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2011

The Myth of Buick Aspirin: An Empirical Study of Trademark Dilution by Product and Trade Names

Robert Brauneis

The George Washington University Law School, rbraun@law.gwu.edu

Paul J. Heald

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Recommended Citation

Robert Brauneis & Paul J. Heald, *The Myth of Buick Aspirin: An Empirical Study of Trademark Dilution by Product and Trade Names*, 32 *Cardozo L. Rev.* 2533 (2011).

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Abstract

Trademark dilution is a highly controversial cause of action that has been the subject of hundreds of law review articles, but no significant scientific work. We analyze 60 years of telephone white pages, corporate & LLC naming data, advertisements from the *New York Times*, *Wall Street Journal*, and *Washington Post*, state and federal trademark databases, and all recorded dilution litigation. Our data suggest strongly that famous trademarks are frequently borrowed for use as trade names in services, but almost never as trade marks on products. Given that Congress based anti-dilution legislation on the assumption that uses like “Buick Aspirin” were common, our conclusions are significant. Our data also show that state federal anti-dilution laws likely have had some effect in the significant decline in brand sharing that we chart. We conclude by examining the still-widespread phenomenon of brand sharing and find that recent psychological studies help explain way the harm allegedly caused by unauthorized sharing (denominated “dilution” by Congress) is unlikely ever to occur.

THE MYTH OF BUICK ASPIRIN: AN EMPIRICAL STUDY OF TRADEMARK DILUTION BY PRODUCT AND TRADE NAMES

“[T]he potency of a trademark may be debilitated by another’s use. This is the essence of dilution. Confusion leads to immediate injury, while dilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark.”¹

Paul J. Heald *
Robert Brauneis **

Like the mythical Hippogriff,² the specter of BUICK ASPIRIN haunts the pages of the Congressional Record³ and the imagination of hundreds of trademark law commentators.⁴ Why? Because the hypothetical headache remedy succinctly captures the essence of a controversial trademark cause of action which requires no likelihood of confusion on the part of consumers exposed to the mark. If we saw BUICK ASPIRIN on a drugstore shelf, we might be intrigued or annoyed, but we would be unlikely to think that General Motors had just opened a new pharmaceutical division. Nonetheless, the Federal Trademark Dilution Act of 1995 (FTDA)⁵ provides a remedy to the auto manufacturer for an “association arising from the similarity between a mark or a trade name and a famous mark that impairs the distinctiveness of

*Associate Dean for Faculty Development & Allen Post Professor of Law, University of Georgia.

**Professor of Law, George Washington University School of Law; Co-Director of the George Washington University Law School Intellectual Property Law Program.

¹ See Federal Trademark Dilution Act of 1995, H.R. REP. NO. 104-374, at 3 (1996), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1030 (citing *Mortellito v. Nina of California, Inc.*, 335 F. Supp. 1288, 1296 (S.D.N.Y. 1972) [hereinafter H.R. REP.]).

² A hippogriff is the product of the union of a griffin and a mare. See <http://en.wikipedia.org/wiki/Hippogriff> for more information of this creature.

³ H.R. Rep., *supra* note 1, at 2-3 (1995), *reprinted in* 1996 U.S.C.C.A.N. 1029, 1029 (offering Schlitz Varnish, Buick Aspirin, Dupont Shoes, and Kodak Pianos as examples of unauthorized uses of famous trademarks that would lead to the harm identified as “dilution”).

⁴ A search of “Buick Aspirin” in the Westlaw JLR database retrieves 202 documents. WESTLAW, www.westlaw.com (last visited Dec. 16, 2009).

⁵ See *supra* note 1.

the famous mark.”⁶ The legislative history of the law offers up BUICK ASPIRIN, DUPONT SHOES, SCHLITZ VARNISH, and KODAK PIANOS as examples of unauthorized uses that Congress thought would definitely dilute the distinctiveness of those famous marks.⁷

Until 1996, federal legislation did not ban the unauthorized use of a famous trademark unless a likelihood of consumer confusion could be shown.⁸ Before the passage of the FTDA of 1995, an unscrupulous aspirin manufacturer could theoretically have taken a free ride on Buick’s good name. The fear of unauthorized uses of famous marks proved too much for federal legislators who saw the need to provide a new sort of protection for “the substantial investment the owner has made in the mark and the commercial value and aura of the mark itself, protection from those who would appropriate the mark for their own gain.”⁹ A cause of action, based not on the likelihood of consumer confusion, but rather on the potential for an unauthorized use to “dilute” the value of a famous trademark, was finally recognized on the federal level. Therefore, after 1995, sharing in a brand name’s luster without the authorization of the trademark owner should have been deterred.

In order to measure the deterrent effect of the FTDA and of anti-dilution statutes enacted in several states in the 1950s and 1960s, we conducted a study of trade name usage in telephone business white pages. In a separate paper we chart a 54% decline in the shared usage of 131 marks that held a significant degree of fame from 1960-2010.¹⁰ We analyze a number of

⁶ 15 U.S.C. § 1125(c)(2)(B) (2006).

⁷ See *supra* note 3 for the location of these marks in the legislative history.

⁸ Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, §4, 109 Stat. 985 (codified at 15 U.S.C. §1127 (2000), superseded in part by Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, §2, 120 Stat. 1730 (codified at 15 U.S.C. §1125(c) (2006)).

⁹ See Federal Trademark Dilution Act of 1955, H.R. REP. NO. 104-374, at 3 (1996), *reprinted in* 1995 U.S.C.C.A.N. 1029, 1030.

¹⁰ See Robert Brauneis & Paul J. Heald, *Trademark Infringement, Trademark Dilution, and the Decline in the Sharing of Famous Brand Names: An Introduction and Empirical Study*, available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1662623.

variables that might have contributed to the decline and conclude that increased legal protection for trademarks during that fifty-year period partially explains the downward trend.¹¹ Other factors, however, including economic changes in the urban areas studied, changes in surname usage and family migration, trends in name personalization, and the decreased attractiveness of some famous marks over time also may have played a role. Although the exact proportion of the decline caused by legal factors is unclear, our prior study marks the first serious attempt to count the number of concurrent multiple users of the same well-known trademark in the same geographic location. We were successful in mapping for the first time a very important, and hitherto undocumented, phenomenon.

The present study also charts trends in unauthorized sharing,¹² but with changes in methodology, data sources, and normative conclusions. Our first study focused on data collected from business name entries in the white pages of Chicago, New York City, and Philadelphia. We identified unauthorized uses of 131 trademarks, most of which were identified as brand leaders in a 1923 market survey and maintained their fame and market position until at least the late 1980s. We found thousands of instances of unauthorized sharing of identical marks and noted a substantial decline in that sharing from 1960-2010. We now broaden our search to include trademark uses in state corporate name and LLC databases in six states (three that passed anti-dilution statutes well before 1996 and three that had no anti-dilution statutes before 1996). We also performed global searches in the Westlaw state trademark registration database and the federal trademark register, and we searched advertisements in the *New York Times*, *Washington*

¹¹ *See id.* at 25-30.

¹² In our previous study, we used the term “independent uses” to describe those uses that were not authorized by the famous user of a brand name, because we did not want to suggest that authorization was required, or even that the independent user necessarily knew of or was motivated by the famous use. In this article, we use the more familiar term “unauthorized uses,” but we intend it to have the same meaning as our term “independent uses.” *See infra* note 40 and accompanying text for further information on determining “unauthorized uses.”

Post, and *Wall Street Journal*. We also investigated all recorded dilution litigation under state and federal anti-dilution statutes from 1946 onwards.

In addition to analyzing different data sources, we narrowed the number of trademarks under scrutiny from 131 to thirty-three. The present paper focuses specifically on the potential effect of anti-dilution legislation that protects only famous and distinctive marks, while our first study included many marks like BAKER'S, METROPOLITAN, EAGLE, DIAMOND, and ROYAL. These marks are almost certainly not eligible for protection under dilution statutes due to the commonness of the names and concomitantly large number of third-party users.¹³ In this study, as explained below, we concentrate on the 33 of the 131 marks most likely to qualify for protection under the FTDA. Thus, in this study we did not just look for unauthorized uses; we looked for unauthorized uses that were potentially dilutive as a matter of law. The change in data sources and marks studied allowed us to confirm trends found in our earlier study, to introduce data from rural localities (as opposed to only three large metro areas), and to measure the frequency of name sharing on commercial products as opposed to business names (something we could not do earlier because our study of telephone white pages by its nature could only catch trade names or service marks). We propose to address three important new questions: 1) Was there ever a time when trademark dilution was potentially a problem? 2) Does the federal dilution statute deter potentially diluting uses? 3) Is the unauthorized sharing we document likely to cause economic harm?

In Part I, we provide some background on dilution doctrine and explain our methodology, focusing on the choice of the 33 marks to study. In Part II, we report our findings on the prevalence of unauthorized uses of the 33 famous trademarks in the data sources mentioned

¹³ See 15 U.S.C. § 1125(c)(2)(B)(iii) (2006) (noting that one important dilution factor is “the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark”).

above. We conclude that before 1996 the overall number of unauthorized uses of famous marks as trade names (business names) of mostly local, small enterprises was more than *de minimis*, and was quite substantial in the cases of CADILLAC and HARVARD. Critically, however, as far as product names are concerned, we find no evidence that unauthorized uses were ever a problem. In other words, proponents of anti-dilution legislation would do well to abandon BUICK ASPIRIN as their poster child for abuse. The absence of significant unauthorized uses of famous marks on products leads us to conclude that dilution was never likely a problem. After all, sporadic, purely local uses as trade names are unlikely to significantly affect the distinctiveness of a famous national mark.¹⁴

In Part III, we examine the effect of federal anti-dilution legislation on rates of unauthorized use of the 33 famous marks. We suggest that the 1996 FDPA may have deterred some uses, but we also attempt to correlate the downward trend we find with changes in a mark's prominence over time. We consider whether a decline in unauthorized uses may be due to diminished brand luster which would make a mark less attractive to appropriate. We conclude in Part IV by taking a snapshot of the present market for famous marks, including marks like MCDONALD'S and FORD, that were omitted from our historical analysis. The vast number of unauthorized uses of some of the most iconic American trademarks suggests that consumers have a well-developed ability to cabin information in ways that maintain the associational values of even the most over-used marks. We look at the literature on consumer cognition and suggest

¹⁴ See Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary, 109 Cong. (2005) (statement of Anne Gundelfinger, President of the International Trademark Association) (“[W]here other similar marks are already wide use and have been over a lengthy period of time, it may be less likely that the junior use will have the effect of blurring the famous mark, unless those uses have little or no visibility to the average consumer.”). We do not assert, however, that Congress did not intend to create a cause of action against sporadic local uses. We simply doubt that our finding of three or four unauthorized uses of Oreo, Rolex, or Rolls Royce before the federal dilution statute actually harmed those marks.

that sharing in the absence of confusion seems unlikely to cause the economic harm to trademark owners feared by Congress.

I. DILUTION DOCTRINE AND DATE COLLECTION METHODOLOGY

The somewhat tortured history of dilution doctrine sheds light on our motivation for conducting the study and on the methodology we chose.

A. A BRIEF HISTORY OF DILUTION STATUTES

The first influential suggestion that trademarks merited protection from unauthorized uses even in the absence of consumer confusion was offered by Frank Schechter in 1927.¹⁵ He hypothesized that unauthorized uses of famous marks would result in “the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark by its use upon non-competing goods.”¹⁶ The primary justification for protection, therefore, is based on empirical assumptions about the effect of unauthorized uses on human cognition. As the leading treatise on dilution elaborates, “the second user . . . weakens the bond between the consumer and the brand,” adding that “[o]ne might reasonably describe diluting uses of a mark as ‘source distractors’ . . . distract[ing] the viewer from the primary source-identifying content of the mark.”¹⁷ Importantly, neither state legislatures enacting dilution statutes, nor the federal Congress, had before them any empirical evidence to support these cognitive assumptions

¹⁵ See generally Frank Schechter, *The Rational Basis for Trademark Protection*, 40 HARV. L. REV. 813 (1927) (analyzing “historical preconceptions as to the nature and function of a trademark and as to the necessities for its protection”).

¹⁶ *Id.* at 825.

¹⁷ See David S. Welkowitz, *TRADEMARK DILUTION: FEDERAL, STATE, AND INTERNATIONAL LAW* 5 (2002) (discussing dilution laws).

underlying dilution theory. And not surprisingly, dilution legislation has consistently encountered significant judicial resistance.¹⁸ And at the federal level, it took fifty years of lobbying to finally convince Congress to pass a dilution statute over objections from those fearing the benefits of protection would not outweigh potential monopoly costs¹⁹ and encroachment on free speech values.²⁰

In fact, according to Clarisa Long, “[e]ver since the creation of federal dilution law, legal commentators have expressed consternation about this variant of the trademark entitlement.”²¹ In essence, experts have always doubted whether a hypothetical BUICK ASPIRIN would, in fact, have negative economic consequences for General Motors. Our initial doubts went even deeper than doubting the potential for harm. We questioned whether famous marks were really an attractive target for appropriation in the first instance. After all, choosing BUICK as a new trademark for aspirin seems like a questionable business decision, equally as likely to alienate consumers as to attract them. The combination of word and product seems bizarre and unattractive. We could never remember seeing a product on the marketplace shelf that resembled the examples suggested in the legislative history of the FTDA, and we speculated that self-interested businesses might decide without legal persuasion to avoid diluting uses of famous

¹⁸ See Joshua G. Jones, *The ‘Iniquities’ of Dilution: How the Judiciary May Use Principles of Equity to Frustrate the Intent of the Federal Trademark Dilution Act*, 91 J. PAT. & TRADEMARK OFF. SOC’Y 200, 201 (2009) (“Few developments in the law have been as resistant to judicial acceptance as trademark dilution.”); Clarisa Long, *Dilution*, 106 COLUM. L. REV. 1029, 1032 (2006) (suggesting judicial resistance to dilution as a reason for the declining success of dilution claims); 3 RUDOLF CALLMAN, *THE LAW OF UNFAIR COMPETITION, TRADEMARKS, AND MONOPOLIES* § 84.2, at 960 (3d ed. 1969) (“Perhaps some of the resistance to the doctrine of dilution is attributable to judicial unwillingness to recognize a trademark as property.”); 3 J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 24.15 at 24-126 -126.1 (3d ed. 1995) (noting that “state dilution statutes have met with a considerable amount of judicial skepticism and resistance,” and there has been a “generalized judicial reluctance to believe that state dilution statutes are really to be read literally.”).

¹⁹ See Welkowitz, *supra* note 17, at 155.

²⁰ *Id.* at 157.

²¹ See Long, *supra* note 18, at 1029.

trademarks. The legislative history contains not a single example of an actual historical instance of a diluting use.

The collective doubts of the judiciary and commentators about dilution led us to consider a means for testing three controversial hypotheses: 1) Unauthorized uses of famous marks were never a widespread historical phenomenon; 2) Resistance to dilution protection renders it ineffective in reducing unauthorized uses; 3) To the extent that brand sharing occurs, it is unlikely to cause harm to the shared brand name, because assumptions about human cognition implicit in dilution doctrine are baseless. The vociferous debates over the desirability of dilution legislation have been conducted in the absence of empirical evidence. We aimed to fill that void by examining the market behavior of a sample of famous trademarks.

B. METHODOLOGY OF THE STUDY

The initial goal of this study was to measure unauthorized uses of a sample of famous trademarks during the time periods before and after the passage of state and federal anti-dilution legislation. Unfortunately, many of the state corporate and LLC databases were incomplete for entities that dissolved prior to dates in the late 1970s or early 1980s, so the data we collected on entity names prior to those times was unreliable. As a practical matter, we can only report corporate name and LLC data from the time period shortly before the 1996 FTDA and cannot opine about the effect of state dilution statutes passed in the 1950s and 1960s. We had planned to extend the study back to 1940 (when our white pages study began), and we still explain our trademark choices below in light of that original goal, because other data, such as that gleaned from the trademark registries and newspapers we study, is reliable at least back to 1925.

The first goal was to identify trademarks that were famous for substantial periods before the passage of the first state dilution statutes²² and then to track unauthorized uses of those marks over time. Luckily, in 1923, two New York University professors conducted a study “of 100 representative commodities showing the names and brands that are most familiar to the public.”²³ Hotchkiss and Franken surveyed over 1000 college students, provided them with a list of 100 product types, and asked them to list the most prominent brands they associated with each category.²⁴ Their responses provide an essential snapshot of which trademarks were most dominant in their brand markets in the 1920s, two full decades before the Massachusetts passed the first anti-dilution statute in 1947 and seventy years before the passage of the federal law in 1995. We selected a sample of these marks to track from 1925 to the present.

Our sample of marks, however, was not entirely randomly selected for several reasons. First, we wanted to make sure that the marks studied retained their brand leadership over time. Very few marks have been consistently famous since 1925, and we wanted to know the extent to which unauthorized uses occurred before the advent of anti-dilution statutes and whether rates of unauthorized usage changed in response to legislation. To make sure we had some consistently famous trademarks, we worked with two studies following up on Hotchkiss and Franken’s 1923 brands that identified which of those marks had retained their prominence in the market place to modern times.²⁵ Among these marks that retained their fame, we excluded marks that almost

²² Massachusetts passed the first statute in 1946 and other major jurisdictions, including New York, Illinois, and California, had statutes in place by the mid-1950s. *See* Mass. Gen. Laws Ann. Ch. 110B, § 12 (1996); N.Y. Gen. Bus. Law § 368-d (1996); 765 Ill. Comp. Stat. Ann. 1035/15 (1996); and Cal. Bus. & Prof. Code § 14330 (1996).

²³ *See generally* GEORGE B. HOTCHKISS & RICHARD B. FRANKEN, THE LEADERSHIP OF ADVERTISED BRANDS (1923) (providing study).

²⁴ *Id.* at 8-21.

²⁵ Peter N. Golder, *Historical Method in Marketing Research with New Evidence on Long-Term Market Share Stability*, 37 J. MARKETING RES. 156 (2000) (studying the longevity of all Hotchkiss’s famous brands); Peter N. Golder, *Study: Majority of 25 Leaders in 1923 Still on Top—‘Old Standbys Hold Their*

certainly do not benefit from the protection of dilution statutes,²⁶ that is to say famous marks that are also common surnames, like Baker, Campbell, Ford, Singer, and Welch; or common descriptive words like Ivory, Royal, Metropolitan, Gold Medal, and Carnation; or common place-names like Manhattan. Such marks can undoubtedly be famous and valuable, but dilution statutes are not much help to owners who are not “engaging in substantially exclusive use of the mark.”²⁷ If a word has always been used by many parties to identify a wide variety of different types of goods, then dilution legislation does not change the legal landscape relevant to that mark.²⁸

Excluding trademarks consisting of common surnames, common descriptive words, or common place-names left us with a list of famous marks most likely to benefit from anti-dilution laws, such as COCA-COLA, HARLEY DAVIDSON, KODAK, PALMOLIVE, and SHERWIN-WILLIAMS. We also consulted a well-known review of internationally famous trademarks by Interbrand, *World’s Greatest Brands*²⁹, which rates the strength of hundreds of diverse brands. This review lists several older U.S. brands whose prominence extended from the 1920s or 1930s. Where we could confirm longevity of their fame in the *Encyclopedia of Consumer Brands*,³⁰ we

Own, ADVERTISING AGE 32 (Sept. 19, 1983) (reporting that a narrow group of the most famous of Hotchkiss’s brands were still market leaders).

²⁶ See 15 U.S.C. § 1125(c)(2)(B)(iii) (2006) (noting that one factor in determining whether a mark has been diluted is the “extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark”).

²⁷ *Id.*

²⁸ A quick look at on-line yellow pages and the Hoovers business database reveal hundreds of unrelated businesses safely operating under each of the above names. See YP, <http://www.yellowpages.com/> (last visited Jan. 30, 2011) (providing yellow pages database); HOOVERS, <http://www.hoovers.com/companies/100003475-1.html> (last visited Jan. 30, 2011) (providing access to the Hoovers database). For example, the yellow pages in just California and New York list approximately 1000 businesses using the trade name Campbell that have no apparent connection to Campbell’s soup, with Hoover’s listing over 400 unrelated Campbell entities. There are many thousands of Manhattan and Ford trade names in use that are unconnected to shirt making or automobiles. There are over 1000 uses of Singer in the Hoover database unrelated to sewing machines, and so on . . .

²⁹ INTERBRAND, *WORLD’S GREATEST BRANDS, AN INTERNATIONAL REVIEW* (1992).

³⁰ *ENCYCLOPEDIA OF CONSUMER BRANDS* (Janice Jorgenson ed.) (1994).

added the Interbrand trademarks to our list, including such marks as BACARDI, CHANEL, IBM, MERCEDES-BENZ, ROLEX, TAMPAX, and ZIPPO. Concerned that our list lacked enough of the sort of luxury brand names most likely to be the object of unauthorized use, we consulted another source, *Icons of the American Marketplace*,³¹ to see if we could identify any long-lived brands that might have attracted more unauthorized users than EX-LAX or TAMPAX. Once again, after checking brand histories, we were able to add CADILLAC, HARVARD, and STEINWAY, one of which (Steinway), was also listed in Hotchkiss and Franken's 1923 study. Finally, we included the three iconic brands found in the Congressional Record³² and used ubiquitously in examples by commentators: BUICK, BULOVA, and SCHLITZ.³³

The list of 33 famous marks that we chose to track is listed in *Figure 1* below.³⁴ The goal was not to create a comprehensive inventory of the most famous marks of the twentieth century, nor to identify every mark that had ever held brand leadership for a prolonged period of time. Our objectives were more modest, namely, to arrive at a sample of famous marks 1) all of which were famous before the enactment of anti-dilution statutes, 2) all of which almost certainly qualified for anti-dilution protection because of their relative uniqueness, e.g. not common adjectives, surnames or place names, and 3) some of which were luxury marks, the most attractive to free riders.

³¹ AMERICAN BENCHMARK PRESS, *ICONS OF THE AMERICAN MARKETPLACE: CONSUMER BRAND EXCELLENCE* (2007) (listing the most valuable and famous brands in the United States).

³² See H.R. Rep., *supra* note 1, at 2-3 (1995), *reprinted in* 1996 U.S.C.C.A.N. 1029, 1029 (offering Schlitz Varnish, Buick Aspirin, Dupont Shoes, and Kodak Pianos as examples).

³³ See MCCARTHY, *supra* note 18, at § 24:105 (“For example, the most popular list of offending examples against which antidilution laws are directed is: Dupont shoes, Buick aspirin, Schlitz Varnish, Kodak pianos and Bulova gowns.”).

³⁴ The fame of the three of the marks does not extend from the 1920s, but rather from the 1950s: Corvette, Rolex, and Perrier. In states that enacted anti-dilution statutes in the 1950s or before, we can draw no conclusions about the affect of legislation on rates of unauthorized use.

Figure 1

BACARDI	BUDWEISER	BUICK
BULOVA	CADILLAC	CHANEL
CLOROX	COCA-COLA	CORVETTE
DR. PEPPER	EX-LAX	GREEN GIANT
GUINNESS	HARLEY-DAVIDSON	HARVARD
IBM	JACK DANIELS	JELL-O
KODAK	LOUISVILLE SLUGGER	MERCEDES-BENZ
OREO	PALMOLIVE	PERRIER
ROLEX	SANKA	SCHLITZ
SHERWIN-WILLIAMS	STEINWAY	ROLLS-ROYCE
TAMPAX	WINDEX	ZIPPO

We tracked all 33 marks in the corporate/LLC name databases in California, Illinois, Michigan, New York, Ohio, and Wisconsin.³⁵ Due to the limitations mentioned above, we tracked marks in California from 1977-2010, in Illinois from 1987-2010, in Michigan from 1977-2010, in New York from 1982-2010, in Ohio from 1960-2010, and in Wisconsin from 1977-2010. Given their size, commercial importance, and geographical diversity, California, Illinois, and New York were obvious choices for study. All three states, however, passed state anti-dilution statutes in the 1950s, which may have blunted the effect of the 1996 federal legislation in those jurisdictions. Michigan, Ohio, and Wisconsin, which never passed anti-dilution legislation, were therefore added as the three largest commercial jurisdictions where

³⁵ See *Business Search*, CALIFORNIA SECRETARY OF STATE DEBRA BOWEN, <http://kepler.sos.ca.gov/> (last visited Jan. 30, 2011) (providing California corporate and LLC filings); *CyberDrivellinois*, JESSE WHITE, SECRETARY OF STATE, <http://www.ilsos.gov/corporatellc/> (last visited Jan. 30, 2011) (providing Illinois corporate and LLC filings); *Corporate Division Business Entity Search*, DEPARTMENT OF LABOR AND ECONOMIC GROWTH, http://www.dleg.state.mi.us/bcs_corp/sr_corp.asp (last visited Jan. 30, 2011) (providing Michigan corporate and LLC filings); *Division of Corporations, State Records and Uniform Commercial Code*, NEW YORK STATE DEPARTMENT OF STATE, <http://www.dos.state.ny.us/corps/> (last visited Jan. 30, 2010) (providing New York corporate and LLC filings); *Business Filings*, JOHN HUSTED, OHIO SECRETARY OF STATE, <http://www.sos.state.oh.us/SOS/businessServices.aspx> (last visited Jan. 30, 2011) (providing Ohio corporate and LLC filings); and *Search Corporate Records*, STATE OF WISCONSIN DEPARTMENT OF FINANCIAL INSTITUTIONS, <https://www.wdfi.org/apps/CorpSearch/Search.aspx?> (last visited Jan. 30, 2011) (providing Wisconsin corporate and LLC filings).

reliable filing data was available. The relevant data point chosen for study was the recorded filing date of the new entity name by the corporate or LLC agent. Because there are so many different reasons why a corporation or limited partnership might be dissolved, we collected no data on the life span of any of the entities after the date they established their corporate or LLC status.

Like our earlier white pages data, evidence of corporate and LLC naming trends provide substantial evidence of trade name or service mark usage. Nonetheless, data on product names, in addition to business names, is available from other sources we surveyed. For example, some purveyors of products register their product names as trademarks under state trademark registration systems or in the federal trademark office, so we searched for all 33 marks in the U.S. Patent and Trademark Office registration database³⁶ from 1905-2010 and in the Westlaw state trademark registration database which covers all active marks from 1900 and all inactive marks from 1986 for all 50 states.³⁷ In addition, we searched for a smaller selection of conspicuous luxury marks³⁸ in commercial advertisements in the *New York Times*, *Washington Post*, and the *Wall Street Journal* from 1925-2005. Finally, we examined all reported cases where dilution (as opposed to a finding of likelihood of confusion) was the determinative factor in a litigated decision³⁹ to measure how frequently unauthorized product names are litigated as

³⁶ See *Trademark Electronic Search System*, UNITED STATES PATENT AND TRADEMARK OFFICE, <http://tess2.uspto.gov/> (last visited January 31, 2011) (providing trademark search system).

³⁷ The applicable Westlaw database is TRADEMARKSCAN - U.S. State (ST-TM). Since not all states have digitized their records back to 1900, the database, in fact, cannot accurately claim to contain all marks from any particular date. It would be more accurate for Westlaw to claim that it has all digitized records.

³⁸ We chose Rolls-Royce, Cadillac, Mercedes-Benz, Rolex, Steinway, Harvard, Chanel, Porsche, Disney, Corvette, and Tiffany, reasoning that these marks would be most attractive for appropriation.

³⁹ In this entire study, we are concerned with identifying whether the innovative cause of action for trademark dilution matters. Cases in which the standard infringement cause of action based on a likelihood of consumer confusion provides a remedy are of little interest to us, even if dilution was pleaded as an alternative form of relief. The relevant question is: What does the dilution cause of action give to a trademark owner that he or she did not have under prior law?

opposed to unauthorized service marks. Although these combined sources hardly provide a comprehensive picture of the life of product names in the U.S., they do provide a useful snapshot of product markets.

In searching all data sources, we proceeded generally under rules established in our first study for determining what constitutes an unauthorized use.⁴⁰ The most important question, of course, was the determination whether the brand name was used with permission of the most famous trademark owner or not. Determining whether a use was unauthorized was a judgment call backed up by research whenever possible. For example, in 1935 in Illinois we found a BUDWEISER INN, BUDWEISER GRILL, and also a BUDWEISER LABORATORIES

⁴⁰ We established six main principles in our first study. Because names chosen for the present study are relatively uncommon, the following rules came into play with much less frequency:

Broad definition. Generally, any name that began with one of 131 brand names in the study and that was recognizably the name of a business was included. Thus, names such as “Buick Joseph Inc.,” “Buick Manufacturing Co.,” “Buick Market,” and “Buick & Brown” would all be counted as uses of the brand name “Buick.” We also included all instances in the singular, plural, and possessive: “Buick Market,” “Buick’s Market,” and Buicks Market” were all counted.

No individual professional listings. One type of listing features the full name of an individual, followed by the name of a profession or of goods or services in lower case letters, such as “Buick, Maria F. lawyer” or “Buick John G. metal prods.” These listings were excluded from the study.

Alternate spellings or variants. In our first study, we did not attempt to track alternate spellings of brand names, such as “Douglass,” or “Forde.” Because the 33 names chosen for this study were less common, we were able to include variations such as “I.B.M.” or “Rollex”, but we did not include variations that did not immediately recall the original mark, e.g. “Channel”.

First word uses only. In our first study, we only searched for brand names when they were listed as the first word of the company name in the telephone book. Thus, for example, “Flowers by Buick,” “Brown & Buick,” and Joseph Buick & Sons” would not be included as uses of the brand name “Buick.” In this study, we did count some non-initial uses that seemed clearly to evoke the original brand, e.g. “Ernie’s Cadillac Lounge and Dance Club.”

Geographical and Semantic Compounds Excluded. We did not count the occurrence of one of the names in our study as a brand name use when it was immediately followed by another word and the two words together formed a local place name. For example, Harvard is a common street name and Cadillac is the name of a large suburb of Detroit. So, “Harvard Avenue Drugs” was not counted, nor was “Cadillac City Cleaners.” Following an established rule of trademark law that “unitary marks” are to be considered as a whole, we decided that each of these two-word place names would be experienced as a whole, and we therefore did not count uses of them as uses of the brand names.

Branches and departments not counted as separate uses. Sometimes a single entity will incorporate each location of its business separately. If “Rolex Realty,” for example, incorporated separately a branch in Milwaukee and one in Madison, we counted only one unauthorized use. If the same entity incorporating “Rolex Realty,” however, branched out into a new business, e.g. “Rolex Travel,” then we counted two unauthorized uses.

INSECTICIDE. To modern eyes, all of these may seem likely to be unauthorized (at the time unauthorized uses were legal in the absence of consumer confusion). Further research revealed, however, that during prohibition, breweries like Anheuser-Busch and Schlitz diversified their brands into other related product markets, including restaurants. It was therefore likely that the BUDWEISER INN and BUDWEISER GRILL were authorized uses.⁴¹ The insecticide laboratory, however, was counted as unauthorized. It is highly unlikely that Anheuser-Busch would want to have tarnished its mark in a poisonous pesticide venture, a conclusion supported by arguments made by Anheuser-Busch in later unrelated litigation against a Florida insect exterminator that used a paraphrased a Budweiser slogan, “Where’s there’s life, there’s bugs” in its advertising.⁴² Identifying unauthorized uses was usually much easier: more typical were SANKA BIOTECH, INC. (California, 2005), ROLEX PAINTING CORP. (New York, 2007), and KODAK PLUMBING, INC. (Illinois, 1994).⁴³

Finally, as a general rule, we did not count the use of a name on goods or services related to the famous mark as unauthorized. We assumed as a factual matter that businesses like “Budweiser Beer Distributors” or “Bob Jones Cadillac” were authorized. Trademark law has always provided a simple confusion-based remedy for the unauthorized use of a trademark on an identical or similar good or service, so consistent or related uses seemed most appropriately categorized as authorized.⁴⁴

⁴¹ If they were unauthorized, Anheuser-Busch could almost certainly have shut them down by suing under the standard likelihood of confusion cause of action.

⁴² See *Allied Chemical Corp. of Am. v. Anheuser-Busch, Inc.*, 306 F.2d 433, 439 (5th Cir. 1952) (finding Budweiser slogan, “Where there’s life . . . there’s Bud” was infringed by pesticide company’s slogan, “Where there’s life . . . there’s bugs.”).

⁴³ Searches can be performed at web sites of each Secretary of State: <http://kepler.sos.ca.gov/>, http://appext9.dos.state.ny.us/corp_public/corpsearch.entity_search_entry, and http://www.cyberdriveillinois.com/departments/business_services/corp.html.

⁴⁴ Anti-dilution statutes are not aimed at preventing the use of similar or identical trademarks on similar or identical goods. This is not the behavior that the statutes were designed to sanction. Where confusion is

II. UNAUTHORIZED USES OF FAMOUS TRADEMARKS

We first report incidences of unauthorized uses of famous trademarks as trade names in records of state corporate and LLC name filings. We then report evidence of unauthorized uses of famous trademarks as product names in national newspaper advertisements, trademark registration records, and in reported litigation.

A. FAMOUS TRADEMARKS AND UNAUTHORIZED USES IN TRADE NAMES

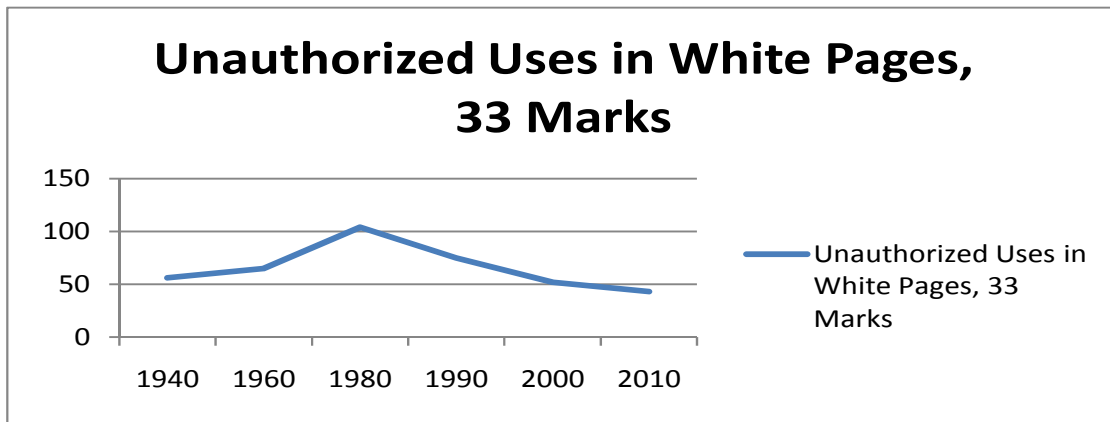
Our earlier telephone white pages study found 12,779 unauthorized uses of 131 famous brand names from 1940-2010. Only a portion of those uses, however, were potentially diluting. Many of the marks studied were common words, like “royal,” “diamond,” or “metropolitan,” or common last names, like Campbell, Douglas, or Ford, unlikely to qualify for protection under dilution statutes which demand at least a substantial level of exclusivity.⁴⁵ Considering the subset of 33 brand names chosen for this study, we revisited our earlier white pages data and isolated for the first time 391 unauthorized uses of those 33 marks in Chicago, New York, and Philadelphia in 1940, 1960, 1980, 1990, 2000, and 2010. The 33 brands accounted for about a quarter of the total number of trademarks studied, but only 3% of the uses determined to be unauthorized. Uses which are potentially diluting seem to be only a small percentage the overall phenomenon of brand sharing, but it is difficult to conclude that 391 total appropriations in three

likely, the existence of an anti-dilution statute is unlikely to change one’s behavior, so it makes sense to ignore any entry that showed a use of a trademark consistent with or related to its famous use.

⁴⁵ See 15 U.S.C. § 1125(c)(2)(B)(iii) (2006) (permitting a court to consider “[t]he extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark”).

cities over seventy years is *de minimis*, especially given only six years were surveyed. We should note, however, that the data is heavily influenced by unauthorized uses of HARVARD and CADILLAC, which account for 238 of the 391 (60%) total.

FIGURE 1



In the present study we expand the search for unauthorized, and therefore potentially diluting, uses of our 33 marks into state corporate and LLC name databases. This enables us to evaluate the tentative conclusion, articulated for the first time above, that levels of potentially diluting uses were more than *de minimis*. State corporate and LLC name data also lets us further examine the role of HARVARD and CADILLAC and observe whether the declining trend of unauthorized uses in telephone white pages is mirrored in another data source.

In California, from 1977 to 2010, we found 304 different corporations or LLCs that had adopted one of our 33 marks as their registered name without apparent authorization. We found 176 unauthorized name adoptions in Illinois from 1987-2010, while in Michigan (1977-2010), New York (1982-2010), Ohio (1960-2010), and Wisconsin (1977-2010) we found, 80, 483, 104, and 23 respectively. So, over roughly a thirty-year time period, we found 1170 different corporations or LLCs that deliberately chose one of our 33 trademarks as its registered name.

Considering this total in conjunction with the white pages data, we conclude that the amount of deliberate sharing in famous brand names is greater than *de minimis*. We should note, however, that not all the corporations and LLCs studied necessarily used their registered names as advertised trade names or as service marks. Some corporations never refer to their official registered name in public, while others entities are stillborn and never even put their name on stationary or a web site. We cannot report on the market impact or actual market presence of the business entities we study.

We also note the predominance of CADILLAC and HARVARD in the data. Of 1170 unauthorized adoptions reported above, 675 were registrations of corporate or LLC names that included the CADILLAC or HARVARD trademarks. This is 58% of the total, very close to the 60% role occupied by the same two marks in the white pages data reported above. Among the thirty-one other marks, we found 495 unauthorized uses, which we still consider to be more than *de minimis*; nonetheless, the predominance of CADILLAC and HARVARD in the data is striking. This could mean, perhaps, that CADILLAC and HARVARD should not be on the list, that their use is as non-exclusive as “diamond,” “metropolitan,” or “royal,” and that they do not merit protection from dilution statutes. Although it is possible that CADILLAC and HARVARD have already been diluted, we do not conclude that our data proves it. The extent of third party uses, and not just the number of those uses, matters in determining the dilution of a famous national mark. We have shown a large number of third-party adoptions, but we have no data on visibility and impact on the public. If third party uses are sufficiently obscure (e.g., Kodak Plumbing in Lockport, Illinois) or do not bring the famous brand owner to mind (e.g., Harvard

Drugs in Harvard, Illinois), then even a large number of unauthorized uses would not necessarily disqualify a famous mark from protection.⁴⁶

Further, in our earlier white pages study we noticed a significant decline in unauthorized uses of the full complement of 131 marks from 1960 to 2010. The downward trend is also seen in the present corporate and LLC registration data once overall trends in the number of filings are considered. We have data at five-year intervals since 1982.⁴⁷ From 1982-86, we found 138 unauthorized uses, from 1987-91 (148), from 1992-1996 (133), from 1997-2001 (168), from 2002-2006 (176), and from 2006-2010 (164).⁴⁸ Since 2006-2010 is a four-year period, we estimate a five-year total as 205 unauthorized uses (25% higher than the four-year total). In terms of raw numbers, there is a gain from 138 to 205 (67% increase) from 1982 to 2010; however, there was a much more significant increase in the overall number of corporate and LLC filings during the same time period (mostly due to the advent and increasing popularity of the LLC form). Just as we had to consider the changes in the size of our white pages data base over time in order to chart a true decline of uses in that data source, we must divide the raw number of unauthorized uses in the corporate/LLC data by the total number of filings in a given time period to obtain an accurate use rate in the corporate/LLC registration data.

Incomplete state records make it difficult to set forth a single number that encapsulates the trend in overall number of new corporate and LLC filings during the years studied, but we can summarize as follows. From 1994-2007, overall filings in California increased steadily from 55,278 to 200,787, a 363% increase. In Illinois, from 1986 to 2008, overall filings increased

⁴⁶ See *supra* note 14.

⁴⁷ This data excludes Illinois, where available information starts in 1987. We will ignore Illinois until we compare percentage data.

⁴⁸ We lacked 2010 data for Ohio. Since we found a total of 12 unauthorized uses in 2006, 2007, 2008, or 4 per year, we estimated that 2010 would reveal approximately 4 more, so we counted Ohio as having 16 unauthorized uses from 2006-2010.

steadily from 26,955 to 64,497, a 240% increase, and in Michigan from 1995-2008, 40,887 to 67,828, a 65% increase. In New York, from 1993-2009, filings increased from 80,454 to 128,339 a 71% increase; in Ohio, from 1982-2009, 3565 to 75,545, a whopping 2100% increase; and in Wisconsin, from 1990-2009, 7254 to 3328, a 46% decrease. Since we have data for every jurisdiction from 1995 to 2008, we can plot a steady upward trend in total filings during that time period for all six states combined:

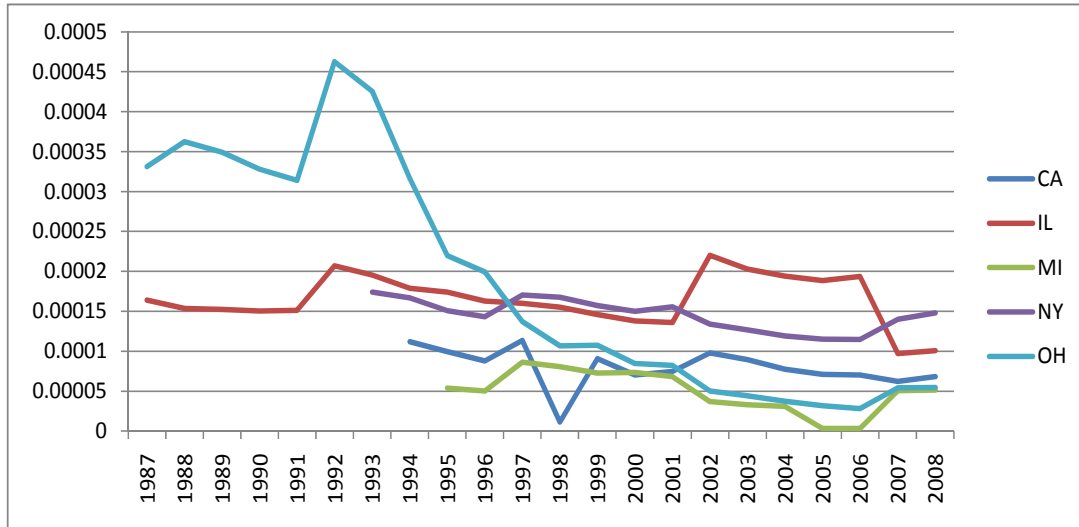
<u>Year</u>	<u>Total Number of Filings</u>
1995	218,952
1996	235,747
1997	252,794
1998	267,574
1999	290,523
2000	335,643
2001	324,187
2002	366,795
2003	396,959
2004	439,882
2005	471,452
2006	480,013
2007	490,660
2008	461,080

The increase in the period 1995-2008 of the total number of new corporate and LLC filings is from 218,952 to 461,080, an increase of more than 210%. This dwarfs the increase in unauthorized uses we found during roughly the same period of 168 (1997-2001) to 205 (2006-2011), which was a mere 22% increase.

Since the yearly trends are fairly steady in all states studied, we are very confident in concluding that the rate of unauthorized famous brand name choice per filing has steadily decreased during the time period of our study. We depict the trend on a state-by-state basis below, using averaging to interpolate data for years in between the five-year intervals at which we collected data:

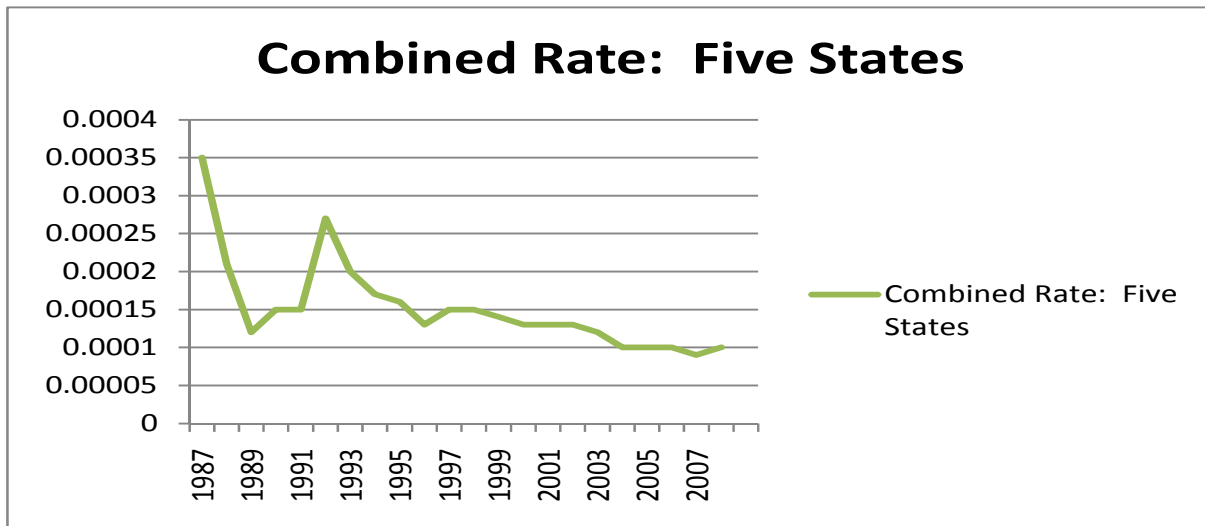
FIGURE 3

Unauthorized Registrations as a Percent of Total Filings: Five States



Providing a combined rate with the data is trickier given the variations in earliest years of available data, but a blended curve can be provided.

FIGURE 4



Again, one can perceive a significant downward trend,⁴⁹ but one must be aware that the curve from 1987-1992 represents only Illinois and Ohio, with New York added in 1993, California in 1994, and Michigan in 1995. We consider in Part III below whether this trend is related to the passage of the FTDA in 1996.

B. FAMOUS TRADEMARKS AND UNAUTHORIZED USES ON GOODS

Although our survey of business white pages and corporate name/LLC records showed evidence of numerous unauthorized uses of our 33 famous brand names as trade names or service marks, our survey of national newspaper advertisements, trademark registration records, and reported cases found unauthorized uses of famous trademarks as product names were very rare.

1. *Newspaper Surveys.* In the absence of a historical database providing a comprehensive listing of product names used over time, we were forced to find other sources that might reveal unauthorized uses of famous marks. Since products are frequently advertised in newspapers, we searched for databases that allowed targeted searching of display advertisements and that extended historically from the era before the passage of anti-dilution statutes. The ProQuest database allows for a targeted searching of advertisements in the *New York Times* (*NYT*), *Wall Street Journal* (*WSJ*), and the *Washington Post* (*WP*) from the 1920s (and even

⁴⁹ A regression of the form: $\text{Rate} = B_0 + B_1 * (\text{year} - 1996) + \text{error}$ was fit over the 13 time points from 1996-2008. In the case of 5 states combined the effect clearly significantly negative, with a P-value < .0001.

earlier) until 2006 (*NYT*), 1993 (*WP*), and 1992 (*WSJ*).⁵⁰ Ideally, we would have included some west coast and Midwestern newspapers and some newspapers from smaller metropolitan areas, but it was not feasible to send our research assistants into hard copy archives to check every display ad in a newspaper, printed daily, for an eighty-year period. Despite the limitations of only looking at three major east coast newspapers, we think that our findings nonetheless suggest a hesitancy on the part of unauthorized users to choose product names based on someone else's famous mark, e.g. BUICK ASPIRIN.

A preliminary search of our list of famous marks in several years' worth of advertisements proved tedious (there are many legitimate ads) and revealed no unauthorized uses. Puzzled by the lack of hits, we decided to game the search deliberately in order to discover if there was some pattern of unauthorized uses that might suggest a better use for our limited resources. So, we chose what we thought might be the most attractive brands from the list of 33 (ROLLS-ROYCE, CADILLAC, MERCEDES, ROLEX, STEINWAY, HARVARD, CHANEL, CORVETTE), and after adding three additional attractive marks (PORSCHE, DISNEY, TIFFANY), we searched a full year's worth of ads in 1925, 1930, 1935, and so on through 2005. By choosing the brands most likely to be attractive to unauthorized users—indeed, our white pages data suggested that CADILLAC and HARVARD were very attractive—and by taking regular yearly snapshots from the 1920s to the present, we expected to discover multiple unauthorized uses. Despite evaluating seventeen years worth of advertising, we found almost no uses at all, prompting us to abandon any further searching of display ads.

⁵⁰ See PROQUEST, <http://www.proquest.com/en-US/catalogs/databases/detail/pq-hist-news.shtml> (last visited Jan. 30, 2011) for information regarding the newspapers available in this database.

In 1965, we found an ad for a movie, “The Yellow Rolls Royce,” in the *Washington Post*,⁵¹ and an ad for another movie, “Breakfast at Tiffany’s,” in the *New York Times*.⁵² Also in the 1965 *Times*, we found an ad for “The Cadillac Garden Apartments.”⁵³ In an issue of the 1985 *Times*, we found an ad for “Steinway Computing.”⁵⁴ We found two unauthorized uses of Harvard: A 1975 ad in the *New York Times* for “The Harvard Agency,”⁵⁵ and a 1995 ad in the *Times* for “Harvard Graphics.”⁵⁶ This was the sum total of unauthorized uses found after searching through seventeen years of ads in three major newspapers for some of the most desirable marks in American brand history. With the possible exception of the two movies, the uses are not even for products, but are rather uses as business names/service marks.

2. *Federal Trademark Registrations.* Once a dilution statute is passed, an unauthorized user of a mark protected by that statute has little incentive to try and register its trademark. After all, registration might bring the unauthorized use to the attention of the trademark owner or render a previously tolerable unauthorized use more threatening. Nonetheless, before the passage of anti-dilution statutes, non-confusing, unauthorized uses of famous marks were permissible, and no legal impediments to registration existed. Registration records, therefore, provide some evidence of unauthorized uses on marketed products. At the federal level, dilution was not a bar to registration until 1996, so we searched the Federal Register for evidence of unauthorized uses prior to 1996, with an eye toward discovering uses as product names. With

⁵¹ See WALL STREET J., May 20, 1965, p. 12.

⁵² See N.Y. TIMES, December 15, 1965, p. 52.

⁵³ See N.Y. TIMES, June 20, 1965, p. R44.

⁵⁴ See N.Y. TIMES, Feb. 21, 1984, p. C8.

⁵⁵ See N.Y. TIMES, May 21, 1974, p. 75.

⁵⁶ See N.Y. TIMES, Jan. 8, 1995, p. WL11.

the exception of HARVARD and CADILLAC, we found little evidence of the unauthorized use of famous marks as product names.

For the 31 marks in our study other than CADILLAC and HARVARD, we examined 2122 registration records⁵⁷ over the period 1898-1996 and found 15 registrations⁵⁸ that appeared to be unauthorized. Twelve of those registrations were for products as opposed to services.⁵⁹ In addition, we found three post-1996 records, one of which was an unauthorized registration for a product.⁶⁰ Even the most attractive luxury marks, like BULOVA, ROLLS-ROYCE, MERCEDES-BENZ, ROLEX, PERRIER, and STEINWAY attracted no unauthorized registrants over a hundred-year period. This is far from proof that no one was making unauthorized use of famous marks on products, but it is consistent with the lack of users found in the newspaper data.

As with the white pages data on business names, CADILLAC and HARVARD stand out in the registration records as attractive targets for unauthorized users. Of 229 total records for CADILLAC, we found 79 unauthorized registrations, 56 before 1996 and 23 after 1996. Of the pre-1996 unauthorized registrations, 45 were for products as opposed to services, and of the post-1996 registrations, 15 were for products as opposed to services. Of 247 total records for HARVARD, we found 72 unauthorized registrations, 61 before 1996 and 11 after 1996. Of the pre-1996 unauthorized registrations, 50 were for products as opposed to services, and of the post-1996 registrations, 6 were for products as opposed to services.

⁵⁷ The 2122 figure includes some recorded applications that were abandoned. Since reasons for abandonment are not provided on the record, we did not consider an abandoned application as evidence of use in the market. One of the most frequent reasons for abandonment is lack of use. We found forty-five abandoned applications that appeared to be filed by non-owners of the famous mark.

⁵⁸ Since we were looking for evidence of market behavior, we counted all registrations regardless of current status, e.g. whether they were listed as “alive” or “dead” due to cancellation or failure to renew.

⁵⁹ Those uses included Green Giant for saw blades, Corvette for compasses, Zippo-Spat for majorette costumes, Windex for sailboat weather vanes, Jack Daniels for shoes, and Panel Chanel (probably a misspelling of “channel”) for “molded wiring ducts.”

⁶⁰ This registration was Green Giant for “automotive cleaning preparations.”

3. *State Trademark Registrations.* Another potential source of evidence of uses of famous marks as product names is state trademark registration databases. Many times businesses contemplating purely local use will register only with a state trademark office. State registrations are much cheaper and easier to obtain, because state offices typically do not examine applications. Unfortunately, the ST-TM database on Westlaw, which tracks state trademark registrations, is not nearly as comprehensive as the database of the U.S. Patent and Trademark Office. In fact, many states do not include records before 1986.⁶¹ Generally, coverage seems to be spotty before 1990, although in some states the records go back more than eighty years. Apart from sporadic registration of unauthorized uses of CADILLAC and HARVARD, we found no evidence in the ST-TM database of any significant unauthorized uses of the thirty-three famous marks on our list, either as business names or product names.

After searching for non-Harvard and non-Cadillac registrations in all fifty states for the entire time period before the 1996 federal anti-dilution statute, we found 4 service marks⁶² and 5 product names⁶³ that appeared to be unauthorized uses. Seven of the state registrations occurred in the absence of state anti-dilution protection; two occurred in states at times when a dilution statute was in effect. During the same pre-1996 period, we found 31 unauthorized registrations of CADILLAC and 9 for HARVARD. After the passage of the 1996 federal law, and again

⁶¹The summary page of the Westlaw database TRADEMARKSCAN(R)-U.S.-STATE lists the dates of coverage for all states. WESTLAW, http://web2.westlaw.com/scope/default.aspx?db=ST%2DTM&RP=/scope/default.wl&RS=WLW10.01&VR=2.0&SV=Split&FN=_top&MT=208&MST= (last visited Jan. 30, 2011).

⁶² For example, a 1976 registration of “Rolls Royce” for a Wisconsin Realty Company and a 1993 Arkansas registration of “Oreo” for an educational services company were found.

⁶³ For example, two 1978 New Jersey registrations of “Chanel” for furniture and housewares and a 1980 Illinois registration of “Rolex” for environmental control systems were found.

omitting CADILLAC and HARVARD, we found 6 more service marks⁶⁴ and 1 more product name⁶⁵ that appeared to be unauthorized uses. During the same period, we found 11 unauthorized registrations using CADILLAC and 8 using HARVARD. Given that prior to 1996, only half of the states had enacted dilution statutes (and some of those quite recently before the federal law passed), we expected to find more unauthorized registrations of famous marks, despite the lack of a full historical record in the Westlaw database. Due to the lack of a full record, we do not want to make too much of these findings, except to remark that they are consistent with the newspaper data and federal registration data in suggesting that the unauthorized use of famous marks as product names is a much less common phenomenon than the use of such marks as business names.

4. *Trademarks in Reported Litigation.* Another potential source of evidence about unauthorized uses of trademarks as product names is the reported case law on dilution. Again, it is helpful to look at the world before and after the passage of the 1996 federal law.

a. *Litigation Under State Statutes.* The first thing we noticed was how little impact state anti-dilution statutes have had on litigation since the first law was enacted in Massachusetts in 1947.⁶⁶ In the fifty years before the 1996 federal law, state dilution laws provided the sole basis of a finding in favor of only thirteen trademark owners,⁶⁷ and three of

⁶⁴ For example, a 2005 North Dakota registration of “Oreo” for animal rescue and a 1996 Arizona registration of “Green Giant” for landscaping services were found.

⁶⁵ A 2001 New Hampshire registration of “Bikeweiser” for t-shirts appeared to be unauthorized.

⁶⁶ See Act of May 2, 1947, ch. 307, § 7a, 1947 Mass. Acts 300 (providing text of first state anti-dilution statute)

⁶⁷ See *Tri-County Funeral Home, Inc.*, 957 S.W.2d 694 (Ark. 1997) (finding “Eddie Howard Funeral Home” diluted “Howard Funeral Home”); *Deere & Co., v. MTD Prods., Inc.*, 41 F.3d 39 (2d Cir. 1994) (holding John Deere deer logo diluted by defendant’s animated deer in television commercial); *McDonald’s Corp. v. Arche Techs.*, 17 U.S.P.Q.2d 1557 (N.D. Cal. 1990) (holding Golden arch logo for computer software and hardware diluted McDonald’s golden arches mark); *Eastman Kodak Co. v.*

those owners were challenging uses in exactly the same line of business, which presumably should have counted as infringing uses.⁶⁸ State anti-dilution laws were pleaded and discussed in many more cases, almost always as secondary claims tacked on to causes of action based on the standard likelihood of confusion rationale. It's relatively easy to find cases where a court finds both dilution *and* confusion, in other words, cases where the dilution statute is redundant. Yet since the purpose, indeed the very *raison d'être*, of dilution statutes is to provide for relief in the absence of confusion, we looked only for cases where the dilution statute provided the basis for decision in the absence of a finding of confusion.

We recognize the limitations of analyzing market behavior by looking at decided cases; nonetheless, we think that thirteen is a small number, representing one reported victory approximately every five years for national trademark owners. Even more interesting is that only two of the thirteen cases finding dilution involve the sale of an unauthorized product bearing a famous trademark, and both of those involve the appropriation of an image (the

Rakow, 739 F. Supp. 116 (W.D.N.Y. 1989) (finding Kodak mark diluted by stage name of "vulgar" comedian); American Express Co. v. Vibra Approved Labs. Co., 10 U.S.P.Q. 2006 (S.D.N.Y. 1989) (holding American Express card replica containing a condom violated dilution laws); Ringling Bros.-Barnum & Bailey Combined Shows v. Celozzi-Ettelson Chevrolet, Inc., 855 F.2d 480 (7th Cir. 1988) (finding plaintiff's slogan diluted by defendant's use of "Greatest Used Car Show on Earth"); Hyatt Corp. v. Hyatt Legal Servs., 736 F.2d 1153 (7th Cir. 1984) (finding Hyatt Hotel mark diluted by use of "Hyatt Legal Services" without addition of "Joel Hyatt," the owner's name); Wedgewood Homes, Inc. v. Lund, 659 P.2d 377 (Or. 1983) ("Wedgewood" service mark for home construction and design firm diluted by use of "Wedgewood" on retirement homes); Cmty. Fed. Sav. and Loan Ass'n v. Orondorff, 678 F.2d 1034 (11th Cir. 1982) (deciding that "Cookie Jar" for bank ATM service machine was diluted by use of the same name for nearby strip club); Pillsbury Co. v. Milky Way Prods., Inc., 215 U.S.P.Q. 124 (N.D. Ga. 1981) (holding parody of Pillsbury doughboy in Screw magazine dilutive); Instrumentalist Co. v. Marine Corps League, 509 F.Supp. 323 (N.D. Ill. 1981) (finding "John Phillip Sousa" for band award diluted by "John Phillip Sousa" for band award); Dawn v. Sterling Drug, Inc., 319 F. Supp. 358 (C.D. Cal. 1971) (holding plaintiff's use of "tower of babble" for board game to be diluted by aspirin manufacturers use of phrase in its print ads showing many different kinds of pain relievers); Great Scott Food Mkt., Inc. v. Sunderland Wonder, Inc., 203 N.E.2d 376 (Mass. 1965) (holding "Big G" for food store diluted by "Big G" for food store).

⁶⁸ Tri-County Funeral Home, Inc., 957 S.W.2d at 694 (holding "Eddie Howard Funeral Home" diluted "Howard Funeral Home"); Instrumentalist Co., 509 F. Supp. at 323 (finding "John Phillip Sousa" for band award diluted by "John Phillip Sousa" for band award); Great Scott Food Mkt., Inc. 203 N.E.2d at 376 (holding "Big G" for food store diluted by "Big G" for food store).

McDonald's golden arches and the American Express card design) as opposed to a famous brand name.⁶⁹ One can find a vulgar comedian using KODAK as a stage name,⁷⁰ a car dealer claiming to be the "The Greatest Used Car Show on Earth,"⁷¹ or a legal services company using the name "Hyatt" without permission of the hotel chain,⁷² but there is nothing like BUICK ASPIRIN, BULOVA GOWNS, SCHLITZ VARNISH, or any reported appropriation of famous brand names for use on commercial products.⁷³ Whatever inspired Congress to rely on BUICK ASPIRIN as its paradigmatic example of dilution, it was certainly not the holdings of reported litigation at the time it passed the FTDA. The pre-1996 litigation therefore provides incremental support for the notion that unauthorized uses of trademarks are a much more frequent occurrence in trade names rather than trademarks.

b. *Post-1996 Litigation.* Decisions relying solely on the FTDA and not also on confusion-based infringement have come at a faster rate than state law dilution decisions, fourteen cases in the first twelve years of the FTDA.⁷⁴ Of those fourteen decisions, only three

⁶⁹ McDonald's Corp., 17 U.S.P.Q.2d at 1557 (holding Golden arch logo for computer software and hardware diluted McDonald's golden arches mark); American Express Co., 10 U.S.P.Q. at 2006 (deciding that American Express card replica containing a condom found to dilute).

⁷⁰ Eastman Kodak Co., 739 F. Supp. at 116 (finding Kodak mark diluted by stage name of "vulgar" comedian).

⁷¹ Ringling Bros., 855 F.2d at 480 (holding plaintiff's slogan diluted by defendant's use of "Greatest Used Car Show on Earth").

⁷² Hyatt Corp. v. Hyatt Legal Servs., 736 F.2d 1153 (7th Cir. 1984) (finding Hyatt Hotel mark diluted by use of "Hyatt Legal Services" without the addition of "Joel Hyatt," the owner's name).

⁷³ One could argue that Instrumentalist Co. v. Marine Corps League, 509 F. Supp. 323 (N.D. Ill. 1981), which held that the name John Phillip Sousa" for band award diluted by "John Phillip Sousa" for band award, involves an award, which might be considered a product. But since the award was not for commercial sale, it's most fitting to characterize the case as involving a firm engaged in the service of bestowing band awards.

⁷⁴ See Bell v. Starbucks U.S. Brands Corp., 389 F. Supp. 2d 766 (S.D. Tex. 2005) (finding the name "Star Bock" beer diluted Starbucks Coffee under Texas state dilution statute); Kraft Food Holdings, Inc. v. Helm, 205 F. Supp. 2d 942 (N.D. Ill. 2002) (deciding that the name "King Velveeda" on web site diluted Kraft's Velveeta mark for cheese under FTDA); McNeil Consumer Brands v. U.S. Dentek Corp., 116 F. Supp. 2d 604 (E.D. Pa. 2000) (holding "Tylenol mark" diluted by "Tempenol" on competing analgesic); Times Mirror Magazines, Inc. v. Las Vegas Sporting News, LLC, 212 F.3d 157 (3d Cir. 2000) (finding "Sporting News" diluted by "Las Vegas Sporting News" a sports gambling publication); Sporty's Farm,

involve the appropriation of a famous brand name on a product,⁷⁵ and one involves the appropriation of a famous product shape.⁷⁶ Once again, we see a disproportionate representation of unauthorized uses in trade names and service marks as opposed to product names.

5. *A Final Glimpse at Unauthorized Uses as Product Names.* We had assumed that after searching national newspaper, state and federal trademark registers, and sixty-five years of litigation we would find as much evidence of unauthorized uses of famous marks on products as in trade names. Apart from a few unauthorized registrations of CADILLAC and HARVARD on products, almost all of the thousands nearly 2000 unauthorized uses we found were trade names or service marks. We attempt one final confirmation of this phenomenon.

The *Thomas Register of American Manufactures* was the bible for information about manufacturers, distributors and their products for over a hundred years, at one time issuing as a

LLC v. Sportsman's Market, Inc., 202 F.3d 489 (2d Cir. 2000) (noting that the lower court found that Sportsman's Market magazine was diluted by www.sportys.com web site); Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208 (1999) (holding that "Catdog" crackers diluted Goldfish crackers); Archdiocese of St. Louis v. Internet Entm't Grp., Inc., 1999 WL 66022 (E.D. Mo. 1999) (finding www.papalvisit.com web site to be diluting of Roman Catholic trademarks); Panavision Int'l LP v. Toeppen, 141 F.3d 1316 (9th Cir. 1998) (Panavision mark diluted by www.panavision.com); Polo Ralph Lauren LP v. Shuman, 46 U.S.P.Q.2d 1046 (S.D. Tex. 1998) (holding Polo mark for shirts diluted by "Polo Club" for adult entertainment services); Mattel, Inc. v. JCom, Inc., 48 U.S.P.Q.2d 1467 (S.D.N.Y. 1998) (finding that "Barbie's Playhouse" for adult entertainment diluted Mattel's famous mark); Intermatic v. Toeppen, 947 F. Supp. 1227 (N.D. Ill. 1996) (finding Intermatic mark was diluted by www.intermatic.com); Anheuser-Busch, Inc. v. Andy's Sportswear, Inc., 40 U.S.P.Q.2d 1542 (N.D. Cal. 1996) (finding a "Buttweiser" t-shirt dilutive); Hasbro, Inc. v. Internet Entm't Grp., Ltd., 40 U.S.P.Q.2d 1479 (W.D. Wash. 1996) (finding Candyland board game diluted by www.candyland.com for adult entertainment); Toys "R" Us, Inc. v. Akkaoui, 40 U.S.P.Q.2d 1836 (N.D. Cal. 1996) (holding toy store mark diluted by "Adults 'R' Us" used on internet site and shopping service).

⁷⁵ See Bell, 389 F. Supp. 2d at 766 (finding that "Star Bock" beer diluted Starbucks Coffee under Texas state dilution statute); McNeil Consumer Brands, 116 F. Supp. 2d at 604 (finding "Tylenol mark" diluted by "Tempenol" on competing analgesic); and Times Mirror Magazines, Inc. 212 F.3d at 157 (holding that "Sporting News" diluted by "Las Vegas Sporting News" a sports gambling publication).

⁷⁶ See Nabisco, Inc., 191 F.3d at 208 (finding that "Catdog" crackers diluted Nabisco brand goldfish crackers).

thirty-four volume yearly opus.⁷⁷ Currently available only online and rebranded as ThomasNet, it still provides product information, including brand names in over 67,000 product categories (the overall number of brand names is unclear from the web site).⁷⁸ Unfortunately it is not possible to do historical searches on the web site, and it is very difficult to identify which brand names listed on the site are applied to products without the authorization of the owner. A search for CLOROX, for example, in the ThomasNet brand name search engine returns thirty-six hits, mostly from distributors of cleaning products. If some of the CLOROX products returned in the search are unauthorized, it is not evident on the face of the data. A brief search under CADILLAC and HARVARD nonetheless illuminates the disparity we have seen between unauthorized uses of famous trademarks on products as opposed to business names. A search for CADILLAC on ThomasNet returns just four hits, two of which might be unauthorized, and a search for HARVARD returns nine hits, all of which might be unauthorized.⁷⁹ Compare these results to a search in the Hoovers database,⁸⁰ which allows for global searches for 32 million company names in the U.S.⁸¹ A search under CADILLAC returns over 200 businesses that appear to be using the mark without authorization, and a search for HARVARD returns approximately 400 unauthorized business names. We note that the Hoovers results are quite firm because of the detailed information the search engine provides about each business and the ability to see branches of related companies. Unfortunately, neither database is historical, so we

⁷⁷ See *Company History*, THOMASNET, http://www.thomasnet.com/companyhistory/ThomasRegister_today.html (last visited Jan. 30, 2011) (providing history of the database).

⁷⁸ THOMASNET, <http://www.thomasnet.com/> (last visited Jan. 30, 2011).

⁷⁹ We assume, for example, that HARVARD products sold by Dakota Fluid Power, Inc. or Master Sales & Service, Inc., a distributor of coolant recovery systems, indicate the existence of an industrial liquid product sold under the HARVARD mark without the authorization of Harvard University.

⁸⁰ HOOVERS, www.hoovers.com (last visited Jan. 30, 2011) provides the company website.

⁸¹ See HOOVERS, <http://www.hoovers.com/companies/100003475-1.html> for access to the database.

cannot chart any trends over time, but this brief snapshot is consistent with our suggestion that BUICK ASPIRIN is not a problem, but BUICK REALTY might be.

C. WHY ARE PRODUCT NAMES DIFFERENT THAN TRADE NAMES? WHAT ABOUT CADILLAC AND HARVARD?

The combination of data gleaned from historical business white pages, state corporate and LLC records, three national newspapers, state and federal trademark registrations, and all reported litigated cases paints a partial picture of the market for unauthorized uses of famous trademarks. Quite frankly, we initially did not expect to find so much evidence of unauthorized uses, assuming that a blatant misappropriation of a famous mark was a bad business decision likely to annoy and alienate consumers. Although unauthorized usage was far from rampant, even when it was legal, we cannot say that the amount of activity we found was insignificant, even when the numerous uses of CADILLAC and HARVARD are discounted. Thus unauthorized uses, at least as business names, were not a figment of the Congressional imagination; however, two puzzles remain.

First, why are the vast majority of unauthorized uses found on trade names and not product names? BUICK ASPIRIN and its ilk seem not to be a problem. The answer may be related to our consumer alienation hypothesis. Consider ROLLS ROYCE REALTY, which registered its service mark in Wisconsin in 1976. It was likely a local business, and the community where it was situated probably understood the choice of name as self-laudatory, but not overtly unethical. It appears to be making a claim of high quality service which can be verified face-to-face with the agency. One can easily imagine a customer making a light-hearted

joke about the name to an agency representative. Now, consider a hypothetical product like ROLLS ROYCE CANDY. Most sellers of products aim at nationwide distribution, and most products are consumed at a distance from their producers. Appropriating a famous name that is obviously unauthorized may be more risky in this context. It smacks of unethical behavior or of an attempt to mislead, and it may be perceived as risky to buy a product from a company that blatantly engages in a cheap attempt to influence purchases. What sorts of decisions are being made by this company in its candy plant, a place the customers will never encounter? In other words, the appropriation of a famous mark is a type of representation that may be more easily verified in the context of local services than with far-flung consumer goods. And it may be the sort of claim that is less alienating when made by a neighbor instead of a stranger. Applying ROLLS-ROYCE to a local real estate agency may be a better business decision than applying it to a candy bar.

Second, what's so special about CADILLAC and HARVARD? The CHANEL, ROLLS-ROYCE, and ROLEX brands, for example, would seem to have just as much luster, but they are almost never appropriated. One answer might be that CADILLAC and HARVARD are the true poster children for dilution theory, overused before our study started and continually overused ever since.⁸² In other words, dilution statutes arrived in time to save CHANEL, ROLLS-ROYCE and ROLEX, but not CADILLAC and HARVARD. In fact, our first study showed a positive correlation between the number of unauthorized uses at the beginning of the study and

⁸² Cadillac was founded in 1902. See *History and Heritage*, CADILLAC, <http://www.cadillac.com/experience/history/> (last visited Jan. 31, 2011) (providing complete history of Cadillac product). Harvard was founded in 1636. See *Harvard at a Glance*, HARVARD UNIVERSITY, <http://www.harvard.edu/about/glance.php> (last visited Jan. 31, 2011) (providing answers to popular questions regarding the university). Although Rolls Royce was founded in England in 1906, it did not enjoy substantial popularity in the US until later in the 1910s. Rolex watches did not have substantial sales in the US until the 1940s, and Chanel gained popularity in the 1930s. See ENCYCLOPEDIA OF CONSUMER BRANDS at ____.

the percentage decline by the end. Those marks that had fewer unauthorized uses at the beginning of the study exhibited greater rates of decline. We note in Part III below that despite all of the unauthorized uses, CADILLAC and HARVARD (and other frequently used famous marks) still admirably perform their original functions, calling to mind respectively a line of cars made by General Motors and a prestigious Ivy League university. CADILLAC and HARVARD do indeed behave differently than other marks in our sample, but probably not because they are “diluted” in the sense that they have lost their ability to serve as effective source identifiers.

Significantly, the words Cadillac and Harvard do more work in our culture than merely to identify a line of cars and a university. They both communicate associations with a uniquely American prosperity and influence, high quality, and maybe even a “wow” factor. In other words, one might say that CADILLAC has acquired two meanings: 1) a line of cars made by General Motors (n.), and 2) luxurious (adj.); and that HARVARD has similarly acquired two meanings: 1) an institution of higher learning in Cambridge, Massachusetts (n.), and 2) of highest quality (adj.).⁸³ Unauthorized users are not necessarily attempting to attract those who love Cadillac cars or admire Harvard University. The motivation of the user and the effect of the use may be the same as choosing “Acme,” “Pinnacle,” or “Superior.” If the second meaning is primarily perceived by consumers in a non-automotive context, then the first meaning may not be diluted. After all, depending on the context, we perceive the word “fluke” to mean a nasty parasitic worm or a stroke of luck. The use of a word in one sense is not typically assumed to dilute the meaning of the word in its other sense. In other words, the use of the word Cadillac in

⁸³ On the meanings of “Cadillac,” see Ben Zimmer, *Cadillac Thrives as a Figure of Speech*, NY TIMES, Nov. 5, 2009, available at: <http://www.nytimes.com/2009/11/08/magazine/08FOB-onlanguage-t.html>. Zimmer argues that the meaning of “Cadillac” as “luxury” or “high quality” has become sufficiently independent of its use as a brand name that it has survived the decline of the brand. On the independence of metaphorical uses of brand names more generally, see Laura Heymann, *The Grammar of Trademarks*, 14 LEWIS & CLARK L. REV. 1313, 1335-1337 (2010).

“Cadillac Café” may not even be perceived as a use of the GM trademark. And even if a use plausibly makes reference to the primary association, the very positive associations inherent in the second definitions of CADILLAC and HARVARD may actually enhance the distinctiveness of the mark. Query whether the constant reference to “Cadillac Health Care Plans”⁸⁴ hurts GM?

D. CONCLUSION: NO EVIDENCE OF DILUTION

We have other reasons for doubting that the unauthorized uses we have found are diluting. As the President of the International Trademark Association noted during her congressional testimony, sporadic local (low “visibility”) uses of a famous national mark may be unlikely to have any effect on its distinctiveness.⁸⁵ A handful of Rolls Royce shoe repair shops scattered across small town America simply do not pose much of a threat to consumer cognition of the mark throughout the country. Therefore, our failure to find significant unauthorized uses of famous trademarks on products, as opposed to on businesses, suggests that dilution as a market phenomenon was not a problem before the passage of the FTDA. Over a thirty year period, we found over 1100 unauthorized registrations of famous trademarks in state corporate/LLC databases. This number may sound like a lot, but almost all were for partnerships or local firms, and some undoubtedly never did business under their registered names or went out of business after a short period of time. It is quite likely that these sorts of sporadic local uses

⁸⁴ See, e.g., the web site of Kaiser, a prominent health care provider. <http://www.kaiserhealthnews.org/Stories/2010/March/18/Cadillac-Tax-Explainer-Update.aspx> (“news accounts have frequently described Cadillac coverage as plans catering to Wall Street titans”).

⁸⁵ See Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary, 109 Cong. (2005) (statement of Anne Gundelfinger, President of the International Trademark Association) (“[W]here other similar marks are already wide use and have been over a lengthy period of time, it may be less likely that the junior use will have the effect of blurring the famous mark, unless those uses have little or no visibility to the average consumer.”).

pose no threat to famous national marks. We admit that nationally marketed products bearing famous marks would constitute a graver danger, but we found little or no evidence of such uses.⁸⁶

We do not assert, however, that Congress did not intend to create a cause of action in favor of trademark owners against single local unauthorized users. The courts have consistently held that the statute applies against sporadic local uses,⁸⁷ but our point is more subtle. Congress wrote a statute to respond to two hypothetical phenomena. First, it clearly imagined unauthorized uses of famous trademarks on products like BUICK ASPIRIN. This concern seems to be a mere figment of the congressional imagination. Second, it was concerned that multiple local uses of the same mark would spread like an infection around the country, eventually diluting the evocative power of the mark. With the exception of CADILLAC and HARVARD, we found no significant pattern of local uses of any of the marks studied. And we have already suggested above that the non-source identifying functions of those two special marks—indicating luxury and highest quality respectively—suggests that the pattern of usage we found may not have constituted the sort of damaging “infection” that concerned Congress. Finally, in Part III we will consider whether other aspects of consumer cognition may insulate these two unique marks from harm.

II. ANTI-DILUTION LAW AND THE RATE OF UNAUTHORIZED USES

⁸⁶ To the extent that we did find some “Cadillac” and “Harvard” products, we will explain in Part III why even those uses are unlikely to cause dilution.

⁸⁷ *See, e.g.*, *Bell v. Starbucks U.S. Brands Corp.*, 389 F. Supp. 2d 766 (S.D. Tex. 2005) (holding “Star Bock” beer diluted Starbucks Coffee under Texas state dilution statute)

Assessing the effect of the 1996 FDFTA is complicated and requires us to revisit our data on corporate and LLC naming trends. We resist the temptation to make claims based on data found in litigation and trademark registration databases because the sample size is so small. We can do no more than note that from 1946 to 1996, dilution was the deciding factor in only thirteen cases, while from 1996 to 2008 it was the deciding factor in fourteen cases. We found forty-nine unauthorized state registrations before 1996 and only twenty-six afterward, but we cannot adjust for changes in business activity due to state-to-state discontinuities in the ST-TM Westlaw database.⁸⁸ From 1988-96, we found an average of 1.3 unauthorized federal trademark registrations per year and 2.8 per year from 1996-2009, but those figures make no adjustment for significant increases in federal registration rates during the latter time period.⁸⁹ More promising, our corporate and LLC naming data consists of thousands more observations which can be charted in relation to the shifting size of the source databases.

A. CHANGES IN USE RATES AFTER 1996

Figure 4, presented in Part II.A above, showed a significant decline in unauthorized registrations in California, Illinois, Michigan, New York and Ohio combined after the passage of the FTDA in 1995.⁹⁰ We show below in Figure 5 a separate blended curve for Michigan and Ohio, two states that did not have any anti-dilution laws until the FTDA, and in Figure 6 a

⁸⁸ See *supra* note 61 and accompanying text.

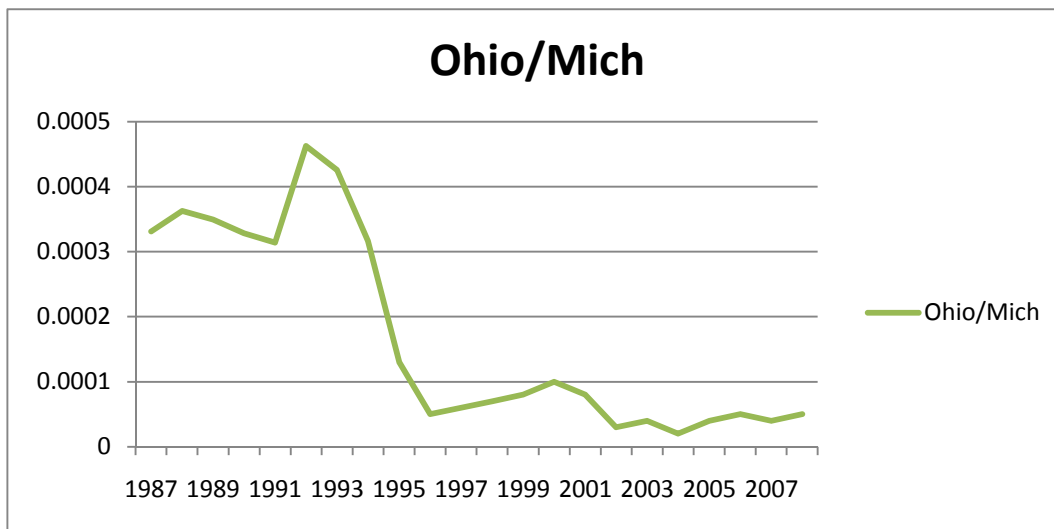
⁸⁹ For example, 145,879 trademark registrations were issued to U.S. residents in 2009, while only 69,138 were issued to U.S. residents in 1996. In 1983, approximately 40,000 registrations were issued, with a little more than 20,000 in 1973. See *Finding Fiscal Year Patent and Trademark Statistics in the Annual Commissioner's Reports and Performance and Accountability Reports*, UNITED STATES PATENT AND TRADEMARK OFFICE, http://www.uspto.gov/web/offices/ac/ido/oeip/taf/ann_rpt_intermed.htm (last visited Jan. 29, 2011), and *USPTO Annual Reports*, UNITED STATES PATENT AND TRADEMARK OFFICE, <http://www.uspto.gov/about/stratplan/ar/index.jsp> (last visited Jan. 29, 2011).

⁹⁰ Wisconsin was excluded for insufficient data.

blended curve for California, Illinois, and New York, which all had state anti-dilution statutes in place since the 1950s. An examination of the data in this way shows how difficult it is to draw firm conclusions about the possible effect of the FTDA on user behavior.

FIGURE 5

Rates of Unauthorized Use in States Without State Dilution Statutes



How one interprets Figure 5 depends very much on whether one believes that an upcoming change in the law can affect behavior. The law changed in 1996 and afterward there is no discernible decline, but unauthorized uses drop steeply in the several years before the change. In 1988 the U.S. Senate passed an anti-dilution bill that really put the issue on the map even though the House did not act upon it.⁹¹ And in 1992 a new model state trademark statute was promulgated that was patterned on the failed Senate bill four years earlier.⁹² Sophisticated trademark counsel may well have seen the writing on the wall and have begun in the early 1990s to counsel clients not to appropriate famous trademarks in their corporate/LLC registrations.

⁹¹ See Welkowitz, *supra* note 17, at 23.

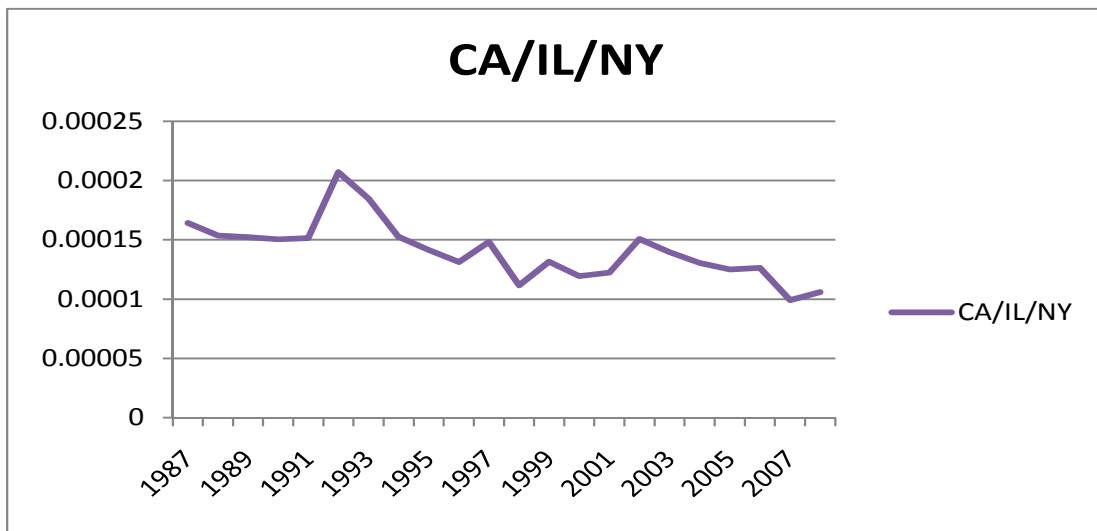
⁹² See *id.* at 15-16.

Whether the corporate attorneys actually hired by registrants could foresee the inevitability of the upcoming legal change is a different question.

Interestingly, one can see in Figure 6 a decline from 1995 onward in states that already had dilution statutes. As in states without dilution statutes, the decline begins around 1992.

FIGURE 6

Rates of Unauthorized Use in States With State Dilution Statutes



As noted earlier, state trademark laws were not very enthusiastically enforced by judges, so the added layer of federal protection may have had a deterrent effect, even in states that theoretically already provided similar protection under local law. However, we make no firm claims as to causation.

B. NON-LEGAL FACTORS AFFECTING RATES OF UNAUTHORIZED USE

Because fifty percent of the 131 trademarks in our prior study consisted of family names, we had to struggle to isolate the effect of significant family migration patterns on patterns of

independent uses of famous marks like BAKER, CARTER, CAMPBELL, DOUGLASS, FORD, MACK, ROGERS, and VICTOR. We were also aware that trends in naming businesses after the family names of the founders may have changed over time. Fortunately, none of the 33 marks chosen for this study consist of unhyphenated common family names, so changes in residential housing or business naming patterns would seem to be irrelevant in explaining changes in use rates. In addition, since our corporate/LLC data cover entire states, any prior distortions caused by choosing cities as the geographic units of analysis should be ameliorated.

Of the non-legal causes for change in rates of unauthorized uses we considered in our earlier paper, only one seems to be relevant here: the possibility that changes in brand popularity over time affect the attractiveness of appropriating the name. Advocates of broad protection for trademarks assert that second comers are attracted to successful marks and wish to appropriate the luster of the marks in order to increase business.⁹³ If this were true, then one would expect to

⁹³ See, e.g., *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203 (1942). (“The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.”).

The House report on proposed anti-dilution legislation states that the new cause of action would “recognize[] the substantial investment the owner has made in the mark and the commercial value and aura of the mark itself, protecting both from those who would appropriate the mark for their own gain.” See H.R. REP. NO. 104-374, at 3 (1995). See also Anne LaLonde, *Don't I Know You From Somewhere? Protection in the United States of Foreign Trademarks That Are Well Known but Not Used There*, 98 TRADEMARK REP. 1379, 1416 (2008) (“Famous marks are particularly attractive to free riders . . . seeking to capitalize on the financial investment of the mark owner. Copying a famous mark, the Federal Circuit recognizes, gives free riders immediate recognition and substantially-reduced advertising costs.”); Blake R. Bertagna, *Poaching Profits: An Examination of the Ability of a Trademark Owner to Recover an Infringer's Profits Under the Lanham Act as Amended in 1999*, 16 TEX. INTELL. PROP. L.J. 257, 292 (2008) (“[I]t is “famous marks” that are the ideal target for cybersquatters and “free-riders” since “famous marks. . . are more likely to be remembered and associated in the public mind” and are thus more

see a correlation between the popularity of a brand and the number of subsequent independent users of the brand name. In other words, CADILLAC, a more successful brand prior to the Japanese auto invasion, should have been a less attractive target for appropriation in the 2000s than the 1970s.⁹⁴ One would expect to see a decline in independent uses over a time period that correlated with the brand's decline in popularity. In fact, of the 53 total independent uses of CADILLAC charted in our telephone white pages study after 1950 (almost all in Manhattan), 21 occurred in 1950, 26 in 1960, and only one occurred in 2005.

In order to determine whether our 33 famous marks⁹⁵ experienced a change in attractiveness/popularity, we tracked each mark in 1993, 1998, 2000, 2003, and 2005 in the *New York Times*. We counted every time a brand name was mentioned as an approximate measure of the extent to which the brand was in the public consciousness in a particular year. Prominence in major newspapers is obviously a very rough proxy for brand popularity, but we note that courts and brand owners have long counted "consumer impressions" as a measure of brand consciousness⁹⁶ and even as a way to measure secondary meaning (mark strength) in trademark

attractive as targets for would-be copyists.") (citing *Recot Inc. v. Becton*, 214 F.3d 1322, 1327 (Fed. Cir. 2000)).

⁹⁴ Cadillac sales plummeted in the last twenty-five years. As a percentage of the total U.S. car market, Cadillac sales constituted only 1.2% in 2008. See *WARD'S AUTOMOTIVE YEARBOOK* 251 (2009). Percentage in prior years include: 2003 (1.3%), 1998 (2.2%), 1993 (2.4%), 1987 (3.7%), 1982 (4.3%), 1977 (4.0%), and 1972 (3.1%). See *respectively id.* at 242 (2004), 250 (1999), 204 (1994), 156 (1988), 70 (1983), 70 (1983), and 71 (1983).

⁹⁵ Since we are borrowing data from our prior study, we have to include four additional marks in the charts we present below: FATIMA, MAZDA, PACKARD and UNEEDA. These marks were included in the earlier study because those brands had expired, and we wanted to include some brands that had died prior to 1996. They appear so infrequently in our post-1993 data that their incidental inclusion does not effect our analysis.

⁹⁶ See Graeme Austin, *Tolerating Confusion about Confusion: Trademark Policy and Fair Use*, 50 ARIZ. L. REV. 157, 167 (2008) ("[A]ccurate assessment of the strength of the mark in any dispute would be difficult without some reference to consumer impressions. Assessing the strength of a mark necessarily involves some kind of inquiry into how consumers respond to the messages about the trademark that its proprietor has conveyed, mostly through branding and promotion. Similarly, a firm achieves sufficient 'fame' for the purposes of dilution doctrine when the trademark has sufficiently penetrated consumers' consciousness. Proxies are sometimes used in the course of this inquiry: courts might focus on how long

litigation.⁹⁷ Advertising theory in general discounts the content of advertisements but takes very seriously the number of times consumers encounter a brand name in any context.⁹⁸ In other words, the number of times a brand is mentioned in a national newspaper (“newspaper hits”) may provide fairly relevant information about brand/consumer associations and therefore the attractiveness of the brand to appropriators.

We counted a large number of newspaper hits for the 33 marks, averaging well over 10,000 per year. In order to account for changes in the contents of the newspaper database—a problem because fewer pages scanned means less data and presumably fewer hits—we used the five most common words in the English language as a baseline for the years studied. We tracked the words “the,” “of,” “a,” “in,” and “to” (together “most common words”) in the same way we tracked the 33 brand names. If the newspaper database remained the same size, the number of hits for these words should not have varied much from year to year. Therefore, any change we saw in the number of common words should have been the result of a change in the size of the database due to the variable size of the *New York Times*. By comparing changes in the frequency of hits on the most common words with the frequency of hits on our brand names, we are able to provide an accurate picture of real changes in the mentioning of the brands. In other words, we charted a real decline in brand names only if their rate of decline was greater than the rate of decline of the five most common words over the same period of time.

Figure 7 below presents the number of brand name hits as a proportion of the number of five-most-common-word hits. We list the real trend for our 33 marks as the line labeled, “strong

the mark has been used in a particular marketing sector, or how many promotion and advertising dollars have been spent on it.”)

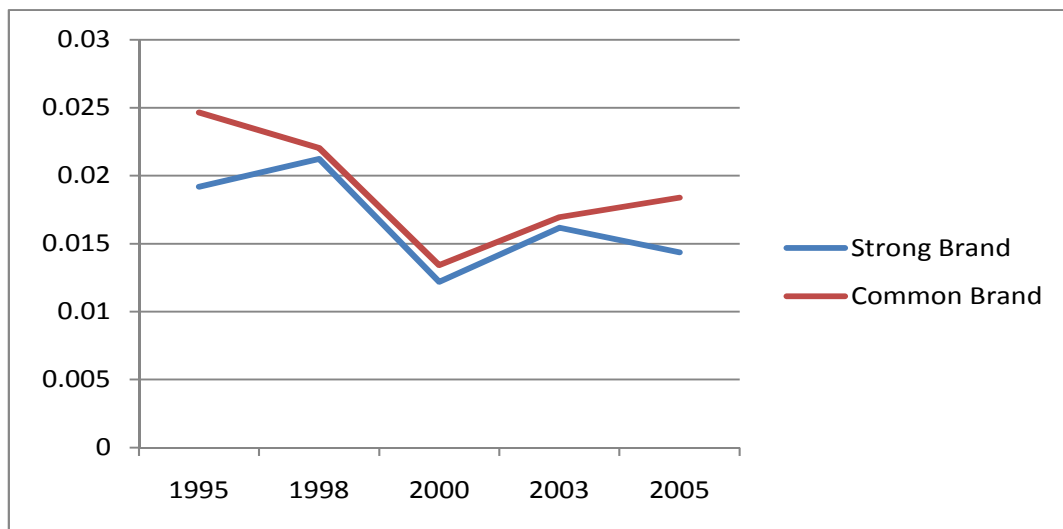
⁹⁷ See J. THOMAS MCCARTHY, 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 15:50 (4th ed. 2010).

⁹⁸ See EDMUND KITCH & HARVEY PERLMAN, INTELLECTUAL PROPERTY AND UNFAIR COMPETITION (5th ed. 1998).

brand.” We also chart hits on four of the most common brand names from our prior list of 131 marks. The line labeled “common brand” charts the frequency with which the words Diamond, Eagle, Metropolitan, and Royal are mentioned in relation to the five most common English words. Since those four marks were representative of those omitted, we were curious to see if they (“weak brands”) behaved any differently than the more exclusively controlled 33 famous brands (“strong brands”).

FIGURE 7

Brand Names in Proportion to the Five Most Common Words (Unadjusted)



The graph seems to show a decline from 1995 to 2005. We began to wonder, however, whether the data told a reliable story about brand popularity because the initial data used above included mentions of the brand names in classified advertising. We decided that we should rerun the numbers without the classified ads hits for several reasons. First, many of our most frequently mentioned brands were goods that could be resold,⁹⁹ and a very high percentage of yearly “hits,” sometimes as much as 50%, came from ads in the classified sections of the

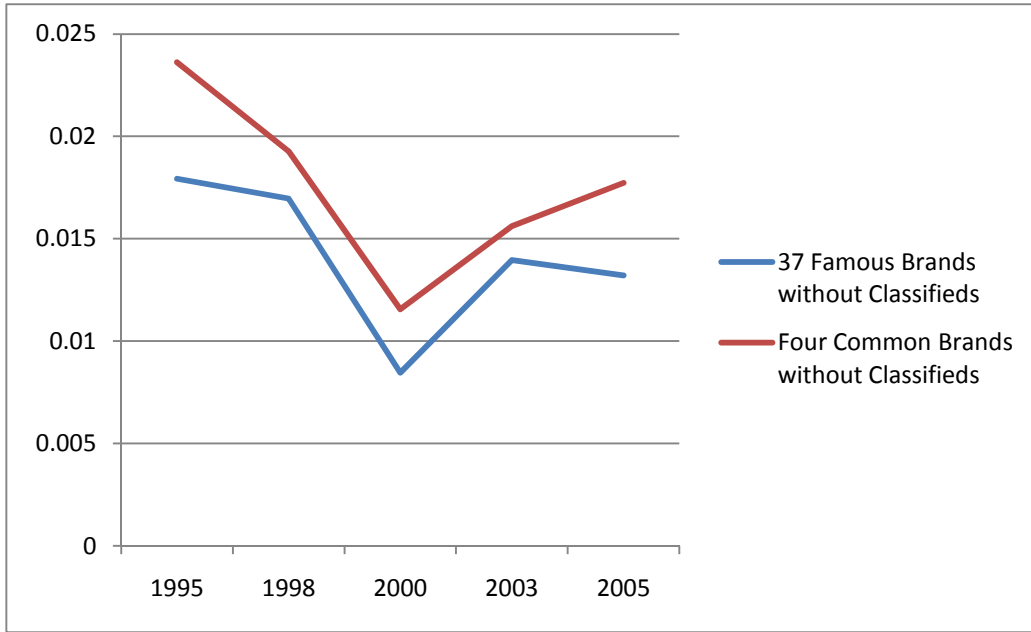
⁹⁹ These include Buick, Bulova, Cadillac, IBM, Kodak, Mazda, Mercedes-Benz, Packard, Rolex, Rolls-Royce, and Steinway.

newspaper. When a brand is mentioned in the classified ads, it does not make an impression on a substantial number of consumers, as opposed to a large print ad or a story. Second, an appearance in the classifieds may suggest a loss in brand luster. For example, those seeking to sell their Cadillacs may be dissatisfied with them or looking to finance the purchase of a new Honda. The appearance of some brands in the classifieds may also be a measure of hard economic times. In some years, IBM and Steinway are mentioned frequently in the classifieds as sellers try to raise needed cash. Third, and most importantly, after the mid-1990s the number of hits in classified ads plummeted to a tiny fraction of previous levels. In 1998, for example, there were 287 classified ads for Buicks, but only twenty-four in 2005. As people begin to sell goods online instead of in newspapers, the loss of ads generates an artificial down-tick in brand prominence if one includes classifieds in the hit count.

If one omits classified ads from the adjusted hit count below, the downward trend is exaggerated somewhat:

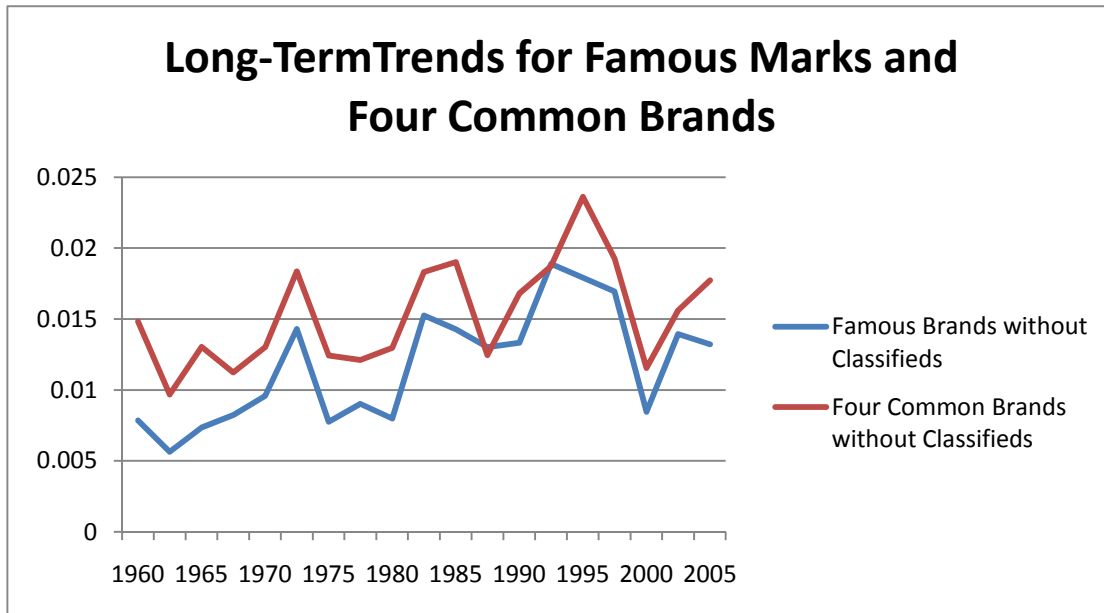
FIGURE 8

Brand Names Mentioned Outside of Classifieds



We are hesitant to conclude, however, that variations in brand prominence (and therefore attractiveness for appropriation) is necessarily responsible for the significant decline we saw in unauthorized uses in the whites pages and the lesser decline we traced in the corporate/LLC name data. Looking at only 1993-2005 may tell a misleading story. If one traces back all the way to 1960, as we do below in Figure 9, the longer term trend is quite jagged and on an upward slope.

FIGURE 9



Although there is a parallel decline in both newspaper hits and unauthorized uses from 1993 onward, we hesitate to claim that those making naming decisions are so directly affected by brand prominence (as captured by our proxy). It may just be coincidence. After all, from 1960-2010, our white pages data showed a significant decline in unauthorized uses, while Figure 9 shows an overall increase in newspaper hits during the same period.

One could tell the following story, consistent with both the long term data on brand prominence (1960-2005) (trending up) and short-term data (1993-2005) (trending down). During the period 1960-2005, trademark protection generally increased and gave brand owners the confidence to advertise more extensively and promote their products to the public. The proportional increase in brand name mentions during that time may be the result of investment spurred by an increasingly friendly legal environment for owners of famous marks.¹⁰⁰ So, brand sharing as evidenced in the white pages decreased due to increased legal protection, and those same changes spurred the original owners of the famous marks to be more active in promotional

¹⁰⁰ In our first paper we document the trend of increasing protection for trademarks over time. See Brauneis & Heald, *supra* note 10, for information regarding that paper.

efforts, resulting in more newspaper mentions. After 1995, the adoption of a federal dilution statute added slightly to the decline in unauthorized uses, with the slight decline in brand prominence coming from economic factors, brand aging, or a shift in advertising strategies away from print media. In this story, the boost in legal protection from the FDTA does not stimulate investment in brand development, because the legal effect is overwhelmed by the factors just mentioned, or because it comes at the end of a long line of legal victories for trademark owners that diluted its influence. At this point, however, we are only willing to conclude that the data on brand prominence is interesting, but inconclusive.

III. DILUTION, UNAUTHORIZED USES AND CONSUMER PSYCHOLOGY

In this final section, we examine a phenomenon observed at several points in our research: famous marks like CADILLAC and HARVARD seem to thrive despite significant numbers of unauthorized users. We will first briefly survey some examples of marks that seem utterly resistant to the damage that is supposed to be caused by unauthorized sharing and then explore existing psychological research that suggests how consumers are able to compartmentalize brand information and retain and perceive multiple sets of messages simultaneously.

A. FAMOUS MARKS WITH HUNDREDS (OR THOUSANDS) OF CONCURRENT UNAUTHORIZED USERS

In the introduction, we explained why our sample excluded many famous trademarks that were common surnames, place names or common words. We excluded them not because we

wanted to game the numbers, but rather because we already knew what a formal search would reveal: massive usage by unauthorized third parties. We confirmed our intuition by checking many of the famous marks listed in the 1923 Hotchkiss study in the telephone yellow pages¹⁰¹ and the Hoovers database¹⁰² of American businesses. The telephone information is limited to California and New York, because the online database¹⁰³ no longer lets one do a nationwide search, but the numbers still tell an interesting story.

Consider some famous marks that have maintained their prominence for long periods of time: CAMPBELL'S for soup, IVORY for soap, SINGER for sewing machines, LIPTON for tea, MCDONALD'S for restaurant services, QUAKER for oats, PLANTERS for peanuts, and TIFFANY for lamps and jewelry. It would be difficult to argue that these marks are no longer famous or are incapable of identifying a prominent product or service in the market, and yet they all survive in a world of massive unauthorized third-party use. The California and New York yellow pages each reveal over 200 unauthorized businesses using Campbell or Campbell's, while Hoovers lists over 400 American businesses operating under Campbell or Campbell's. The story is the same for the other marks mentioned: Ivory (over 500 unauthorized businesses listed by Hoovers), Singer (over 1000 unauthorized businesses listed by Hoovers), Lipton (approximately 200 unauthorized business listed by Hoovers), McDonald's (over 400 unauthorized uses listed in the California yellow pages and 150 listed in New York), Quaker (over 700 unauthorized users listed in Hoovers), Planters (same), and Tiffany (over 1000 unauthorized users listed in Hoovers).

¹⁰¹ YP, <http://www.yellowpages.com/> (last visited Jan. 30, 2011).

¹⁰² See *supra* note 81 (providing access details to the Hoovers database).

¹⁰³ Here, we are referring to the YP (formerly known as Yellow Pages) website, which can be found *supra* note 101.

Given the data presented in Parts I and II, the reader will not be surprised to find that Cadillac and Harvard behave similarly. Hoovers reveals between 300-400 unauthorized businesses using the Harvard name and over 200 using Cadillac. Not every data point represents a user trying to appropriate the glamour of the famous mark. Some of the businesses operate in Cadillac, Michigan, or Harvard, Illinois, or have their locations on a Cadillac Avenue or Harvard Street, but the basic point still holds. Despite the fact that consumers are surrounded by numerous unauthorized uses of famous marks, they still seem capable of making the initial market connection: Campbell's with soup, Cadillac with cars, and Harvard with education.

B. CONSUMER ABILITY TO COMPARTMENTALIZE DATA

Our survey of the yellow pages and the Hoovers databases suggests that the market tolerates a high degree of brand sharing. This tolerance may constitute anecdotal evidence that consumers have little trouble cabining data, that exposure to a use like BUICK ASPIRIN does not diminish the capacity of BUICK to identify the source of automobiles of a known quality. Some research by marketing professors, however, has suggested that unauthorized uses of trademarks might slow consumer recall of brand names and brand attributes without completely eviscerating the evocative power of the trademark. Morrin and Jacoby exposed two small groups of business students to print advertisements featuring trademarks and also print advertisements of unrelated goods bearing the same trademarks.¹⁰⁴ Under some conditions, they were able to show

¹⁰⁴ See generally Maureen Morrin & Jacob Jacoby, *Trademark Dilution: Empirical Measures for an Elusive Concept*, 19 J. PUB POL'Y & MARKETING 265 (2000) (providing study of recollection of brands and product attributes).

that recall of the brand was slowed (by less than a tenth of a second) and sometimes the ability to recall certain product attributes was marginally diminished.¹⁰⁵

The Morrin and Jacoby experiment, however, does not definitively answer the question we want to pose in this final section. Our data suggests that only two of the famous marks studied were ever used on products or repeatedly used as local business names in the way that seemed to concern Congress as it passed the FTDA: CADILLAC and HARVARD. The Morrin and Jacoby experiment, however, provides a caveat that likely applies to both of the marks. The most well-known brands they studied seemed resistant to dilution. They admit that “[t]his study also shows that exceptionally familiar brands may be largely immune to some of the harmful effects of trademark dilution . . . very strong brands are immune to dilution because [consumer] memory connections are so strong that it is difficult for consumer to alter them or create new ones with the same brand name.”¹⁰⁶ It seems likely to us that CADILLAC and HARVARD fall into this category of exceptional familiar brand that seem to be resistant to dilution. They seem at least as strong as the “immune” brand reported by Morrin and Jacoby (CONTINENTAL).¹⁰⁷

In addition, Rebecca Tushnet levels devastating criticism at Morrin and Jacoby’s conclusion that dilution of brand significance sometimes occurs in the consumer consciousness.¹⁰⁸ She first notes that subjects in the Morrin and Jacoby study were not presented with trademarks in a live market context where consumers normally encounter categories of products.¹⁰⁹ She argues that “even if the Heineken name in the abstract produces less association with beer in the abstract because of Heineken popcorn, consumers may still identify it as a beer if

¹⁰⁵ *See id.* at 269.

¹⁰⁶ *Id.* at 274.

¹⁰⁷ *Id.* at 273.

¹⁰⁸ *See* Rebecca Tushnet, *Gone in 60 Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507, 527-46 (2008) (discussing “cognitive model of dilution”).

¹⁰⁹ *See id.* at 528 (noting how test subjects there were not presented the marks “in the real world”).

they are prompted with the category.”¹¹⁰ Markets are highly contextual, and Tushnet concludes that the classroom experiment of Morrin and Jacoby failed to capture the behavior of consumers in markets where it matters.¹¹¹ We would add that Jacoby and Morrin created print ads for hypothetical products like HEINEKEN POPCORN, which our study shows to be highly counterfactual. It would be far more likely for a consumer to encounter a HEINEKEN REALTY or HEINEKEN BARBER SHOP as a business name instead of a product name.

Tushnet argues that the Morrin and Jacoby experiment does not show that a typical consumer walking down the street encountering a HEINEKEN REALTY sign will experience any difficulty in processing the HEINEKEN mark when viewed later in the supermarket or during a football game advertisement on the television. Moreover, she identifies serious re-affirmation effects unaccounted for in the Morrin and Jacoby study.¹¹² Other studies she cites suggest that exposure to a mark like HEINEKEN REALTY may in some circumstances reaffirm the famous mark in consumers’ minds.¹¹³ She does not argue that this is always the case, but she finds fault with any theory of dilution based on an empirical assumption that new associations caused by unauthorized uses always have a negative effect.

In addition, Tushnet examines a study by Joan Meyers-Levy that provides further support for our suspicion that even the multiple uses of a trademark like CADILLAC do not negatively affect human cognition.¹¹⁴ Several studies indicate that low frequency words (fifteen or fewer uses per million words) are easier to remember than high frequency words (one hundred or more

¹¹⁰ *Id.* at 530.

¹¹¹ *Id.* at 528 (discussing differences in conducting experiment in controlled test situation).

¹¹² See *id.* at 537-42 (“The delayed response times that Morrin and Jacoby saw as evidence of dilution when they tested subjects with a single recognition test could have improved the strength of the diluted marks in the long run.”).

¹¹³ *Id.* at 541-42.

¹¹⁴ *Id.* at 533-35 (discussing Joan Meyers-Levy, *The Influence of a Brand Name’s Association Set Size and Word Frequency on Brand Memory*, 16 J. CONSUMER RES. 197, 202-03 (1989)).

uses per million words).¹¹⁵ Tushnet notes that only one of the top forty brands as rated by Interbrand is a high frequency word and suggests that “dilution does not harm many famous trademarks because adding associations to low frequency words does not interfere with retrieval or recognition.”¹¹⁶ CADILLAC is a low frequency word, with only five occurrences per million as measured in the Corpus of Contemporary American English.¹¹⁷ With the exception of HARVARD, all other marks we studied were low frequency words, with the majority of them (24/33) rating a frequency of one or fewer per million words.¹¹⁸ HARVARD, with a frequency of occurrence in American English of thirty-three per million words, is not a low frequency word under the Meyers-Levy measure, but it falls well short of the standard for a high frequency word (100 or more uses per million). If Tushnet is correct that low frequency words are likely to be relatively immune from the associational disruption, then the unauthorized uses of the famous marks we study provide little or no evidence of dilution.

Interestingly, the short list of trademarks we presented above that each exhibit hundreds of unauthorized uses in telephone yellow pages and Hoovers databases contains only one word that is not low frequency. In terms of occurrences per million in the Corpus of Contemporary English, we found McDonald’s (.5), Campbell’s (.3), Ivory (8), Singer (27), Lipton (.8), Quaker (2), Planters (2), Tiffany (6). Even though the marks have multiple users in the marketplace, they are still, with the exception of Singer, relatively uncommon words. This may explain why

¹¹⁵ See Meyers-Levy, *supra* note 114, at 200-05.

¹¹⁶ See Tushnet, *supra* note 108 at 536.

¹¹⁷ See Mark Davies, THE CORPUS OF CONTEMPORARY AMERICAN ENGLISH, <http://corpus.byu.edu/coca/> (last visited Dec. 13, 2010) (providing database with public media documents containing over 410 million words).

¹¹⁸ In terms of frequency per million words, we found Bacardi (.3), Bulova (.06), Cadillac (5), Clorox (.5), Dr. Pepper (.5), Guinness (.08), IBM (15), Kodak (4), Oreo (.4), Rolex (.9), Sherwin-Williams (.04), Tampax (.08), Budweiser (1.3), Coca-Cola (6), Ex-Lax (.08), Harley-Davidson (1), Jack Daniels (.4), Louisville Slugger (.2), Palmolive (.08), Sanka (.08), Steinway (.8), Windex (.2), Buick (4), Chanel (3), Corvette (2), Green Giant (.1), Harvard (33), Jell-O (1), Mercedes-Benz (2) [Mercedes (7.6)], Perrier (.6), Schlitz (.2), Rolls-Royce (1), and Zippo (.4).

they remain relatively easy to remember despite waves unauthorized users. Even Singer, to our mind the weakest mark of the bunch, is not even close to qualifying as a high frequency word in the Corpus.

IV. A SUBSTANTIVE CONCLUSION

In passing the FTDA in 1995, Congress proceeded under two important assumptions: 1) unauthorized uses of famous marks like BUICK ASPIRIN were a serious phenomenon in the marketplace, and 2) unauthorized uses would negatively affect the associational qualities of the famous mark in consumers' minds. Congress had before it no empirical evidence to support either assumption. Having now begun the research that should have been conducted before Congress ever voted, we conclude that neither assumption presently can be supported. We studied 33 famous marks in state corporate name and LLC databases, the Westlaw state trademark registration database, the federal trademark register, advertisements in the *New York Times*, *Washington Post*, and the *Wall Street Journal* and all recorded dilution litigation under state and federal anti-dilution statutes from 1946. Apart from occasional uses of CADILLAC and HARVARD, we could find no evidence that unauthorized uses of famous marks as product names were ever a problem. We did find numerous examples of unauthorized uses of famous marks as local business names, but not enough to support the assertion in the House Report that such uses in the aggregate constituted a widespread "infection" that destroyed the communicative power of famous marks.

Even where we did find an unauthorized uses on products such as CADILLAC COFFEE or multiple instances of trade name usage such as THE CADILLAC LOUNGE, we found little in the academic literature on human cognition to suggest the distinctive quality of any mark was

likely to be diluted. First, even the most respected advocates of dilution protection suggest that very famous marks are immune from disassociation. Second, the most commonly appropriated marks in our study, CADILLAC and HARVARD, both have laudatory meanings in English (and also place name functions) apart from their use as source indicators that may insulate them from damage. Finally, we could find no famous marks that were high frequency words in contemporary English, and research suggests that rare or relatively rare words have stronger levels of association and are more resistant to the dilutive affect of unauthorized uses.

Although we have shown that BUICK ASPIRIN, DUPONT SHOES, and KODAK PIANOS are a figment of the congressional imagination, we cannot claim to prove that dilution has never happened. We merely sampled the field of famous marks; we did not study all of them. Clearly more work needs to be done, but this paper, in conjunction with our prior work, finally starts the process of focusing legal analysis on actual market behavior instead of unsupported testimony by trademark owners.

Given our findings, one final question is worth asking: If dilution is a myth, then why did trademark owners lobby so hard for protection from it? One possibility is that trademark owners, like some individuals, adhere to an intuitive labor theory that rejects all sharing, even if the sharing is costless. Creators of many sorts, not just trademark owners, often do not acknowledge the debts owed to predecessors who provided the raw materials for their creations and believe that justice demands they be awarded complete control. Or perhaps the fight for dilution protection is not just a primitive intuition that “what’s mine is mine,” but rather a form of risk aversion. Even our study cannot purport to prove that no mark has ever been diluted. A highly risk averse trademark owner might see the cost of obtaining legislative protection to be lower than the fear of potential loss, no matter how remote. In any event, attorneys eager to earn

fees from trademark owners are unlikely to discourage either uncharitable intuitions or extreme risk aversion.

More likely, the increasing prevalence of licensing and lifestyle marketing plays a role. There is money to be made from trademark uses in unrelated product areas, and dilution law may simply be rent seeking to capture all of that revenue. GM has licensed the Cadillac brand name for products such as mobile phones¹¹⁹ and bicycles,¹²⁰ and there is a company called Equity Management that manages brand licensing for GM and many others.¹²¹ It is possible that some trademark owners have overestimated the amount of money that can be made from lifestyle branding—Cadillac bicycles has not become a prominent brand, although the brand still exists¹²²—or maybe the total revenue from lifestyle branding does exceed the lobbying costs for the FTDA, and it is then a prudent rent seeking deal.

Finally, although we see no evidence that the dilution cause of action has proved to be an effective tool used by trademark owners to deter market entry,¹²³ we wonder whether cease and desist letters are just a little more threatening when they contain a credible dilution claim. Read broadly, and without reference to judicial resistance to their application, dilution statutes seem at first glance to provide powerful protection to trademark owners. The recipient of a cease and desist letter, especially if uncounseled, might be overly-impressed by a dilution claim.

¹¹⁹ See *Quantum – Announces Major Licensing Deal with General Motors*, BUSINESS WIRE, <http://www.businesswire.com/news/home/20081119005645/en/Quantum-%E2%80%93-Announces-Major-Licensing-Deal-General> (last visited Jan. 30, 2011) (“giv[ing] Quantum exclusive rights to produce custom handsets under the Cadillac brand name”).

¹²⁰ See CNNMONEY.COM, http://money.cnn.com/2005/07/26/Autos/cadillac_bikes/ (last visited Jan. 30, 2011) (writing about new Cadillac bicycle brand).

¹²¹ See *Brands We Represent*, EQUITY MANAGEMENT INC., <http://www.equitymanagementinc.com/brands-we-represent> (last visited Jan. 30, 2010).

¹²² See CADILLAC BICYCLES, http://www.cadillacbicycles.com/us_index.html (last visited Jan. 30, 2010).

¹²³ Ken Port, for example argues that recent trends in trademark litigation constitute “trademark extortion.” See Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585, 585 (2008) (arguing dilution statutes provide the means for effective strike suits by owners against new market entrants). At least one of us doubts this claim. See Robert Brauneis, *Academic Perspectives on Trademark Dilution: A Selected Survey with Commentary* (on file with author).

Trademark owners might believe—rightly or wrongly—that getting one more bow in the quiver is worth the cost of lobbying and the chance that they themselves might become the object of a dilution claim some day. Even where a dilution claim overlaps a traditional confusion-based claim, the dilution claim might look easier to plead and prove to an unauthorized user. None of our speculation, however, suggests that trademark owners are truly victims of the “infection” of dilution referred to in the House report. At best, we suspect that the FTDA represents another in line of special interest intellectual property laws without an adequate empirical basis.¹²⁴

¹²⁴ See generally Paul J. Heald, *American Corporate Copyright: A Brilliant Uncoordinated Plan*, 12 J. INTELL. PROP. L. 489 (2005) (criticizing the Sono Bono Copyright Term extension act and the Digital Millenium Copyright Act as examples of counter-productive private rent-seeking).