

Considering the Who, What, When, Where and How of Measuring Dilution©

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WHO ?

A mark is famous ...

if it is “widely recognized by
the **general consuming public**
of the United States.”

TDRA

“General Consuming Public”

But: General public = Consuming public

Q. Why the deliberate redundancy?

A. Must mean consumers *of the product*.

If Who? is answered as

"consumers of the product category,"

then universe may be defined by such factors as:

Age Modern Maturity

Gender Monistat

Geography Isotoner

Does this open the door to "niche fame"?

WHAT ?

Marks

1st comer

2nd comer

Famous

X

Distinctive

X

Similarity

X ←-----→ Y

Blurring

Associations

X ←----- Y

Impair distinctiveness

X

Tarnishment

Associations

X ←----- Y

Harm reputation

X

WHEN ?

TDRA:

“...the owner of a famous mark
...shall be entitled to an injunction
against another person who, at
any time after the owner's mark
has become famous, commences
use of a mark ... that is likely to
cause dilution...”

1st Comer |-----→

2nd Comer |-----→

TIME: -----→

1

2

When to Measure Fame?

- Statute says fame needs to have existed *prior to* infringer's actions.
- If you want to rely on direct evidence, best not to wait for infringers to come along – **benchmark fame now!!**

HOW ?

Using Surveys to Measure FAME:

*Pebble Beach Co. et al. v. Tour 18, Ltd
U.S.D.C. S.D. Texas; 1996.*

Question asked of Tour 18 golfers:

“In your opinion, what are **the most famous golf courses located within the United States? You can tell me up to five.”**

Characteristics of Question:

- Has respondent think in terms of "**fame**"
- Mentions **Product** category (golf courses)
- Does **not** mention name of **Brand** being assessed (Pebble Beach)
- Relies on **unaided recall**
(not aided recall or recognition)
- Permits respondent to mention **more than one** answer
- Relies on aggregation across respondents for percentages ("the public mind")

13,000+ regulation 18-hole golf courses in U. S.

The probability of any one of the 13,000+ courses being named as a top five course is less than **.0004%**.

Pebble Beach – most frequently named course
87% of respondents

Pinehurst #2 - fourth-most named course by
25% of respondents

Ergo, plaintiffs' golf courses were famous.

Empirically Determine SIMILARITY?

- Similarity of:
Appearance, sound, meaning
- Approaches:
 - Multi-Dimensional Scaling
 - Conjoint Measurement

BLURRING DEFINED:

" 'dilution by blurring' is *association* arising from the similarity between a mark or trade name and a famous mark *that impairs the distinctiveness* of the famous mark."

TDRA, 2006

What is DISTICTIVENESS?

“the public’s perception that the mark signifies something *unique, singular or particular.*”

HR Rep No 104-374
 (“FTDA” of 1996)
 at 3.

BLURRING MEASURED:

Longitudinal (over time) measurement of Associations that Impair Distinctiveness

Pebble Beach Co. et al. v. Tour 18, Ltd.

1996

Pebble Beach et al. v. Tour 18, Ltd

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Two waves: Respondents interviewed 7 to 14 days apart

- “Before you heard about Tour 18, did you think you could play a hole called the 14th hole at Pebble Beach only at the Pebble Beach Golf Links in California, or did you also think you could play it somewhere else?”
- “Do you know of any regulation 18-hole golf course outside of California that identifies one of its holes as a Pebble Beach hole?”

Know of "somewhere else" to play hole?

	<u>Pbl Beach</u>	<u>Pinehurst</u>
Before learning of Tour 18 "NO"	73%	76%
After learning of Tour 18 "YES"	85%	72%

TARNISHMENT DEFINED:

“‘dilution by tarnishment’ is *association* arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.”

TDRA, 2006

TARNISHMENT MEASURED:

*Anheuser-Busch, Inc. v.
Balducci Publications*

Revg 814 F Supp 791, 26 USPQ2d (ED Mo 1993),
cert denied 513 US 1112 (1995).

Snickers

- Tabloid
- Distributed in St. Louis
- Along with parodies, contained ads for authentic products
- Back page of Issue #6 had an ad for “Michelob Oily”

ONE TASTE
AND
YOU'LL

DRINK IT
OILY

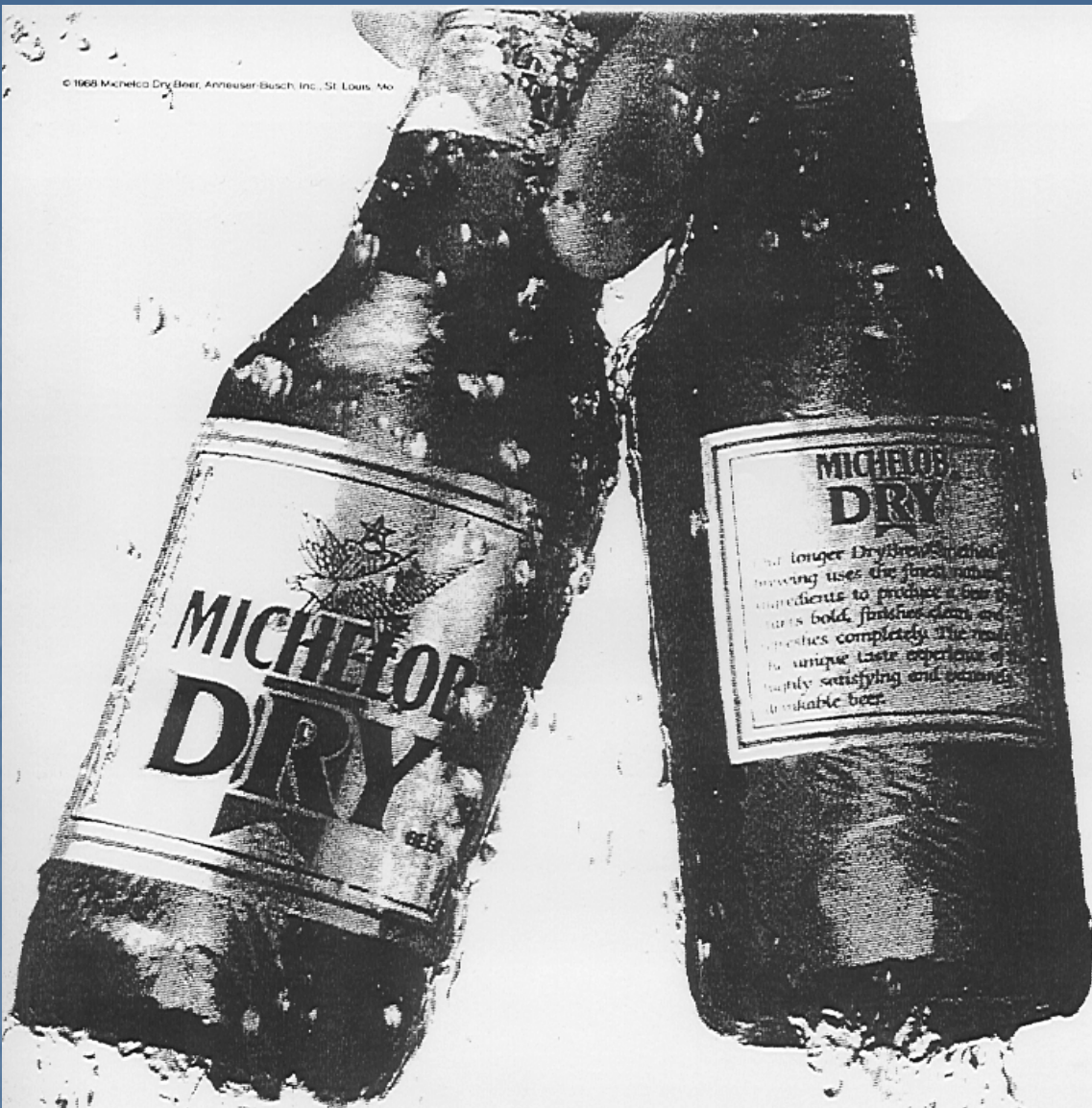
MICHELOB OILY®



At the rate it's being dumped into our oceans, lakes and rivers, you'll drink it oily sooner or later, anyway.



© 1988 Michelob Dry Beer, Anheuser-Busch, Inc., St. Louis, Mo.



ONE TASTE AND YOU'LL DRINK IT DRY.™

If your idea of dry is something parched, hot, and dusty, get ready for a new kind of dry. Introducing new Michelob Dry. It's brewed longer to start bold, finish clean and refresh completely.™

“As a result of seeing this material, would you be more likely or less likely to **BUY** Michelob beer, or wouldn't it matter?”

	Saw ad for Michelob		
	<u>DRY</u>	<u>OILY</u>	Difference
	%	%	
More likely	26	3	23%
Less likely	7	22	15%
Wouldn't matter	67	75	
Don't know	0	0	

N.B. Similar findings for “**DRINK** Michelob beer.”

What Not To Do

Hershey Foods Corp. et al. v. Mars,
Inc.

U.S.D.C. Middle District of PA (1998)

m & m's[®]

CHOCOLATE CANDIES

PEANUT BUTTER

BRAND

NET WT 1.63 OZ. 46.2g



m & m's[®]

CHOCOLATE CANDIES

PEANUT BUTTER

BRAND

NET WT 1.63 OZ. 46.2g



m & m's

BRAND

CHOCOLATE CANDIES

PEANUT BUTTER

NET WT 1.63 OZ. 46.2g



Reese's

MILK CHOCOLATE

2 PEANUT BUTTER CUPS

NET WT. 1.6 OZ. (45 g)

Reese's

2 PEANUT BUTTER CUPS

Required two surveys:

- Acquired distinctiveness
of Reese's trade dress
- Dilution (qua Blurring)
caused by M&M's trade dress

Reese's®

MILK CHOCOLATE

2 PEANUT BUTTER CUPS™

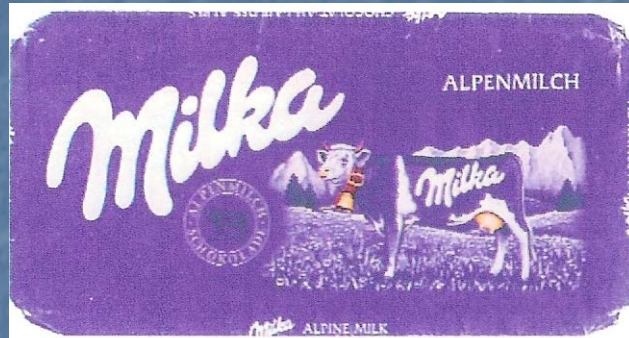
NET WT. 1.6 OZ. (45 g)

BRAND X

A ABCABC ABCABC ABCA

NET WT. XX OZ. (YY g)











Finding:

Upon seeing the card representing
Reese's trade dress,
94% identified the brand as
Reese's Peanut Butter Cups

Court held trade dress had
acquired distinctiveness

To Assess Dilution via Blurring

Used a second comparable test group.

Instead of card representing Reese's trade dress,
used card representing M&M's trade dress

m & m's

CHOCOLATE CANDIES **PEANUT BUTTER**

NET WT 1.63 OZ (46.2g)



BRAND X

ABCABC ABCABC

Key Findings:

<u>Shown dress of:</u>	<u>Identified it as:</u>	<u>%</u>
Reese's	Reese's	94
M&M's	M&M's	7
	Reese's	51

Slam dunk, right ??!!?!

Court Found:

- Dilution via blurring --
Not established!
Stimuli tested were “not used in
commerce”

FINIS

Thanks!