

1 UNITED STATES COURT OF APPEALS
2 FOR THE SECOND CIRCUIT
3 August Term, 2004

4 (Argued: August 25, 2004 Decided: December 10, 2004)

5 Docket No. 03-9266

6 SAVIN CORPORATION,

7 Plaintiff-Appellant,

8 - v. -

9 THE SAVIN GROUP, SAVIN ENGINEERS, P.C., SAVIN CONSULTANTS, INC.
10 d/b/a Savin Engineers, P.C., and JMOA ENGINEERING, P.C.,

11 Defendants-Appellees.

12 Before: MESKILL, MINER, and KATZMANN, Circuit Judges.

13 Appeal from summary judgment entered in the United States
14 District Court for the Southern District of New York (Scheidlin,
15 J.), dismissing (i) plaintiff's FTDA and state-law dilution
16 claims, the court having found that plaintiff failed to produce
17 any evidence of actual dilution, and (ii) plaintiff's Lanham Act
18 infringement claim, the court having found that plaintiff failed
19 to show a likelihood of confusion.

20 Affirmed in part, vacated in part, and remanded.

21 JEFFREY L. GLATZER (David A.
22 Einhorn, John H. Doyle, III, and
23 James M. Andriola, on the briefs),
24 Anderson, Kill & Olick, P.C., New
25 York, N.Y., for Plaintiff-
26 Appellant.

27 DAVID A. BEKE (Alfred L. D'Isernia
28 and Sarah A. McKune, on the brief),
29 Ford Marrin Esposito Witmeyer &
30 Gleser, L.L.P., New York, N.Y., for
31 Defendants-Appellees.

1 MINER, Circuit Judge:

2 Plaintiff-appellant, Savin Corporation, appeals from a
3 summary judgment entered in the United States District Court for
4 the Southern District of New York (Scheindlin, J.) dismissing
5 Savin Corporation's claims alleging: (1) trademark dilution, in
6 violation of both the Federal Trademark Dilution Act ("FTDA"), 15
7 U.S.C. § 1125(c), and New York General Business Law § 360-1, and
8 (2) trademark infringement, in violation of the Lanham Act, 15
9 U.S.C. § 1114. On appeal, Savin Corporation argues that the
10 District Court erred in holding that (i) the FTDA requires a
11 plaintiff to demonstrate evidence of actual dilution even where
12 the court finds that the at-issue marks are identical; (ii) the
13 standard for dilution under New York General Business Law § 360-1
14 is the same as the standard for dilution under the FTDA; and
15 (iii) there is no genuine issue of material fact regarding
16 whether the defendants-appellees' use of certain at-issue marks
17 creates a likelihood of confusion with the plaintiff-appellant's
18 marks.

19 We agree with the plaintiff-appellant that the District
20 Court erred in its analysis and disposition of the FTDA and
21 state-law dilution claims, but we find no error in the District
22 Court's analysis of the trademark infringement claim. We
23 therefore affirm the judgment of the District Court in part,

1 vacate in part, and remand for further proceedings consistent
2 with this opinion.

3 **BACKGROUND**

4 A. The Parties

5 The following facts, which are essentially undisputed, are
6 derived primarily from the District Court's findings of fact, in
7 which we discern no clear error. Plaintiff-appellant, Savin
8 Corporation ("Plaintiff"), a Delaware corporation, was founded in
9 1959 and has its principal place of business in Stamford,
10 Connecticut. Plaintiff is engaged in the business of marketing,
11 selling, and distributing state-of-the-art business equipment for
12 commercial, business, and home-office use. Plaintiff's products
13 include color and digital-imaging technology for photocopying,
14 printing, facsimile, and other systems. Plaintiff also offers
15 consulting and support services related to information technology
16 and office management. Plaintiff's products are sold through
17 seventeen company-owned branches consisting of over sixty sales
18 and service offices and over 250 trained dealers throughout the
19 United States. Plaintiff realizes annual revenues of over \$675
20 million from sales of its products and services in the United
21 States. Plaintiff's largest customers are in the government,
22 education, and military sectors.

23 Max Lowe, Savin Corporation's founder, named the company
24 after his brother-in-law, Robert Savin. Since 1959, the company

1 has used the trade name "Savin" or "SAVIN" in various forms in
2 connection with various products and services. Plaintiff's
3 ownership of the "Savin" mark is incontestable with respect to:
4 (i) copy paper and developing liquid; (ii) photocopying machines
5 and parts thereof; and (iii) maintenance and repair services for
6 photocopiers and word processors. The company also owns the mark
7 "SAVIN" for facsimile machines.

8 During 2002 alone, Plaintiff spent over \$20 million in
9 advertising its products and services, which are regularly
10 featured in print and television advertisements, trade magazines,
11 and tradeshow promotions worldwide. Plaintiff's advertisements
12 have appeared in magazines such as Newsweek, Time, and Business
13 Week. Plaintiff also maintains an active website - www.savin.com
14 - through which Plaintiff markets and promotes its products and
15 services. This website address is featured prominently in many
16 of Plaintiff's advertisements.

17 Defendants-appellees are The Savin Group; Savin Engineers,
18 P.C.; Savin Consultants, Inc. d/b/a Savin Engineers, P.C. ("Savin
19 Consultants"); and JMOA Engineering, P.C. ("JMOA") (collectively,
20 "Defendants" or "Savin Engineers"). JMOA and Savin Engineers,
21 P.C. are New York-based professional engineering corporations
22 with offices in Pleasantville, Syracuse, and Hauppauge, New York;
23 together, the two corporations comprise The Savin Group. Savin
24 Consultants is a New Jersey-based corporation that was

1 incorporated in 1987 and that ceased to be actively engaged in
2 business after Savin Engineers, P.C. was incorporated in 1988.
3 Defendants provide professional engineering consulting services,
4 in particular, civil-engineering consulting services to entities
5 concerned with environmental waste management. Defendants also
6 offer professional engineering services in connection with
7 inspecting buildings and providing building-maintenance plans.

8 Dr. Rengachari Srinivasaragahavan, whose nickname since
9 college has been "Nivas" (referred to in this opinion as "Dr.
10 Nivas"), is the founder and sole shareholder of each of the
11 defendant-appellee corporations. Dr. Nivas chose the name
12 "Savin" by spelling "Nivas" backwards. Since 1987, Defendants
13 have continually used the name "Savin" in commerce. Defendants
14 did not perform a search or investigation prior to adopting and
15 launching their trade names, and only became aware of Plaintiff's
16 products and services about ten years ago.

17 Defendants have registered the Internet domain names
18 www.thesavingroup.com and www.savinengineers.com. These
19 websites, which became accessible after June 2001, provide
20 information about the engineering services offered by Dr. Nivas'
21 companies. Defendants did not perform a search or investigation
22 prior to adopting and launching these websites, but were aware of
23 Plaintiff's www.savin.com domain name prior to registering
24 Defendants' domain names. Other than through these websites,

1 Defendants have not advertised their services in any general
2 interest media.

3 In July 2002, Plaintiff discovered Defendants' domain name
4 registrations and proceeded promptly to send two successive
5 cease-and-desist letters to Defendants, who elected to take no
6 action in response to those letters.

7 In May 2003, one of Plaintiff's executives was attending a
8 chamber of commerce meeting in Stamford, Connecticut, when
9 another attendee, a vendor who had once sold products to
10 Defendants, approached and asked the executive, who was wearing a
11 name tag that displayed the name "Savin," if she was associated
12 with Savin Engineers.

13 Presently, there are several hundred other businesses using
14 the name "Savin" in various industries and capacities, including,
15 for example, a general contractor in Newington, Connecticut
16 (Savin Brothers, Inc.), a dry cleaner in Chesapeake, Virginia
17 (Savin Cleaners), and a dentist in Glencoe, New York (Savin
18 Dental Associates). Plaintiff has been aggressive in protecting
19 its marks, with respect to both traditional media and the
20 Internet.¹

1 ¹ See, e.g., Savin Corp. v. Rayne, 00 Civ. 11728, 2001 U.S.
2 Dist. LEXIS 20581, at *11 (D. Mass. Mar. 26, 2001); Savin Corp.
3 v. Copier Dealers, Inc., Case No. FA 0304000155903, (Nat'l Arb.
4 Forum, July 9, 2003); Savin Corp. v. Savinsucks.com, Case No. FA
5 0201000103982, (Nat'l Arb. Forum, Mar. 5, 2002).

1 B. The Claims

2 On November 25, 2002, Plaintiff filed a complaint (the
3 "Complaint") in the United States District Court for the Southern
4 District of New York, alleging, inter alia, violations of both
5 the Federal Trademark Dilution Act ("FTDA"), 15 U.S.C. § 1125(c),
6 and New York General Business Law § 360-1; and trademark
7 infringement, in violation of the Lanham Act, 15 U.S.C. § 1114.²
8 Following discovery, both sides moved for summary judgment. On
9 October 24, 2003, in a forty-four-page, unpublished opinion and
10 order, the District Court denied Plaintiff's motion, granted
11 Defendants' motion in its entirety, and dismissed all claims in
12 the Complaint. See Savin Corp. v. Savin Group, 02 Civ. 9377,
13 2003 WL 22451731 (S.D.N.Y. Oct. 24, 2003).

14 With respect to Plaintiff's infringement claim under the
15 Lanham Act, the court found that while "one of the Polaroid
16 factors weigh[ed] in [P]laintiff's favor,"³ the "overwhelming
17 number of factors" as well as the "Internet initial interest
18 confusion factor" weighed in Defendants' favor. Id. at *13.

1 ² In the Complaint, Plaintiff also alleged false designation
2 of origin under the Lanham Act, 15 U.S.C. § 1125(a)(1)(A);
3 violation of the Anti-Cybersquatting Consumer Protection Act, 15
4 U.S.C. § 1125(d); violation of the New York Unfair Businesses
5 Act, N.Y. Gen. Bus. L. § 349; violation of the New York False
6 Advertising Act, N.Y. Gen. Bus. L. § 350; and unfair competition.
7 Plaintiff has since abandoned these claims.

1 ³ See Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492,
2 495 (2d Cir. 1961), and discussion infra Part III.

1 Accordingly, the court concluded, Defendants were entitled to
2 summary judgment on the infringement claim. Id.

3 The District Court concluded that Plaintiff's claim of a
4 violation of the FTDA had to be dismissed as well, because, the
5 court found, Plaintiff had "failed to raise a material issue of
6 fact with regard to an essential prong of the dilution test."
7 Id. at *15. The court found, in particular, that Plaintiff had
8 failed to produce any evidence of actual dilution – an essential
9 element of a claim of a violation of the FTDA – other than that
10 Defendants had used a junior mark that was identical to
11 Plaintiff's senior mark. Thus, the court held, Plaintiff had
12 failed to produce sufficient evidence for a rational jury to find
13 that actual dilution had occurred. Id. at *14. The court did
14 find, however, that Plaintiff had produced sufficient evidence to
15 create a triable issue of fact on the other contested elements of
16 an FTDA claim – the distinctiveness and fame of the senior mark.
17 Id.

18 Finally, with respect to the state-law dilution claim, the
19 court found that "[t]he standards for dilution under Section
20 360-1 [were] essentially the same as that under [the FTDA]"; that
21 Plaintiff had "failed to produce sufficient evidence to create a
22 triable issue under the FTDA"; and, thus, that "the Section 360-1
23 claim also fail[ed]." Id. at *16 (internal quotation marks

1 omitted). Final judgment was entered on October 31, 2003,
2 dismissing the Complaint, and this timely appeal followed.

3 DISCUSSION

4 I. The FTDA Claim

5 Plaintiff argues that the District Court "erred in holding
6 that, even though the marks at issue are identical, [Plaintiff]
7 was required to demonstrate circumstantial evidence of actual
8 dilution . . . to maintain its claim under the [FTDA]."

9 Defendants, on the other hand, argue that the District Court was
10 correct in dismissing the FTDA claim because Plaintiff had
11 "failed to tender admissible evidence to prima facie prove any of
12 [the requisite] elements" of a claim under the FTDA.

13 The FTDA "permits the owner of a qualified, famous mark to
14 enjoin junior uses throughout commerce, regardless of the absence
15 of competition or confusion." TCPIP Holding Co. v. Haar
16 Communications Inc., 244 F.3d 88, 95 (2d Cir. 2001); see 15
17 U.S.C. § 1127. Indeed, "[o]ne circuit has characterized the
18 Dilution Act as coming 'very close to granting rights in gross in
19 a trademark.'" TCPIP Holding Co., 244 F.3d at 95 (quoting Avery
20 Dennison Corp. v. Sumpton, 189 F.3d 868, 875 (9th Cir. 1999)).
21 Specifically, the FTDA provides that "[t]he owner of a famous
22 mark shall be entitled . . . to an injunction against another
23 person's commercial use in commerce of a mark or trade name, if
24 such use begins after the mark has become famous and causes

1 dilution of the distinctive quality of the mark." 15 U.S.C. §
2 1125(c)(1). Thus, to establish a violation of the FTDA, a
3 plaintiff must show that:

4 (1) its mark is famous; (2) the defendant is making
5 commercial use of the mark in commerce; (3) the
6 defendant's use began after the mark became famous; and
7 (4) the defendant's use of the mark dilutes the quality
8 of the mark by diminishing the capacity of the mark to
9 identify and distinguish goods and services.

10 Pinehurst, Inc. v. Wick, 256 F. Supp. 2d 424, 431 (M.D.N.C.
11 2003); see 15 U.S.C. § 1125(c); Ringling Bros. v. Utah Div. of
12 Travel Dev., 170 F.3d 449, 452 (4th Cir. 1999); Panavision Int'l
13 L.P. v. Toeppen, 141 F.3d 1316, 1324 (9th Cir. 1998).⁴

14 The Supreme Court has made clear that a plaintiff seeking to
15 take advantage of the broad rights afforded under the FTDA must
16 show, as an essential element of an FTDA claim, "actual dilution,
17 rather than a likelihood of dilution." Moseley v. V Secret
18 Catalogue, Inc., 537 U.S. 418, 433 (2003). The theory of
19 "dilution by blurring," the form of dilution particularly
20 relevant to the case at bar, has been described by Professor
21 McCarthy as follows:

22 [I]f one small user can blur the sharp focus of the
23 famous mark to uniquely signify one source, then
24 another and another small user can and will do so.
25 Like being stung by a hundred bees, significant injury
26 is caused by the cumulative effect, not by just one. .
27 . . This is consistent with the classic view that the

1 ⁴ Here, there is no dispute that Defendants' use of the at-
2 issue marks has been in commerce and postdates Plaintiff's use of
3 the marks.

1 injury caused by dilution is the gradual diminution or
2 whittling away of the value of the famous mark by
3 blurring uses by others. It is also consistent with
4 the rule in the [likelihood-of-confusion] cases that
5 even a small infringer will not be permitted to "nibble
6 away" at the plaintiff's reputation and goodwill.

7 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair
8 Competition § 24:94 (4th ed. Supp. 2004) (footnotes omitted);
9 accord General Motors Corp. v. Autovation Techs., Inc., 317 F.
10 Supp. 2d 756, 764 (E.D. Mich. 2004).

11 A. Fame and Distinctiveness

12 In this Circuit, to sustain a claim under the FTDA, in
13 addition to actual dilution, a plaintiff must show that the
14 senior mark possesses both a "significant degree of inherent
15 distinctiveness" and, to qualify as famous, "a high degree of . .
16 . acquired distinctiveness." TCPIP Holding Co., 244 F.3d at 97,
17 98 (emphasis added). Although a plaintiff must show a
18 preponderance of evidence on each element of a claimed violation
19 of the FTDA in order ultimately to prevail on such a claim, see
20 Moseley, 537 U.S. at 434, the element of fame is the key
21 ingredient. This is because, among the various prerequisites to
22 an FTDA claim, the one that most narrows the universe of
23 potentially successful claims is the requirement that the senior
24 mark be truly famous before a court will afford the owner of the
25 mark the vast protections of the FTDA.⁵

1 ⁵ In other words, a plaintiff owning only less-than-famous
(continued...)

1 Indeed, actionable dilution under the FTDA is defined as
2 "the lessening of the capacity of a famous mark to identify and
3 distinguish goods or services, regardless of the presence or
4 absence of (1) competition between the owner of the famous mark
5 and other parties, or (2) likelihood of confusion, mistake, or
6 deception." 15 U.S.C. § 1127 (emphasis added). This requirement
7 reflects the purpose of the FTDA, which "is to protect famous
8 trademarks from subsequent uses that blur the distinctiveness of
9 the mark or tarnish or disparage it, even in the absence of a
10 likelihood of confusion." Genovese Drug Stores, Inc. v. TGC
11 Stores, Inc., 939 F. Supp. 340, 349 (D.N.J. 1996) (internal
12 quotation marks omitted). Accordingly, where it is possible for
13 a district court to determine in the first instance the issue of
14 the famousness of a senior mark, the court would be well advised
15 to do so. Indeed, this will often obviate the costly litigation
16 of potentially much thornier issues, such as whether actual
17 blurring or tarnishing of the senior mark has in fact occurred
18 or, as in the instant case, whether a junior and senior mark that
19 are each used in varying ways in different contexts and media are
20 in fact "identical" for purposes of the FTDA.

⁵(...continued)

1 marks will receive no protection under the FTDA, even if that
2 plaintiff can prove that the use of an identical junior mark has
3 in fact lessened the capacity of the senior mark to identify and
4 distinguish the plaintiff's goods or services - i.e., that actual
5 dilution has occurred. See TCPIP Holding Co., 244 F.3d at 97-98.

1 Here, the District Court held that Plaintiff had "created a
2 material issue of fact as to the distinctiveness and fame of its
3 marks." 2003 WL 22451731, at *14. Although Defendants chose not
4 to cross-appeal this conclusion, they nonetheless contend that
5 the lack of inherent distinctiveness and fame in Plaintiff's
6 marks provides an alternate basis upon which this Court should
7 affirm the summary judgment granted by the District Court. Of
8 course, "we may affirm the [D]istrict [C]ourt's order of summary
9 judgment on any ground that finds adequate support in the
10 record." Eichelberg v. Nat'l R.R. Passenger Corp., 57 F.3d 1179,
11 1186 n.6 (2d Cir. 1995). We need not exercise that power here,
12 however, as we see no error in the District Court's conclusion
13 that Plaintiff has raised genuine issues of fact with regard to
14 the fame and distinctiveness of its marks.

15 With respect to fame, or acquired distinctiveness, we
16 recognize that the at-issue marks ultimately may be found to
17 possess only a degree of "niche fame."⁶ Nevertheless, we agree
18 with the District Court's conclusion that Plaintiff has shown

1 ⁶ See Christopher D. Smithers Found., Inc. v. St.
2 Luke's-Roosevelt Hosp. Ctr., 00 Civ. 5502, 2003 U.S. Dist. LEXIS
3 373, at *15-16 (S.D.N.Y. Jan. 13, 2003) ("[T]he degree of fame
4 required for protection under the FTDA must exist in the general
5 marketplace, not in a niche market. Thus, fame limited to a
6 particular channel of trade, segment of industry or service, or
7 geographic region is not sufficient to meet that standard."
8 (citing TCPIP Holding, 244 F.3d at 99)); see also Sporty's Farm
9 L.L.C. v. Sportsman's Mkt., Inc., 202 F.3d 489, 497 n.10 (2d Cir.
10 2000) (discussing the requirement for fame in the general
11 marketplace).

1 "more than a mere scintilla of evidence" of fame, which is a
2 sufficient quantum of proof to submit the question to the finder
3 of fact. 2003 WL 22451731, at *14. In particular, the court
4 found that:

5 [Plaintiff] spent over \$20 million on advertising in
6 2002 and has achieved annual revenues of \$675 million.
7 Further, [P]laintiff's products and services are
8 regularly featured in print advertisements, trade
9 magazines[,] and tradeshow promotions. Plaintiff's
10 advertisements have appeared in well known magazines
11 such as Newsweek, Time, and Business Week.

12 Id. (citations omitted). These are sufficient indicators of fame
13 to withstand a summary judgment challenge to a claim under the
14 FTDA. Cf. Nabisco, Inc. v. PF Brands, Inc., 50 F. Supp. 2d 188,
15 202 (S.D.N.Y. 1999) (finding top ranking sales dollars and
16 advertising expenses of more than \$120 million in a three-year
17 period to be significant indicators of the fame of the mark),
18 aff'd, 191 F.3d 208 (2d Cir. 1999).

19 With regard to inherent distinctiveness, the District Court
20 was correct to conclude that Plaintiff's marks are entitled to a
21 presumption of inherent distinctiveness by virtue of their
22 incontestability. See Sporty's Farm, 202 F.3d at 497; Equine
23 Techs., Inc. v. Equitechnology, Inc., 68 F.3d 542, 545 (1st Cir.
24 1995). Defendants assert that this presumption should not apply
25 to the marks at issue because they are "merely descriptive"
26 marks, which can never possess inherent distinctiveness. See
27 TCPIP Holding Co., 244 F.3d at 96 ("[D]escriptive marks, which

1 possess no distinctive quality, or at best a minimal degree, do
2 not qualify for the [Dilution] Act's protection."). Defendants'
3 argument is unavailing, however, because Plaintiff's marks are
4 not, as a matter of law, merely descriptive marks.

5 While it is true that "Savin" is a surname and that Savin
6 Corp. was named after Robert Savin, the brother-in-law of
7 Plaintiff's founder, the word "savin" also has a dictionary
8 meaning.⁷ Admittedly, the "Savin" mark is not as obviously
9 distinctive as, for example, "Honda" or "Acura."⁸ But it is
10 still entirely possible for a reasonable fact-finder to determine
11 that the "Savin" mark possesses a sufficient degree of
12 distinctiveness to sustain a finding of dilution, especially
13 given that Plaintiff's marks are "not patently used as a
14 surname." Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.,
15 192 F.3d 337, 347 (2d Cir. 1999); see, e.g., IMAF, S.P.A. v. J.C.

1 ⁷ See Merriam-Webster's Third New International Dictionary
2 Unabridged (2002) (defining "savin" as (1) "a mostly prostrate
3 Eurasian evergreen juniper (*Juniperus sabina*) with dark foliage
4 and small berries having a glaucous bloom and with bitter acrid
5 tops that are sometimes used in folk medicine (as for amenorrhea
6 or as an abortifacient) - called also cover-shame, sabina"; (2)
7 "creeping juniper" or "red cedar"; or (3) "any of several trees,
8 shrubs, or shrubby herbs somewhat resembling plants of the genus
9 Juniperus").

1 ⁸ See Am. Honda Motor Co. v. Pro-Line Protoform, 325 F.
2 Supp. 2d 1081, 1085 (C.D. Cal. 2004) ("The famousness and
3 distinctiveness of the Honda Marks cannot be questioned. Indeed,
4 "Honda" and "Acura" are words that were added to the English
5 language by Honda. They are the quintessential distinctive marks
6").

1 Penney Co., 806 F. Supp. 449, 455 (S.D.N.Y. 1992) (“[T]he name
2 (or word) Adiansi is not likely to be immediately identified with
3 a person by an average buyer of a sweater at J.C. Penney. Thus,
4 the fact that Adiansi is a surname is not dispositive on the
5 issue of inherent distinctiveness.”).

6 B. Evidence of Actual Dilution

7 In Moseley, the Supreme Court stated that “direct evidence
8 of dilution such as consumer surveys will not be necessary if
9 actual dilution can reliably be proved through circumstantial
10 evidence – the obvious case is one where the junior and senior
11 marks are identical.” 537 U.S. at 434. The Court cautioned,
12 however, that “[w]hatever difficulties of proof may be entailed,
13 they are not an acceptable reason for dispensing with proof of an
14 essential element of a statutory violation.” Id.

15 Plaintiff interprets Moseley to stand for the proposition
16 that where both marks are identical, that fact, in itself, is
17 sufficient circumstantial evidence to satisfy the element of
18 actual dilution. Not all courts read the above-quoted portion of
19 the Moseley decision as does Plaintiff, however. Indeed, the
20 District Court did not. And, at least two other courts have
21 questioned whether the Supreme Court intended for plaintiffs to
22 be able to establish a violation of the FTDA merely by showing
23 the commercial use of an identical junior mark. See Lee
24 Middleton Original Dolls, Inc. v. Seymour Mann, Inc., 299 F.

1 Supp. 2d 892, 902 (E.D. Wis. 2004); see also Nike, Inc. v. Circle
2 Group Internet, Inc., 318 F. Supp. 2d 688, 695 (N.D. Ill. 2004).

3 The holdings in those cases, however, are of little
4 assistance here. The district court in Lee Middleton Original
5 Dolls took a decidedly cautious approach, leaving the issue for
6 the jury to resolve:

7 In view of the developing status of the law on the
8 nature of evidence required, the court believes that
9 the best course is to permit the plaintiff the
10 opportunity to present its dilution claim to the jury.
11 The defendant's motion for summary judgment on this
12 issue will be denied.

13 299 F. Supp. 2d at 902. And in Circle Group Internet, the court
14 was able to avoid the question on the facts:

15 The parties disagree on the correct interpretation of
16 the Moseley court's dicta regarding circumstantial
17 evidence. According to defendant, the Moseley court
18 meant that proof of actual dilution by circumstantial
19 evidence is sufficient if the marks are identical.
20 Plaintiff, on the other hand, maintains that if the
21 marks are identical, that in itself constitutes
22 sufficient circumstantial evidence of dilution. The
23 court need not resolve this dispute, however, because
24 in addition to the identity of the marks at issue,
25 there is sufficient circumstantial evidence of dilution
26 in the record to preclude summary judgment.

27 318 F. Supp. 2d at 695 (internal citations omitted).

28 Moreover, the District Court's opinion in the case at bar
29 seems to have been the sole basis for the district courts in
30 those other cases to question the plain import of the at-issue
31 language of the Supreme Court in Moseley. See Lee Middleton
32 Original Dolls, 299 F. Supp. 2d at 902 (citing only Savin Corp.

1 v. Savin Group, 2003 WL 22451731, at *14 (S.D.N.Y. Oct. 28,
2 2003), for the proposition that more than a showing of identical
3 marks is required to make out a prima facie case of actual
4 dilution); see also Circle Group Internet, 318 F. Supp. 2d at 695
5 (citing only Savin Corp. v. Savin Group for same). Indeed, in
6 most of the other cases identified as having dealt with this
7 issue, the courts seem to have assumed that where the other
8 elements of an FTDA claim have been satisfied, Moseley only
9 requires a showing of the use of an identical junior mark to
10 establish per se evidence of actual dilution.⁹

11 We interpret Moseley to mean that where a plaintiff who owns
12 a famous senior mark can show the commercial use of an identical
13 junior mark, such a showing constitutes circumstantial evidence
14 of the actual-dilution element of an FTDA claim. Thus, for

1 ⁹ See, e.g., Am. Honda Motor Co., 325 F. Supp. 2d at 1085
2 (“[W]hen identical marks are used on similar goods, dilution –
3 the capacity of the famous mark to identify and distinguish the
4 goods of the trademark holder – obviously occurs.”); GMC v.
5 Autovation Techs., 317 F. Supp. 2d 756, 764 (E.D. Mich. 2004)
6 (“GM’s evidence establishes actual dilution in that Defendant has
7 used marks that are identical to the world famous GM
8 Trademarks.”); 7-Eleven, Inc. v. McEvoy, 300 F. Supp. 2d 352, 357
9 (D. Md. 2004) (“Though dilution claims require evidence of actual
10 confusion, that requirement is satisfied when, as here, the
11 defendant uses the plaintiff’s mark.”); Nike Inc. v. Variety
12 Wholesalers, Inc., 274 F. Supp. 2d 1352, 1372 (S.D. Ga. 2003)
13 (“[T]he Court concludes that Variety has diluted the Nike
14 trademarks due to the identical or virtually identical character
15 of the marks on the Accused Goods to the Nike trademarks.”); see
16 also Pinehurst, 256 F. Supp. 2d at 432 (finding actual dilution
17 where defendant used domain names identical and nearly identical
18 to plaintiff’s trademarks).

1 example, a store owner who loses a 7-Eleven franchise yet
2 continues to use the famous "7-Eleven" mark, in so doing,
3 violates the FTDA and may be enjoined thereunder from using the
4 mark. See 7-Eleven, 300 F. Supp. 2d at 357. Indeed, a number of
5 commentators have suggested that this is precisely what the
6 Supreme Court was getting at in Moseley – i.e., that an identity
7 of marks creates a presumption of actual dilution.¹⁰ This would
8 comport with the holdings of other courts in analogous contexts.
9 See, e.g., Am. Honda Motor Co., 325 F. Supp. 2d at 1085 ("[W]hen

1 ¹⁰ See, e.g., Stacey L. Dogan, An Exclusive Right to Evoke,
2 44 B.C. L. Rev. 291 (2003). Prof. Dogan writes:

3 [U]nder the [Supreme] Court's suggested approach [in
4 Moseley], proof of dilution requires either that a
5 defendant's use by its very nature reduces the
6 singularity of the famous mark (as when the defendant
7 uses an identical mark) or that a defendant's use
8 actually reduces the singularity of the famous mark
9 (by, for example, reducing its selling power, as proven
10 through surveys or direct financial evidence).

11 Id. at 315-16 (second emphasis added); accord David M. Klein &
12 Daniel C. Glazer, Reconsidering Initial Interest Confusion on the
13 Internet, 93 Trademark Rep. 1035, 1048 n.70 (Sept./Oct. 2003):

14 Although the Supreme Court's decision in Moseley
15 appears to require proof of actual harm to a famous
16 mark in order to prevail on an FTDA claim, the Court
17 suggests that the junior user's exact copying of the
18 mark will be sufficient circumstantial evidence to
19 demonstrate dilution. 123 S. Ct. at 1125. Presumably,
20 a junior user's transaction of business at a website
21 under a domain name incorporating a mark identical to a
22 famous fanciful mark [such as "xerox.com"] would
23 constitute such circumstantial evidence.

1 identical marks are used on similar goods, dilution . . .
2 obviously occurs.”).

3 It cannot be overstated, however, that for the presumption
4 of dilution to apply, the marks must be identical. In other
5 words, a mere similarity in the marks – even a close similarity –
6 will not suffice to establish per se evidence of actual dilution.
7 Further, “where the marks at issue are not identical, the mere
8 fact that consumers mentally associate the junior user’s mark
9 with a famous mark is not sufficient to establish actionable
10 dilution.” Moseley, 537 U.S. at 433. “[S]uch mental association
11 will not necessarily reduce the capacity of the famous mark to
12 identify the goods of its owner, the statutory requirement for
13 dilution under the FTDA.” Id. Strictly enforcing the identity
14 requirement comports well with the purposes of the FTDA and with
15 the principle previously elucidated by this Court that the class
16 of parties protected by the federal dilution statute is narrow
17 indeed. See TCPIP Holding Co., 244 F.3d at 95 (“The [FTDA]
18 further differs from traditional trademark law in that the class
19 of entities for whose benefit the law was created is far
20 narrower.”).

21 Oftentimes, the issue of whether the marks are identical
22 will be context- and/or media-specific and factually intensive in
23 nature. For instance, marks that are textually identical may
24 appear very different from one another (e.g., in terms of font,

1 size, color, etc.) where they are used in the form of dissimilar
2 corporate logos, either in traditional media or on the Internet.
3 Depending on the circumstance, this may or may not determine the
4 outcome of the identity analysis. Similarly, marks that are
5 textually identical may be pronounced differently, which also
6 could be relevant under certain circumstances, such as, for
7 example, where the marks are used in radio advertising. Indeed,
8 the need for careful and exacting analysis of the identity issue
9 highlights the basis for our emphasis on the famousness factor as
10 a more expeditious avenue of resolution, given the case law in
11 this Circuit limiting application of the FTDA to only the most
12 famous of marks. See id.

13 Here, the marks at issue may be identical in some contexts
14 but not in others. Where the senior and junior "Savin" marks
15 both are used in website addresses, the marks may be identical.
16 On the other hand, where the "Savin" marks at issue appear in
17 stylized graphics on webpages, the competing marks may be found
18 merely to be very similar. For its part, the District Court
19 appears to have concluded, without analysis, that the at-issue
20 marks are identical: "[P]laintiff offers no circumstantial
21 evidence of any kind tending to show actual dilution other than
22 the fact that the marks are identical." 2003 WL 22451731, at *15
23 (emphasis added). In analyzing the similarity of the marks in

1 the context of assessing Plaintiff's infringement claim, however,
2 the court found as follows:

3 [P]laintiff and [D]efendants both use the name "Savin,"
4 and their logos display similar block letter fonts,
5 with one arm of the letter "V" slanted at a greater
6 angle than the other. The only apparent difference in
7 the marks is that [D]efendants' logo incorporates four
8 squares, one slightly tilted, to the left of the name.
9 Given that both marks feature the same name, such a
10 difference is inconsequential.

11 Id. at *7 (citations omitted).

12 We find the District Court's language in this regard to be
13 somewhat ambiguous. In particular, we are uncertain whether, in
14 analyzing the FTDA claim, the court (a) concluded that "the marks
15 are identical," id. at *15, based on its previous determination
16 regarding the similarity of the marks in the infringement
17 context; (b) simply assumed them to be identical, *arguendo*; or
18 (c) arrived at its determination by some altogether different
19 route, perhaps as an effect of choices made by Plaintiff in
20 pleading its case and presenting its evidence. In light of the
21 lack of any detailed analysis in the opinion of the District
22 Court regarding the issue of the identity of the marks for
23 purposes of the FTDA claim, we deem it necessary to remand the
24 issue to the District Court for clarification and specific
25 findings as to whether the junior and senior marks are identical.

26 In this regard, we caution that although the differences
27 between the marks noted by the court in the infringement context
28 may be inconsequential in that context, such differences may

1 indeed be relevant in the analysis of the dilution issue. The
2 fact that Defendants have used the marks somewhat differently
3 than has Plaintiff – e.g., by registering the domain name
4 www.thesavinggroup.com as opposed to simply www.savin.com – may
5 also be relevant. We emphasize, however, that it is the identity
6 of the marks themselves that is germane in the dilution context,
7 and the modifying of the mark – by adding one or more generic
8 descriptors to the mark in a website address, for example – will
9 not necessarily defeat a showing that the marks themselves are
10 identical in specific contexts. See, e.g., A.C. Legg Packing Co.
11 v. Olde Plantation Spice Co., 61 F. Supp. 2d 426, 430-31 (D. Md.
12 1999) (“OPSC’s OLDE PLANTATION SPICE mark is nearly identical in
13 appearance to A.C. Legg’s OLD PLANTATION mark, differing only in
14 the spelling of ‘olde’ and the addition of the generic word
15 ‘spice.’” The marks are identical in sound and connotation.”
16 (emphasis added)); cf. Golden Door, Inc. v. Odisho, 646 F.2d 347,
17 350 (9th Cir. 1980) (focusing, in the infringement context, on
18 identical portions of a junior and senior mark).

19 For all of the foregoing reasons, we vacate that portion of
20 the judgment of the District Court dismissing Plaintiff’s claim
21 of a violation of the FTDA, and remand for proceedings consistent
22 with this opinion.

1 II. The State-Law Dilution Claim

2 In ruling on Plaintiff's state-law dilution claim, brought
3 under New York General Business Law § 360-1, the District Court
4 held that "[t]he standards for dilution under Section 360-1 are
5 'essentially the same as that under § 43(a) of the Lanham Act.'" Savin Corp. v. Savin Group, 2003 WL 22451731, at *16 (quoting
6 Winner Int'l LLC v. Omori Enters., Inc., 60 F. Supp. 2d 62, 73
7 (E.D.N.Y. 1999)). The District Court then held that "[a]s
8 [P]laintiff failed to produce sufficient evidence to create a
9 triable issue under the FTDA, it follows that the Section 360-1
10 claim also fails." Id. Based on this conclusion, the court
11 granted summary judgment to Defendants on the Section 360-1
12 claim. The District Court was incorrect, however, to rely on
13 Winner International LLC v. Omori Enterprises, Inc., and the
14 sources cited therein, for the proposition that the same showing
15 must be made to sustain an FTDA claim as to sustain a claim under
16 Section 360-1. Indeed, a careful reading of the relevant
17 language in Winner makes clear that the particular point of
18 federal-state equivalence that was dispositive in that case is
19 inapposite to the case at bar.

21 In Winner, the district court was concerned principally with
22 the question of the similarity of two competing trade dresses.
23 See 60 F. Supp. 2d at 64-65. In assessing the plaintiff's claims

1 for dilution under the FTDA and under state law, the court found
2 as follows:

3 In order to establish a claim for injury to
4 business reputation or dilution [under New York law],
5 plaintiff must establish two elements: (1) a
6 distinctive mark capable of being diluted and (2) a
7 likelihood of dilution. . . .

8 Dilution has been defined as either a blurring of
9 a mark's product identification or the tarnishment of
10 the affirmative associations a mark has come to convey.
11 A prerequisite to a finding of dilution is that the
12 marks are substantially similar. That standard has
13 been applied to a finding of dilution under federal law
14 as well.

15 Id. at 73 (citations and internal quotation marks omitted). In
16 sum, the Winner court concluded that because the at-issue trade
17 dresses were not substantially similar, a claim for dilution was
18 not sustainable under either the FTDA or the New York statute.

19 Here, in contrast, the District Court impliedly found the
20 at-issue marks to be not only substantially similar but in some
21 contexts virtually identical. See 2003 WL 22451731, at *7, *15;
22 see also discussion supra part I.B. This case, then, is plainly
23 distinguishable from Winner on the facts. In any event,
24 regarding the issue of the standard of proof for a claim of a
25 violation of the FTDA, neither Winner nor the sources cited
26 therein and relied on by the District Court represent a correct
27 view of the law as it now stands.

28 A likelihood of dilution may have been enough to sustain a
29 claim for dilution under the FTDA in 1999. In 2003, however, the

1 Supreme Court decided Moseley, which changed the landscape of the
2 law on this issue. As the Sixth Circuit noted in AutoZone, Inc.
3 v. Tandy Corp.:

4 To resolve a circuit split, the Supreme Court addressed
5 the discrete issue of whether a dilution claim required
6 proof of actual dilution or whether proof of a
7 likelihood of dilution would suffice. Analyzing the
8 text of [the FTDA], the Court held that the statute
9 "unambiguously requires a showing of actual dilution,
10 rather than a likelihood of dilution."

11 373 F.3d 786, 804 (6th Cir. 2004) (quoting Moseley, 537 U.S. at
12 433) (citations omitted).

13 This Circuit was one of those which, before Moseley,
14 required a showing of a mere likelihood of dilution to sustain a
15 claim of a violation of the federal statute. See, e.g., Nabisco,
16 Inc. v. PF Brands, Inc., 191 F.3d 208, 224-25 (2d Cir. 1999)
17 (reading the federal anti-dilution "statute to permit
18 adjudication granting or denying an injunction, whether at the
19 instance of the senior user or the junior seeking declaratory
20 relief, before the dilution has actually occurred"). Now, of
21 course, the federal standard requires a showing of actual
22 dilution, Moseley, 537 U.S. at 434; see discussion supra part I,
23 and, thus, is more stringent than the New York standard.
24 Therefore, the District Court erred in dismissing Plaintiff's
25 Section 360-1 dilution claim based solely on the court's
26 determination that Plaintiff had "failed to produce sufficient

1 evidence to create a triable issue under the FTDA.”¹¹ 2003 WL
2 22451731, at *16. Accordingly, we vacate that portion of the
3 judgment of the District Court dismissing the state-law dilution
4 claim and remand for consideration of that claim under the
5 appropriate standard.

6 III. The Trademark Infringement Claim

7 “A claim of trademark infringement . . . is analyzed under
8 [a] familiar two-prong test[.] . . . The test looks first to
9 whether the plaintiff’s mark is entitled to protection, and
10 second to whether [the] defendant’s use of the mark is likely to
11 cause consumers confusion as to the origin or sponsorship of the
12 defendant’s goods.” Virgin Enters., Ltd. v. Nawab, 335 F.3d 141,
13 146 (2d Cir. 2003) (citing Gruner + Jahr USA Publ’g v. Meredith
14 Corp., 991 F.2d 1072, 1074 (2d Cir. 1993)).

15 A. Validity of Plaintiff’s Marks

16 Defendants admit that three of Plaintiff’s marks are
17 incontestable. Savin Corp. v. Savin Group, 2003 WL 22451731, at
18 *4. Accordingly, we need not tarry with the first prong of the
19 infringement test.

1 ¹¹ Defendants tacitly concede that the District Court erred
2 in this regard, but advance a sort of “harmless error” argument,
3 asserting that the District Court’s factual findings relating to
4 other issues – the Polaroid factors, for example – make clear
5 that Plaintiff failed to show even a likelihood of dilution.
6 This argument has no merit, as the various analyses undertaken by
7 the court are fact-intensive, highly specific, and hardly
8 interchangeable.

1 B. Likelihood of Confusion

2 "[T]he crucial issue in an action for trademark infringement
3 . . . is whether there is any likelihood that an appreciable
4 number of ordinarily prudent purchasers are likely to be misled,
5 or indeed simply confused, as to the source of the goods in
6 question." Mushroom Makers, Inc. v. R. G. Barry Corp., 580 F.2d
7 44, 47 (2d Cir. 1978); Maternally Yours, Inc. v. Your Maternity
8 Shop, Inc., 234 F.2d 538, 542 (2d Cir. 1956). "The court, in
9 making this determination and fashioning suitable relief, must
10 look . . . to a host of other factors." Mushroom Makers, 580
11 F.2d at 47. First articulated in the seminal case Polaroid Corp.
12 v. Polarad Electronics Corp., 287 F.2d at 495, the eight
13 principal factors, known as the Polaroid factors, are as follows:
14 (1) the strength of the senior mark; (2) the degree of similarity
15 between the two marks; (3) the proximity of the products; (4) the
16 likelihood that the prior owner will "bridge the gap"; (5) actual
17 confusion; (6) the defendant's good faith (or bad faith) in
18 adopting its own mark; (7) the quality of defendant's product;
19 and (8) the sophistication of the buyers. Id. Moreover,
20 depending on the complexity of the issues, "the court may have to
21 take still other variables into account." Id.

22 Here, Plaintiff argues that the District Court erred in its
23 application of the first and sixth factors – i.e., in assessing
24 (i) the strength of Plaintiff's mark and (ii) the good faith of

1 Defendants in adopting their own mark. Plaintiff also notes that
2 if the District Court erred in assessing the strength of the
3 senior mark, then error would be implied in the court's analysis
4 of proximity as well. For their part, Defendants argue that even
5 if the court erred in analyzing the strength of the senior mark
6 and the good faith of Defendants, any "such error would be
7 insufficient to overturn the ruling of the [D]istrict [C]ourt on
8 likelihood of confusion, as five of the other Polaroid factors
9 weigh in favor of [Defendants], and no single factor of the
10 analysis is dispositive."

11 "In reviewing the [D]istrict [C]ourt's evaluation of the
12 Polaroid factors, each individual factor is reviewed under a
13 clearly erroneous standard, but the ultimate determination of the
14 likelihood of confusion is a legal issue subject to de novo
15 review." Brennan's, Inc. v. Brennan's Rest. L.L.C., 360 F.3d
16 125, 130 (2d Cir. 2004).

17 1. Strength of the Senior Mark

18 "[T]he strength of a mark depends ultimately on its
19 distinctiveness, or its 'origin-indicating' quality, in the eyes
20 of the purchasing public." McGregor-Doniger Inc. v. Drizzle,
21 Inc., 599 F.2d 1126, 1131-32 (2d Cir. 1979), overruled on other
22 grounds by Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973

1 F.2d 1033, 1043-44 (2d Cir. 1992). As noted above, an
2 incontestible registered trademark enjoys a conclusive
3 presumption of distinctiveness. See Park 'N Fly, Inc. v. Dollar
4 Park and Fly, Inc., 469 U.S. 189, 204-05 (1985); see also
5 discussion supra part I. Yet even if a mark is registered and,
6 thus, afforded the utmost degree of protection, Lois Sportswear,
7 U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 871 (2d Cir.
8 1986), the presumption of an exclusive right to use the mark
9 extends only so far as the goods or services noted in the
10 registration certificate, Mushroom Makers, 580 F.2d at 48.

11 Here, the District Court made the following findings:

12 Three of [P]laintiff's marks are incontestable and
13 hence are presumptively strong as applied to the goods
14 and services listed on the registrations, namely:
15 Liquid and paper for photocopiers; photocopiers and
16 parts thereof; and maintenance and repair services for
17 photocopiers and word processors. Plaintiff is also
18 able to show that its marks possess secondary meaning
19 in the market for high-quality business machinery and
20 related services. Plaintiff has submitted evidence
21 that it sells its products through seventeen branches
22 and over [250] trained dealers throughout the United
23 States; spent over \$20 million in advertising in 2002;
24 and realized annual revenues of over \$675 million.
25 Such evidence is sufficient to establish that
26 [P]laintiff's marks possess secondary meaning in
27 [P]laintiff's market.

28 2003 WL 22451731, at *6 (footnote and citations omitted).

29 Critically, however, the court also found that Plaintiff had not
30 shown "that its marks [were] strong in the market for
31 professional engineering" services, and had not "submitted [any]

1 evidence that its marks possess[ed] secondary meaning in the
2 market for professional engineering" services. Id.

3 As we find no clear error in these findings, we conclude
4 that the District Court did not err in determining that the
5 presumption of the strength of Plaintiff's mark does not extend
6 to the field of professional engineering. See Mushroom Makers,
7 580 F.2d at 48; Paco Sport, Ltd. v. Paco Rabanne Parfums, 86 F.
8 Supp. 2d 305, 312 (S.D.N.Y. 2000). Accordingly, we also agree
9 with the court's ultimate determination that the first Polaroid
10 factor, strength of the mark, weighs in favor of Defendants.

11 2. Similarity of the Marks

12 "[E]ven close similarity between two marks is not
13 dispositive of the issue of likelihood of confusion."
14 McGregor-Doniger, 599 F.2d at 1133. "Rather, the crux of the
15 issue is whether the similarity is likely to cause confusion
16 among numerous customers who are ordinarily prudent." Swatch
17 Group (U.S.) Inc. v. Movado Corp., 01 Civ. 0286, 2003 U.S. Dist.
18 LEXIS 6015, at *11 (S.D.N.Y. Apr. 10, 2003) (citing Morningside
19 Group Ltd. v. Morningside Capital Group L.L.C., 182 F.3d 123,
20 139-40 (2d Cir. 1999)). Thus, "an inquiry into the degree of
21 similarity between two marks does not end with a comparison of
22 the marks themselves." Spring Mills, Inc. v. Ultracashmere
23 House, Ltd., 689 F.2d 1127, 1130 (2d Cir. 1982). As this Court
24 has stated, "the setting in which a designation is used affects

1 its appearance and colors the impression conveyed by it.”
2 McGregor-Doniger, 599 F.2d at 1133 (internal quotation marks
3 omitted). Indeed, the “‘impression’ conveyed by the setting in
4 which the mark is used is often of critical importance.” Spring
5 Mills, 689 F.2d at 1130.

6 Here, the District Court found that:

7 [P]laintiff and Defendants both use the name “Savin,”
8 and their logos display similar block letter fonts,
9 with one arm of the letter “V” slanted at a greater
10 angle than the other. The only apparent difference in
11 the marks is that [D]efendants’ logo incorporates four
12 squares, one slightly tilted, to the left of the name.
13 Given that both marks feature the same name, such a
14 difference is inconsequential.

15 2003 WL 22451731, at *7. In addition, one of the settings in
16 which the junior mark has allegedly infringed the senior mark is
17 the Internet, where the subtle differences in font and other
18 characteristics noted by the District Court are of even less
19 significance, given that the overarching concern of the
20 individual searching the Internet is to arrive at the correct
21 website, which is ultimately identified by a purely text-based
22 website address.¹² We find no clear error in the District

1 ¹² See Pinehurst, 256 F. Supp. 2d at 431:

2 A significant purpose of a domain name is to identify
3 the entity that owns the [website]. Customers
4 searching for a company’s website will often search
5 using a domain name identical or similar to the
6 company’s name or mark. . . . Customers unable to
7 locate [a plaintiff’s] website using domain names
8 identical to its marks, . . . may fail to continue to
(continued...)

1 Court's determinations on this point and, in light of the
2 foregoing, agree that this factor weighs in Plaintiff's favor.

3 3. Proximity of the Entities' Products and/or
4 Services

5 "This factor focuses on whether the two products compete
6 with each other. To the extent goods (or trade names) serve the
7 same purpose, fall within the same general class, or are used
8 together, the use of similar designations is more likely to cause
9 confusion." Lang v. Ret. Living Pub. Co., 949 F.2d 576, 582 (2d
10 Cir. 1991). In assessing this factor, "the court may consider
11 whether the products differ in content, geographic distribution,
12 market position, and audience appeal." W.W.W. Pharm. Co. v.
13 Gillette Co., 984 F.2d 567, 573 (2d Cir. 1993); see, e.g., Arrow
14 Fastener Co. v. Stanley Works, 59 F.3d 384, 396 (2d Cir. 1995)
15 (holding that customers were not likely to be confused when both
16 parties sold staplers in the same stores, but one party sold a
17 pneumatic stapler and the other a lightweight small stapler).

18 Here, the District Court found, inter alia, as follows:

19 [T]he [proportional] difference in price between
20 [P]laintiff's back office facilities management
21 services and [D]efendants' professional engineering
22 services is at least as great as, if not greater than,
23 that between the two types of staplers in Arrow

12 (...continued)

1 search for [the plaintiff's] own home page, due to
2 anger, frustration, or the belief that [the
3 plaintiff's] home page does not exist.

4 (citations and internal quotation marks omitted).

1 Fastener. Similarly, the expertise of [P]laintiff's
2 engineers in information technology and that of
3 [D]efendants' [engineering professionals] in
4 construction and waste management projects serve very
5 different needs within the sectors from which both
6 parties draw their customers.

7

8 Even though [P]laintiff's marks may be strong in the
9 market for sophisticated business equipment and
10 services, professional engineering services do not
11 reasonably fall within the broadly defined market of
12 potentially related services. Although the marks are
13 very similar, consumers are unlikely to be confused as
14 to source because [of] the competitive distance between
15 the parties' services

16 2003 WL 22451731, at *8-9. We discern no clear error in the
17 District Court's findings on this point, and thus we concur in
18 the court's determination that the at-issue products and services
19 are not proximate as a matter of law.

20 4. Actual Confusion

21 "[I]t is black letter law that actual confusion need not be
22 shown to prevail under the Lanham Act, since actual confusion is
23 very difficult to prove and the Act requires only a likelihood of
24 confusion as to source." Lois Sportswear, 799 F.2d at 875.

25 Nonetheless, it has been noted that:

26 There can be no more positive or substantial proof of
27 the likelihood of confusion than proof of actual
28 confusion. Moreover, reason tells us that while very
29 little proof of actual confusion would be necessary to
30 prove the likelihood of confusion, an almost
31 overwhelming amount of proof would be necessary to
32 refute such proof.

1 World Carpets, Inc. v. Dick Littrell's New World Carpets, 438
2 F.2d 482, 489 (5th Cir. 1971).

3 In the instant case, the District Court found that Plaintiff
4 had submitted as evidence of actual confusion only the single
5 incident at the chamber of commerce meeting, see supra, where
6 "someone who had previously sold an exhibit to [D]efendants
7 mistakenly concluded that one of [P]laintiff's executives was
8 associated with [Savin Engineers]." 2003 WL 22451731, at *10. A
9 single "anecdote[] of confusion over the entire course of
10 competition," however, "constitute[s] de minimis evidence
11 insufficient to raise triable issues." See Nora Beverages, Inc.
12 v. Perrier Group of Am., Inc., 269 F.3d 114, 124 (2d Cir. 2001).
13 The District Court's findings of fact on this point are not
14 clearly erroneous, and we find that the court committed no error
15 in concluding that this factor weighs in Defendants' favor.

16 5. Bridging the Gap

17 The question under this factor is the likelihood that
18 Plaintiff will enter the market for professional engineering
19 services relating to the construction industry. See W.W.W.
20 Pharm. Co., 984 F.2d at 574. "This factor is designed to protect
21 the senior user's 'interest in being able to enter a related
22 field at some future time.'" Id. (quoting Scarves by Vera, Inc.
23 v. Todo Imports Ltd., 544 F.2d 1167, 1172 (2d Cir. 1976)).

24 Here, the District Court found that:

1 Plaintiff claims that it intends to expand its
2 involvement in the area of facilities management, but
3 the only evidence [P]laintiff presents to support this
4 allegation is a statement [by Thomas Salierno,
5 Plaintiff's President and Chief Operating Officer,]
6 that [P]laintiff intends to "work[] in an office
7 environment and expand[] [into] whatever the customer
8 needs." This statement fails to support any inference
9 that [P]laintiff intends to enter [D]efendants' market.

10 2003 WL 22451731, at *9 (citations omitted). We agree with the
11 District Court's conclusion that even drawing all inferences in
12 Plaintiff's favor, this bare assertion fails to raise a genuine
13 issue of material fact that Plaintiff is likely to enter
14 Defendants' corner of the marketplace.

15 6. Good Faith

16 The good-faith factor "considers whether the defendant
17 adopted its mark with the intention of capitalizing on [the]
18 plaintiff's reputation and goodwill and [on] any confusion
19 between his and the senior user's product." W.W.W. Pharm. Co.,
20 984 F.2d at 575 (internal quotation marks omitted).

21 Here, Plaintiff asserts that Defendants acted in bad faith
22 because (i) Dr. Nivas "had knowledge of [Plaintiff's] products
23 and services for approximately ten years"; (ii) Savin Engineers
24 "never performed a search or investigation prior to adopting and
25 launching their trade names incorporating the term SAVIN"; and
26 (iii) Savin Engineers were aware of Plaintiff's "savin.com domain
27 name prior to registering their thesavingsgroup.com and
28 savinengineers.com domains." Therefore, Plaintiff argues, the

1 District Court clearly erred in finding that Defendants did not
2 act in bad faith.

3 Notably, however, the District Court also found, in
4 particular, that Defendants:

5 had no reason to believe that they might be infringing
6 another's marks[,] because they were not copying the
7 mark from another entity. In fact, [D]efendants'
8 founder was not even aware of [P]laintiff's existence
9 at the time he adopted his mark, and arrived at the
10 name "Savin" independently by reversing the spelling of
11 his nickname "Nivas."

12 2003 WL 22451731, at *10. Moreover, as the District Court
13 observed, even if Defendants had conducted a trademark search,
14 they would have discovered only that the "Savin" mark was
15 registered for photocopiers and related goods and services and,
16 hence, would have had no reason to believe that using the same
17 name for professional engineering services would infringe
18 Plaintiff's marks. Id. at *11.

19 In any event, "failure to perform an official trademark
20 search, . . . does not[,] standing alone[,] prove that
21 [Defendants] acted in bad faith." Streetwise Maps, Inc. v.
22 VanDam, Inc., 159 F.3d 739, 746 (2d Cir. 1998). Nor is "[p]rior
23 knowledge of a senior user's trade mark" inconsistent with good
24 faith. See Arrow Fastener, 59 F.3d at 397. Accordingly, we
25 conclude that the District Court was correct in determining that
26 Plaintiff has failed to raise a material issue of fact regarding
27 Defendants' alleged bad faith.

1 7. Quality of the Entities' Product and/or Services

2 "The next factor, quality of the junior user's product, is
3 the subject of some confusion." Hasbro, Inc. v. Lanard Toys,
4 Ltd., 858 F.2d 70, 78 (2d Cir. 1988). Essentially, there are two
5 issues with regard to quality, but only one has relevance to
6 determining the likelihood of confusion. If the quality of the
7 junior user's product is low relative to the senior user's, then
8 this increases the chance of actual injury where there is
9 confusion, i.e., through dilution of the senior user's brand.
10 Id.; see, e.g., Lois Sportswear, 799 F.2d at 875. A marked
11 difference in quality, however, actually tends to reduce the
12 likelihood of confusion in the first instance, because buyers
13 will be less likely to assume that the senior user whose product
14 is high-quality will have produced the lesser-quality products of
15 the junior user. Conversely, where the junior user's products
16 are of approximately the same quality as the senior user's, there
17 is a greater likelihood of confusion, but less possibility of
18 dilution. Hasbro, 858 F.2d at 87; see, e.g., Lois Sportswear,
19 799 F.2d at 875.

20 In this case, the District Court found that as Defendants'
21 services were "not closely similar to those provided by
22 [P]laintiff," any equivalence in "quality between their products
23 [was] unlikely to cause confusion." 2003 WL 22451731, at *11

1 (citation omitted). This finding is neither clearly erroneous
2 nor, for that matter, even challenged on appeal.

3 8. Sophistication of Purchasers

4 As the theory goes, the more sophisticated the purchaser,
5 the less likely he or she will be confused by the presence of
6 similar marks in the marketplace. See Maxim's, Ltd. v. Badonsky,
7 772 F.2d 388, 393 (7th Cir. 1985) ("[I]n general, where 'the cost
8 of the defendant's trademarked product is high, the courts assume
9 that purchasers are likely to be more discriminating than they
10 might otherwise be.'" (quoting Jerome Gilson, Trademark
11 Protection and Practice § 5.08 (1985))).

12 Here, the District Court found that both Plaintiff and
13 Defendants:

14 offer highly priced services that do not usually invite
15 impulse buying and are ordinarily purchased by
16 experienced professionals in the course of business.
17 The decision to invest in new business equipment or to
18 engage professional engineers is often the result of
19 careful deliberation by more than one individual in the
20 purchasing organization. The likelihood that such
21 sophisticated consumers will be confused as to the
22 source of the services is remote.

23 2003 WL 22451731, at *12. On appeal, Plaintiff does not so much
24 challenge this finding as sidestep it, implying that the District
25 Court erred because "most individuals, whether they are
26 sophisticated or unsophisticated, come into contact with the type
27 of office equipment manufactured by [Plaintiff]." Indeed, notes
28 Plaintiff, "[e]veryone uses photocopiers and fax machines."

1 Of course, the relevant inquiry is not whether daily users,
2 or, even more amorphously, "individuals . . . com[ing] into
3 contact" with Plaintiff's products, would likely confuse them
4 with those of Defendants. Rather, the pertinent question is
5 whether "numerous ordinary prudent purchasers" would likely "be
6 misled or confused as to the source of the product in question
7 because of the entrance in the marketplace of [Defendants']
8 mark." Gruner + Jahr USA Publ'g, 991 F.2d at 1077 (emphasis
9 added); see also Brennan's, 360 F.3d at 134 ("To succeed on an
10 infringement claim, plaintiff must show that it is probable, not
11 just possible, that consumers will be confused." (emphasis
12 added)). The District Court's findings on this point, which are
13 not squarely challenged on appeal, may have been somewhat in the
14 nature of "common sense" assumptions, but this does not make them
15 clearly erroneous. In any event, we find no error in the court's
16 determination that this factor weighs in Defendants' favor.

17 C. Balancing the Factors

18 As the District Court found, one of the Polaroid factors –
19 similarity of marks – weighs in Plaintiff's favor, while the
20 other factors weigh in favor of Defendants.¹³ Having undertaken

1 ¹³ The District Court also included an "Internet initial
2 interest confusion factor" in the Polaroid balancing test. See
3 2003 WL 22451731, at *12-13. Such confusion arises when a
4 consumer who searches for the plaintiff's website with the aid of
5 a search engine is directed instead to the defendant's site
6 because of a similarity in the parties' website addresses. See
(continued...)

1 our own, de novo review of the balancing of the various factors,
2 we find nothing to quarrel with in the District Court's analysis
3 of the Lanham Act infringement claim and ultimate conclusion that
4 that claim cannot survive summary judgment. In sum, Plaintiff
5 "has not at this point demonstrated a likelihood of confusion."
6 Brennan's, 360 F.3d at 130. Accordingly, we affirm that portion
7 of the District Court's judgment dismissing the infringement
8 claim.

9 We have considered the parties' remaining arguments and find
10 them to be without merit.

11 **CONCLUSION**

12 For the foregoing reasons, we vacate those portions of the
13 judgment of the District Court dismissing Plaintiff's FTDA and
14 state-law dilution claims; remand for further proceedings
15 consistent with this opinion; and affirm the judgment in all
16 other respects.

13 (...continued)

1 BigStar Entm't, Inc. v. Next Big Star, Inc., 105 F. Supp. 2d 185,
2 207 (S.D.N.Y. 2000). Because consumers diverted on the Internet
3 can more readily get back on track than those in actual space,
4 thus minimizing the harm to the owner of the searched-for site
5 from consumers becoming trapped in a competing site, Internet
6 initial interest confusion requires a showing of intentional
7 deception. See id.; see also Bihari v. Gross, 119 F. Supp. 2d
8 309, 319 (S.D.N.Y. 2000). Here, the District Court found that
9 Plaintiff had failed to raise a triable issue of fact with regard
10 to either a likelihood of confusion or intentional deception,
11 and, accordingly, the court concluded that this factor, too,
12 weighs in Defendants' favor. We find no error in the court's
13 determination on this issue, which, in any event, Plaintiff does
14 not directly challenge on appeal.