



Summary Report

Question Q214

Protection against the dilution of a mark

The purpose of this question is to examine national and international legislation and case law in respect of protection against trademark dilution and to encourage proposals for adopting uniform rules.

The Reporter General has received 45 Group Reports from the following countries (in alphabetical order): Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Czech Republic, Denmark, Ecuador, Egypt, Estonia, Finland, France, Germany, Hungary, India, Indonesia, Israel, Italy, Japan, Latvia, Malaysia, Mexico, The Netherlands, New Zealand, Panama, Paraguay, Peru, the Philippines, Poland, Portugal, Romania, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, United Kingdom, United States.

The Reports provide a comprehensive review of judicial practice in respect of protection against dilution under national laws. This Summary Report cannot attempt to reproduce the detailed rules explained by each Group. If any question arises as to the exact position in a particular jurisdiction, reference should be made to the original Group Reports.

I. Analysis of current law and case law

1. Do the laws of your country provide for protection against dilution of a trademark? If so, which laws?

The laws of all reporting countries provide for protection against dilution of a trademark or at least include a dilution-type cause of action.

In all reporting countries except Japan, trademark law provides protection against dilution of a trademark. In the reporting countries which are member states of the European Union (Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Poland, Portugal, Romania, Spain, Sweden, UK) the Community Trademark Regulation (CTMR) and the Community Trademark Directive (CTMD) provide anti-dilution protection in addition to national trademark laws.

In Japan, only unfair competition law provides protection against dilution of a trademark.

In some reporting countries unfair competition laws, notably the provisions regarding disparagement and tarnishment, provide protection against dilution of a trademark in addition to trademark law (Brazil, Chile, Germany, Russia, and Switzerland).

Similarly, in New Zealand, India and Israel the common law tort of passing off provides additional protection against dilution of a trademark. In New Zealand, the Fair Trading Act provides additional protection against dilution of a trademark. In Sweden, the Marketing Act provides additional protection.

Most states in the United States also prohibit trademark dilution either under State statute or common law.

2. Is there a legal definition of dilution in your legislation or case law?

In most reporting countries, there is no specific definition of dilution in either case law or legislation.

The Trademark Dilution Revision Act (TDRA) in the United States defines two forms of dilution. Dilution by blurring is the “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark”. Dilution by tarnishment is the “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark”. These two branches of dilution are generally recognized in virtually all reporting countries.

In Singapore, the Trade Marks Act defines dilution to mean “the lessening of the capacity of the trademark to identify and distinguish goods or services”. However, it is accepted in Singapore that the notion of dilution includes both dilution by blurring and dilution by tarnishment.

In Brazil, one judge defined dilution as ‘offence to the integrity of a distinctive sign, morally or materially, having the effect of reducing its market power’.

The Peruvian Group Report notes that the Andean Court of Justice has defined dilution as ‘the weakening of the distinctive force of a trademark, of its advertising value and, consequently, of its commercial value’.

In Israel, the Israeli Supreme Court defined dilution as ‘whittling and blurring of the unique image and quality that the mark managed to pass to its consumers’. As a result, the trademark’s exclusiveness and commercial value is diminished ‘due to the decrease of its sales ability (or strength)’.

In the Philippines, the Supreme Court defined dilution as ‘gradual whittling away or dispersion of the identity and hold upon the public mind of the mark created by its first user’.

The German Group Report states that in Germany the notion of dilution traditionally only refers to blurring (and not tarnishment).

3.1. Which trademarks are afforded protection against dilution? What are the eligibility criteria? (Please only briefly list the eligibility criteria here; more detailed explanations will be required below).

In Japan, Switzerland and the United States, only famous marks are afforded protection against dilution.

In the reporting countries which are member states of the European Union, trademarks which have a reputation (Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Poland, Portugal, Romania, Spain, Sweden, UK) and/or are well known (Estonia, Latvia, Spain) are afforded protection.

Equally, in Argentina, Canada, Chile, China, Egypt, Indonesia, Israel, New Zealand, Malaysia, Mexico, Peru, the Philippines, Russia, South Africa, Singapore, and Turkey well known trademarks are protected against dilution.

In India, registered marks with a reputation are afforded protection against dilution in infringement actions. However, well known marks are protected against registration of a later mark.

In Ecuador and Paraguay, any trademark is protected against dilution in infringement actions. However, only well known marks are protected against registration of a later mark. In Ecuador, famous marks are additionally afforded protection against dilution in cancellation actions.

In Panama, any registered mark is afforded protection against dilution. However, in the absence of a registration, only famous marks are afforded protection and well known marks are afforded protection in opposition and cancellation actions.

In Brazil, both well known and famous marks are afforded protection against dilution.

The French, Italian and UK Group Reports note that well known trademarks are also afforded protection against dilution under Article 6bis Paris Convention.

3.2. To be eligible for protection against dilution, does a mark need to be distinctive? If so, does the protection depend upon the mark being inherently distinctive or are marks that have acquired distinctiveness through use also protected?

In all reporting countries except Singapore and Brazil, a mark needs to be either inherently distinctive or have acquired distinctiveness through use in order to be eligible for protection against dilution.

In Singapore, there is no express requirement that the mark must be distinctive.

According to the Brazilian Group Report, a non-distinctive mark or a mark whose inherent distinctiveness has not become evident is less likely to have protection afforded against dilution.

The French and Portuguese Groups acknowledge that marks that have acquired distinctiveness through use are also protected, but they are not aware of any cases where a mark with a reputation had acquired its distinctiveness through use.

The Israeli Group notes that a high level of acquired distinctiveness created through extensive use of the mark may establish a reputation even more so than inherent distinctiveness.

3.3.1 To be eligible for protection against dilution, does a mark need to have a reputation or be well-known or famous? If so, when does a mark have a reputation, when is it well-known or when is it famous? Are the factors mentioned in paragraph 15 and 22 above relevant for determining whether a mark has a reputation, is well known or famous?

In Japan, Switzerland and the United States, marks need to be famous to be eligible for protection against dilution.

In the United States and Panama, famous marks are those widely recognized by the general consuming public as a designation of source of the goods or services of the mark's owner. The US Group Report notes that fame is decided by courts after assessing the following factors: the amount of advertising and/or promotion of the mark; the amount of sales under the mark; the amount of actual recognition of the mark; and whether the mark is registered on the principal register.

In Japan, famous marks are considered to have a certain level of goodwill, reputation and popularity.

In Switzerland, the characteristics of famous marks are outstanding recognition, uniqueness and general reputation.

In the reporting countries which are member states of the European Union, trademarks must have a reputation (Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Poland, Portugal, Romania, Spain, Sweden, UK) and/or be well known (Estonia, Latvia, Spain) in the respective country to be eligible for protection against dilution. A CTM must have a reputation in the European Union.

The European groups generally do not distinguish between marks having a reputation and marks which are well known. Specifically, the Danish Group Report notes that a trademark has a reputation if it is well known in the respective territory. Only the Finnish Group states that a mark does not have to be well-known or recognized by the general public in order to have a reputation. The Spanish Group equally distinguishes between well known marks and marks with a reputation. However, they are both eligible for protection in Spain.

In any event, there is consensus among the European groups that in European trademark law a mark has a reputation or is well known, respectively, if it is known by a significant part of the public concerned by the product it covers, in accordance with case law (*General Motors v. YPLON*, C-375/97).

In Argentina, Canada, Chile, China, Egypt, New Zealand, Peru, South Africa, Russia, and Singapore trademarks also need to be well known to be protected against dilution.

In Ecuador and Paraguay, any trademark is protected against dilution in infringement actions; well known marks are protected against registration of a later mark. In Panama, any registered mark is afforded protection against dilution; well known marks are afforded protection in opposition and cancellation actions in the absence of a registration.

The Hungarian and Spanish Groups note that well known trademarks within the meaning of Article 6bis Paris Convention are a different category of marks.

It is generally recognized by the Groups that the factors mentioned in paragraph 15 and 22 of the Working Guidelines are relevant for determining whether a mark has a reputation, is well known or even famous.

The Indian Group notes that it is not a condition for a mark to be 'well known' or 'famous' in order to prove that it has 'reputation'.

In Hungary, a trademark with a reputation is the same as a famous mark. In Indonesia, the Philippines and Mexico, a well known trademark is the same as a famous mark.

In Turkey, all of the three terms 'trademark with a reputation', 'well known trademark' and 'famous mark' have the same meaning.

For what point in time does this have to be assessed?

In the United States, fame must be shown to exist on or prior to the date of first use (or other priority date, e.g. application filing) of the junior mark.

A number of Group Reports (Denmark, Finland, Hungary, Spain, Sweden, and UK) make a distinction depending on the action concerned: In an infringement action, the point in time for the assessment is the time of the first alleged infringing act. For an opposition or invalidation action against a trademark application or registration, the relevant time is the date of filing or registration in question.

The German Group Report confirms that in relation to past infringements the time of the first alleged infringing act is relevant. However, if the owner of a mark with a reputation seeks injunctive relief, the relevant point in time for the assessment is the time of the court's decision, i.e. the time of the last oral hearing. In Argentina and Japan, the assessment is also made at the time of the oral hearing.

3.3.2 For a mark to have a reputation or to be considered well known or famous, must it meet a certain knowledge or recognition threshold? If so, what is that threshold? What percentage of population awareness is required?

In the United States, the TDRA states that the mark must be widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. The percentage threshold has not been established by statute or case law yet.

In Japan and Switzerland, the mark must also be recognized by the general public at large.

In Brazil, for a mark to be famous it must also be recognized by the general public at large. For a mark to be well known in Brazil, it is sufficient if it is recognized by the public concerned by the particular goods.

In the reporting countries which are member states of the European Union (Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Poland, Portugal, Romania, Spain, Sweden, UK), trademarks must be known by a significant part of the relevant public, i.e. reputation must be shown to be widespread in the respective country, but it may be limited only to a

relevant niche market. The Estonian Group Report notes that the mark must be known by the majority of persons in at least one of the relevant sectors.

Similarly, in Canada a mark is well known if it is known in a substantial part of the country, e.g. the province of Quebec.

In Russia, a mark is well known if it is widely known. In Egypt, a mark is well known if it is recognized by the majority of the relevant public.

In South Africa, a mark is well known if it is known amongst a substantial number of people.

In Argentina, for a mark to be well known, it must be recognized by the general public at large (and not merely the public concerned by the particular goods).

As a general rule, there is no prescribed 'recognition threshold' or fixed percentage of population awareness which is required.

In Poland, however, for a mark to be well known, a knowledge threshold of at least 50% among potential customers is required.

According to the Peruvian Group Report, the Andean Court of Justice has considered 60% of population awareness as sufficient for establishing that a mark is well known.

In Switzerland, the Federal Supreme Court required a recognition threshold of at least 50% for the purpose of establishing a well known mark according to Article 6bis of the Paris Convention. The Swiss Group states that a recognition threshold of 60% is likely to suffice for the purpose of establishing a famous mark. Trademarks with lower degrees of recognition will only qualify as famous if they are particularly unique and/or have a strong reputation.

How widespread must the awareness be across the country? If a mark is well known or famous in one country, what effect, if any, does this have with regard to other countries?

The US Group notes that awareness must be nationwide. Fame outside the US is not evidence of fame within the US. Equally, fame outside Japan is not evidence of fame within Japan.

The Finnish, French and Polish Groups note that awareness must not be nationwide. It is sufficient when the mark has a reputation in a substantial part of the country. For instance, the trademark ALEPA is deemed to have a reputation in Finland although it is only used in Helsinki and its surroundings.

Similarly, for Community trademarks (CTMs), the reputation must be in a substantial part of the European Union. Recent case law has determined that reputation within one EU member state only may amount to a "substantial part" of the European Union for this purpose (PAGO).

The Finnish and French Groups point out that reputation outside a country is not evidence of reputation within such country.

The Peruvian Group Report points out that if a mark has been recognized as being well known in any member state of the Andean Community, it will have binding effect in Peru. Conversely, evidence of recognition in a country which does not belong to the Andean Community is not evidence of recognition in Peru.

According to the Portuguese and Philippine Group Reports, the fact that a mark is well known or famous in another country is taken into account in determining whether a mark is well known in Portugal and the Philippines, respectively.

3.3.3 What is the relevant population in determining the knowledge, recognition or fame of the mark, the general public at large or the relevant sector of public? Is recognition or fame in a limited product market (“niche market”) sufficient?

The relevant population in determining the fame of a (famous) mark is the entire consuming public of the country; fame in a niche market is not sufficient. This is the case in Brazil, Japan, Panama, Switzerland and the United States.

On the other hand, the relevant public in determining the knowledge or reputation of a well known mark or a mark with a reputation depends on the goods or services in question, i.e. the relevant public is the public that is concerned by the products or services covered by the protected mark in question. Recognition or a reputation in a niche market is, therefore, sufficient. This is the case in Australia, Brazil, Canada, Chile, China, Ecuador, Israel, New Zealand, Malaysia, Mexico, Paraguay, Peru, the Philippines, and the reporting countries which are member states of the European Union. This is equally true for marks protected under Article 6bis Paris Convention.

Only in Argentina, India, and Singapore, the relevant population for determining the knowledge or reputation of a well known mark or a mark with a reputation is the entire consuming public of the country; recognition in a niche market is not sufficient.

In Spain, for marks with a reputation the relevant population is the general public; and for well known marks, the relevant population is the public concerned by the product.

3.4. To be eligible for protection against dilution, is it required that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in the country where protection is being sought?

In Brazil, Poland, and the United States, the mark must have been used.

In Australia, Bulgaria, Canada, Chile, Czech Republic, Latvia, Italy, Japan, Finland, France, Israel, Peru, Romania, Singapore, Sweden, Switzerland, and in the UK, it is not required that the marks have been used. Use will, however, assist in establishing the requisite criteria.

Some Group Reports (Argentina, Canada, Germany, Finland, Switzerland) point out that it may be difficult to establish the reputation of a mark amongst consumers when the mark has not been used.

In Canada, Egypt, UK, Germany, Netherlands, India, Paraguay, Poland, Russia, South Africa, and Turkey, to be eligible for protection it is required that the mark has been registered.

In the Czech Republic, Israel, Italy, Latvia, Japan, Peru, the Philippines, Sweden, Switzerland, and the United States, it is not required that the mark has been registered or that an application for registration of the mark has been filed. However, registration of the mark is a factor a court would deem relevant for determining its eligibility for protection against dilution.

In Panama, in the absence of a registration, only famous marks are afforded protection in all cases and well known marks are afforded protection in opposition and cancellation actions.

Similarly, in New Zealand, in the absence of a registration, well known marks are only protected against dilution in opposition proceedings. To be eligible for protection in infringement proceedings, the well known mark needs to be registered.

In Portugal, to be eligible for protection against dilution, is it required that the mark has either been registered or that at least an application for registration of the mark has been filed or that the mark has been used in Portugal.

3.5. Are there any other criteria a mark must comply with to be eligible for protection against dilution?

The United States Group Report states that the statutory factors are not exclusive and a court would consider other facts and circumstances if it deems them to be relevant to the issues of distinctiveness and fame.

3.6. Is eligibility for protection against dilution a matter of law or an issue of fact? Who bears the burden of proof regarding the eligibility criteria?

In Argentina, Czech Republic, Denmark, Egyptian, Finland, Italy, India, Malaysia, Peru, the Philippines, Russia, Spain, Sweden and the United States eligibility for protection is an issue of fact.

In Indonesia, Bulgaria, Panama, Paraguay, Portugal, Switzerland, Turkey, UK and Mexico, eligibility for protection is an issue of law to be established on the basis of facts.

The Israeli, Japanese, Singaporean and Canadian Group Reports state that eligibility for protection is a mixed question of law and fact.

The German Group notes that the factual underpinnings of the notion of reputation are issues of fact, while the process of assessing these facts and the legal notion of reputation are matters of law.

There is agreement among all Groups that the owner of the earlier trademark bears the burden of proving that the eligibility criteria are satisfied. Notably, the party relying on the fame or recognition of a mark bears the burden of proving such fame or reputation.

How does one prove that a mark meets the eligibility criteria? Are sales and advertising figures sufficient or is survey evidence required? Which evidential standard must this proof satisfy?

As a general rule, the owner of a mark may prove that the mark is eligible for protection with extensive sales, advertising, promotion both by that party and third parties, actual recognition of the mark through survey evidence, and proof of registration.

The Indian Group notes that apart from sales figures, courts may require orders placed for the mark and invoices as well.

The Finnish Group mentions statements from commercial chambers as additional means of evidence.

A number of Groups note that survey evidence can be relied on, but is not required (Argentina, Latvia, Japan, Italy, Switzerland, UK, Germany, Finland, France, Portugal, Turkey and Netherlands). The Peruvian and Swedish Groups concur that survey evidence is not necessarily required, but they deem it important to prove eligibility.

The South African Group advises that sales and advertising figures in themselves would not be sufficient.

Equally, in New Zealand, some courts have found that evidence of sponsorship, advertising and marketing is not sufficient and that survey or market evidence of brand awareness is required to enable a finding that a mark is well known.

The Australian Group notes that survey evidence is treated with some skepticism. The Paraguayan Group mentions that survey evidence is uncommon.

In Australia, Canada and the UK, the standard of proof is balance of probabilities, i.e. more likely than not. In the United States and the Philippines, the evidential standard is preponderance of the evidence.

In Germany, full evidence has to be provided, i.e. the eligibility criteria must be proven to the satisfaction of the court. In preliminary injunction proceedings, prima facie evidence is sufficient.

In Switzerland, the evidence must exclude any reasonable doubt.

In Paraguay, the trademark owner must demonstrate a serious risk that dilution will occur.

3.7. Is there any registry of eligible marks in your country? If so, what is the evidentiary value of registration? Can it be challenged in litigation?

In most reporting countries, there is no registry of well known, famous or otherwise eligible marks.

In Bulgaria, there is an official register of marks with a reputation. Marks that are determined by the Patent Office as having a reputation in Bulgaria are recorded in the register. The registration has significant evidentiary value. Upon publication of such mark, third parties can challenge the registration before the Sofia City Court.

Similarly, in Finland, Turkey and Russia, the national patent office maintains a list (database) of marks with a reputation. The purpose of the database is to increase awareness of trademarks with a

reputation. The listing has significant evidentiary value. In Finland, anyone may request removal of an entry from the database by filing a request with the trademark office or, alternatively, challenge the entry in a court. In Turkey, the entry can also be challenged in court. In Russia, the inclusion of a mark in the list can be challenged by filing an objection before the Chamber of Patent Disputes in the Patent Office.

In Mexico, there is no registry of eligible marks, but the Mexican Institute of Intellectual Property issues a 'declaration of notoriety' if the trademark owner submits evidence establishing that the mark is a well known or famous mark.

In the Philippines, there is no registry of eligible marks, but in 1980 the Minister of Trade and Industry Luis Villafuerte issued a memorandum to the Director of the Philippine Patent Office enumerating a number of marks (including LACOSTE, GUCCI, CALVIN KLEIN, among others) that he considered well known marks.

The Japanese Patent Office runs a database entitled 'Industrial Property Digital Library: Japanese well known trademark search' which is freely searchable. In addition, AIPPI Japan regularly publishes a list of Japanese well known marks. These tools are used in Japanese litigation as evidence to demonstrate fame.

Similarly, the French Group points out that yearly rankings of well known marks in periodicals may be additional indicators to establish reputation.

4. Does your law require the existence of a 'mental association' or 'link' between the earlier trademark and the later trademark? If so, in which circumstances does a 'mental association' or 'link' between the earlier trademark and the later trademark exist? Are the factors mentioned in paragraph 27 and 28 above relevant for assessing the existence of such a 'mental association' or 'link'? Are there other factors to take into account?

In all reporting countries except Paraguay, Panama, Indonesia, Singapore, and the United States the existence of a mental association, link or connection between the earlier trademark and the later trademark is a requirement for both a showing of blurring and tarnishment.

In Paraguay, Panama, Indonesia, and Singapore, the existence of a mental association or link between the earlier trademark and the later trademark is not a requirement.

In the United States, the existence of a mental association or link between the earlier trademark and the later trademark is not a requirement, but one of six factors to be considered in the dilution by blurring analysis. The existence of a mental association or link is not a factor or requirement in the dilution by tarnishment analysis.

The United States Group Report notes that a mental association occurs when a potential consumer thinks of both the earlier mark and the later mark when he or she sees the latter because of the similarity between the two marks.

The Dutch Group Report states that a link is established if the earlier mark is brought to mind with the relevant public when confronted with the later mark.

It is generally recognized that the existence of a mental association or link must be assessed globally, taking into account all factors relevant to the circumstances of the case. The factors mentioned in paragraph 27 of the working guidelines are relevant for assessing the existence of a mental association or link.

The Danish Group notes that a mental association or link is not likely to exist if the relevant public perceives a sign exclusively as an embellishment.

Is the assessment of a link a question of fact (so something that can be established by market surveys), or is it a question of law to be established by the courts or authorities on the basis of such factors?

Some Groups note that the assessment of a link is a question of law to be established by courts on the basis of facts (Australia, Denmark, Peru, Switzerland, Hungary, Turkey, and Chile).

Other Groups state that the assessment of a link is a question of fact (India, Germany, Israel, Spain, Portugal, Italy, and the Philippines).

The Japanese and UK Group Reports state that the assessment of a link is a mixed question of law and fact.

The Dutch, French, Portuguese and Russian Group Reports mention that a mental association or link can be established by means of market surveys. In the absence of such surveys, the court may still conclude that there is a link based on the relevant factors.

5. Does such 'mental association' or 'link' between the earlier trademark and the later trademark automatically result in detriment to the earlier trademark's repute or distinctive character? Or does detriment have to be proved over and above the existence of a 'mental association' or 'link'?

In the vast majority of countries, a mental association or link between the earlier trademark and the later trademark does not automatically result in detriment to the earlier trademark's repute or distinctive character, but detriment has to be proved over and above the existence of a mental association or link.

Only in China, Japan and Mexico, detriment does not have to be proved over and above the existence of a 'mental association' or 'link'. The 'mental association' or 'link' between the earlier trademark and the later trademark automatically result in detriment to the earlier trademark's repute or distinctive character.

Similarly, in Argentina the existence of a mental association or link has been deemed sufficient to cause detriment to the earlier trademark's repute or distinctive character.

6. Are the same factors taken into consideration to assess the existence of detriment as those already discussed for the link? Are there additional ones?

In a number of countries, the same factors are taken into account to assess the existence of detriment as those already discussed for the link (Argentina, India, Turkey, Russia, Poland, Brazil, Chile, Switzerland). Therefore, the factors mentioned in paragraph 27 of the working guidelines are also relevant for assessing the existence of detriment.

The Hungarian Group Report notes that there are additional factors to take into consideration, including nature of products, market penetration, advertising, and time frame of circulation.

In the reporting countries which are member states of the European Union (Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Poland, Portugal, Romania, Spain, Sweden, UK) detriment additionally requires evidence of a change in the economic behaviour of the average consumer, as more fully explained below.

7. Must actual dilution be proved or is a showing of likelihood of dilution sufficient? Whose burden of proof is it? How does one prove dilution or likelihood of dilution?

In all reporting countries except the Philippines, Egypt and Indonesia actual dilution does not need to be proved, i.e. a showing of likelihood of dilution is sufficient. In the Philippines, Egypt, and Indonesia, actual dilution must be proved.

There is general agreement that the party asserting the dilution has the burden of proof.

There is little information in the Group Reports, if any, regarding the question how one proves dilution or likelihood of dilution. Generally speaking, a party proves likelihood of dilution by showing the factors mentioned in paragraph 27 of the working guidelines. The Chilean Group Report notes that dilution can be proved by means of sales figures of the different years and the Hungarian Group Report makes reference to opinion polls, market surveys, sales and advertising data, as well as promotional documents.

In the United States, a party proves likelihood of dilution by showing the factors in the TDRA. The factors taken into consideration for blurring are: (i) the degree of similarity between the mark and the famous mark; (ii) the degree of inherent or acquired distinctiveness of the famous mark; (iii) the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark; (iv) the degree of recognition of the famous mark; (v) whether the user of the mark intended to create an association with the famous mark; and (vi) any actual association issue between the mark and the famous mark.

In the United States, there are no specific factors taken into consideration for dilution by tarnishment.

Does detriment require evidence of a change in the economic behaviour of the average consumer or that such change in behaviour is likely? If so, what is a change in the economic behaviour of the average consumer? Is reduced willingness to buy goods sold under the earlier mark a change in the economic behaviour? How do you prove a change in the economic behaviour of the average consumer or likelihood of such change in behaviour?

In the reporting countries which are member states of the European Union (Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Poland, Portugal, Romania,

Spain, Sweden, UK), detriment requires evidence of a change in the economic behaviour of the average consumer or a serious likelihood that such change in behaviour will occur in the future.

In Indonesia, detriment equally requires evidence of a change in the economic behaviour of the average consumer.

In Turkey, detriment requires evidence that a change in economic behaviour is likely.

The Egyptian Group points out that detriment can only result if there is actual change of in the economic behaviour of the average consumer; i.e. detriment will result from less demand by consumers.

In the United States, Switzerland and Australia, detriment does not require evidence of a change in the economic behaviour of the average consumer or that such change in behaviour is likely, but if such evidence is available, it would be considered by the court.

Similarly, in India evidence of a change in the economic behaviour of the average consumer would help the trademark owner.

A number of Groups note that reduced willingness to buy goods sold under the earlier mark constitutes a change in the economic behaviour (Denmark, Indonesia, Israel, India, Bulgaria, Hungary, and Switzerland).

There is little information in the Group Reports, if any, regarding the question how one proves a change in the economic behaviour of the average consumer. The Bulgarian, Czech and Indonesian Group Reports state that a change in the economic behaviour can be proved by means of market surveys.

8. What is the extent of protection afforded to marks which are eligible for dilution protection? May the owner of the earlier trademark object

- to the registration of a later trademark?
- to the actual use of a later trademark?
- in respect of dissimilar goods only or also in respect of similar goods?

In all reporting countries, the owner of an earlier mark which is eligible for dilution protection may object to a registration and to actual use in respect of dissimilar goods and similar goods of a later trademark.

9. What are the legal remedies? May the owner of the earlier trademark file an opposition and/or a cancellation action? May he ask for injunctive relief or preliminary injunctive relief?

In most reporting countries the owner of the earlier trademark may file an opposition and/or a cancellation action and ask for injunctive relief and preliminary injunctive relief (Australia, Chile, China, Russia, Turkey, Brazil, Israel, Peru, Canada, Singapore, New Zealand, Indonesia, Panama, United States, Malaysia, Japan, Mexico, and the member states of the European Union).

In Switzerland, the owner of the earlier famous trademark may file a cancellation action and ask for injunctive relief, including preliminary injunctive relief, but he or she may not file an opposition on grounds of likelihood of dilution.

In Argentina, the owner of the earlier trademark may file an opposition and a cancellation action, but he may not ask for injunctive relief and preliminary injunctive relief. In Egypt, the owner of the earlier trademark may file a cancellation action, but he may not ask for injunctive relief and preliminary injunctive relief.

In Romania, the main legal remedy is filing an opposition. In the Philippines, the owner of the earlier trademark may file an opposition and ask for injunctive relief in case of an urgent and permanent necessity.

Many Group Reports note that the owner of the earlier mark may also seek damages or account of profits (China, UK, USA, Turkey, Canada, Portugal, Australia, and Japan). The United States Group Report further mentions a destruction order. However, in the United States, damages, recovery of profits and a destruction order may only be sought if defendant willfully intended to trade on or tarnish the reputation of the famous mark with a mark that was first used in commerce October 6, 2006.

Does your trademark office refuse the registration of a later trademark on grounds of likelihood of dilution?

In the United States, India, Paraguay, Indonesia, Portugal, Mexico, Poland, Czech Republic, Israel, and New Zealand, the trademark office may refuse the registration of a later trademark on grounds of likelihood of dilution. In Poland, the trademark owner may even file observations with the trademark office.

In Argentina, Australia, China, Estonia, Switzerland, Russia, Turkey, Hungary, Denmark, Peru, Finland, Germany, Spain, Italy, Sweden, and UK the trademark office has no authority to refuse registration of a later mark on the grounds of dilution. The Australian, Hungarian, Turkish and UK Group Reports note, however, that the trademark office may refuse the registration upon successful opposition by the owner of the earlier trademark.

II. Proposals for adoption of uniform rules

1. Which trademarks should be eligible for protection against dilution? What should the eligibility criteria be? Should recognition or fame in a limited product market (“niche market”) be sufficient?

The Japanese, Swiss and the US Groups think that only famous marks should be eligible for protection and that fame in a niche market should not be sufficient. The United States Group stresses that to allow niche fame protection could displace traditional likelihood of confusion claims by allowing a dilution claim against marks in the same market.

A large number of Groups thinks that well known marks should be eligible for protection (Canada, Panama, China, Denmark, Turkey, Estonia, Spain, the Philippines, Peru, Czech Republic, Australia, Singapore, Sweden, Paraguay, Mexico, Malaysia, and South Africa). These Groups note that the

recognition of the mark in the relevant sector of public (i.e. a niche market) is sufficient. Equally, the Brazilian Group thinks that recognition in a limited product market is sufficient.

The Argentine and Russian Groups on the other hand think that for a mark to qualify as 'well known', it must be well known to the general public at large. Similarly, the Hungarian Group believes that eligible marks should be known to a large part of the general public at least for some specific goods and services.

Some Groups think that marks having a reputation should be eligible for protection and that recognition in a niche market is sufficient (Finland, Latvia, France, Italy, Germany, Netherlands). The Finnish Group stresses that the recognition in a very limited niche market would not be sufficient.

The UK Group thinks that both marks having a reputation and well known trademarks should be eligible for protection.

The Indian Group thinks that marks with a reputation should be eligible for protection and that recognition in a niche market should not be sufficient

Some Groups (e.g. Egypt, South Africa, and Chile) mention famous marks in conjunction with notorious or well known trademarks. It is not entirely clear whether the Groups use these terms synonymously or whether they make a distinction between them requiring different eligibility criteria. Only the Panamanian Group makes it clear that famous marks should only be afforded protection if they are known to the general public at large whereas recognition in a niche market is sufficient for well known marks.

Some Groups note that only distinctive marks should be eligible for protection against dilution (Japan, USA, Malaysia, and Portugal). Only the Italian Group thinks that even non-distinctive marks should be eligible for protection provided that use of such marks gives rise to a mental association.

2. Should it be a criteria for being eligible for dilution protection that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in the country?

A large number of Groups (Australia, Brazil, Argentina, Finland, France, Czech Republic, Sweden, Singapore, India, South Africa, Peru, UK, Switzerland, Japan, Latvia, the Philippines, and Turkey) think that use and registration should not be eligibility criteria. The UK Group notes that trademarks protected under Article 6bis Paris Convention are a good example of why it is necessary to afford protection to marks which may be well known in a particular country, but which may not have been used in or for which an application for registration may not have been filed in that country.

Some Groups think that it should not be an eligibility criteria that the mark has been registered or that an application for registration of the mark has been filed in the country, but they think that the mark should have been used in that country (Germany, Estonia, Italy, Malaysia, USA, Poland).

Conversely, some Groups think that registration in the country should be a requirement whereas use in that county should not be a requirement (Brazil, Netherlands, Hungary, and Paraguay). Similarly, the Portuguese Group thinks that there should be a requirement that the mark has been registered or

that an application for registration of the mark has been filed in the country. However, use should only be required after expiry of the 5 year grace period.

The Panamanian Group thinks that use and registration should be no eligibility criteria in the case of famous marks. However, in the case of well known marks there should be a requirement that the mark has been registered or that an application for registration of the mark has been filed in the country.

Some Groups think that both use and a registration or at least an application for a registration should be required (Canada, China, Russia, and Egypt). The Egyptian Group notes that it seems unlikely that a mark would meet the eligibility criteria if it were not registered and used in the country.

3. Should there be a registry of eligible marks? If so, what should the evidentiary value of registration be? Should it be possible to challenge it in litigation?

The large majority of Groups thinks that there should not be a registry of eligible marks (Australia, Argentina, Chile, China, Latvia, Finland, Italy, France, Panama, Sweden, Denmark, USA, Germany, Romania, Singapore, Israel, Japan, Hungary, India, CH, Estonia, Poland, Paraguay, South Africa, UK, Mexico, and Turkey).

The US Group states that the reasons for not creating such registry are the potential for local bias and the bureaucratic short-sightedness by the agency in charge of the registry that could negatively affect ensuing litigation in courts. The Indian Group thinks that the courts are better equipped to determine whether a mark is eligible

Similarly, the UK Group notes that such a registry would be difficult to maintain to a useful standard and would be of limited value in proceedings where evidence would need to be adduced in any case.

The Indian and Brazilian Groups note that creating a registry of eligible marks would lead to an additional backlog at the trademark office.

A few Groups think that there should be a registry, but that it should be possible to challenge the entries (Egypt, Malaysia, the Philippines, and Russia). Equally, the Finnish and Czech Groups think that there should be a registry, but that absence of a trademark from such registry should not have any indication and it should be possible to challenge the entries. The Peruvian Group thinks that there should only be a registry for marks that have been declared well known in litigation, that entries should only have evidentiary value for a limited period of time (maybe 3 years), and that it should not be possible to challenge entries.

The Japanese and Portuguese Groups note that if there is a registry it should in any event be possible to challenge the entries.

The Canadian Group thinks that a registry could be useful to assist owners in attempting to establish the necessary legal threshold, but that it is unlikely that the existence of such a registry would prevent a potential challenge to the registration of such marks if or when they are asserted in the context of a litigation or opposition.

4. Should the existence of a 'mental association' or 'link' between the earlier trademark and the later trademark be an independent requirement for a trademark dilution claim?

A majority of the Groups thinks that the existence of a 'mental association' or 'link' between the earlier trademark and the later trademark should be a necessary and independent requirement for a trademark dilution claim (Denmark, UK, Hungary, Brazil, Czech, China, Turkey, Estonia, Chile, Egypt, Finland, France, Panama, India, Canada, Italy, Singapore, South Africa, Mexico, Switzerland, Malaysia, Sweden, Spain, Russia, Australia, Peru, and Paraguay). Some Groups (Portugal, Turkey) note that in addition to the mental association or link requirement there should be the requirement of detriment of distinctive character and reputation of the mark.

The Panamanian Group states that for famous marks, the mental association or link requirement as well as the detriment requirement shall be presumed.

One Group (the Philippines) thinks that the existence of a link should only be a requirement if the later mark is used on dissimilar goods and services.

Some Groups (Argentina, Latvia, Netherlands, and Poland) think that the existence of a link should not be an independent requirement. Similarly, the US Group states that the link requirement should not be an independent requirement, but should be considered as one of the factors in determination of likely dilution.

Other Groups (Romania, Japan, and Germany) think that the link requirement is not necessary and that a sufficient degree of similarity should be sufficient

5. Should detriment to the distinctive character or reputation of the earlier mark require evidence of a change in the economic behaviour of the average consumer or that such change in behaviour is likely?

The majority of Groups thinks that detriment to the distinctive character or reputation of the earlier mark must not require evidence of a change in the economic behaviour of the average consumer (Australia, France, Czech, Italy, China, Denmark, Sweden, Estonia, Germany, Malaysia, Hungary, India, Singapore, Romania, Latvia, South Africa, Portugal, Switzerland, Netherlands, Peru, Finland, Panama, Japan, the Philippines, and Turkey). Notably, with the exception of Poland and UK, all European Groups oppose the requirement. France specifically states that requiring proof of a change in the economic behaviour is excessive and that this requirement should, therefore, be abandoned.

Similarly, the US Group thinks plaintiff should not be required to show evidence of a change in the economic behaviour of the average consumer. Such evidence is rarely available because it is generally unconscious or unreported. Moreover, dilution is a preventive measure. However, evidence of a change in the economic behaviour if it exists should be considered along with other factors in a likelihood of dilution analysis.

The Australian Group acknowledges that evidence of a change in the economic behaviour may be persuasive in demonstrating dilution.

The UK and Polish Group note that adducing the necessary evidence for establishing dilution is difficult, courts and authorities must, therefore, be prepared to accept evidence which goes towards demonstrating that there is a likelihood of dilution, without requiring evidence of actual damage.

Only three Groups (Egypt, Paraguay, and Russia) think that evidence of a change in the economic behaviour should be required.

6. What should the remedies be for dilution of a mark?

The Group answers vary widely. The majority of the Groups think that the remedies should be the same as in any other trademark infringement case, i.e. the trademark owner should have the right to object to the use of the later mark and/or the registration of the later mark. Therefore, most Groups think the remedies should be injunctive relief (and possibly preliminary injunctive relief) on the one hand and cancellation and/or opposition of the later mark on the other hand.

A number of Groups think that there should also be monetary remedies, including damages or account of profits (Egypt, Denmark, China, USA, and Finland). The US Group mentions that mitigation of damages should also be available where appropriate, such as in cases of good faith adoption.

Argentina states that neither injunctive relief nor monetary damages should be available because trademark dilution is an exceptional cause of action.

Some Groups think that there should be additional remedies. For instance, the Japanese Group thinks that there should additionally be the possibility of measures to restore the business reputation (published apology), customs seizures, and criminal sanctions. Some Groups additionally mention delivery up and a declaration that the conduct of defendant amounts to dilution (Australia, Canada, and UK). Finally, the Indian Group also mentions discovery of documents and preserving infringing goods and evidence.

The UK Group notes that since the question of whether a trademark has a reputation or is well known can change across time, a defendant who may be subject to (for example) injunctive remedies should be able to apply to lift or set aside any such remedies at a later point of time.

Some Latin American Groups think that trademark dilution should be included as a ground for denying the registration of a trademark by the trademark office (Panama, Mexico, Peru, and Paraguay).

Additional comments:

The Australian Group notes that no anti-dilution protection is required and that the current law is sufficient.

The UK Group Report states that the owner of a trademark can only seek protection for dilution if use of a later mark is in the course of trade. For example, a protest website such as 'brandnamesucks.com' may not be infringement if it is used in a manner of protest rather than in the course of trade. Other legal remedies such as defamation may be more appropriate to uses of that nature where defences of freedom of speech are appropriately assessed.

III. Conclusions

It follows from the Group Reports that adoption of uniform rules with regard to protection against dilution of a trademark is in principle desirable.

There is general consensus that trademarks should be afforded protection against dilution. However, it is not clear which trademarks should be eligible for protection against dilution. One significant problem in this respect is that the terminology varies widely. It is not always clear what the terms 'famous mark', 'well known mark', 'mark with a reputation' and 'notorious mark' mean. Therefore, a first task of the Working Committee and eventually of the Resolution should be to provide definitions. In this regard, the previous work of AIPPI as set out in the Working Guidelines may provide helpful guidance.

It appears fair to say that the majority of Groups thinks that well known marks and/or marks having a reputation should be eligible for protection against dilution. There is probably consensus that well known marks and marks having a reputation are both marks which are known by a significant part of the relevant sector of public. It is unclear, however, what constitutes 'significant'. As a general rule, there is no prescribed 'recognition threshold' or fixed percentage of population awareness.

Equally, there is consensus that famous marks require recognition by the general public at large.

It follows from the Group Reports that only distinctive marks should be eligible for protection against dilution. However, this point needs confirmation and, therefore, needs to be discussed in the Working Committee.

There is no clear consensus among the Groups whether it should be an eligibility criteria that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in the country. A large number of Groups think that use and registration should not be eligibility criteria. However, this point will also have to be debated in the Working Committee.

There is large consensus among the Groups that there should not be a registry of eligible marks. In any event, even if there is a registry it should be possible to challenge the entries.

There also seems to be consensus that the existence of a 'mental association' or 'link' between the earlier trademark and the later trademark should be a necessary and independent requirement for a trademark dilution claim in addition to the requirement of detriment of distinctive character and reputation of the mark.

There is a large consensus that detriment to the distinctive character or reputation of the earlier mark must not require evidence of a change in the economic behaviour of the average consumer. However, evidence of a change in the economic behaviour if it exists should be considered along with other factors in a likelihood of dilution analysis.

As to the remedies for dilution of a mark, this point also needs to be discussed in the Working Committee. A majority of the Groups thinks that the remedies should be the same as in any other trademark infringement case. However, the type of remedies available varies greatly.

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