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.”
“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
- Gender
- Geography

Modern Maturity
Monistat
Isotoner

Does this open the door to "niche fame"?
WHAT?
<table>
<thead>
<tr>
<th></th>
<th>1st comer</th>
<th>2nd comer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Famous</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Distinctive</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Similarity</td>
<td>X</td>
<td>Y</td>
</tr>
<tr>
<td>Blurring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associations</td>
<td>X</td>
<td>Y</td>
</tr>
<tr>
<td>Impair distinctiveness</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Tarnishment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associations</td>
<td>X</td>
<td>Y</td>
</tr>
<tr>
<td>Harm reputation</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
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...”
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

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 DISTINCTIVENESS?

“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
“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?

<table>
<thead>
<tr>
<th></th>
<th>Pbl Beach</th>
<th>Pinehurst</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before learning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of Tour 18</td>
<td>“NO” 73%</td>
<td>76%</td>
</tr>
<tr>
<td>After learning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of Tour 18</td>
<td>“YES” 85%</td>
<td>72%</td>
</tr>
</tbody>
</table>
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

Snicker

- 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

MICHELLOB OILY

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

<table>
<thead>
<tr>
<th>Saw ad for Michelob</th>
<th>DRY</th>
<th>OILY</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>More likely</td>
<td>26</td>
<td>3</td>
<td>23%</td>
</tr>
<tr>
<td>Less likely</td>
<td>7</td>
<td>22</td>
<td><strong>15%</strong></td>
</tr>
<tr>
<td>Wouldn’t matter</td>
<td>67</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

N.B. Similar findings for “**DRI NK** Michelob beer.”
What **Not** To Do

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

U.S.D.C. Middle District of PA (1998)
Required two surveys:

- Acquired distinctiveness of Reese’s trade dress
- Dilution (qua Blurring) caused by M&M’s trade dress
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
## Key Findings:

<table>
<thead>
<tr>
<th>Shown dress of:</th>
<th>Identified it as:</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reese’s</td>
<td>Reese’s</td>
<td>94</td>
</tr>
<tr>
<td>M&amp;M’s</td>
<td>M&amp;M’s</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Reese’s</td>
<td>51</td>
</tr>
</tbody>
</table>

Slam dunk, right ??!!?!
Court Found:

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

Thanks!