



Question Q214

National Group: AIPPI Czech Republic National Group
Title: Protection against the dilution of a mark
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Question Q214

Protection against the dilution of a mark

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?

YES. Mainly Act No. 441/2003 Coll., on Trademarks (Trademark Act) and its following provisions (NOTICE – some of the provisions are not relevant exactly to the question of dilution, we present it for the whole point of view) :

Section 7

(1) The sign applied for shall not be registered in the register upon opposition against the registration of the trade mark in the register (hereinafter referred to as "the opposition") filed with the Office by

- a) the proprietor of an earlier trade mark if because of the identity or similarity with the earlier trade mark and because of the identity or similarity of the goods or services covered by the sign applied for and the trade mark there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes also the likelihood of association with the earlier trade mark,*
- b) the proprietor of an earlier trade mark which is identical with or similar to the sign applied for, if this sign is to be registered for goods or services which are indeed not similar to those goods or services covered by the earlier trade mark, but the earlier trade mark has a good reputation in the Czech Republic, and the use of that sign would without due cause take unfair advantage of or would be detrimental to the distinctive character or the reputation of the earlier trade mark,*
- c) the proprietor of an earlier well known trade mark, if because of the identity or similarity with the earlier well known trade mark and the identity or similarity of the goods or services covered by the sign applied for and the well known trade mark there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association with the earlier trade mark,*

- d) *the proprietor of an earlier well known trade mark which is identical with or similar to the sign applied for, if this sign is to be registered for goods or services which are indeed not similar to those goods or services covered by the earlier well known trade mark, but the earlier well known trade mark has a good reputation in the Czech Republic, and the use of that sign would suggest a relationship between the goods or services and the proprietor of the earlier well known trade mark,*
 - e) *the proprietor of an earlier Community trade mark which is identical with or similar to the sign applied for, if this sign is to be registered for goods or services which are indeed not similar to those goods or services covered by the earlier trade mark, but the earlier trade mark has a good reputation in the territory of the European Communities and the use of the sign applied for would without due cause take unfair advantage of or would be detrimental to the distinctive character or the reputation of the earlier Community trade mark;*
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- g) *the proprietor of a non-registered sign or of another sign used in the course of trade of more than mere local significance for identical or similar goods and services, if such sign is identical with or similar to the sign applied for, if the rights to that sign were acquired prior to the date of the application for registration;*

CHAPTER II
EFFECTS OF A TRADE MARK
Section 8

Rights conferred by a trade mark

- (1) *The proprietor of the trade mark shall have the exclusive right to use the trade mark in relation to the goods or services covered by the trade mark. The proprietor of the trade mark proves his rights by means of an abstract from the Register, or by means of a certificate of registration. The proprietor of the trade mark has the right to use the sign ® together with the trade mark.*
- (2) *Unless otherwise provided by this Act (Sections 10 and 11), third parties may not use without the consent of the proprietor of the trade mark in the course of trade*
 - a) *any sign which is identical with the trade mark for goods or services which are identical with those for which the trade mark is registered;*
 - b) *any sign where because of its identity with or similarity to the trade mark and because of the identity or similarity of the goods or services to which the trade mark and that sign are affixed, there exists a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the trade mark;*
 - c) *any sign identical with or similar to the trade mark for goods or services which are not similar to those for which the trade mark is registered, where the trade mark has a good reputation in the Czech Republic and where the use of that sign would without due course take advantage of or be detrimental to the distinctive character or the good reputation of the trade mark.*
- (3) *For the purposes of paragraph 2, the use in the course of trade means, in particular,*
 - a) *affixing the sign to goods or the packaging thereof,*
 - b) *offering goods for sale, putting them on the market or stocking them for those purposes under the sign, or offering or supplying services under the sign,*
 - c) *importing or exporting goods under the sign,*
 - d) *using the sign on business papers or in advertising.*

Section 32

Invalidity

- (1) The Office shall upon request of a third person or on its own motion declare a trade mark invalid, if the trade mark has been registered in breach of the provisions of Section 4 or Section 6.
- (2) Where the trade mark has been registered in breach of Section 4 letter b) or c) or d), it shall not be declared invalid if it has acquired a distinctive character in consequence of its use for goods or services for which it is registered after its registration.
- (3) The Office shall also declare a trade mark invalid in proceedings instigated upon motion of a person mentioned in Section 7 and for reasons mentioned in that provision.
- (4) Where the trade mark is declared invalid, the trade mark shall be deemed never to have been registered.
- (5) A trade mark may be declared invalid even after its proprietor surrendered the trade mark or after the trade mark lapsed.
- (6) Where the ground for invalidity exists only in respect of some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

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

There is no legal definition of dilution in Czech legislation. There is no definition in the case law as well, but the question of dilution was for example mentioned in the argumentation in decision of the Czech IPO No. O-444483 of January 13, 2010 (denomination GENUS TV) and other Czech IPO decisions or in a few court decision, but no exact definition of this institute is provided.

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).

The following trademarks are afforded protection against dilution in the Czech Republic:

- ***the trademarks with a good reputation in the Czech Republic if the use of the sign would without due cause take unfair advantage of or would be detrimental to the distinctive character or the reputation of the earlier trademark***
- ***well known trademark – if there is the identity or similarity with the earlier well known trademark and the identity or similarity of the goods or services covered by the sign applied for and the well known trademark there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association with the earlier trademark,***
- ***well known trademark with a good reputation in the Czech Republic - no identity or similarity of the goods or services required; the use of that sign should suggest a relationship between the goods or services and the proprietor of the earlier well known trademark***

- **Community trademark with a good reputation in the territory of the European Communities – the trademark should be identical with or similar to the sign applied for, if this sign is to be registered for goods or services which are indeed not similar to those goods or services covered by the earlier trademark, but the earlier trademark has a good reputation in the territory of the European Communities and the use of the sign applied for would without due cause take unfair advantage of or would be detrimental to the distinctive character or the reputation of the earlier Community trademark**

For more details please see quotation of the Trademark Act No. 441/2003 Coll. mentioned above in answer 3.1.

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, the mark need to be distinctive, but the marks that have acquired distinctiveness through use are also protected. Every mark registered at the Czech IPO need to be distinctive, at least with distinctiveness acquired through use.

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?

To be eligible for protection against dilution the mark should have a reputation or be well-know / famous. Some kind of protection against later trademarks has also the „standard“ trademarks, but usually only for the relevant classes of goods and services, so to give exact answer we assume that trademark should have a reputation, be well-known or famous to have the protection against dilution, the „standard“ trademarks has some kind of protection against later trademarks but this protection has a different character than the protection against the dilution of the trademark.

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?

There are no exact legal criteria in the Act No. 441/2003 Coll., on trademarks related to conditions which the trademark should meet to be well known or famous. Every case is judged by the Czech IPO independently and the Czech IPO follows the judicature of ECJ as well. There is no exact procentual limit of the population awareness. It is the same considering the question of widespread across the country. The Czech patent office consider every case and every situation by his own and it depends on the evidence and

proofs given by the parties if the trademark can be considered as famous or well known. The question of the fact that the mark is well known or famous in one country has no significant importance for considering this question within the market in the Czech republic. The only exemption are the CTM's, where the Czech IPO has a respect to the reputation of the CTM in different country of the Community.

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 is considered by the Czech IPO as relevant sector of public, the relevant sector of consumers. For example in case of common products the relevant population can be the general public at large, but in case of some special, not so wide-spread products the relevant population will be smaller group. The recognition or fame in a limited product market is sufficient.

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?

To be eligible for protection the mark does not have to be used in or registered. The applicant has the protection against dilution as well.

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

We are not aware of any other criteria.

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?

It is an issue of fact. The burden of proof bears the owner of the mark. Survey evidence is usually needed if fame and good name of mark has to be proved. Basically the following proofs are recommended: sales volume, the market share evidence, survey evidence regarding the fame of the mark among the public, extent of advertising and propagation and promotion of the mark, the territorial extent, length of use etc.....

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, there is no such a registry nowadays in the Czech Republic.

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?

Yes, the Czech law requires the existence of a mental association or link between earlier trademark and the later trademark. To be more specific we would like to present for example one of the provisions of the Trademark Act, when the later trademark is not registered upon oppositions of the proprietor of an earlier well known trademark, if because of the identity or similarity with the earlier well known trademark and the identity or similarity of the goods or services covered by the sign applied for and the well known trademark there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association with the earlier trademark. Also the Czech Patent Office follows the judicature of ECJ, so the factors mentioned in paragraph 27 and 28 above in guidelines are relevant for assessing the existence of such a "mental association" or "link". The question of the assessment of a link is rather the question of law established by the courts or authorities on the basis of the factors mentioned above and other criteria mentioned in the Trademark Act.

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'?

No, the mental association or link does not result automatically in every cases in detriment to the earlier trademark's repute or distinctive character. The Czech IPO judges every cases with the respect to the all relevant circumstances and conditions and the detriment, or the possibility of detriment is has to be proved. There has to be proved that the possible infringement of the prior rights by unjustified parasiting from distinctive character of earlier mark or good reputation of earlier mark exist. The Czech IPO follows the judicature of the ECJ, this question has been solved for example in the decision of Czech IPO No. O-444483 of January 13, 2010 where the Czech IPO mentioned the existing decision of the Court of First Instance of European Communities No. T-67/04 „SPA v. Spa-finders“ and the decision No. T-215/03 „VIPS“.

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?

Basically the same factors mentioned in the discussion in articles 27, 28 of the guidelines are taken into consideration. Further, a change in the economic behaviour of

the average consumer of the goods or services for which the earlier mark was registered as a result of the use of the later mark, or at least a serious likelihood that such a change will occur in future has to be proved.

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 should be sufficient. The burden of prove has the owner of earlier trademark. The danger of detriment to distinctive character of good reputation of earlier mark can occur mainly if the characteristic or quality with negative impact to earlier trademark occur within the relevant goods or services. The Czech legal system and the Czech IPO requires also the evidence of a change in the economic behaviour of the average consumer or that such change in behaviour is likely – the Czech IPO follows the decision No. C-252/07 „Intel“ – so the criteria and conditions (and necessity of proves) required by the Czech IPO are basically same as before the European Court of Justice. The reduced willingness to buy goods sold under the earlier mark is a change in the economic behaviour. The change in the economic behaviour of the average consumer can be proved by the surveys among the relevant public.

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?

The owner of the earlier trademark is entitled to object to the registration of a later trademark and to the actual use of a later trademark as well – the second possibility takes place within the invalidity proceedings against the later trademark according the section 32 of Act. No. 441/2003 Coll., on trademarks. The owner of the earlier trademark can object in respect of dissimilar goods as well.

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?

The owner of the earlier trademark may file an oppositions or initiate invalidity proceedings against already registered later trademark. He can not ask for injunctive relief or preliminary injunctive relief – the question is solved only within the proceedings

before the Czech IPO as the administrative authority, not before the court. The Czech IPO refuses the registration of a later trademark on the grounds of likelihood of dilution.

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?

Basically we propose to keep the actual state in main clauses – we assume that the well known trademarks, trademarks with good reputation, resp. well known trademarks with good reputation (and the CTM’s) should be eligible against dilution. Also, we consider the criteria mentioned in the Czech legal system as basic and in principle sufficient. The main objective could be to precise the legal basis and give the legal definition of the dilution. We agree that the judging authority – The Czech Patent Office in the Czech Republic can precisely examine the actual case with its unique conditions and circumstances and is able to decide (confirm) that actual trademark is eligible for protection against dilution and grant the trademark the protection mentioned in the Czech Trademark Act but it is true that the laws could be more specific and should give to the judging authority more guidelines how to decide the relevant matter (i.e. to give directly in the written law the specific criteria required for granting the protection against dilution). We believe that recognition or fame in a limited product market should 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?

- ***we don’t think so, that there should be such criteria.***

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 registry would be probably recommendable, but with the possibility to challenge such a registration 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?

- 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?

Probably no, because sometimes can be difficult in time of the decision prove the existing change in economic behaviour of the average consumer. Sometimes the possibility (likelihood) of such change should be sufficient – it depends on the actual circumstances and conditions of the relevant case.

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

If the dilution is proved and the later trademark causes dilution to the earlier trademark the later trademark should be not registered (during the opposition proceedings before the IPO) or the IPO should declare the existing (registered) later trademark as invalid and it should be removed from the trademark registry.

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