

Calendar No. 366

109TH CONGRESS
2D SESSION**H. R. 683**

IN THE SENATE OF THE UNITED STATES

APRIL 20, 2005

Received; read twice and referred to the Committee on the Judiciary

FEBRUARY 27, 2006

Reported by Mr. SPECTER, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italie*]**AN ACT**

To amend the Trademark Act of 1946 with respect to
dilution by blurring or tarnishment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 (a) ~~SHORT TITLE.—This Act may be cited as the~~
5 ~~“Trademark Dilution Revision Act of 2005”.~~

6 (b) ~~REFERENCES.—Any reference in this Act to the~~
7 ~~Trademark Act of 1946 shall be a reference to the Act~~
8 ~~entitled “An Act to provide for the registration and protec-~~
9 ~~tion of trademarks used in commerce, to carry out the pro-~~

visions of certain international conventions, and for other purposes”, approved July 5, 1946 (15 U.S.C. 1051 et seq.).

SEC. 2. DILUTION BY BLURRING; DILUTION BY TARNISHMENT.

Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended—

(1) by striking subsection (c) and inserting the following:

“(c) DILUTION BY BLURRING; DILUTION BY TARNISHMENT.—

“(1) INJUNCTIVE RELIEF.—Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

“(2) DEFINITIONS.—(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United

1 States as a designation of source of the goods or
2 services of the mark's owner. In determining wheth-
3 er a mark possesses the requisite degree of recogni-
4 tion, the court may consider all relevant factors, in-
5 cluding the following:

6 “(i) The duration, extent, and geographic
7 reach of advertising and publicity of the mark,
8 whether advertised or publicized by the owner
9 or third parties.

10 “(ii) The amount, volume, and geographic
11 extent of sales of goods or services offered
12 under the mark.

13 “(iii) The extent of actual recognition of
14 the mark.

15 “(B) For purposes of paragraph (1), ‘dilution
16 by blurring’ is association arising from the similarity
17 between a mark or trade name and a famous mark
18 that impairs the distinctiveness of the famous mark.
19 In determining whether a mark or trade name is
20 likely to cause dilution by blurring, the court may
21 consider all relevant factors, including the following:

22 “(i) The degree of similarity between the
23 mark or trade name and the famous mark.

24 “(ii) The degree of inherent or acquired
25 distinctiveness of the famous mark.

1 “(iii) The extent to which the owner of the
2 famous mark is engaging in substantially exclu-
3 sive use of the mark.

4 “(iv) The degree of recognition of the fa-
5 mous mark.

6 “(v) Whether the user of the mark or
7 trade name intended to create an association
8 with the famous mark.

9 “(vi) Any actual association between the
10 mark or trade name and the famous mark.

11 “(C) For purposes of paragraph (1), ‘dilution
12 by tarnishment’ is association arising from the simi-
13 larity between a mark or trade name and a famous
14 mark that harms the reputation of the famous mark.

15 “(3) EXCLUSIONS.—The following shall not be
16 actionable as dilution by blurring or dilution by
17 tarnishment under this subsection:

18 “(A) Fair use of a famous mark by an-
19 other person in comparative commercial adver-
20 tising or promotion to identify the competing
21 goods or services of the owner of the famous
22 mark.

23 “(B) Fair use of a famous mark by an-
24 other person, other than as a designation of
25 source for the person’s goods or services, in-

cluding for purposes of identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

“(C) All forms of news reporting and news commentary.

“(4) **ADDITIONAL REMEDIES.**—In an action brought under this subsection, the owner of the famous mark shall be entitled only to injunctive relief as set forth in section 34, except that, if—

“(A) the person against whom the injunction is sought did not use in commerce, prior to the date of the enactment of the Trademark Dilution Revision Act of 2005, the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment, and

“(B) in a claim arising under this subsection—

“(i) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark, or

“(ii) by reason of dilution by tarnishment, the person against whom the

injunction is sought willfully intended to harm the reputation of the famous mark, the owner of the famous mark shall also be entitled to the remedies set forth in sections 35(a) and 36, subject to the discretion of the court and the principles of equity.

~~“(5) OWNERSHIP OF VALID REGISTRATION A COMPLETE BAR TO ACTION.—~~The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register under this Act shall be a complete bar to an action against that person, with respect to that mark, that is brought by another person under the common law or a statute of a State and that seeks to prevent dilution by blurring or dilution by tarnishment, or that asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.”; and

~~(2) in subsection (d)(1)(B)(i)(IX), by striking “(c)(1) of section 43” and inserting “(c)”.~~

SEC. 3. CONFORMING AMENDMENTS.

~~(a) MARKS REGISTRABLE ON THE PRINCIPAL REGISTER.—~~Section 2(f) of the Trademark Act of 1946 (15 U.S.C. 1052(f)) is amended—

1 (1) by striking the last two sentences; and

2 (2) by adding at the end the following: “A mark
3 which would be likely to cause dilution by blurring
4 or dilution by tarnishment under section 43(e), may
5 be refused registration only pursuant to a pro-
6 ceeding brought under section 13. A registration for
7 a mark which would be likely to cause dilution by
8 blurring or dilution by tarnishment under section
9 43(e), may be canceled pursuant to a proceeding
10 brought under either section 14 or section 24.”.

11 (b) OPPOSITION.—Section 13(a) of the Trademark
12 Act of 1946 (15 U.S.C. 1063(a)) is amended in the first
13 sentence by striking “as a result of dilution” and inserting
14 “the registration of any mark which would be likely to
15 cause dilution by blurring or dilution by tarnishment”.

16 (c) CANCELLATION.—Section 14 of the Trademark
17 Act of 1946 (15 U.S.C. 1064) is amended, in the matter
18 preceding paragraph (1)—

19 (1) by striking “, including as a result of dilu-
20 tion under section 43(e),”; and

21 (2) by inserting “(A) for which the constructive
22 use date is after the date on which the petitioner’s
23 mark became famous and which would be likely to
24 cause dilution by blurring or dilution by tarnishment
25 under section 43(e), or (B) on grounds other than

1 dilution by blurring or dilution by tarnishment”
 2 after “February 20, 1905”.

3 (d) MARKS FOR THE SUPPLEMENTAL REGISTER.—

4 The second sentence of section 24 of the Trademark Act
 5 of 1946 (15 U.S.C. 1092) is amended to read as follows:
 6 “Whenever any person believes that such person is or will
 7 be damaged by the registration of a mark on the supple-
 8 mental register—

9 “(1) for which the effective filing date is after
 10 the date on which such person’s mark became fa-
 11 mous and which would be likely to cause dilution by
 12 blurring or dilution by tarnishment under section
 13 43(c), or

14 “(2) on grounds other than dilution by blurring
 15 or dilution by tarnishment,

16 such person may at any time, upon payment of the pre-
 17 scribed fee and the filing of a petition stating the ground
 18 therefor, apply to the Director to cancel such registra-
 19 tion.”.

20 (e) DEFINITIONS.—Section 45 of the Trademark Act
 21 of 1946 (15 U.S.C. 1127) is amended by striking the defi-
 22 nition relating to “dilution”.

23 **SECTION 1. SHORT TITLE.**

24 (a) *SHORT TITLE.*—*This Act may be cited as the*
 25 *“Trademark Dilution Revision Act of 2006”.*

1 (b) *REFERENCES*.—Any reference in this Act to the
 2 *Trademark Act of 1946* shall be a reference to the Act enti-
 3 tled “An Act to provide for the registration and protection
 4 of trademarks used in commerce, to carry out the provisions
 5 of certain international conventions, and for other pur-
 6 poses”, approved July 5, 1946 (15 U.S.C. 1051 et seq.).

7 **SEC. 2. DILUTION BY BLURRING; DILUTION BY**
 8 **TARNISHMENT.**

9 Section 43 of the Trademark Act of 1946 (15 U.S.C.
 10 1125) is amended—

11 (1) by striking subsection (c) and inserting the
 12 following:

13 “(c) *DILUTION BY BLURRING; DILUTION BY*
 14 *TARNISHMENT*.—

15 “(1) *INJUNCTIVE RELIEF*.—Subject to the prin-
 16 ciples of equity, the owner of a famous mark that is
 17 distinctive, inherently or through acquired distinctive-
 18 ness, shall be entitled to an injunction against an-
 19 other person who, at any time after the owner’s mark
 20 has become famous, commences use of a mark or trade
 21 name in commerce that is likely to cause dilution by
 22 blurring or dilution by tarnishment of the famous
 23 mark, regardless of the presence or absence of actual
 24 or likely confusion, of competition, or of actual eco-
 25 nomic injury.

1 “(2) *DEFINITIONS.—(A) For purposes of para-*
2 *graph (1), a mark is famous if it is widely recognized*
3 *by the general consuming public of the United States*
4 *as a designation of source of the goods or services of*
5 *the mark’s owner. In determining whether a mark*
6 *possesses the requisite degree of recognition, the court*
7 *may consider all relevant factors, including the fol-*
8 *lowing:*

9 “(i) *The duration, extent, and geographic*
10 *reach of advertising and publicity of the mark,*
11 *whether advertised or publicized by the owner or*
12 *third parties.*

13 “(ii) *The amount, volume, and geographic*
14 *extent of sales of goods or services offered under*
15 *the mark.*

16 “(iii) *The extent of actual recognition of the*
17 *mark.*

18 “(iv) *Whether the mark was registered*
19 *under the Act of March 3, 1881, or the Act of*
20 *February 20, 1905, or on the principal register.*

21 “(B) *For purposes of paragraph (1), ‘dilution by*
22 *blurring’ is association arising from the similarity*
23 *between a mark or trade name and a famous mark*
24 *that impairs the distinctiveness of the famous mark.*
25 *In determining whether a mark or trade name is like-*

1 *ly to cause dilution by blurring, the court may con-*
2 *sider all relevant factors, including the following:*

3 *“(i) The degree of similarity between the*
4 *mark or trade name and the famous mark.*

5 *“(ii) The degree of inherent or acquired dis-*
6 *tinctiveness of the famous mark.*

7 *“(iii) The extent to which the owner of the*
8 *famous mark is engaging in substantially exclu-*
9 *sive use of the mark.*

10 *“(iv) The degree of recognition of the fa-*
11 *mous mark.*

12 *“(v) Whether the user of the mark or trade*
13 *name intended to create an association with the*
14 *famous mark.*

15 *“(vi) Any actual association between the*
16 *mark or trade name and the famous mark.*

17 *“(C) For purposes of paragraph (1), ‘dilution by*
18 *tarnishment’ is association arising from the simi-*
19 *larity between a mark or trade name and a famous*
20 *mark that harms the reputation of the famous mark.*

21 *“(3) EXCLUSIONS.—The following shall not be*
22 *actionable as dilution by blurring or dilution by*
23 *tarnishment under this subsection:*

24 *“(A) Any fair use, including a nominative*
25 *or descriptive fair use, or facilitation of such fair*

1 *use, of a famous mark by another person other*
2 *than as a designation of source for the person's*
3 *own goods or services, including use in connec-*
4 *tion with—*

5 *“(i) advertising or promotion that per-*
6 *mits consumers to compare goods or serv-*
7 *ices; or*

8 *“(ii) identifying and parodying, criti-*
9 *cizing, or commenting upon the famous*
10 *mark owner or the goods or services of the*
11 *famous mark owner.*

12 *“(B) All forms of news reporting and news*
13 *commentary.*

14 *“(C) Any noncommercial use of a mark.*

15 *“(4) BURDEN OF PROOF.—In a civil action for*
16 *trade dress dilution under this Act for trade dress not*
17 *registered on the principal register, the person who*
18 *asserts trade dress protection has the burden of prov-*
19 *ing that—*

20 *“(A) the claimed trade dress, taken as a*
21 *whole, is not functional and is famous; and*

22 *“(B) if the claimed trade dress includes any*
23 *mark or marks registered on the principal reg-*
24 *ister, the unregistered matter, taken as a whole,*

1 *is famous separate and apart from any fame of*
2 *such registered marks.*

3 “(5) *ADDITIONAL REMEDIES.—In an action*
4 *brought under this subsection, the owner of the famous*
5 *mark shall be entitled to injunctive relief as set forth*
6 *in section 34. The owner of the famous mark shall*
7 *also be entitled to the remedies set forth in sections*
8 *35(a) and 36, subject to the discretion of the court*
9 *and the principles of equity if—*

10 “(A) *the mark or trade name that is likely*
11 *to cause dilution by blurring or dilution by*
12 *tarnishment was first used in commerce by the*
13 *person against whom the injunction is sought*
14 *after the date of enactment of the Trademark Di-*
15 *lution Revision Act of 2006; and*

16 “(B) *in a claim arising under this sub-*
17 *section—*

18 “(i) *by reason of dilution by blurring,*
19 *the person against whom the injunction is*
20 *sought willfully intended to trade on the*
21 *recognition of the famous mark; or*

22 “(ii) *by reason of dilution by*
23 *tarnishment, the person against whom the*
24 *injunction is sought willfully intended to*
25 *harm the reputation of the famous mark.*

1 “(6) *OWNERSHIP OF VALID REGISTRATION A*
 2 *COMPLETE BAR TO ACTION.*—*The ownership by a per-*
 3 *son of a valid registration under the Act of March 3,*
 4 *1881, or the Act of February 20, 1905, or on the prin-*
 5 *cipal register under this Act shall be a complete bar*
 6 *to an action against that person, with respect to that*
 7 *mark, that—*

8 “(A)(i) *is brought by another person under*
 9 *the common law or a statute of a State; and*

10 “(ii) *seeks to prevent dilution by blurring*
 11 *or dilution by tarnishment; or*

12 “(B) *asserts any claim of actual or likely*
 13 *damage or harm to the distinctiveness or reputa-*
 14 *tion of a mark, label, or form of advertisement.*

15 “(7) *SAVINGS CLAUSE.*—*Nothing in this sub-*
 16 *section shall be construed to impair, modify, or super-*
 17 *sede the applicability of the patent laws of the United*
 18 *States.”; and*

19 (2) *in subsection (d)(1)(B)(i)(IX), by striking*
 20 *“(c)(1) of section 43” and inserting “(c)”.*

21 **SEC. 3. CONFORMING AMENDMENTS.**

22 (a) *MARKS REGISTRABLE ON THE PRINCIPAL REG-*
 23 *ISTER.*—*Section 2(f) of the Trademark Act of 1946 (15*
 24 *U.S.C. 1052(f)) is amended—*

25 (1) *by striking the last two sentences; and*

1 (2) *by adding at the end the following: “A mark*
2 *which would be likely to cause dilution by blurring*
3 *or dilution by tarnishment under section 43(c), may*
4 *be refused registration only pursuant to a proceeding*
5 *brought under section 13. A registration for a mark*
6 *which would be likely to cause dilution by blurring*
7 *or dilution by tarnishment under section 43(c), may*
8 *be canceled pursuant to a proceeding brought under*
9 *either section 14 or section 24.”.*

10 (b) *OPPOSITION.—Section 13(a) of the Trademark Act*
11 *of 1946 (15 U.S.C. 1063(a)) is amended in the first sentence*
12 *by striking “as a result of dilution” and inserting “the reg-*
13 *istration of any mark which would be likely to cause dilu-*
14 *tion by blurring or dilution by tarnishment”.*

15 (c) *CANCELLATION.—Section 14 of the Trademark Act*
16 *of 1946 (15 U.S.C. 1064) is amended, in the matter pre-*
17 *ceding paragraph (1) by striking “, including as a result*
18 *of dilution under section 43(c),” and inserting “, including*
19 *as a result of a likelihood of dilution by blurring or dilution*
20 *by tarnishment under section 43(c),”.*

21 (d) *MARKS FOR THE SUPPLEMENTAL REGISTER.—The*
22 *second sentence of section 24 of the Trademark Act of 1946*
23 *(15 U.S.C. 1092) is amended to read as follows:*

1 “Whenever any person believes that such person is or will
2 be damaged by the registration of a mark on the supple-
3 mental register—

4 “(1) for which the effective filing date is after the
5 date on which such person’s mark became famous and
6 which would be likely to cause dilution by blurring
7 or dilution by tarnishment under section 43(c); or

8 “(2) on grounds other than dilution by blurring
9 or dilution by tarnishment, such person may at any
10 time, upon payment of the prescribed fee and the fil-
11 ing of a petition stating the ground therefor, apply to
12 the Director to cancel such registration.”.

13 (e) *DEFINITIONS.*—Section 45 of the Trademark Act
14 of 1946 (15 U.S.C. 1127) is amended by striking the defini-
15 tion relating to the term “dilution”.

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