



Question Q214

National Group: Austria

Title: **Protection against the dilution of a trade mark**

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Questions

I. Analysis of current law and case law

The Groups are invited to answer the following questions under their national laws:

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

Yes. § 10 (2) MSchG (Trade Mark Law), § 1 UWG (Law against Unfair Competition).

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

No.

- 3.1 Which trade marks 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).

Similar to what is expressed in the working guidelines, side nos. 7 to 10, we can here distinguish between marks with reputation ("bekannte Marken", category 1), well-known marks ("notorisch bekannte Marken", category 2) and famous marks ("berühmte Marken", category 3).

To these marks are attached different levels of knowledge of the consumers, namely for category 1 "known in the public concerned", for category 2 "widely known in the public concerned", and for category 3 "known by practically all consumers, i.e. also known to the courts".

All these categories are also protected against dilution under the condition of enhanced knowledge by the public concerned.

- 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?

Yes. A mark needs to be distinctive in order to be protected against dilution whether inherently or by acquired distinctiveness. However, in the latter case the level of knowledge must be very high, clearly above that normally necessary for rights under the specific mark.

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

See answer 3.1 for the first two questions.

The criteria 1, 2 and 3 of side no. 15 of the working guidelines are relevant and all three factors of side no. 22.

The point in time is the priority date of the younger mark or its start of use, whichever is earlier.

- 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? 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?

For question 1 the answer is yes.

There is, however, no fixed threshold. The level of awareness is a movable system between its distinctiveness and the level of recognition. We would say that recognition by less than 25 % not of the population but of the public concerned no protection against dilution is available; but as said, case law refuses to set a threshold also in Austria as does the EU Court.

The geographical extension depends on the level required, however, an essential part of the country could suffice. Awareness in other countries does not count except when Art. 6bis Paris Convention is invoked or in case of Community trade marks.

- 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 sector of the public is decisive. Recognition in “niche markets” suffices.

- 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?

Protection against dilution is also provided through § 1 UWG if the sign with a reputation or a well recognized sign is only used and not registered as trade mark.

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

No.

- 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? 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?

The protection against dilution is a question of law based on proven facts. The burden of proof for the reputation is on the owner of the older sign or trade mark. Sales and advertising figures are not sufficient but survey evidence is not a must. What has to be proven, is that a relevant part of the circles concerned have the required knowledge of the mark.

- 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?

No.

4. Does your law require the existence of a 'mental association' or 'link' between the earlier trade mark and the later trade mark? If so, in which circumstances does a 'mental association' or 'link' between the earlier trade mark and the later trade mark 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? 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?

Yes. A "link" or a "mental association" is necessary. The signs must be sufficiently similar for that without being necessarily confusingly similar.

The factors mentioned in side nos. 27 and 28 of the working guidelines are relevant for this assessment. The main factor is the level of reputation in view of the market circumstances and the circles concerned. Other factors are the duration of the use of the older sign and the intensity of use, the intensity of advertising, and other publicity activities (e.g. sponsoring), market share, turnover for the market product, range of investment for the market development of the mark, range of use, geographical area, distribution systems, existence of identical or similar marks on the market, general communication about the mark and the product in the population, and whether and to what extent the mark has been licensed, and any other factor which might be relevant.

The assessment of a link is a question of law on the basis of such factors.

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

Austrian case law does not require such a proof of an actual or potential detriment. The abstract aptitude suffices. It remains to be seen whether some sort of proof will in the future be required in view of the latest decisions of the EU Court.

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?

The same factors are taken into consideration to assess the detriment as for assessment of a link.

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? 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?

Likelihood of dilution is sufficient (see point 5). No proofs are required.

8. What is the extent of protection afforded to marks which are eligible for dilution protection? May the owner of the earlier trade mark object
- to the registration of a later trade mark?
 - to the actual use of a later trade mark?
 - in respect of dissimilar goods only or also in respect of similar goods?

The owner of the earlier mark may request cancellation and/or injunction of the younger sign in respect of dissimilar and similar goods or services.

9. What are the legal remedies? May the owner of the earlier trade mark file an opposition and/or a cancellation action? May he ask for injunctive relief or preliminary injunctive relief? Does your trade mark office refuse the registration of a later trade mark on grounds of likelihood of dilution?

The owner of the earlier mark can file a cancellation action and/or ask for injunctive relief including a preliminary injunctive relief. Also all other reliefs of a traditional infringement action are available.

The Patent Office is not allowed to refuse the registration of a mark on relative grounds whatsoever.

II. Proposals for adoption of uniform rules

The Groups are invited to put forward proposals for adoption of uniform rules with a view to protecting trade marks against dilution. More specifically, the Groups are invited to answer the following questions:

1. Which trade marks 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?

Used signs and registered trade marks with a sufficiently high reputation should be eligible for protection against dilution, also if recognition is only given in a niche market.

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?

Usually, the criteria should be the existence of a right either through use or through registration in the country. An application alone should not suffice. However, in case of well-known or famous marks that recognition in that country alone should be sufficient for protection also without use or registration.

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?

No, but if yes, the possibility to challenge an entry must be given.

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

Yes.

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?

No.

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

Cancellation and injunction including preliminary injunction as well as all other usual remedies for trade mark infringement should be available.

../. Summary (EN / DE / FR)

SUMMARY

The actual Law in Austria provides legal protection against dilution of a mark, whether registered or only used, on the basis of sufficiently high reputation in the circles concerned. A certain threshold is generally refused since the level of reputation required is dependent on the special circumstances of the individual case.

Whether such protection is granted is a question of law to be solved on the basis of the facts proven. Whether a detriment to the distinctive character or reputation of the trade mark exists is judged on the basis of its abstract possibility. For that, similarity of the signs is a prerequisite which enables a mental association without requiring confusing similarity.

Cancellation of the younger mark and/or injunction against its use can be requested.

The Austria group is against a registry of eligible marks as well as against the requirement of evidence of a change in the economic behaviour of the average consumers or its likeliness.

ZUSAMMENFASSUNG

Das geltende Recht in Österreich gewährt Rechtsschutz gegen die Verwässerung einer Marke, ob registriert oder nur benutzt, wenn ausreichend hohe Verkehrsdurchsetzung in den relevanten Verkehrskreisen nachgewiesen werden kann. Die Angabe eines Mindestprozentsatzes wird abgelehnt, weil dies von den besonderen Umständen des Einzelfalls abhängt.

Ob ein solcher Schutz gewährt wird, ist eine Rechtsfrage, die anhand der nachgewiesenen Tatsachen gelöst wird. Ob eine Beeinträchtigung der Unterscheidungskraft oder der Wertschätzung vorliegt, wird aufgrund der abstrakten Möglichkeit beurteilt. Für diese ist eine Ähnlichkeit der beiden Zeichen Voraussetzung, die ein gedankliches In-Verbindung-Bringen ermöglicht, ohne dass Verwechslungsgefahr notwendig ist.

Es kann sowohl auf Löschung des jüngeren Zeichens als auch auf Unterlassung der Benutzung geklagt werden.

Die österreichische Landesgruppe ist sowohl gegen die Einführung eines Registers anspruchsberechtigter Marken als auch gegen die Notwendigkeit eines Nachweises der Beeinflussung des wirtschaftlichen Verhaltens des Durchschnittsverbrauchers oder deren Wahrscheinlichkeit.

RESUME

Le droit en vigueur en Autriche accorde la protection légale contre la dilution d'une marque, enregistrée ou seulement utilisée, si on peut prouver une réputation suffisante dans le public concerné. On n'accepte pas un pourcentage minimum, parce que ça dépend des circonstances particulières des cas individuels.

Si une telle protection est accordée est une question juridique, à résoudre à base des faits prouvés. Sur la base des possibilités abstraites, on juge si le caractère distinctif ou la réputation de la marque sont réduits. Pour ça, une similitude entre les signes est nécessaire qui permet une association mentale; une risque de confusion n'est pas nécessaire.

On peut demander l'annulation ou la non-utilisation de la marque postérieure.

Le groupe autrichien est contre l'introduction d'un registre des marques admissibles et aussi contre la nécessité d'une preuve d'un changement dans le comportement économique du consommateur moyen ou sa probabilité.