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THE TRADEMARK TRIAL AND APPEAL BOARD (TTAB) SETS FORTH NEW STANDARD FOR DILUTION CLAIMS

By Holly M. Ford

The Trademark Trial and Appeal Board (TTAB) recently issued its first substantive decision involving dilution in The Toro Company v. Torohead, Inc. 2001 TTAB Lexis 823 (TTAB December 12, 2001) which could significantly impact the number of oppositions and cancellations brought under the dilution statute in the future. The Toro Company (Opposer) is the owner of several registrations for the mark TORO that cover various types of lawn care machines and related products. The applicant, Torohead, Inc. applied, based on intent to use, for the mark TOROMR & Design for “very low reluctance, thin film magnetic reading and writing heads for sale to OEM manufacturers of high performance computer disk drives.” The Toro Company opposed registration of the applicant’s mark on the basis of likelihood of confusion, as well as, more notably, violation of the Dilution Statute 15 U.S.C. §1125(c).

In determining that an intent to use application could be the subject of a dilution claim, the TTAB looked at the legislative history of the dilution statute to find that since Congress intended to provide for resolution of dilution issues before the Board, it must have intended for owners of famous marks to seek relief *before* actual dilution damage had been suffered in the marketplace.

Most importantly, however the TTAB held that for dilution to be applicable a mark must “be not only famous, but also be so distinctive that the public would associate the term with the owner of the famous mark, even when it encounters the term apart from the owner’s goods and services, i.e. devoid of it’s trademark context.” In deciding this, the Board looked back at the legislative history and the language of the statute that mentions both the terms “famous” and “distinctiveness” and concludes that these terms while overlapping are separate concepts both of

which *must* be present for a mark to be entitled to the broad scope of protection provided by the Federal Trademark Dilution Act. The Board noted that there was no evidence of how effective opposer's advertising had been, no "widespread recognition" of opposer's mark and no "direct evidence of consumer recognition of the mark as pointing uniquely to opposer." Thus it found that The Toro Company had failed to present sufficient evidence that consumers associate its mark *in any context* with The Toro Company and therefore that its mark was not sufficiently distinctive to be accorded protection under the Dilution Act. The TTAB also noted that TORO is not a coined word and that it is suggestive with respect to applicant's goods, but stopped short of holding that only coined words are distinctive enough to satisfy the dilution standard.

The Board found that the opposer's evidence with regard to duration and extent of use and advertising while perhaps sufficient for likelihood of confusion purposes was much less persuasive to establish that its mark is truly famous, unique, and distinctive and entitled to broad scope of protection provided by the Federal Trademark Dilution Act. What does the Board find persuasive?

- (1) Recognition by the other party
- (2) Intense Media attention and
- (3) Surveys

Those wishing to bring an opposition or cancellation based on dilution now have a considerably stringent standard with which to comply!

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