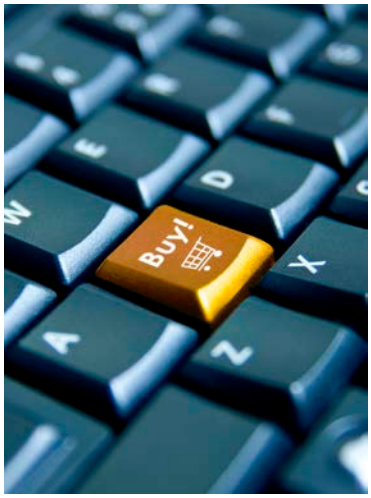
LATHAM & WATKINS LLP

Issue No. 6

Recent Developments in Trademark Law

Fall 2012



Globalization, the rapid ascendency of online storefronts, and an increasingly crowded marketplace of products and services have presented owners of famous trademarks various hurdles to protecting their brands from dilution. The world and marketplace have shrunk as any company can now project a global presence through the Internet and massive, multinational conglomerates sell an ever-widening range of products under one brand. With such worldwide brand exposure, the potential for brand dilution has increased dramatically, and protecting famous marks has become more difficult than ever before. However, Congress recently enacted legislation to remove an obstacle that was preventing some famous trademark owners from protecting their trademarks from dilution.

Trademark Dilution Bill - H.R. 6215, 112th Cong. (2012)

In a highly anticipated amendment to the Lanham Act, Congress has addressed significant uncertainty regarding a trademark owner's ability to cancel diluting, but federally registered, trademarks. Congress has closed a loophole through which potential infringers could undermine the distinctiveness of famous marks and hinder their enforcement. H.R. 6215, signed into law on October 5, 2012, is intended to address fears that diluting marks have not only become more likely to pass through the prosecution process than before, but also are more able to resist cancellation by owners of famous marks.

Congress recently enacted legislation to remove an obstacle that was preventing some famous trademark owners from protecting their trademarks from dilution.

In 1995, Congress enacted the Federal Trademark Dilution Act and completely barred state law dilution claims against federally registered trademarks. 15 U.S.C. § 1125(c)(6). This federal registration defense was intended to incentivize federal trademark registration. However, during a series of 2006 amendments, a clerical error in enumerating section 1125(c)(6) resulted in fundamental changes to the federal registration defense. Whereas the 1995 Act barred only state law dilution claims against federally registered trademarks, the amended Act barred claims brought under both state and federal law. By barring both state and federal dilution claims, Congress theoretically made it very difficult to cancel a federally registered diluting mark. This unintended consequence materialized in September 2012 when the Trademark Trial and Appeal Board ("TTAB") cited the amended 15 U.S.C. s 1125(c)(6) in dismissing a petitioner's federal dilution claim against a federally registered trademark. *Academy of Motion Picture Arts and Sciences v. Alliance of Professionals and Consultants, Inc*., 104 U.S.P.Q.2d 1234 (TTAB 2012). The TTAB held that, intended or not, Congress's 2006 amendment barred federal dilution claims against federally registered trademarks. *Id.*

Fortunately, Congress has acted to correct its previous error and restore its original intent to only bar state law dilution claims against federally registered trademarks. In so doing, Congress acknowledged that it did not intend to bar all dilution claims against federally registered trademarks because doing so would encourage registration of diluting trademarks and make it more difficult and costly for famous trademark holders to prevent dilution of their trademarks. While Congress removed this hurdle, famous trademark owners must still remain vigilant and protect their trademarks in the crowded worldwide marketplace.

Recent Developments in Trademark Law is published by lawyers in the trademark practice at Latham & Watkins. This summary was prepared by Parker Tresemer in the firm's Orange County office. Special thanks to **Patrick Justman** in the firm's San Diego office for his research and editorial efforts. For more information about the global Intellectual Property practice, please visit our website by clicking **here**. If you would like to continue to receive these trademark case summaries and periodic updates, please click **here**.

Perry Viscounty
Global Co-Chair, Intellectual Property Litigation Group
Partner, Orange County

Laurence Cohen
Partner, London

Matthew Walch
Partner, Chicago

Julie Dalke
Counsel, Orange County

Daniel Schecter
Partner, Los Angeles

Jennifer Barry
Partner, San Diego

Daiske Yoshida
Partner, Tokyo

Jennifer Archie
Partner, Washington D.C.

Myria Saarinen
Partner, Paris

Unsubscribe and Contact Information

If you wish to update your contact details or customize the information you receive from Latham & Watkins, please visit **http://events.lw.com/reaction/subscriptionpage.html** to subscribe to our client mailings. To ensure delivery into your inbox, please add **LathamMail@lw.com** to your e-mail address book. If you wish to be removed from our distribution, please click this link, **unsubscribe@lw.com**, or reply to this message with "Unsubscribe" in the subject line.