

## Question Q214

**National Group:** Bulgaria

**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 trademark? If so, which laws?

Art. 12 (3) and 13(1) iii of the Law on Marks and GIs provides for protection against dilution of trademarks.

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

No.

- 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).

Any sign which is identical with or similar to the mark in relation to goods or services which are not identical with or similar to those for which the mark is registered, where the earlier **mark has a reputation** for the territory of the Republic of Bulgaria **and where use of that sign without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.**

- 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?

According to the Law, a mark has to be distinctive to be eligible for registration and therefore to be protected against dilution.

- 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?

For a mark to be eligible for protection against dilution, it has to be a mark with reputation. The following shall be taken into account when determining whether the mark is with reputation:

- (i) the extent to which the mark is known or recognized among the part of the community which covers the real or would-be users of the goods or services or the persons engaged in the respective distribution network or the business circles dealing with the goods or services in question;
- (ii) duration, extent and geographical area of use of the mark;
- (iii) duration, extent and geographical area of public representation of the mark, including advertising, making public and displaying at fairs and/or exhibitions of the goods and/or services in relation to which the mark is used;
- (iv) information about the successful enforcement of the rights in the mark, if registered;
- (v) value of the mark;
- (vi) other circumstances.

A mark seeking a mark with reputation status has to be assessed as such for the territory of the Republic of Bulgaria towards the filing date or priority date, as appropriate, of the "attacked" mark.

- 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?

According to the practice of the Patent Office, it is important to establish extensive use for the territory of Bulgaria based on which the threshold of recognition is established. According to the Court practice, a mark may be determined as mark with reputation without use for the territory of Bulgaria, but if it can be proven through evidence that it has been established as such in other countries, preferably on the territory of the EU.

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?

According to the Law, the threshold is determined as the extent to which the mark is known or recognized among the part of the community which covers the real or would-be users of the goods or services or the persons engaged in the respective distribution network or the business circles dealing with the goods or services in question.

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?

According to the Law, if dilution is claimed though a mark with reputation, registration or application of the mark is sought, and use is an important criteria especially in a proceeding before the Patent Office.

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

A mark has to be a mark with reputation for the territory of Bulgaria and its unauthorized use without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.

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 eligibility for protection against dilution is a matter of law to be established by the courts or authorities on the basis of facts. The claimant bears the burden of proof regarding the eligibility criteria.

The criteria, regarding a mark with reputation, includes the following:

(i) the extent to which the mark is known or recognized among the part of the community which covers the real or would-be users of the goods or services or the persons engaged in the respective distribution network or the business circles dealing with the goods or services in question;

(ii) duration, extent and geographical area of use of the mark;

(iii) duration, extent and geographical area of public representation of the mark, including advertising, making public and displaying at fairs and/or exhibitions of the goods and/or services in relation to which the mark is used;

(iv) information about the successful enforcement of the rights in the mark, if registered;

(v) value of the mark;

(vi) other circumstances.

It has to be also established that the unauthorized use without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier 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?

According to the Law on Mark and GIs, there is an official register for marks with reputation for the territory of Bulgaria. Any third party may appeal against the decision on determining a mark as a mark with a reputation before the Sofia City Court in accordance with the Code of Administrative Procedure within one month following the publication of the mark in the Official Bulletin. Marks that have been determined as being with reputation before the Patent Office and consequently recorder with the Register and carry very strong evidentiary value.

If the mark has been determined as a mark with reputation in a proceeding before the Sofia City Court under the ordinary claim procedure, than the evidentiary value of such finding is case dependent and most of the time relevant only with regard to the particular proceeding. The decision of the Sofia City Court is subject to appeal before higher instances.

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? 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?

One has to establish mental association or link between the earlier trademark and the later trademark. There is no available case law or practice, but usually such link maybe established through market surveys before the Patent Office or it may be question of law to be established by the courts on the basis of such facts.

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'?

N/A.

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?

N/A.

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 behavior of the

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

Likelihood of dilution has to be proven. The burden of proof lies with the claimant. Evidence of a change in the economic behavior of the average consumer or that such change in behavior is likely to be an important factor- reduced willingness to buy sold goods under the earlier mark may be considered as change in economic behavior. Such change may be proven through 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? YES
  - to the actual use of a later trademark? YES
  - in respect of dissimilar goods only or also in respect of similar goods? To similar and dissimilar goods.
  
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? Does your trademark office refuse the registration of a later trademark on grounds of likelihood of dilution?

Owner of an earlier trademark with reputation may oppose or cancel a trademark on the grounds of a likelihood of dilution before the Bulgarian Patent Office. One may also proceed on the same grounds before the Court in an infringement or bad faith proceeding.

## **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 trademarks against dilution. More specifically, the Groups are invited to answer the following questions:

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?
  
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?

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?
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?
5. Should detriment to the distinctive character or reputation of the earlier mark require evidence of a change in the economic behavior of the average consumer or that such change in behavior is likely?
6. What should the remedies be for dilution of a mark?

National Groups are invited to comment on any additional issue concerning the protection of a mark against dilution.

**Note:** It will be helpful and appreciated if the Groups follow the order of the questions in their Reports and use the questions and numbers for each answer.

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