

Question Q214

National Group: Spain

Title: Protection against the dilution of a trade mark

Contributors:

**Representative within
Working Committee:**

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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?

Yes.

The trademark protection against the risk of dilution is protected for the first time in Spain, by the Trademark Law 17/2001, of December 7, for the notorious trademarks (intensely known within an industry or population in general) or well-known (known by the general public) beyond the Specialty Principle.

Article 8. Well-known registered trademarks and trade names.

1. A trademark shall not be registered where it 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 the trade mark has a reputation in Spain and where the use without due cause of the

trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

Article 34.2. The proprietor of a trademark shall be entitled to prevent all third parties not having his consent from using in the course of trade:

[...]

c) any sign which is identical with, or similar to, the trademark 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 Spain 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 trademark.

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

No. The Trademark Law No. 17/2001 does not define the dilution of the mark, nor regulates it as a separate legal action.

One possible definition is provided by the Advocate General Jacobs, Case C-408/01 Adidas, when he says: *The concept of detriment to the distinctive character of a trade mark reflects what is generally referred to as dilution. That notion was first articulated by Schechter, who advocated protection against injury to a trade mark owner going beyond the injury caused by use of an identical or similar mark in relation to identical or similar goods or services causing confusion as to origin. Schechter described the type of injury with which he was concerned as the 'gradual whittling away or dispersion of the identity and hold upon the public mind' of certain marks. The courts in the United States, where owners of certain marks have been protected against dilution for some time, have added richly to the lexicon of dilution, describing it in terms of lessening, watering down, debilitating, weakening, undermining, blurring, eroding and insidious gnawing away at a trade mark. The essence of dilution in this classic sense is that the blurring of the distinctiveness of the mark means that it is no longer capable of arousing immediate association with the goods for which it is registered and used.*

OHIM's decision 514/2005, regarding the trademark Operación Triunfo, quoting the Advocate General Jacobs, noted: *The essence of dilution in this classic sense is that the blurring of the distinctiveness of the mark means that it no longer causes the instant association with the products for which it is registered and used.*

Case-law:

1. Regarding this point, we can quote some decisions of our courts, for instance: (i) Decision no. 6/2010 of January 4, 2010 of the Commercial Court of Alicante, enforcing judgments of the ECJ of June 18, 2009 (subject L'Oréal/Bellure) and the one of November 27, 2008 (case Intel), (ii) Decision no. 244/2001 of March 31, 2001 of the 3rd Section of the Appeal Court of Granada (Audiencia Provincial de Granada), (iii) Decision of the Appeal Court of Granada, section 15, (Audiencia Provincial de Barcelona) of June 7, 2005, appeal no. 148/2005, (iv) Decision of the Appeal Court of Madrid (Audiencia Provincial de Madrid), section 28, of July 18, 2006 (v) Decision of the Appeal Court of Madrid (Audiencia Provincial de Madrid), section 28, of July 19, 2007, appeal no. 226/2007.

- 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).

Only registered well-known trademarks and trademarks with reputation are eligible for protection against the risk of dilution, as provided in Articles 8.1 and 34.2 of the Trademarks Law.

- 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?

In order to be eligible for protection against the risk of dilution, the well-known character or reputation acquired by the trademark suggests that it must necessarily be distinctive either intrinsically by the originality of the sign, either by acquiring a later differentiation by the use made of the trademark in the market.

- 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?

Yes, it is necessary that the trademark has a reputation or is well-known to be eligible of protection against dilution.

Art. 8.2. Trademark Law describes the well-known trademark as the one that by *their sales volume, duration, intensity or geographical scope of its use, value or prestige gained in the market or by any other reason it is generally known by the relevant public sector for which the products, services or activities that distinguish such trademark, are for.* And a trademark with reputation, in paragraph 3, when it is known by the *public in general.*

All the factors mentioned in paragraphs 15-22 may be used (in particular, the recommendations of the WIPO of 1999) to establish the well-known character or the reputation of a trademark and, on that basis, establish the loss of a competitive position, i.e. dilution or risk of dilution, as a consequence of the irruption of the new trademark on the market.

The well-known character of the trademark should be able to be alleged at the time of the application of the subsequent trademark or at the time it initiates the infringing use of the sign if its registration has not been granted.

- 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?

The prestige, recognition or fame of the trademark are relevant for assessing the dilution considering that they serve as a requirement to declare its well-known character or reputation.

The Spanish law determines that the well-known trademarks are those generally known by the relevant public sector to which the products are directed to, while trademarks with reputation are the ones known by the general public.

The threshold of knowledge of the different types of trademarks determines the scope of protection against dilution or detriment of the distinctiveness of the well-known trademark. According to Article 8.2 of the Trademark Law, (the scope of protection) *will reach to products, services or activities of a much more different nature, the higher the degree of awareness of the well-known trademark in the relevant public sector or related sectors*. In the case of the trademarks with reputation, according to Article 8.3 of the Trademark Law, the scope of protection *will extend to any type of goods, services or activities*.

It is relevant the well-known character and reputation in the national territory.

The well-known character of a trademark in other countries can be enforced and there are legal mechanisms for its protection, but they do not reach the protection against dilution.

Thus, Article 6.2. d) Trade Marks Act recognizes the right of unregistered trademarks... "well-known" in Spain, within the meaning of Article 6 bis of the Paris Convention, to urge the opposition or invalidity of registration of the subsequent trademark (Decision of the Appeal Court of Valencia, October 16, 1998 (AC 1998 / 1913). Nonetheless Article 34.5. of the Trademark Law expressly excludes the protection of the unregistered trade mark, against the

detriment of the distinctiveness of the same or dilution risk, to which only protects against the risk of confusion or association.

- 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?

For the well-known trademark, the relevant market is the relevant sector of the public to which the goods, services or activities covered by the mark are for, as provided in Article 8.2 of the Trademark Law. If the relevant public sector to which the goods, services or activities covered by the trademark are for, is a "limited market", from an economic point of view or of population, which is usually called a "niche market", that must exclusively be the relevant sector from which a sufficient knowledge or recognition of the prestige or reputation of the trademark is required (Decision no. 242/2009 of the Appeal Court of La Rioja, Section 1 of July 23, 2009, appeal no. 222/2008).

For the trademark with reputation, the relevant market is always the *general public* as provided in Article 8.3 of the Trademarks Law. The trademark must be known by very high rates of population throughout the national territory.

- 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?

Only those Trademarks which are well-known and well reputed and registered in Spain can be protected against dilution by virtue of the provision of articles 8.1 and 34.2 c) of the Spanish Trademark Law on the diminishment of the distinctive character. Article 38 of the Spanish Trademark Law, which establishes provisional protection for an applicant of a trademark, does not exclude the right to invoke, with the scope preset by said rule, protection from dilution. In Spanish law it is worth noting that possibility.

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

No.

- 3.6. Is eligibility for protection against dilution a matter of law or an issue of fact? Who bears the burden of proof regarding the eligibility criteria? How does one prove that a mark meets the eligibility criteria? Are sales and advertising figures sufficient or is survey evidence required? Which evidential standard must this proof satisfy?

The recognition of well-known and well reputed trademarks is a question of fact for the Courts to decide and declare. This is done on a case by case basis and at a particular time. The judicial declaration of repute or well-known status constitutes the basis necessary for the declaration of infringement by dilution and, if applicable, risk of confusion and/or association.

Pursuant to article 217.2 of Spanish procedural law (Ley 1/2000 de Enjuiciamiento Civil): *the claimant or the counterclaimant has the burden of proof to demonstrate the certainty of the facts from which one may infer...the legal effect of the pretension of the claim and counterclaim.*, which in this case means *dilution or loss of value of the Trademark.*

Interested parties can, by law, enforce at trial pieces of evidence to attest to the well-know status of their trademark, but must follow the guidelines set out in article 8 of the Spanish Trademark Law, namely: *volume of sales; duration, extent or geographic scope of use; the value or prestige attained in the market or by any other cause.*

Once the reputation or well-known status of the brand is accredited, one must prove the nature of the trademark's dilution, without suggesting that the dilution is an unfailing or automatic consequence.

OHMI's judgement establishes this scope by means of resolution no. 2180/2004 of 30th June 2004 in the opposition proceedings B 491 409 concerning the trademarks "Investor Force" and "Investore" when it stated: *"Dilution can not be assumed when the earlier trademark is well-known and identical or similar to the applicant trademark, since it will suppose the automatic and indiscriminate recognition of such risk of dilution for all well-known trademarks, without the need of proving the existence of some detriment."*

Regarding the contents of the dilution test, the above judgement adds: *"the opponent must facilitate indications and evidence of the kind of detriment caused or the unfair advantage suffered, as well as must prove that it is a consequence of the use made of the applicant sign. Examples of such indications and evidence would be a decrease in the volume of sales, loss of customers or decrease in the level of recognition of the brand among the customers. Even in the case that such prejudices are claimed as potential, the opponent must, at least, argue consistently what these prejudices could be and how they could come about, allowing one to conclude the existence of a highly likely presumption that these prejudices will happen in the ordinary development of the facts."*

- 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 Registry of well-known or well reputed trademarks in Spain.

The well-known status of a trademark is a question of fact that has to be proven in each case and every time an objection could be raised.

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?

Indeed, a link between the opposing marks must exist, to the extent that since the risk of dilution is determined with regard to a trademark or sign that is identical or similar to an earlier trademark.

In addition to the cases of the exactness or similarity of the opposing trademarks, dilution of a trademark can be alleged according to section 8.1 of the Spanish Trademark Act, provided that when a request of registration of a trademark is filed for products or services different from the ones protected by earlier signs, when, because the latter are also well reputed or well-known in Spain, the use of that trademark could suggest a connection between the products or services protected by the new trademark and the owner of the earlier signs.

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?

The connection between the opposing trademarks is a question of fact which must be evaluated by the Courts in each case. The Supreme Court has repeatedly stated that the lower instance judges must execute a joint assessment of the evidence.

The relevant public must relate both trademarks, that is, to establish a link between the two, even though the public is not confused between the two trademarks.

If the public does not establish such a link, the use of the later trademark cannot cause any harm to the distinctive feature of the legitimate trademark. (See Matter C-252/07, Intel Corporation Inc. vs CPM United Kingdom Ltd, par. 31).

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'?

To prove that through the use of a later trademark, harm is or may be inflicted on the distinctive character of the earlier trademark, one must prove that, as a result of the use of the later trademark, a modification in the economical behaviour of the average consumer of those products or services of the earlier trademark has occurred, or that there is a serious risk that such modification will happen in the future, whether or not the holder of the later trademark obtains an actual commercial advantage from the distinctive character of the earlier trademark. (Matter C-252/07, Intel Corporation Inc. vs CPM United Kingdom Ltd, par. 76-79).

6. Are the same factors taken into consideration to assess the existence of detriment as those already discussed for the link? Are there additional ones?

The OHIM's ruling number 514/2005 of 2/21/2005, regarding the opposition procedure no. B 565 889 (trademark Operación Triunfo), set forth that: *"in those cases where the products are very different from each other, as is this case, and the connection between the respective public is not obvious, the opponent will have to justify the reason why the trademarks are going to be associated. The Office believes that the consumer or viewer of a television music program would hardly ever relate it to products primarily devoted to sports training and physical fitness of the body, not even in the case of a well-known trademark. The matter at hand is necessarily somewhat speculative. The opponent must at least present a coherent argument that leads to the prima facie conclusion that the relation between their trademark and its products, in the eyes of its average consumer, will be weakened if an identical, similar or very similar trademark is registered for non-similar products. This situation has not occurred in this case in a meaningful way."*

The violations referred to in article 4, subsection 4, letter a), of the Council Directive, are the result of a specific level of similarity between the earlier and the later trademarks, by which the relevant public relates both trademarks, that is, establishes a link between the both of them, even though he or she does not confuse them (regarding the article 5, section 2 of the Council Directive, see the afore-mentioned judgements General Motors, paragraph 23; Adidas-Salomon and Adidas Benelux, paragraph 29, and Adidas y Adidas Benelux, paragraph 41).

If no such link is established in the public's mind, the use of the later trademark cannot be give rise to the securing of an unfair advantage of the distinctive

character or of the well-known status of the earlier trademark, nor can it cause any kind of harm to same.

Now then, the existence of said link is not enough, by itself, to notice the existence of one of the violations listed in article 4, subsection 4, letter a), of the Council Directive, which violations constitute, as is set forth in paragraph 26 of this sentence, the specific requirement for the protection of the well-known trademarks established in said rule.

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?

Must actual dilution be proved or is a showing of likelihood of dilution sufficient?

It is necessary to prove a cause and effect relationship, without there being a suspicion of infringement, even though, according to the Spanish Trademark Act 17/2001, the presumed risk of dilution is a sufficient danger.

Article 8 of the Trademark Act, related to the well-known and well reputed registered trademarks and trade names, points out that: A sign which is identical or similar to an earlier trademark or trade name cannot be registered as a trademark even when it is applied for to cover goods or services which are not similar to those for which the earlier signs were registered, when, because the latter are well known or renowned in Spain, the use of that trademark ...carried out without due cause, could suggest an unfair advantage or diminishment of the distinctive character or the well-known nature or the renown of said earlier signs.

Article 34.2 of the same legal text, when referring to the rights granted by the trademark, establishes that: "The owner of a registered trademark shall be entitled to prevent third parties from using the following, without his consent, in the normal course of business: (...) c) Any identical or similar sign for goods or services which are not similar to those for which the trademark has been registered, where the latter is well known or well- reputed in Spain and when use of the sign without due cause (...) could suggest an unfair advantage or diminishment of the distinctive character or the well-known nature or the renown of said registered trademark.

Whose burden of proof is it?

Pursuant to the Spanish procedural law (Article 217 LEC), the burden of proof is on the party which asserts its claims, or on whoever contradicts them by claiming new facts.

Therefore, the holder of the registered trademark must prove that his trademark is well-known or well-reputed, must prove the prestige and positive image of the trademark and the dilution or risk of dilution of his trademark due to the diminishment of the distinctive character or the well-known nature of the trademark or due to the diminishment of the distinctive character. All evidence allowed in law, mainly documentary and expert evidence, may be offered as proof.

The Trademark Act does not say anything regarding the means of proving the dilution of the brand, nor regarding the change in the average customer's economic behaviour due to the dilution of the trademark.

How does one prove dilution or likelihood of dilution?

Pursuant to the provisions set forth in the Decision of 25 April 2001 (R 283/1999-3) handed down by the Third Board of Appeal of the OHIM in the case of *Hollywood v. Hollywood*: “[t]herefore the proprietor of the earlier trade mark must show that use of the applicant's trade mark would prompt inappropriate or at least negative mental associations with the opponent's trade mark, or associations conflicting with its image, which would be detrimental to it” (87); and “[t]he detriment in question may be only potential, in as much as the contested sign has not yet been registered, much less used” (88).

If the later trade mark is ‘similar to a reputed trade mark,’ it first must be proven that there effectively exists a link or association thereof with the later trade mark in the user's or consumer's mind. This may be proven by means of reports published by market experts.

These reports may contain assessments from surveys regarding the effect of the later trade mark on the prestige of the well-known trade mark and, as the case may be, on the loss of the earlier trade mark's distinctive character. The influence of the later trade mark on the earlier trade mark's distinctive character can also be demonstrated by means of the corresponding reports prepared by experts in design/drawing or semantics, psychologists or other professionals.

If the earlier trade mark is ‘well-known,’ the scope of protection should be validated by legal proceeding in the first instance. Third parties are free to make use of the trade mark outside the scope of its protection.

It is only with regard to conflicting products or services that one must evidence the existence of a link or mental association that calls to mind the later trade mark in the consumer's or user's mind.

Decision 514/2005 of the OHIM, with respect to the trade mark *Operación Triunfo*, involves a series of guidelines that it behoves us to reproduce herein as follows: “[t]he

connection between the respective products is not obvious; the opponent must justify the reasons whereby one would associate the trade marks.... This is necessarily a task that is, to some extent, speculative.... The opponent must at least submit one coherent argument that would lead to the conclusion *prima facie* that the relationship between its trade mark and its products, in the eyes of the average consumer thereof, would be weakened if an identical or very similar trade mark were registered and used for dissimilar products.”

Does detriment require evidence of a change in the economic behaviour of the average consumer or that such change in behaviour is likely?

According to the foregoing, we must reiterate that a change in the consumer's behaviour is sufficient, since the mere risk or possibility of dilution *per se* constitutes an infringement of the earlier trade mark.

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?

Any infringement, whether by dilution, confusion or other cause, constitutes an economic detriment to the earlier trade mark, independent of the extent thereof. Detriment may consist of a decrease in sales or a decrease in the potential extent of the earlier trade mark's use or application.

How do you prove a change in the economic behaviour of the average consumer or likelihood of such change in behaviour?

A change in the economic behaviour of the average consumer is proven by the extent to which the trade mark's dilution leads to a loss in the intent to purchase, which can be proven in court through the use of any of the evidentiary means referred to earlier, including market studies.

8. What is the extent of protection afforded to marks, which are eligible for dilution protection?

Protection in the face of a trade mark's dilution is characterised by the very grounding of the concept of protection, the purpose of which is not to protect the consumer in the face of the risk of confusion, rather it is to qualify the repercussion that the use of the trade mark has on its attractive value and on its exclusive position in the market. This exceptional protection implies rigid assumptions and the subjection of protection pursuant to said assumptions, reserving said protection for a limited number of trade marks, well-known trade marks and reputed trade marks.

Dilution protection of the 'reputed trade mark' extends to all manner of products and services, that is to say to all classes in the Nomenclature of Trade Marks, as article 8.3 of the Spanish Trade Mark Law states “when the trade mark or name are known by the

general public, such shall be considered to be 'of repute,' and the scope of their protection shall extend to any genre of products, services or activities."

Nevertheless, the scope of protection of a 'well-known trade mark,' in the face of dilution thereof caused by the eruption of a later trade mark, is limited and must be established by the courts in question. According to article 8.2 of the Trade Mark Law, "protection... shall cover dissimilar products, services or activities to the extent of notoriety of the well-known trade mark or name in the pertinent public sector or in other related sectors."

May the owner of the earlier trade mark object

- to the registration of a later trade mark?

Yes, by virtue of the provisions set forth in article 19.1 of (Spanish) Law 17/2001, dated 7 November, on Trade Marks, which allows that any person deemed to have been injured may object to the registration of the trade mark, among other justifications, when the unjustified use of the later trade mark may result in "damage to the distinctive character" of the earlier sign.

- to the actual use of a later trade mark?

Yes. In effect, article 34.2 of said Law 17/2001, dated 7 November, on Trade Marks, allows the registered trade mark holder to prohibit the use of later trade marks when the unjustified use thereof may result in "damage to the distinctive character" of the registered trade mark.

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

The protection of well-known trade marks and reputed trade marks cannot be less in the case of the use of a sign for identical or similar products or services than in the case of the use of a sign for dissimilar products or services (ECC Ruling on 6 October 2009, with reference to the Ruling on 9 January 2003, Davidoff), thus the risk of dilution can be referenced equally for identical and/or similar products/services.

9. What are the legal remedies?

May the owner of the earlier trade mark file an opposition and/or a cancellation action?

The holder of a well-known trade mark or reputed trade mark may file an opposition before the Spanish Intellectual Property Office [*Oficina Española de Patentes y Marcas*] against a later trade mark that is identical or similar although such refers to distinct products or services (article 19.1 of the Trade Mark Law). The Office will deny the registration of the new trade mark if the unjustified use thereof may result in damage to the distinctive character either of the fame or of the reputation of the earlier trade mark, that is to say if there is a risk of dilution.

The holder of a well-known or reputed trade mark may also file a cancellation action before the courts against the unjustified use of a trade mark that may result in damage to the distinctive character either of the notoriety or of the reputability of the earlier trade mark (article 52.1 of the Trade Mark Law).

Moreover, the holder of a well-known or reputed trade mark may prohibit third parties, without the holder's consent, from using, for commercial purposes, any sign that is identical or similar not only with respect to the identical or similar products or services, but also with respect to the products or services that are dissimilar to those referenced by the registered trade mark, when the unjustified use of the sign may result in damage to the distinctive character either of the notoriety or of the reputability of the earlier trade mark (article 34.2 of the Trade Mark Law).

If they meet these conditions, the following, in particular, may be prohibited (article 34.3 of the Trade Mark Law):

- a.) Placing the sign on the products or the presentation thereof.
- b.) Trading, selling or storing the products for these purposes, or providing or rendering services with the sign.
- c.) Importing or exporting products with the sign.
- d.) Using the sign in trade and advertising documents.
- e.) Using the sign in internet communication networks and as a domain name.
- f.) Placing the sign on coverings, packaging, labels or other means of identification or decoration of the product or service, embellish or render such, or manufacture, make, trade, sell, import, export or store any of these means incorporating the sign.

The holder of a registered trade mark may file a civil or criminal lawsuit before the courts for any infringement of its rights and may claim the measures necessary to safeguard its legal rights (article 40 of the Trade Mark Law).

Indeed, the trade mark holder whose trade mark right has been violated may claim the following in a civil suit (article 41.1 of the Trade Mark Law):

- a.) Cessation of the acts that violate its right.
- b.) Compensation for the damage and harm suffered.
- c.) Adoption of the measures necessary to ensure that the violation does not continue and, in particular, an end to the commercial use of the products, coverings, packaging, advertising material, labels and other documents in which infringement of the trade mark right was manifest, and seizure or destruction of the means primarily used to commit the infringement.
- d.) Destruction or cession (with humanitarian application) of the products illegally identified as bearing the trade mark and found in the possession of the infringing party.
- e.) Attribution of proprietorship of the seized products, materials and means.
- f.) The publication of the ruling at the expense of the guilty party by means of announcements and notices to interested parties.

The holder of a well-known or reputed trade mark may claim compensation for the damage caused to the trade mark's prestige and reputation by the infringing party (article 43.1 of the Trade Mark Law). In order to set compensation, the courts must take into account, among other elements, the trade mark's notoriety, reputability and prestige. In the case of damage to the trade mark's prestige, compensation also takes into account the circumstances of the infringement, the severity of the damage and the degree of market penetration (article 43.3 of the Trade Mark Law).

May he ask for injunctive relief or preliminary injunctive relief?

The trade mark holder that intends to file a lawsuit for infringement of his right of exclusivity committed through acts on a commercial scale may request hearings and proceedings to obtain information regarding the origin and distribution networks of the merchandise or services that infringe on the trade mark's right, as established by Spanish Civil Procedure Law (LEC) [*Ley de Enjuiciamiento Civil*] (article 256.1.7 LEC). Moreover, the trade mark titleholder may request that bank, financial, commercial or customs documents be furnished within a given timeframe and that they are supposedly held by the party deemed responsible for such (article 256.1.8 LEC).

Finally, the trade mark titleholder may claim injunctive relief in order to ensure the effectiveness of the legal proceedings, as set forth in article 133.1 of the Spanish Patent Law, applicable in terms of the civil procedures material therein, with respect to articles 721 and subsequent of the Spanish Civil Procedure Law.

Does your trade mark office refuse the registration of a later trade mark on grounds of likelihood of dilution?

There is no precedent of this.

II. Proposals for adoption of uniform rules

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

1. Which trade marks should be eligible for protection against dilution? What should the eligibility criteria be? Should recognition or fame in a limited product market ("niche market") be sufficient?

Which trade marks should be eligible for protection against dilution?

Well-known trade marks, recognised deeply within an economic sector or population, whose protection moderately extends to complementary or substitute goods or services; whether we are dealing with trade marks registered in Spain [in the country where notoriety should be effective] or foreign trade marks not registered in Spain [in

the country where notoriety should be effective], that enjoy reputability in Spain [therein], under the terms of article 6 bis of the Paris Convention Treaty.

Reputed trade marks whose protection extends to the entirety of products or services, beyond the principle of speciality; whether we are dealing with trade marks registered in Spain [in the country where reputability should be effective] or foreign trade marks not registered in Spain [in the country where reputability should be effective], that enjoy being well-known in Spain [in the country where reputability should be effective].

What should the eligibility criteria be? Should recognition or fame in a limited product market (“niche market”) be sufficient?

It depends if we are talking about a well-known or reputed trade mark. In either case, the notoriety or reputability thereof is a question, in fact, that must be considered at the time in which dilution of the trade mark is claimed.

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?

The criteria of prior registration of the well-known or reputed trade mark that follows the Spanish trade mark system grants greater legal security.

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 existence of a registry of well-known or reputed trade marks could be useful provided that we accept that notoriety or reputability applies not only to those that are attributed said registration but to any others that can evidence notoriety or reputability in a concrete administrative or legal proceeding. By establishing said registry, access thereto should have the value of presuming notoriety or reputability, as the case may be, which should be challenged only in specific and restricted cases to be determined.

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

The ruling handed down by the Provincial Court (of Appeals) of Barcelona, Section 15, dated 7 June 2005, appeal no. 148/2005, states that “the risk of dilution” begins where the risk of association ends. But it equally requires a “mental connection” between the trade marks in conflict, effectively acknowledging that this connection is established between the advertising message of the infringed trade mark and the infringing trade mark.

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?

The possibility of change in the economic behaviour of the average consumer should be sufficient. Dilution can be conceived of as illegal in terms of danger, in addition to being illegal in terms of effect.

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

Administrative opposition to the granting of a new trade mark.

A cancelation ruling by the courts of the later trade mark.

A ruling of infringement of the trade mark and detriment to its distinctive character, damage to its reputation, etc.

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.

December 2009