despite the plain language of 15 U.S.C. § 1125(c)(2)(C).” *Id.* at \*9. The dissent pointed to the limited evidence of tarnishment proffered by plaintiff, which consisted of an affidavit from an army colonel that he had made an association

between the two marks, and a statement from one of Victoria's Secret's corporate officers regarding the "sexy and playful" image that plaintiff strove to maintain while avoiding "sexually explicit or graphic imagery." *Id.* at \*7. The dissent further pointed out that this evidence was the same evidence that the Supreme Court had characterized as *not* being evidence of tarnishment. In particular, the Supreme Court stated: "The officer was offended by the ad, but it did not change his conception of Victoria's Secret. His offense was directed entirely at [the junior user], not at [the senior user Victoria's Secret]." 537 U.S. at 434. On remand, the District Court concluded that this same testimony ("the army colonel's offended reaction to the use of 'Victor's Secret,' what he clearly believed to be a bastardization of the VICTORIA'S SECRET mark, for the promotion of 'unwholesome, tawdry merchandise'") "suggests the likelihood that the reputation and standing of the VICTORIA'S SECRET mark would be tarnished." *V Secret Catalogue, Inc. v. Moseley*, 558 F. Supp. 2d 734, 750 (W.D. Ky. 2008). The dissent also took issue with the majority's "ignor[ing of] the character of the senior mark when applying the majority's 'rule.' Victoria's Secret sells women's lingerie, and, as Victoria's Secret readily admits, its own mark is already associated with sex, albeit not with sex novelties." *Id.* at \*9 n.4. The dissent went on to flag a "potential problem with simply assuming tarnishment when the junior mark places the senior mark in a sexual context . . . . What if the holder of a sex-related senior mark levied a claim of dilution by tarnishment against the holder of a junior mark that was similarly associated with sex? Would the court be willing to assume without further proof that despite their similar sexual origins the junior mark necessarily tarnishes the senior mark? Under the majority's reasoning, such an assumption would be appropriate. This cannot be the law." *Id.* at \*9 n.5.

As recounted by the majority opinion, there is a long line of cases holding that a "famous mark is tarnished when its mark is semantically associated with a new mark that is used to sell sex-related products." 2010 WL 1979429 at \*3. *See, e.g., Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009) (defendants' display at an adult entertainment exhibition of a VIAGRA-branded missile); *Pillsbury Co. v. Milky Way Prods., Inc.*, 215 U.S.P.Q. 124, 135 (N.D. Ga. 1981) (defendant's sexually oriented variation of the PILLSBURY DOUGHBOY); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366, 377 (S.D.N.Y. 1979) (sexually explicit depiction of a Dallas Cowboys Cheerleader-style cheerleader in an adult film). Only time will tell whether other courts and Circuits will adopt the Sixth Circuit's "strong inference" of tarnishment test in the limited situation where the junior user sells "sex-related" products or services and whether such a presumption will extend to other products or services. Query also whether such a presumption will suffice to demonstrate irreparable harm in the Second Circuit, which recently applied the Supreme Court's decision in *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006), to hold that irreparable harm could not be presumed in a copyright case and has to be proven to obtain an injunction on any claim for relief except those for which Congress has affirmatively indicated that irreparable harm may be presumed. *See Salinger v. Colting*, 2010 WL 1729126, \*13 n.7 (2d Cir. Apr. 30, 2010). *See also* Kaye Scholer Intellectual Property Client Alert, "Second Circuit Rejects Presumption of Irreparable Harm in Copyright Cases, Signals Applicability of *eBay* Injunction Standard to Trademark Infringement and Other Cases," May 3, 2010, [http://www.kayescholer.com/news/client\\_alerts/201005031/res/id=sa\\_File1/IPCA05032010.pdf](http://www.kayescholer.com/news/client_alerts/201005031/res/id=sa_File1/IPCA05032010.pdf).

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