

## **UNITED STATES: Under TDRA, Famous VICTORIA'S SECRET Mark is Tarnished by VICTOR'S LITTLE SECRET**

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After more than a decade of litigation by Victoria's Secret and a successful INTA-led effort to revise U.S. dilution law, the U.S. Court of Appeals for the Sixth Circuit has affirmed that VICTOR'S LITTLE SECRET tarnishes the famous VICTORIA'S SECRET mark.

In *V Secret Catalogue, Inc. v. Moseley*, No. 08-5793 (6th Cir. May 19, 2010), the Sixth Circuit held that under the Trademark Dilution Revision Act of 2006 (TDRA) there is a rebuttable presumption that a new mark used to sell sex-related products is likely to tarnish a famous mark if there is a clear semantic association between the two. Because the defendants failed to rebut this presumption of dilution by tarnishment, the Sixth Circuit affirmed the permanent injunction against the defendants' use of the new mark.

Plaintiff V Secret Catalogue, Inc. owns the famous trademark VICTORIA'S SECRET, used in connection with its lingerie catalogs and retail stores. Plaintiff objected to the use by defendants Victor and Cathy Moseley of the mark VICTOR'S LITTLE SECRET in connection with a lingerie and sex-related products store on the basis that the mark diluted VICTORIA'S SECRET. In 2003, after losing in both the district court and the Sixth Circuit (which upheld the district court's granting of injunctive relief), defendants appealed to the U.S. Supreme Court. The Supreme Court held that under the Federal Trademark Dilution Act of 1995 (FTDA), "actual harm" rather than merely a "likelihood" of harm must be shown for dilution to exist and remanded the case to the district court for further consideration.

In response to that decision, INTA led a successful effort to revise federal dilution law. The Association's 15-member Select Committee on the FTDA was charged with analyzing federal dilution law and making recommendations for its reform; members of that group helped to draft the bill that was to become the TDRA. One of the chief aims of the TDRA was to overrule the Supreme Court's requirement of "actual harm" from the *V Secret Catalogue* decision and replace it with a "likelihood of dilution" standard for those marks that could meet new, higher standards for fame. Another aim was to restore the concept of dilution by tarnishment, which had been undermined by the Supreme Court's decision. The effort to persuade the U.S. Congress to revise federal dilution law was a major policy achievement of INTA during 2005 and 2006, with many members and volunteers contributing to the ultimate passage of the TDRA.

After the TDRA was enacted, the district court reconsidered *V Secret Catalogue v. Moseley* case under the new law, finding the VICTORIA'S SECRET mark to be famous and holding that there was a likelihood of dilution by tarnishment of plaintiff's mark. Once again, defendants appealed to the Sixth Circuit.

In its analysis the Sixth Circuit stated there is an emerging consensus that the "creation of an 'association' between a famous mark and a lewd or bawdy sexual activity disparages and defiles the famous mark and reduces the commercial value of its selling activity." Moreover, the Sixth Circuit stated the TDRA's phrase "likely to cause dilution" significantly changes the meaning of the law from "causes actual harm," noting that "likely" means "probably." There is now a

rebuttable presumption or “at least a very strong inference” that a new mark used to sell sex-related products is likely to tarnish a famous mark if there is a clear semantic association between the two marks. The defendant then bears the burden of rebutting that presumption of dilution by tarnishment by showing that there is no likelihood or probability of tarnishment. Such a rebuttal may be made by offering expert or consumer testimony or consumer surveys or polls.

The defendants in this case failed to provide such evidence. Thus, applying the new standards outlined in the TDRA for measuring trademark “dilution by tarnishment,” the Sixth Circuit affirmed the district court’s injunction against the defendants’ use of the name VICTOR’S LITTLE SECRET, and a long chapter in which Victoria’s Secret and INTA championed the principles of dilution law is nearing an end.

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