

Question Q214 REPORT

National Group: French Group of AIPPI

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

Contributors: Evelyne Roux (President), Eléonore Gaspar (Rapporteur), Olivia Bernardeau-Paupe, Florence Jacquand, Béatrice Thomas

Representative within Working Committee: Evelyne Roux (Président), Eléonore Gaspar (Rapporteur), Olivia Bernardeau-Paupe, Florence Jacquand, Béatrice Thomas

Date: REPORT OF MARCH 18, 2010

Questions

In France, trademark dilution means the weakening of the trademark's distinctive power or its becoming commonplace.

This can be one of the components of the damage caused by trademark infringement, and particularly of the moral harm that is expressly mentioned in the new Article L.716-14 of the Intellectual Property Code (IPC) on damages. This form of damage was particularly admitted in a few decisions of the Paris Court of Appeals, including September 25, 2009 (Pole 5 Chamber 2), November 19, 2008 (4th Chamber Section A) and April 9, 2008 (4th Chamber Section A).

The dilution of the trademark can also be an autonomous violation of trademark rights that is independent of trademark infringement. This is one of the violations that can be made against a reputed trademark.

Given the detailed working guidelines on Question 214, the French Group examined the matter of protection against trademark dilution only in the second case, namely protection that is independent of the classic system that governs infringement, that of the reputed trademark.

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?

In France, several texts can apply with respect to the phenomenon of trademark dilution. However, none of them uses the word "dilution."

a) Reminder of the international texts

As a reminder, Article 6^{bis} paragraph 1 of the Paris Convention of March 20, 1883, provides the following with respect to the well-known trademark:

"The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith."

Also, as a reminder, the TRIPS Agreement of April 15, 1994, which instituted the World Trade Organization, provides the following in its articles 16.2 and 16.3:

*"Article 6^{bis} of the Paris Convention (1967) shall apply, mutatis mutandis, to services. In determining whether a trademark is well-known, **Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.**"*

*"Article 6^{bis} of the Paris Convention (1967) shall apply, mutatis mutandis, to goods or services **which are not similar** to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate **a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be prejudiced as a result of such use.**"*

b) The directive of October 22, 2008 – formerly the directive of December 21, 1988 – approximating the laws of the Member States relating to trademarks (hereinafter the "Directive")

The Directive provides specific protection for reputed trademarks used for different goods and/or services.

Thus, article 4.3 de la Directive provides that:

*"A trade mark shall furthermore **not be registered** or, if registered, shall be liable to be **declared invalid** if it is identical with, or similar to, an **earlier Community trade mark** within the meaning of paragraph 2 and is to be, or has been, registered for goods or services **which are not similar** to those for which the earlier Community trade mark is registered, where the earlier Community trademark **has a reputation in the Community and where the use of the later trade mark without due cause** would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark."*

Article 4.4 a) of the Directive also provides as follows:

*"**Any Member State may**, in addition, provide that a trade mark shall **not be registered** or, if registered, shall be liable to be **declared invalid** where, and to the extent that:*

*(a) the trade mark is identical with, or similar to, an earlier **national trade mark** within the meaning of paragraph 2 and is to be, or has been, registered for goods or services **which are not similar** to those for which the earlier trade mark is registered, where the earlier trade mark **has a reputation in the Member State concerned** and where the use of the later trade mark without due cause would take unfair advantage of, or **be detrimental to**, the distinctive character or the repute of the earlier trade mark."*

The earlier trademarks referred to in these articles include well-known trademarks as defined under article 6^{bis} of the Paris Convention.

Article 5.2 of the Directive also provides that:

*"**Any Member State may** also provide that the proprietor shall be entitled to **prevent all third parties** not having his consent **from using in the course of trade** any sign which is identical with, or similar to, the trade mark in relation to goods or services **which are not similar** to those for which the trademark is registered, **where the latter has a reputation in the Member State and where use of that sign without due cause** takes unfair advantage of, or **is detrimental to**, the distinctive character or the repute of the trade mark."*

c) The rules of the EC regulation that also stems from the Directive

Article 9-1c) of EC Regulation no.207/2009, formerly EC Regulation no.40/94 (hereinafter the "Regulation") provides that when the Community trademark confers exclusive rights on its owner, then said owner is **entitled to prevent all third parties** not having his consent **from using in the course of trade:**

*"any sign which is identical with, or similar to, the Community trade mark in relation to goods or services which are **not similar** to those for which the **Community trade mark** is registered, **where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trademark.**"*

Article 53.1 a) of the Regulation also provides that **a Community trade mark shall be declared invalid on the basis of a counterclaim in infringement proceedings**, where there is an earlier trademark as referred to in Article 8(2) and the conditions set out in paragraph 1 or paragraph 5 of that Article are fulfilled, namely if the trademark is *"identical with, or similar to, the earlier trade mark and is to be registered for goods or services which **are not similar to** those for which the earlier trade mark is registered, **where, in the case of an earlier Community trade mark, the trade mark has a reputation in the Community and, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trademark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.**"*

The reference to earlier trademarks includes *inter alia* well-known trademarks, as defined under article 6^{bis} of the Paris Convention.

⇒ The above-mentioned articles of the Regulation apply to Community trademarks and the French Community Courts may be asked to apply them.

d) The rule set forth in the French Intellectual Property Code (hereinafter "IPC"), stemming from the Directive

Article L.713-5 of the IPC (as modified by the order of December 11, 2008) provides the following:

"Anyone who reproduces or imitates a trademark that enjoys repute for goods or services that are **not similar to those designated in the registration shall be liable under civil law if such use is likely to prejudice the owner of the trademark, or if such reproduction or imitation constitutes an unjustified exploitation of the trademark.**

The foregoing paragraph shall apply to the use of a trademark that is well-known within the meaning of Article 6^{bis} of the Paris Convention for the Protection of Industrial Property referred to above."

Article L.713-5 of the IPC applies to national French trademarks and to international trademarks that designate France.

It is to be noted that this article is not an exact quotation of the Directive. In particular, it does not define the nature of the damage to be taken into consideration, which is defined in the Directive as damage with respect to the distinctive character or to the repute.

⇒ None of the provisions of the law specifically uses the word "dilution." They refer to possible damage with respect to the distinctive character of the reputed or well-known trademark.

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

There is no definition of dilution in the French legislation, nor does it expressly mention the word "dilution."

Article L.713-5 of the IPC provides penalties for the reproduction or imitation of the reputed trademark that is either "likely to prejudice" the trademark owner, or constitutes an "unjustified exploitation" of the trademark. The same holds true of the Directive and the Regulation.

Until recently, French decisions did not always distinguish between use likely to prejudice and unjustified exploitation. However, the French courts take into account the decisions of the ECJ and generally apply the rules that it lays down.

Thus, in compliance with such rules, the risk of dilution is now defined as a violation of distinctiveness, which is considered as having taken place when the trademark's attractive power is diminished and the trademark becomes commonplace.

This definition is mentioned in the recent decisions rendered by the French Courts, which admitted the existence of a risk of dilution in a case where the attractive power of the reputed/well-known trademark had lessened and the trademark had become commonplace (Supreme Court, Commercial Chamber, February 20, 2007 "Desperados"), and in a case where the trademark had lost its ability to bring to mind immediately the products it designated, with a decline in its economic value (Paris First Instance Court, March/April 2008, "SFR" decision).

As stated at the beginning of this report, the French decisions also refer to dilution as one of the forms of damage suffered by the trademark owner and that must be compensated in the event of trademark infringement. In such a case, which shall not be addressed in this report, dilution comes under the same definition.

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).

When one speaks of protection against dilution as a violation that is separate from infringement, the trademarks that can benefit from such specific protection are distinctive trademarks that are reputed or well-known (in French decisions, the terms are sometimes used interchangeably, whether or not the trademark is registered).

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?

For a trademark (registered or not) to be eligible for protection against dilution, it must be reputed or well-known, which indirectly implies that it be distinctive in nature, either inherently or through use. However, it is not necessary for the trademark to be unique, namely that the sign covered be invented.

However, as the risk of dilution is defined as a violation of distinctive character, it seems easier to have a risk of dilution recognized when the earlier trademark is intrinsically highly distinctive. To the knowledge of the French Group, the French Courts have never rendered any decision relating to the protection of a reputed or well-known trademark that acquired distinctiveness 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?

- In application of the various texts, protection against dilution only exists for reputed and well-known trademarks, as defined in article 6^{bis} of the Paris Convention.

Indeed, Article L.713-5 of the IPC provides that well-known trademarks are covered by the specific protection provided for reputed trademarks for different products and/or services. This extension of the protection to well-known trademarks, which French case law acknowledged even before the introduction of Article L.713-5 of the IPC, was already provided in both the TRIPS Agreement and the Directive.

However, none of the texts provides a definition of either a reputed trademark or a well-known trademark, not even article 6^{bis} of the Paris Convention, the Directive, Article L.713-5 of the IPC, or the Regulation.

People agree to consider that the well-known trademarks of article 6^{bis} of the Paris Convention are unregistered trademarks while reputed trademarks are registered to designate the goods or services for which they are reputed.

It was initially considered in France that, in order to be qualified as well-known, a trademark first needed to be known to a very large share of the public.

However, the TRIPS Agreement on the well-known trademark refers to "the relevant sector of the public" (article 16.2 of the TRIPS Agreement): "(...). *In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.*")

As for Community case law, it has laid down as a principle with respect to the reputed trademark, that "*in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers*" (ECJ, September 14, 1999, "Chevy").

Spurred on by Community case law, French case law now applies this criterion and verifies, to determine whether a trademark is reputed, whether a significant part of the relevant public is to some degree aware of the trademark (Paris Court of Appeals 4th Chamber B, May 18, 2001 "Chaumet" – Paris Court of Appeals 4th Chamber B, 8 mars 2002, "Zippo" – Paris Court of Appeals, May 12, 2004 – Paris Court of Appeals, January 18, 2006, "Orlane" – Paris First Instance Court, March 14, 2007, "Boss").

Nevertheless, the relevant public is assessed based on the nature of the goods and it can therefore be considered as including the general public. Such is the case, for instance, of timepiece products, which are intended for all consumers, so that the relevant public is the general public and not connoisseurs in a position to purchase luxury items (Supreme Court, Commercial Chamber, June 7, 2006, "Ebel").

Part of the doctrine has suggested gradations in the degree of reputation between *well-known* trademarks and *reputed* trademarks, distinguishing between *well-known* trademarks – which would be considered as known to a very large fraction of the public, such knowledge being assessed in relation to the general public, namely the entire population – and reputed trademarks – which would be considered as known to the public that uses the marked product or service sold under said trademark in the country in which protection is sought. In the "Chevy" case, Advocate General Jacobs also seemed to admit that there could be a difference in the threshold of repute required for well-known and reputed trademarks.

However, generally speaking, the Courts in France do not seem to take into account such gradations, and they apply the same criteria for both reputed and well-known trademarks and often use the words "well-known" and "reputed" interchangeably (e.g., Supreme Court, Commercial Court, June 7, 2006, "Ebel" or Paris Court of Appeals, July 4, 2008, "Opera").

Thus, in the most recent French decisions, the public taken into account to determine whether a trademark is reputed is defined as a significant part of the relevant public. However, depending on the nature of the product sold or the service offered, the relevant public can be either the general public, or a more specialized public.

The French Group considers that the same should be true for well-known trademarks, as the public to be taken into consideration is also the relevant public.

- To assess whether a trademark is well-known or reputed, French and Community Courts take into consideration all the relevant elements and particularly the length of time (in years) since registration of the reputed trademark, the market share linked to the trademark, the intensity, geographical extent and duration of use, as well as the amounts invested by the trademark owner to promote it (ECJ, September 14, 1999, "Chevy" – Paris Court of Appeals, May 18, 2001, "Chaumet").

- Repute and knowledge are assessed on the date of the disputed acts. It seems that a distinction can be made depending on whether or not the later trademark is used. Whether the earlier trademark is reputed or well-known is assessed in case of use on the date of the summons (Paris First Instance Court, February 22, 2000, "Bourjois") or on the date of the filing of the application of the later trademark, in the event of filing (Paris, First Instance Court, November 14, 2000, "Hilton").

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?

- French case law does not mention a specific threshold of awareness required to consider that a trademark is reputed or well-known. However, as we have seen, the reputed trademark must be known to a significant portion of the relevant public.
- According to the provisions of the Directive, repute and knowledge are to be assessed "in the Member State," namely in the country whether protection is sought.

In matters of reputed trademarks, the ECJ ruled on the question of geographical extent of the public's awareness: the trademark need not be known throughout the Member State, but merely in a substantial part thereof (ECJ, September 14, 1999, "Chevy" – General Motors decision).

In matters of well-known trademarks, the ECJ has also been asked to rule on the geographical extent of the public's awareness in the following fashion: *"a trade mark cannot be required to be well known 'throughout' the territory of the Member State and it is sufficient for it to be well known in a substantial part of it. However, the customary meaning of the words used in the expression 'in a Member State' preclude it from being applied to a situation where the fact of being well known is limited to a city and to its surrounding area which, together, do not constitute a substantial part of the Member State."* (ECJ, November 22, 2007, "Fincas Tarragona" – Nieto Nuno decision).

Thus, for both well-known and reputed trademarks, awareness can be limited to a substantial part of the territory.

With respect to Community trademarks, the trademark must be reputed in the European Community. Repute is thus acquired when the trademark is known to a significant part of the public in a substantial part of the European Community. Repute in a Member State can therefore be sufficient for a Community trademark to benefit from the rules that govern reputed trademarks. It is to be wondered whether this reputed Community trademark could be claimed in a country in which it is not known. Given the unitary system governing the Community trademark, it should actually be possible to consider that a Community trademark that is reputed thanks to the public's awareness thereof in a Member State can benefit from the rules that govern reputed trademarks in a country in which it is not reputed. The Advocate General in the "Pago" case actually raised this question and argued in favor of such a solution. However, the ECJ did not settle this question in the decision rendered (ECJ, October 6, 2009, "Pago").

In the case of a French trademark, evidence must be provided of the trademark's repute with respect to the French consumer. The trademark's repute or knowledge abroad has no impact on the recognition of this trademark's repute or knowledge in France (Paris Court of Appeals, 4th chamber A, April 9, 2008, "Les Cahiers d'Or").

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?

As mentioned in section 3.3.2, for a reputed trademark, the public to be taken into consideration is the relevant public, and knowledge of the trademark by a significant part of this public is required. However, depending on the nature of the product marketed, the relevant public can be either the general public or a more specialized public.

Thus, proof of knowledge of the trademark in a niche sector can make it possible to acknowledge the reputed character of the trademark whose products or services come within the given niche.

However, in a recent first instance decision, which may not be affirmed, concerning a trademark in such a very restricted domain (Paris First Instance Court, October 29, 2009, "Diptyque"), the Court refused to recognize repute, on the grounds that the trademark owner had not succeeded in evidencing that the public's knowledge of the Diptyque trademark extended beyond its specific clientele and that it exercised alone an attractive force independently of the products designated.

As concerns well-known trademarks, the French Group considers that knowledge must also be assessed in relation to the relevant public. Accordingly, knowledge in a niche sector should also be 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?

According to the applicable texts, and particularly to Article L.713-5 of the CPI on the protection of the reputed trademark, there can be a violation of the distinctive character of both reputed registered trademarks and well-known unregistered trademarks. The trademark is therefore registered in the country where protection is sought, in the case of a reputed trademark, and remains unregistered if it is a well-known trademark as per article 6^{bis} of the Paris Convention.

In general, the trademark has been used in the country in which protection is sought since it is generally such use that allows it to be known to the public and therefore to acquire such repute or knowledge.

This should be the case of the reputed trademark that is registered in the relevant country and which, if it is not used for the products and/or services it designates, could be subject to cancellation after five years.

However, in accordance with the TRIPS Agreement, simple promotion can allow to acquire repute, as promotion is already an act of use, even in the absence of actual exploitation of the product in the territory of the country in which protection is sought. Moreover, it could be considered that, given the development of new means of communication, a trademark could acquire repute through intense promotion, even before it is exploited on a market or registered.

However, particularly in the case of a well-known trademark – and thus not registered in the country in which protection is sought – one can wonder whether a trademark could not acquire knowledge in a country as a result of the public's awareness of an intensive use abroad, which would make it a well-known trademark even though it has not been used in the territory where protection is sought. The French Group is of the opinion that the public's awareness does not necessary imply use in the country, and that a trademark can become reputed/well-known even when it is not used in the country in which protection is sought. Therefore, use in the country in which protection is sought should not be one of the criteria to acknowledge the existence such repute or knowledge. As far as the French Group is aware, the French Courts have so far never had to rule on this question.

Should a trademark that is not exploited in France be reproduced or imitated, one could also claim fraud, both based on Article L.712-6 of the IPC, and on the adage *fraus omnia corrumpit*, provided one can evidence *inter alia* the awareness of the use made abroad.

It is also to be noted that a Community trademark that has acquired repute in a substantial part of the European Community is not necessarily known or used in the country in which protection is sought. Yet, because of the unitary character of the Community trademark, it should be protected throughout the Community.

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

The special system of protection against dilution, as a system that is autonomous and independent of the one that governs infringement, is reserved for earlier trademarks that satisfy the following conditions:

- they must be distinctive (although not necessarily "unique"), and
- they must have become reputed or well-known.

There is no other eligibility criterion for the earlier trademark to benefit from this special protection system.

However, as stated in the preamble, dilution can also be one of the forms of damage suffered as a result of an infringement and such damage can exist when the trademark's distinctive character is diminished/made commonplace because of the infringement, provided the conditions for infringement are satisfied, including when the earlier trademark is not reputed or well-known.

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?

Eligibility for protection against dilution, and thus evidence of repute or knowledge, is a question of fact that is assessed discretionarily by the Courts (Supreme Court, Commercial Chamber, June 7, 2006, "Ebel"). Evidence of repute is assessed by the merits courts with sovereign power.

The trademark owner that files a claim for dilution must evidence that its trademark is a reputed or well-known trademark, namely that it is known to a significant part of the relevant public and that, because of this, it can benefit from the specific rules for protection against dilution.

All elements of proof are admissible and the French Courts take into account all the relevant elements of the case. Sales revenue and advertising spending (investments made by the company to promote the trademark) are elements of proof among others, but they are not necessarily sufficient to prove that the trademark deserves to be protected against dilution.

These elements of proof must be confirmed by other evidence, such as the market share of the trademark, and the intensity, geographic extent and duration of its use (Paris Court of Appeals, January 18, 2006, "Orlane," First Instance Court, March 14, 2007, "Boss"). Surveys can constitute proof of knowledge of the trademark by a large share of the public or by a large share of the relevant public, but this is not mandatory evidence. If a Court was to refuse to acknowledge the repute of a trademark in the absence of a survey, this would be because of the insufficiency of the other elements of proof. In any event, these are merely indications, which the merits Court assesses with sovereign power.

The criteria for the recognition of repute or knowledge are the same in national and Community matters.

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 France, there is no official registry that keeps a list of reputed or well-known trademarks. However, certain periodicals publish yearly "rankings," which can constitute additional indications.

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?

Article 16-3 of the TRIPS Agreement provides for the necessity of a link.

Like the Directive and Regulation, Article L.713-5 of the French Intellectual Property Code on the reputed trademark punishes the reproduction or imitation of reputed trademarks that is "likely to prejudice" the trademark owner but provides no criteria concerning the existence of a "link" in the minds of consumers.

However, like the ECJ's decisions, French case law requires proof of a link between the signs in conflict. Yet, French case law is not very explicit about the definition of such a link or about the criteria to be taken into account to determine the existence of such a link. Such existence is assessed globally taking into account all the relevant factors.

Nevertheless, it can be asserted that the existence of such a link implies that the signs must necessarily be identical or at least similar to a certain degree, to allow consumers to make "a connection between the signs." Thus, in the absence of similarity between the signs, there cannot be any violation as defined in Article L.713-5 of the IPC (Supreme Court, Commercial Chamber, January 17, 2006, "Vogue" – Paris Court of Appeals, October 22, 2008, "Puma"). However, it is not required that the signs be identical. Only similarity need be shown (in fact, since the order of December 11, 2008, Article L.713-5 of the IPC, expressly mentions "reproduction or imitation" and not merely "use").

Also, it is not necessary to prove a likelihood of confusion. The French courts thus specified, in the "Milka" case (Versailles Court of Appeals, April 27, 2006), that the protection of well-known trademarks is not contingent upon the existence of a likelihood of confusion with respect to the origin of the goods. Thus, even in the absence of a likelihood of confusion, there can be a dilution of the well-known/reputed trademark when the public can see a link between the sign at issue and the trademark, namely when there is a risk of association.

The fact still remains that the existence of a likelihood of confusion must be taken into account to assess the existence of a "link" because the former can imply the latter. This is why the Supreme Court, in the case of the reputed trademark "Elle," quashed the decision of the Court of Appeals, which – even though it had admitted the existence of a likelihood of confusion – had rejected the violation of distinctiveness (Supreme Court, Commercial Chamber, February 23, 2008).

There can be no link when the sign is not used in the course of trade or for commercial purposes. It was thus ruled that the use of the word "décathlon" in its usual meaning to disparage the practice of a sport, did not qualify as a violation of the well-known Décathlon trademark (Supreme Court, Commercial Chamber, February 20, 2007). Likewise, the Grenoble Court of Appeals (Grenoble Court of Appeals, February 7, 2006) also ruled that the use of the "l'air du temps" trademark to designate advertising services, did not constitute a violation of Nina Ricci's well-known "L'Air du Temps" trademark, because the expression had been used in its common meaning. Similarly, in the "Pétrossian" case (Paris First Instance Court, February 16, 1996, "Pétrossian"), use as a stage name was considered as not infringing upon the repute of the earlier "Pétrossian" trademark, while its use for a painting studio and gallery did constitute a violation because this was commercial and promotional exploitation.

However, the fact that the word "must" is understood in its common meaning is not sufficient to exclude a link between two trademarks due to their similarity (Paris Court of Appeals, "Pedimust," June 15, 2007).

The existence of a link also implies that the public with which the earlier trademark is reputed "overlaps" to some extent with the public of the challenged trademark. As a result, the nature of the goods, the degree of knowledge of the trademark, the degree of repute and distinctiveness can also be criteria to assess whether or not there is a link.

The onus of proof of the existence of such a link is upon the plaintiff who can prove it by all means, as the proof submitted is subject to the sovereign assessment of the merits judges. This link can particularly be proved by means of surveys (Paris Court of Appeals, March 7, 2007, "Monopoly").

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"?

It is said that a trademark's distinctiveness has been violated resulting in damage when the trademark's attractive strength is impaired, and the trademark is rendered commonplace (Supreme Court, Commercial Chamber, February 20, 2007, "Desperados").

The French courts have still not made a strict distinction between the existence of a link and the existence of the resulting damage and, therefore, have sometimes held that there was damage as a result of the mere use of a well-known trademark and of a link in the consumer's mind.

Nevertheless, the repute of the earlier trademark and/or the existence of a link with the challenged sign should not be sufficient, and the damage in terms of distinctiveness should also be proved for the courts to recognize the existence of a dilution and therefore the violation of the reputed/ well-known trademark.

In fact, in the "Elle" and "Louis Vuitton" cases, the Paris Court of Appeals rejected the violations of the reputed trademarks on the grounds that the existence of damage had not been demonstrated. It is true that the Supreme Court quashed these decisions but this was more because of conflicting grounds. Thus, in the Louis Vuitton case (Supreme Court, Commercial Chamber, March 11, 2008), the Supreme Court held that the fact that the Court of Appeals had stated that the use of the sign violated the distinctiveness of these reputed trademarks by making them commonplace, precisely constituted the damage that the Court of Appeals had declared to be non-existent. In the "Elle" case (Supreme Court, Commercial Chamber, September 23, 2008), the Supreme Court noted that the Court of Appeals should have examined whether or not the likelihood of confusion noted upon examination of the issue of the infringement, and the fact that the public could believe that the signs were similar, were of such nature as to violate the distinctiveness.

Likewise, in the "Milka" case (Versailles Court of Appeals, April 6, 2006), even though the Court of Appeals had acknowledged the existence of a link, it considered that there was no reduction of the attractive strength of the trademark, namely a violation of its distinctiveness and the ensuing detrimental dilution (but the Court of Appeals still ordered a sentence on the grounds that the exploitation was unjustified).

The Supreme Court reasserted this (Supreme Court, Commercial Chamber, February 10, 2009, "Cohiba") by stating the principle that it is up to the plaintiff to evidence that the use or imitation of a trademark it owns and which is reputed for goods or services that are not similar to those designated in the registration causes it damage (or constitutes an unjustified exploitation). Thus, it is not sufficient only to allege a risk of depreciation of prestige – it is necessary to demonstrate the fact that an infringement was committed, namely the damage.

It is therefore required to demonstrate the existence of a damage resulting from trivialization or from a likelihood of confusion, and this means taking into account all the circumstances. Nevertheless, in practice, it is difficult to evidence the damage and the question is then what evidence should be brought to demonstrate the existence of a risk of damage.

This evidence is all the harder to bring since it is accepted that the existence of a serious risk of dilution is sufficient, and that there is no need to prove an actual and current damage.

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?

Dilution means the existence of a trivialization of the trademark/loss of exclusivity, and the courts do not necessarily characterize in what way this loss of exclusivity is damaging.

In French decisions, we cannot always find all the criteria defined by the ECJ and listed in the working guidelines. Nevertheless, the French courts should integrate these various criteria as they go along.

The damage must be assessed globally by taking account of all the relevant factors, and the onus of proof is upon the plaintiff. Therefore and in any event, all the facts should be taken into account, and the criteria admitted to demonstrate the existence of a link can also be used.

Thus, due to the nature of the products at issue, it was possible to rule out the likelihood of a violation of distinctiveness. The Versailles Court of Appeals (Versailles Court of Appeals, April 6, 2006, "Milka") thus held that, given the difference between sewing services and confectionery, it was very unlikely that the services provided by the use of the later sign would reduce the power of attraction of the Milka trademarks.

Conversely, it was because of the nature of the goods that the Paris Court of Appeals recognized the existence of damage in the "Must" case for chewing gum (Paris Court of Appeals, September 29, 2004), by ruling that such use for consumer products necessarily caused Cartier damage because it violated the attractiveness of this trademark and rendered it commonplace.

Likewise, the absence of similarity between the signs allows to conclude that there is no damage and that, as a result, there is no violation of the reputed trademark (e.g., Paris Court of Appeals, October 22, 2008, "Wylson").

The existence of a likelihood of confusion can also, when the likelihood exists, be one of the criteria of the damage, even though this is not necessary (Supreme Court, Commercial Chamber, September 23, 2008, "Elle").

One should also take account of the other criteria defined by the ECJ, such as the degree of repute and the degree of distinctiveness.

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?

Article L.713-5 of the Intellectual Property Code on the reputed trademark applies when the use of the trademark is "likely to prejudice." The text therefore does not require that an actual and current damage be evidenced but only a risk of damage. It is therefore not essential to prove the existence of a recognized damage, and the existence of a risk of damage should be sufficient.

This was the solution admitted by the ECJ in the "Intel" decision, which sets forth the principle that, although the Directive and the Regulation are less clear than the French text, it is not necessary to evidence an actual damage.

In fact, in the "Louis Vuitton" case, the Court of Appeals ruled that the damage should be assessed not only with respect to a violation of the reputed trademark by making it commonplace, but also by an actual determination of the damage on the grounds that, without this, any representation of a sign potentially referring to the reputed trademark would be damaging. However, the Supreme Court quashed this decision (Supreme Court, Commercial Chamber, March 11, 2008, "Louis Vuitton") on the grounds that the acknowledged trivialization precisely constituted the damage that the Court of Appeals had declared to be non-existent...

The Supreme Court also asserted that it was impossible to infer the existence of a damage from the sole use of the trademark.

The onus of the proof with respect to the existence of such damage is upon the plaintiff (Supreme Court, Commercial Chamber, February 10, 2009, "Cohiba") who can prove it by all means, since the evidence brought is assessed by the merits judges on a sovereign basis.

French case law has not yet admitted the criterion set forth in the "Intel" decision having to do with the economic change in consumer behavior.

However, the French courts refer to the "depreciation" of the trademark or to the "damaging of the trademark's economic value."

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?**

Article L.713-5 of the Intellectual Property Code punishes the reproduction or imitation of reputed trademarks, but not specifically the filing of a trademark that is identical or similar to the reputed trademark.

Nevertheless, the Directive provides that a trademark can be denied registration or declared invalid if it violates a reputed Community trademark (article 4.3) and that Member States have the power to provide the same thing for a reputed national trademark (article 4.4.a).

The French courts have rendered decisions along these lines.

Thus, even though in the "L'Air du Temps" decision (Grenoble Court of Appeals, February 7, 2006), the Grenoble Court of Appeals ruled that the mere filing of an application for a reputed trademark could not in itself constitute an unjustified exploitation, it was generally acknowledged that filing a trademark application is its first act of use, and that it is possible to challenge the application and registration of a trademark on the basis of article L.713-5 of the Intellectual Property Code.

Furthermore, by way of example, in a decision of the Paris Court of Appeals of February 18, 1993 (Paris Court of Appeals, February 18, 1993, "Château d'Yquem"), the court considered that the filing for different goods of a later trademark that reproduced a reputed trademark was wrongful in itself and caused damage to the owner of the reputed trademark, even when it was not used, since the owner of the later trademark had abused its right to file an available sign.

Likewise, in the "Must" decision (Paris Court of Appeals, June 15, 2007), and in the "Playboy" decision (Paris First Instance Court, October 14, 2008), the judges considered that the mere filing of a trademark application constituted a use of this trademark.

It should be noted that a registration can only be challenged in the context of an invalidation action before the courts, and that it is not possible to file an opposition with INPI against the registration of the trademark on the basis of article L.713-5 of the Intellectual Property Code when it is possible to file an opposition on the basis of a well-known trademark as defined in article 6^{bis} of the Paris Convention.

However, the Regulation expressly provides that it is possible to challenge a registration and to request the invalidation thereof on the basis of a reputed trademark.

- ***to the actual use of a later trademark?***

The owner of a reputed trademark can obviously challenge the use of the later trademark.

The use is expressly referred to in article 16.3 of the TRIPS Agreement, as well as in the Directive and Regulation but these texts specify that the use must be made in the course of trade and without due cause.

- ***in respect of dissimilar goods only or also in respect of similar goods?***

If we interpret the texts literally, both article L.713-5 of the Intellectual Property Code and the Regulation should only apply in the case of goods and/or services that are not similar. Indeed, well-known or reputed trademarks for identical or similar goods and/or services should be protected according to the rules of infringement.

In the case of the violation of a reputed trademark, it is only necessary to prove the existence of a link, while in the context of infringement action for imitation, a likelihood of confusion should be evidenced. It has thus been said that reputed trademarks should be protected for identical and/or similar goods in the absence of a likelihood of confusion but in the presence of a link and when the conditions for protection against the violation of a reputed trademark have been met.

This was the solution admitted by the ECJ in its "Davidoff" decision of January 9, 2003, which accepted the extension of the scope of protection of reputed trademarks to identical or similar goods and/or services, and the ECJ reiterated this solution in the "Adidas" decision of October 23, 2003, by specifying that the extension was mandatory for Member States that had chosen to include this protection in internal law.

This solution was adopted by the French courts, with a few mistakes. Thus, section A of the Paris Court of Appeals refused for a while to apply article L.713-5 of the Intellectual Property Code on reputed trademarks when the products at issue were similar (Paris Court of Appeals, May 9, 2007, "Puma"; Paris Court of Appeals, September 26, 2007, "La City").

Nevertheless, in the "Canal+" case (Paris First Instance Court, April 1, 2008), the Paris First Instance Court punished the use of a later Canal+ sign that violated Canal+'s reputed trademark on the basis of article L.713-5 of the Intellectual Property Code, even though the products at issue (books) were similar.

The same occurred in the Paris First Instance Court's decision of March 14, 2007, in which the court recognized the violation of the reputed Boss trademark by an identical later trademark designating a number of goods, some similar and some different.

In any event, the solution admitted by the ECJ is clear, and we can consider that the system that protects reputed trademarks also applies to identical or similar 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?

a) Opposition

Before INPI, an opposition filed against a French trademark or against the French part of an international trademark can be based on an earlier trademark that is well-known according to the definition of article 6^{bis} of the Paris Convention, but not on an earlier reputed trademark. However, when the opposition is based on a well-known trademark, only identical or similar goods and/or services can be opposed. The Paris Court of Appeals has thus ruled several times (Court of Appeals, October 31, 2001, "Banania"; Court of Appeals, June 8, 2005, "Hugo Boss") that Article L.713-5 of the IPC on the reputed trademark was not designed to apply in the context of the administrative opposition procedure before INPI. This solution should be valid in the same way whether the earlier trademark is a reputed French trademark or a reputed Community trademark.

However, before the OHIM, the Regulation authorizes the owner of a reputed earlier trademark (French, Community or international trademark designating at least one Member State) to oppose the registration of an identical or similar later Community trademark designating different goods or services (*see art. 8, 5 of the Regulation*).

b) Invalidation actions

The Directive provides that a trademark can be refused registration or declared invalid if it is in violation of a reputed Community trademark (article 4.3), and that the Member States can provide the same for a national reputed trademark (article 4.4.a).

i- Invalidation of a French trademark or of the French part of an international trademark

Invalidation actions filed in France on the main claim are actions against French trademarks or the French part of an international trademark. These legal actions must be brought before the Courts.

Article L.713-5 of the IPC does not expressly provide that the penalty is invalidation, although it does not prohibit it either.

Article L.714-3 of the IPC comprehensively lists the grounds for invalidity, and it mentions Article L.711-4 of the IPC, which specifically refers to the violation of an earlier well-known trademark as defined in article 6^{bis} of the Paris Convention, but it does not mention the reputed trademark of Article L.713-5 of the IPC. However, this only pertains to the violation of a well-known trademark in the case of identical or similar goods and/or services.

As concerns national trademarks, article 4.4 of the Directive does mention the possibility for Member States to provide that a trademark will be declared invalid in the event of a violation of a reputed trademark, but it specifies that this is only a possibility.

However, a majority of French case law recognizes that such invalidity can be decided based on the general rules of law, which authorize compensation in kind. The Paris Court of Appeals thus ruled as early as 1997 (Paris Court of Appeals, October 31, 1997, "Cosmopolitan") that when a reputed trademark is filed in sectors outside its specialty and causes damage to the trademark owner, and although the law does not expressly say so, the registration should be invalidated. Likewise, in a decision of March 7, 2007 (Paris Court of Appeals, "Monopoly"), the Paris Court of Appeals pronounced the invalidity of a trademark that infringed HASBRO's well-known trademarks.

Yet, in the Paris Court of Appeals' "Pedimust" decision of June 15, 2007, the judges considered that Article L.713-5 of the IPC on reputation did not expressly give the courts the possibility of pronouncing the invalidity of the "Pedimust" trademark, and Cartier's invalidity claim was thus dismissed (Paris Court of Appeals, June 15, 2007).

Even though there are still uncertainties with respect to this question, it can be considered that the owner of a reputed and/or well-known French trademark can obtain in France the invalidity of a later trademark if it is infringing.

To obtain the invalidity of the trademark, lawyers could possibly also claim fraud under Article L.712-6 of the IPC, even though this text does not expressly discuss invalidity either.

ii- Invalidity of a Community trademark

It is also possible, although only as a counterclaim, to request the invalidity of a Community trademark in France before the Community Trademark Court. In the case of a Community trademark that infringes a reputed or well-known earlier trademark (French, Community or international designating France), article 53, 1, *a*) of the Regulation contains express provisions concerning invalidity ("*A Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings: (a) where there is an earlier trade mark as referred to in Article 8 (2) and the conditions set out in paragraph 1 or 5 of that Article are fulfilled*"), and Article 8.5 of the Regulation contains provisions pertaining to the violation of a reputed trademark.

c) The procedural system

i- Qualification of the violation of the reputed trademark

In French law, Article L.716-1 of the IPC provides that: *"A violation of the rights of a trademark owner shall constitute an infringement for which the offender incurs civil liability. Any violation of the prohibitions laid down in Articles L.713-2, L.713-3 and L.713-4 shall constitute a breach of the rights in the trademark."* It is to be noted that this definition does not mention Article L.713-5 of the IPC on reputed trademarks. As a result, in French law, the usurpation of a reputed trademark should not constitute an infringement, but only an act for which the offender incurs civil liability, as set forth in Article L.713-5 of the IPC. It is true that a Paris Court of Appeals decision of September 27, 1996, mentions that the list of Article L.716-1 of the IPC is not limitative, but this decision was rendered in specific circumstances and not in connection with a reputed trademark.

However, Article L.717-1 of the IPC pertaining to Community trademarks qualifies as infringements all violations of reputed trademark provided in Article 9 of the Regulation: *"The violation of the prohibitions set forth in Articles 9, 10, 11 and 13 of Council Regulation (EC) 40/94 of 20 December 1993 on the Community trademark shall constitute an infringement resulting in the civil liability of the offender."*

Moreover, in the Paris Court of Appeals' "Moet & Chandon" decision (September 17, 2008), said court clearly distinguished between the violation of a reputed French trademark under the conditions of Article L.713-5 of the IPC, which results in the civil liability of the offender, and the violation of a reputed Community trademark, which qualifies as an infringement.

Since the violation of a Community trademark qualifies as an infringement, while the violation of a national reputed trademark does not, the reputed Community trademark should be able to benefit from the special procedural provisions pertaining to infringement, which is not the case of the national reputed trademark. As a result, there are major procedural differences depending on whether the trademark violation affects a reputed French trademark or a reputed Community trademark.

ii- The procedural system for the reputed Community trademark

The owner of a reputed Community trademark can bring infringement action before the Community Trademark Court and it also has access to the procedures that are specific to acts of infringement, including with respect to protective and provisional measures, particularly the preliminary injunction of Article L.716-6 of the IPC, the "*saisie-contrefaçon*" seizure (*Article L.716-7 of the IPC and art. 103 of the Regulation*) and the new judicial procedure for the request for information as provided in Article L.716-7-1 of the IPC.

iii- The procedural system for the reputed French Trademark

However, the owner of a reputed French trademark is not allowed to take infringement action or to exercise the measures relating to acts of infringement, such as the preliminary injunction action of Article L.716-6 of the IPC, the "*saisie-contrefaçon*" seizure of L.716-7 of the IPC, or the request for information of Article L.716-7-1 of the IPC. Indeed, all these texts refer to infringement.

It is true that, in a decision of February 20, 2007 (Supreme Court, Commercial Chamber, February 20, 2007, "Brasserie de Tahiti"), the Supreme Court validated a seizure carried out at the request of a reputed trademark owner on the grounds that the provisions of Article L.716-7 of the IPC on seizure did not prohibit a trademark owner from performing a seizure based on Article L.713-5 of this same code. However, this decision was rendered on the basis of the former law, which did not refer to infringement, but only to acts committed in violation of the trademark owner's rights. As for the new text stemming from the law of October 29, 2007, it refers to infringement and reserves the right to take action to the people who are entitled by law to sue for infringement.

Nevertheless, the owner of a reputed or well-known trademark, which will have to take action before the First Instance Court having exclusive jurisdiction in trademark matters, can always avail itself of the provisions of the general laws that apply in civil liability cases.

Thus, it can file summary proceedings to obtain penalties against the violation of a well-known or reputed trademark, not on the basis of Article L.716-6 of the IPC, but under the conditions of general laws, either under articles 808 and 809 of the Civil Procedure Code (CPC), or under article 812 of the CPC, since the offender is civilly liable for the violation. For instance, the Paris First Instance Court's summary proceedings order of April 18, 2008, on the well-known nature of Elite's trademarks, was rendered under article 809 of the CPC.

Likewise, the owner of a reputed trademark can, in particular:

- prior to any trial, obtain the necessary information to establish proof of the facts or request the admissible investigation measures – including upon request, under article 145 of the CPC, or
- file a submission of evidence request with the Pre-Trial Review Judge in the context of articles 11, 132 and 770 of the CPC.

d) The applicable penalties

i- In case of violation of a reputed national trademark

The violation of a reputed trademark as defined under Article L.713-5 of the IPC results in the civil liability of the offender. In the context of an action based on Article L.713-5 of the IPC, the Court can order against the offender the usual penalties of civil law liability action under general laws, and the offender can be sentenced to compensate for the damage either in kind or by equivalent.

Thus, the penalties may be the following:

- destruction or confiscation measures in connection with the marked objects
- payment of damages
- prohibition from continuing the illegal actions in the future, subject to a civil fine
- invalidity of the later trademark (see above)
- publication measures

The Intellectual Property Code provides various criminal sanctions against the trademark infringer. Such sanctions may not be applied in the case of a violation of a reputed national trademark.

Likewise, articles L.716-8 *et seq.* of the IPC pertaining to Customs withholding cannot apply in the event of a violation of a reputed French trademark.

ii- In case of violation of a reputed Community trademark

The sanctions against infringement apply, whether civil, criminal or Customs sanctions.

In terms of criminal sanctions, a distinction is made between the principal penalties of fines and prison sentences (*art. L.716-9 through L.716-11 of the IPC*), which can be doubled in the event of repeated offense (*art. L.716-12, §1 of the IPC*), and secondary penalties, such as full or partial, temporary or definitive closing down of the business (*art. L.716-11-1 of the IPC*), or deprivation of the right of election and eligibility for the Commercial Court, Chambers of Commerce and Industry, Chambers of Trade and Labor Courts for a maximum duration of five years (*art. L.716-12, §2 of the IPC*).

The Customs withholding procedure should also apply.

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?

- To be eligible for a specific dilution protection system, particularly in the presence of dissimilar goods and services, a trademark must be reputed or well-known as defined in article 6^{bis} of the Paris Convention. Indeed, this specific protection system, except in cases of infringement by reproduction or imitation, is an exception to the specialty principle that governs trademark law. As a result, it must be applied restrictively.

Dilution should nevertheless remain one of the forms of damage that can be compensated in case of infringement (when the conditions for infringement are satisfied, such as identical or similar goods and likelihood of confusion in case of imitation), without having to evidence repute or knowledge of the trademark.

- Recognition in a niche market may be sufficient for the acknowledgement of a trademark's repute or knowledge. However, for a risk of dilution to be admitted, it is necessary to evidence the existence of a link with the challenged products, and it is probably more difficult to evidence such a link in the case of a niche market. It must then be proved that the earlier trademark is also known to the public of the challenged trademark or, on the contrary, is known to the public of the earlier trademark. Without such knowledge, it is difficult to consider that the public will make the association and therefore see the link with the earlier reputed trademark.

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?

Having an application or registration in the country where protection is sought must not be a criterion since protection against the risk of dilution exists both for reputed and well-known trademarks.

When a trademark has acquired a certain degree of recognition with a significant part of the relevant public in the country where protection is sought, use in said country should not be required.

In addition, in the case of a reputed Community trademark, repute can be acquired through use or through recognition in a Member State that is different from the country where protection is sought.

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?

There should be no trademark registries allowing to enjoy protection against the risk of dilution because the degree of knowledge of the relevant public and the distinctiveness of the infringed trademark must be assessed at the time when the rights are asserted. Nor is it sufficient for a trademark to be reputed or well-known for the violation to be established.

In any event, even though in certain cases such a register could be of some practical interest, it should have no legal value *per se*, nor should it be binding. Such a register should only be for information purposes. It should always be possible to challenge it and, generally speaking, to challenge the eligibility of a trademark to be protected against a risk of dilution.

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?

Although the existence of a link is not expressly mentioned in the applicable texts, it should be required as a specific condition.

Indeed, there can be no dilution if the public does not see the link/connection between the earlier trademark and the challenged trademark.

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?

Although it is true that the existence of damage (or at the very least of a risk of damage) must be evidenced, the criteria set by the ECJ with respect to the proof of such damage are excessive, particularly since it is admitted that a risk of damage is sufficient.

Indeed, it is extremely difficult to prove that there is a serious risk of damage when the damage has not yet been established. The problems encountered in terms of proving damage may preclude the application of this specific protection system against dilution, and deprive of all meaning the very notion of protection of the reputed trademark. The proof of damage as defined by the ECJ should be simplified.

The French Group therefore considers that it should not be mandatory to prove a change in economic behavior on the part of the consumer, and it would like such a requirement to be lifted.

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

As the law currently stands, the applicable procedures and sanctions are not the same for violations of reputed national trademarks that result in the offender's civil liability as for violations of reputed Community trademarks that constitute infringements. These systems should be harmonized because such differences in treatment are not justified.

Two solutions can be contemplated:

- either the violations of French reputed trademarks qualify as acts of infringement, and the owners of these trademarks, just like the owners of reputed Community trademarks, can benefit from the procedures and sanctions applicable to infringement,
- or the violations of reputed Community trademarks no longer qualify as infringement, which would particularly avoid the application to such violations of criminal sanctions or Customs procedure penalties.

The French Group advocates the first solution.

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.

March 2010