

Question Q214

National Group: Russian National Group

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?

Answer: As such, any protection from dilution of the trademark Russian law does not provide. However, the trademark law and legislation on protection of competition allow the owner of a trademark under certain conditions, to resist the actions that are in some other jurisdictions, referred to as "dilution" ("weakening").

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

Answer: In the Russian legal doctrine, there is no concept of "dilution" or "weakening" of the trademark.

- 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).

Answer: The Russian legislation, according to Art. 6bis of the Paris Convention and Art. 16 (3) of the TRIPS, provides for protection of well-known trademarks, including those from such acts of third parties, which may be attributed to the "dilution" ("weakening") of the trademark. The criterion for granting a sign of such protection is "acquired pursuant to the intensive use of widely known among consumers as a trademark for the person requesting such protection."

- 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?

Answer: To mark were recognized as well known and could have protected against "dilution" ("weakening"), it surely must have distinctiveness. This distinctiveness can be intrinsic to a sign, as well be its acquisition pursuant to its use. The volume of the protection given in this case is the same.

- 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?

Answer: The mark should be well known. A mark is recognized as a well known trademark in the Russian Federation if it is pursuant to intensive use is widely known in the Russian Federation as a trademark for the person requesting the recognition of the trademark to be well-known. Acquisition of the wide popularity is estimated on the date as specified by the right holder to serve them in the Russian Patent Office a statement of recognition of the mark as well known in the Russian Federation.

Factors listed in the recommendations of WIPO in 1999, also are contained in the recommendations of the Russian Patent Office and the Office takes them into account when deciding on the recognition of a well-known 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?

Answer: It must be proved "widely known". Specific qualitative or quantitative indicators, the achievement of which is considered sufficient, nor the Russian regulations, or departmental documents (manuals) do not contain.

If the evidence to be widely known are the results of surveys (research) of consumers, the Patent Office considers it desirable that the survey covered at least six settlements of the Russian Federation. It is preferable to a survey in the following cities: Moscow, St. Petersburg. Other settlements are determined by the person who considers his trademark is well known because of the nature of its activities for the production of goods and / or services. The number of respondents should be consistent with the objectivity of the survey conducted. In this regard, their maximum number is not restricted, and the minimum tends to be less than 500 in any two locations and less than 125 in every other village.

Confirmation of the recognition of well-known trademark in other countries is also one of the factors to take into account the Patent Office when considering an application for recognition of well-known trademark of the Russian Federation. However, the publicity in other countries only indirectly indicates the special status of the mark and does not address the Russian Patent Office as the only or decisive factor in well-known mark in the Russian Federation.

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?

Answer: The law provides for what is commonly known to be acquired among the "relevant consumer". The documents of the Patent Office are an explanation that the choice of the terms of the consumers depends on the type of goods in respect of which recognition is sought well-known trademark.

Methodological documents of the Russian Patent Office recommends:

- for consumer goods to interview the "average" customers (as to age, sex, education, social status, with goods marked with a trademark, as well as the expertise of the relevant industries and trade), and
- for products for industrial purposes to interview "experts" who are consumers of this type (they can be treated as productive, and to trade and other businesses).

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?

Answer: To expect protection from actions that might qualify as a "dilution" ("weakening"), the sign should be recognized as well known in the Russian Federation. Such recognition is also possible for marks that are not registered and are not claimed to be registered as ordinary trade mark, but in any case must be proven widely known, acquired pursuant to intensive use.

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

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?

Answer: The issue of assigning the mark to protect against actions that could be described as a "dilution" is a matter of fact. The person seeking protection must confirm recognition of the mark as well known.

The authority competent to accept the sign of a well-known in the Russian Federation, trademark, is the Russian Patent Office. An applicant to the Office makes a declaration accepting the well-known trademark must submit documents containing:

- the intensive use of a trademark, in particular, in the Russian Federation. This may be indicated: start date of a trademark, a list of locations where the sale of goods made in relation to which use of a trademark, the volume of sales of these products, methods of use of a trademark, the average number of consumer goods, the manufacturer's position on the market in a particular sector of the economy, etc...;

- about the countries in which the trademark is widely known;
- of costs incurred for advertising the trademark (e.g., annual financial reports);
- the cost (value) of the trademark in accordance with the data contained in the annual financial statements;
- on the survey of consumer goods on the well-known trademark, conducted by a specialized independent organization with the advice of the Patent Office.

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?

Answer: The Patent Office maintains a list of trademarks well-known in the Russian Federation. Status of a well-known trademark, and therefore, entitled to greater protection, can be confirmed only by the presence of the mark in this list.

Recognition of the well-known trademark (its inclusion in the list) may be challenged only by filing objections to the Chamber of Patent Disputes in the Patent Office, that is outside the scope of the trial on the protection of the trademark.

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?

Answer: A well-known trade mark enjoys protection against registration and / or use by others in respect of non-homogeneous goods, if such use "will be associated by consumers with well-known mark holder and may infringe upon their legitimate interests."

No details regarding the criteria or factors applicable in determining whether the association, the law does not contain. Litigation is also not yet developed such criteria and factors. It appears, however, that the factors mentioned above in paragraphs 27 and 28, will be considered as relevant.

The presence of association must be proven in the trial on the protection of well-known trademark of a violation by the use on non-uniform products. Surveys of consumers (market research) can serve as evidence, along with others.

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'?

Answer: Infringement of the legitimate interests of (the probability of such interference) must be proven separately from the evidence of the association.

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?

Answer: The legislator and the judicial practice has not yet worked out the factors to be considered when assessing the potential damage to the interests of the well-known mark owner. It seems, however, that the factors listed in paragraphs 27 and 28 will be taken into account when considering relevant cases, along with any other circumstances that would indicate this fact.

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?

Answer: For the protection of well-known trademark against its use by others in respect of non-uniform items must be shown the actual existence of an association (e.g., reporting on surveys of consumers or market research, by submitting documents proving the facts wrong perception of consumer goods as a violator of goods owner, acts to reduce Sales of goods holder senior mark, and other information indicating a redistribution of the market between the holders of senior and junior marks).

However, in respect of damage to the interests of the copyright holder is sufficient to prove the possibility (probability). The evidence may be the same information that is indicative of an association.

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?

Answer: A well-known trademark is granted legal protection provided for the customary trade mark in respect of identical and similar goods, as well as additional protection against the registration and use of a third party in respect of non-uniform products.

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?

Answer: The law provides for equal protection for trademarks, regardless of whether they have special status of well-known trademark.

In particular, the owner of an early well-known mark may file an objection against the registration of a later similar mark registered for similar goods.

The right holder of the well-known trademark may require:

- recognition of the right of a person who denies or otherwise does not recognize the right, thereby violating the interests of the copyright holder;
- suppression of acts that violate the law or threatened violation;
- full compensation for damages or compensation in accordance with the law firm size;
- seizure and destruction by the violator of counterfeit goods, as well as materials and equipment used for the violation;
- published court decisions on the violation committed.

As part of a claim of infringement of the exclusive rights of the owner well-known mark, he may apply for interim measures of protection, including in the form of a preliminary injunction and the form of arrest of counterfeit goods.

The office cannot refuse registration of the later mark based on the probability of dilution of an early mark.

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?

Answer: The famous as well as the well-known trademarks and trademarks which have a reputation (meaning a positive reputation, a reputation that is the mark used in relation to the quality of the goods) should enjoy protection against dilution.

The criterion for inclusion of a sign to those for whom their owners are granted protection from erosion, should be "widely known among consumers."

A necessary and sufficient condition for attributing the mark to protect against erosion should be its broad "positive" fame (recognition, fame) just as a trademark among consumers as to the "niche market", on which the holder has the exclusive right to use this sign ("commodity market right holder", also covers the market for similar goods), and in the market of any other (heterogeneous) goods - another commodity market.

Take due to account, inter alia, and the fame, acquired pursuant to a campaign to promote the trademark and / or goods under this mark.

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?

Answer: To be protected from dilution a mark should be registered as a trademark, and actually used (by the holder himself or under his control) as a trademark in the country where protection is sought against dilution.

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?

Answer: The specialized registration of marks that are protected from dilution (defensive registration) should be regarded as highly desirable and encouraged. It may be optional, with the understanding that the presence of the mark in such a registry should provide *prima facie* evidence that the mark should be protected from dilution, but no mark of the registry should not serve as grounds for refusing recognition of a right to be protected from dilution.

The presence of the right to protection from dilution should be the subject of proof in reviewing a claim of protection against dilution, and appropriate evidence of such a right can be submitted directly to the holder during the consideration of this claim.

Contesting the legality of the inclusion of the mark in the special register should be possible in the consideration of a claim of dilution, and regardless of (separately) on the existence of a dispute about the dilution, for example, in the challenge (in an administrative or judicial) decision of the competent authority including the mark to the registry.

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?

Answer: Yes, of course, under a claim of protection from dilution should be shown (by the right holder) that the use of the protected mark (similar thereto notation) by another person (the defendant) among the consumers of the goods of that other person arises or may arise, the impression of a link between that other person or his goods and the right holder or the goods of the right holder.

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?

Answer: Proving the damage to distinctiveness requires the submission of evidence that the use of the mark by another person (the defendant) has changed the economic behavior of consumers in the "product market of the right holder", or in the commodity market of that other person.

Evidence of merely a likelihood of the change in the economic behavior of consumers may serve as an evidence of a threat of detriment to the distinctive character of the trademark only.

As concerns detriment to the reputation (or threat of causing such detriment) it should be proved that the change in the economic behavior of consumers (or a likely change) is associated with the negative (in the viewpoint of a consumer in the "product market of the right holder") connotations resulting from the use of the trademark by another person, in particular since the product of that another person has a low quality or the product is consciously rejected (excluded from the products being consumed) by an average consumer in the "product market of the right holder".

At the same time, the proved threat of causing damage to the distinctive character or reputation of the mark subject to protection from dilution should per se serve sufficient ground for applying appropriate remedies.

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

Answer: As a safeguard against the dilution of the mark shall be provided those protections that are normally used in violation of the exclusive trademark rights (injunctions, pecuniary damage, etc.) and special measures for compensation for damage to distinctiveness and / or reputation of the mark, resulting from dilution (for example: monetary compensation in the amount of solid, a publication from the offender in the media about the judicial act, passed in favor of the right holder; cancellation of registration of a trademark infringer, the use of which recognized the dilution of the mark of the right holder, etc....).

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

Comments:

The Russian Panel notes that under the Russian law, legal doctrine and law enforcement is not used in practice the concept of "trademark dilution".

Nevertheless, the analysis of the Russian practice of trademark registration and practice behavior of the subjects of the Russian goods market showed rather high prevalence of actions that in other jurisdictions are often described as the dilution of the trademark. The current situation in Russia in this area is a fair criticism from the bona fide right holders, and consumers.

The Russian Group would like to note that in Russia the registration and subsequent use of others' trademarks (similar designations) with respect to the "non-uniform" goods under certain conditions, can be stopped through legislation on protection of competition.

This legislation, unfair competition is defined as "any act of economic entities (groups of Persons) that aim to benefit for a business, contrary to Russian law, business traditions, the requirements of fairness, reasonableness and fairness and have caused or may cause damage to other economic actors - competitors either damaged or may damage their reputation". The law prohibits unfair competition related to the acquisition and use of the exclusive trademark rights.

In addition, the Russian legislation on Protection of Competition prohibits unfair competition in the form of misrepresentation regarding the nature, method and place of production, consumer characteristics, quality and quantity of goods or in relation to

its producers. Although this rule is not directly with trademarks, it may, in some cases, use of trademark holders to protect against acts defined as "erosion" of the trademark in which these actions give rise to confusion among consumers regarding the manufacturer of the goods.

However, the law on protection of competition directly calls as a form of unfair competition, only the unlawful use of a trademark with the introduction of the goods in circulation. This limitation hinders the use of unfair competition law in the case of dilution of the trademark by using another's mark in relation to non-uniform products.

Given this situation, the Russian group considers it desirable that the national legislation explicitly provides for the right to be protected from "trademark dilution".

For example, under the trademark law could give the owners of some trademarks of a broader protection (by analogy with the broader protection of well-known marks, as provided in Art. 16 (3) (TRIPS), or, in the framework of legislation on protection of competition, to establish a direct prohibition of unfair competition in the form of dilution of the trademark.

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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