



Question Q214

National Group: United Kingdom/England and Wales

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?*

Yes. The Trade Marks Act 1994, which also incorporates Article 6bis of the Paris Convention for the Protection of Industrial Property ("Article 6bis Paris Convention") and Council Regulation (EC) No 207/2009 of 26 February 2009 (codified) on the Community trade mark ("CTM Regulation").

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

There is no legal definition of "dilution" in applicable legislation. In applicable case law, certain guidelines have been set out, which are referred to in more detail below.

- 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).*

Three types of trade mark are protected against dilution under the laws of the United Kingdom ("UK"): (1) UK national trade marks (including international trade marks designating the UK); (2) trade marks protected under Article 6bis Paris Convention

(both (1) and (2) are protected under the Trade Marks Act 1994); and, (3) European trade marks (including international trade marks designating the European Union) which are protected under the CTM Regulation.

- (i) To be eligible for protection, UK national and European trade marks must:
- have been applied for or be registered (for protection against infringing use, the trade mark must be registered);
 - have a reputation in the UK in respect of a national trade mark or in the European Union in respect of a European trade mark; and
 - it must be demonstrated that use of the later mark would, without due cause, be detrimental to the distinctive character or repute of the trade mark.
- (ii) Trade marks protected under Article 6bis Paris Convention must:
- be owned by a party not domiciled in the UK;
 - be “well known” in the UK;
 - have a reputation (in the UK); and
 - it must be demonstrated that use of the later mark would, without due cause, be detrimental to the distinctive character or repute of the trade mark.

The rights afforded to such protected trade marks are dealt with under Question 8 below.

3.2. *To be eligible for protection against dilution, does a mark need to be distinctive? If so, does the protection depend upon the mark being inherently distinctive or are marks that have acquired distinctiveness through use also protected?*

Yes, marks must be distinctive. Whether or not marks are inherently distinctive or have acquired distinctiveness through use, they are eligible for protection but the conditions in 3.1 above must be satisfied.

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?*

UK national and European trade marks will be protected against dilution if they have a reputation. UK marks must have a reputation within the UK; European trade marks must have reputation in the European Union although it appears that reputation shown in one EU member state might in some circumstances be sufficient. It is not necessary to establish that a mark is well known or famous to be eligible for protection under 3.1(i) above.

A trade mark protected under Article 6bis Paris Convention must be well known in the UK and also have a reputation in the UK to be eligible for protection as detailed above under 3.1(ii).

Although the wording under Article 6bis Paris Convention (“well known”) appears wider than “having a reputation”, it is not clear from the case law that this is so. However, as there is no statutory or fixed “definition” applicable to either phrase, it is inevitable that in most cases the issue will fall to be determined as a question of fact and degree based on the specific circumstances of that particular case.

The factors mentioned in paragraph 15 of the preamble to this Question are relevant for determining whether a mark has a reputation and/or is well known. In particular, applicable case law has assessed the factors for determining whether a mark is “well known” – see the decision from the United Kingdom Trade Marks Registry of the Lord Chancellor’s Appointed Person (Richard Arnold) (as he then was) No. O-012-05, relating to the mark “LE MANS”, available here: <http://www.ipo.gov.uk/o01205.pdf>; and the judgment of the European Court of Justice in case C-328/06, relating to the mark “FINQUES TARRAGONA”, available on the Curia website, here <http://curia.europa.eu/jurisp/cqi-bin/form.pl?lang=en>.

The point in time for the assessment depends upon the action concerned. For example, in an infringement action, it will be the time of the (first) alleged infringing act. For an opposition or invalidation action against a trade mark application or registration, it will often be the date of filing of the application (or registration) in question.

- 3.3.2 *For a mark to have a reputation or to be considered well known or famous, must it meet a certain knowledge or recognition threshold? If so, what is that threshold? What percentage of population awareness is required? How widespread must the awareness be across the country? If a mark is well known or famous in one country, what effect, if any, does this have with regard to other countries?*

There is no rigid or formulaic test to determine whether a mark has a reputation or is well known. Obviously, it must be more than a *de minimis* level.

For UK national trade marks, reputation must usually be shown to be widespread in the UK, but subject to comments in paragraph 3.3.3 below, it may be limited only to a limited relevant market. Also, in some cases, a UK national trade mark can be registered for a particular locality only. In such a case, the awareness test is likely to be limited to that locality, but with a consequential limit on the scope of protection afforded.

We have already commented to an extent on this in paragraph 3.3.1 above: for European registered trade marks, the reputation must be in a “substantial part” of the European Union and recent case law has determined that requisite reputation within one Member State only may amount to a “substantial part” of the European Union for this purpose - See judgment of the European Court of Justice in case C-301/07 relating to the mark “PAGO”, also accessible on the Curia website noted above.

Trade marks protected under Article 6bis Paris Convention must be well known throughout the UK or a substantial part of it. Local significance only is unlikely to be sufficient.

- 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 UK national and European trade marks and marks protected under Article 6bis Paris Convention, the relevant public depends on the goods or services in question. The relevant public will be that concerned by the products or services covered by the protected mark in question. A reputation, or being well known, in a “niche market”, may be sufficient. Again, see the decision from the UK Trade Marks Registry, relating to the mark “LE MANS”; and the judgment of the European Court of Justice, relating to the mark “FINQUES TARRAGONA” for discussion of a relevant “niche market” for marks protected under Article 6bis Paris Convention.

- 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?*

For UK national trade marks, European trade marks and marks protected under Article 6bis Paris Convention, provided the criteria in answer 3.1 above are satisfied, the marks do not need to have been used. Use, of course, will assist in establishing the requisite criteria.

With UK national and European marks, registrations must have been obtained or applied for.

For trade marks protected under Article 6bis Paris Convention, if the necessary criteria are satisfied, it is not necessary that registration of the mark has been obtained or applied for in the UK.

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

Not other than as discussed above.

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

It is an issue of law evidenced by the facts: there is a legal framework in which the facts must fit to be eligible for protection.

The burden of proof is on the owner of the trade mark (or other proper claimant party) to show that the eligibility criteria are satisfied.

The standard of proof is the civil standard of proof in the UK, which is on the balance of probabilities ie; “more likely than not”.

The evidence required will depend on the facts of each case. The owner should adduce as much evidence as possible to try to satisfy the criteria but evidence from third parties and traders, as well as customers or competitors and /or any evidence of awards or other recognition of reputation etc. can be helpful.

Evidence which helps to meet the criteria set out in paragraph 15 of the preamble to this Question will be helpful. That is to show:

- the degree of knowledge or recognition of the mark in the relevant sector of the public;
- the duration, extent and geographical area of any use of the mark;
- the duration, extent and geographical area of any promotion of the mark, including *inter alia* advertising or publicity;
- the duration and geographical area of any registrations and/or any applications for registration, of the mark;
- the extent to which the mark was recognized as well known by competent authorities;
- the value associated with the mark.

Sales and advertising figures are part of the evidence that would ordinarily assist with meeting the criteria. Surveys are not essential but can be relied on. The UK courts treat survey evidence with caution and require it to be undertaken in compliance with strict requirements. It is also helpful for it to be conducted by an independent body, which is subject to professional standards of conduct for such surveys.

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.

4. *Does your law require the existence of a ‘mental association’ or ‘link’ between the earlier trademark and the later trademark? If so, in which circumstances does a ‘mental association’ or ‘link’ between the earlier trademark and the later trademark exist? Are the factors mentioned in paragraph 27 and 28 above relevant for assessing the existence of such a ‘mental association’ or ‘link’? Are there other factors to take into account? Is the assessment of a link a question of fact (so something that can be established by market surveys), or is it a question of law to be established by the courts or authorities on the basis of such factors?*

Yes, a “link” between the protected trade mark and the later trade mark is necessary for protection.

The factors to take into consideration when determining whether there is a “link” are those set out at paragraph 27 of the preamble to this Question:

- the degree of similarity between the earlier and later mark;
- the nature and (dis)similarity of respective goods and services;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctiveness;
- likelihood of confusion (confusion is not required, but if use of the later mark creates a likelihood of confusion with the earlier mark, then the necessary link has been established).

The nature of the use of the latter mark may be an additional factor to take into account.

The assessment of a link is a mixed question of fact and law. It is a question of fact to be established within the legal framework and determined by the court or authorities on the basis of the law.

5. *Does such ‘mental association’ or ‘link’ between the earlier trademark and the later trademark automatically result in detriment to the earlier trademark’s repute or distinctive character? Or does detriment have to be proved over and above the existence of a ‘mental association’ or ‘link’?*

No – a “link” does not automatically result in detriment. Detriment must be proved over and above the mere existence of a ‘link’. Whether or not there is detriment is also to be determined on the basis of a global appreciation of all the relevant circumstances.

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 factors discussed above are relevant.

Additional factors are relevant: evidence of the market conditions; economic factors; and, the nature of use of the later mark may be relevant additional factors.

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?*

The trade mark owner may be required to prove a change in the economic behavior of the average consumer of the goods or services under the earlier mark as a result

of the use of the later mark, or, at least, a serious likelihood of that occurring, for example, a non-hypothetical risk, that such a change will occur in future. The burden of proof is on the trade mark owner and/or any other legitimate claimants seeking to establish the dilution.

Evidence of analysis of market conditions and trade of the trade mark owner before and after the event may assist.

Some expert evidence that the use (or prospective use) in question may result in “death by a thousand cuts” to the earlier trade mark may help.

Evidence of “me too” infringement or trade mark applications may help in showing the dilutive effect and assist to “infer” dilution or damage. A distinction is drawn between mere competition and infringing behavior.

Evidence of actual confusion is extremely valuable. This helps to satisfy the factors discussed above and, also, the “change in the economic behaviour”. However, confused members of the relevant public may only come to light if they seek to complain to the trade mark owner.

8. *What is the extent of protection afforded to marks which are eligible for dilution protection? May the owner of the earlier trademark object*

- *to the registration of a later trademark?*

Yes. Owners of UK national trade marks, European trade marks and trade marks protected under Article 6bis Paris Convention may, subject to satisfying the criteria above, object to the registration of a later trade mark.

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

Yes. Owners of UK national trade marks and European trade marks may, subject to satisfying the criteria above, object to the use of a later trade mark. Owners of trade marks protected under Article 6bis Paris Convention are not able to object to use of a later trade mark on grounds of dilution.

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

Where an owner can object to the registration or use of a later trade mark, such objection can be in respect of dissimilar goods (and /or services) as well as similar goods (and /or services).

9. *What are the legal remedies? May the owner of the earlier trademark file an opposition and/or a cancellation action? May he ask for injunctive relief or preliminary injunctive relief? Does your trademark office refuse the registration of a later trademark on grounds of likelihood of dilution?*

The owner of an earlier trade mark can, where appropriate, file an opposition against a trade mark application or start revocation proceedings against registered trade marks.

In an action for infringement, the owner of an earlier registered national UK trade mark or European trade mark, can seek injunctive relief and, if appropriate, interim injunctive relief, and may seek all such relief by way of damages, injunctions, accounts of profits or otherwise is available in respect of the infringement of any other property right in the UK.

The UK Intellectual Property Office may refuse the registration of a later trade mark on grounds of likelihood of dilution, but only upon successful opposition by the owner of the earlier trade mark; not *ex officio*.

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?*

Trade marks with a reputation or which are well known should be eligible for protection against dilution. The eligibility criteria discussed above should be maintained. Reputation, or being well known, in a limited product market or “niche market” should be sufficient, if the required standards are met for protection.

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?*

No. Trade marks protected under Article 6bis Paris Convention are a good example of why it is necessary to afford protection to marks which may be well known in a particular country, but which may not have been used in, or for which an application for registration may not have been filed in, that country.

3. *Should there be a registry of eligible marks? If so, what should the evidentiary value of registration be? Should it be possible to challenge it in litigation?*

No. The views of the UK Group are that such a registry would be difficult to maintain to a useful standard and would be of limited value in proceedings where evidence would need to be adduced in any case. Whether a trade mark meets the criteria and has the requisite reputation or is sufficiently well known is not static. To reflect this, evidence in each case, at the relevant time in question, would still be required to demonstrate such reputation or that a mark is well known.

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?*

Without a link, there would be no dilution, so the existence of a link should be a necessary criterion for protection or for establishing a trade mark dilution claim.

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?*

Actual change in the economic behaviour of the average consumer or at least likelihood of it should be required.

However, adducing the necessary evidence for establishing dilution is difficult. Courts and authorities must be prepared to accept evidence which goes towards demonstrating that there is a likelihood of dilution (or of detriment to reputation or the distinctive character) of the trade mark, without requiring evidence of actual damage.

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

The remedies set out in answer 9 above are considered appropriate.

The nature of the remedies should be appropriate and proportionate to the particular facts of the case. For example, the issue might relate to the way that a later trade mark is used rather than to the trade mark itself.

Since the question of whether a trade mark has a reputation or is well known can change across time, a defendant who may be subject to (for example) injunctive remedies should be able to apply to lift or set aside any such remedies at later points in time.

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

The owner of a trade mark can only seek protection for dilution if use of a later mark is “in the course of trade”. For example, a protest website such as “*brandnamesucks.com*” may not be infringement if it is used in a manner of protest rather than in the course of trade. Other legal remedies such as defamation may be more appropriate to uses of that nature where defences of freedom of speech and justification are appropriately assessed.

Summary

In the United Kingdom trade marks are protected by dilution under the Trade Marks Act 1994 (including the incorporation of the Paris Convention) and under the CTM Regulation.

Eligible UK national or European trade marks which are under application or registered and can show reputation and that use of the later mark would result in detriment without due cause, can oppose trade mark applications and seek to invalidate registrations and (when registered) bring action for infringement on grounds of dilution. Trade marks protected under the Article 6bis Paris Convention, which are well known in the UK and satisfy the same criteria (except for being registered) can oppose trade mark applications and seek to invalidate registrations on grounds of dilution. The trade marks need not have been used in the UK, but this would clearly help evidence reputation or that the mark is well known.

The test is a matter of law and fact. The court or authorities must determine, based on the evidence before it, whether the criteria are made out. Evidence of sales and advertising under the trade mark is helpful, but third party references, competitor references and independent references such as awards can be helpful, particularly where use has not been made in the UK.

A link between the earlier mark and the later mark is required as well as proof of a change in the economic behaviour of the relevant public, which can be a niche market, or proof that there is a likelihood of such a change occurring. Such factors are determined by a global appreciation of all the relevant circumstances. Adducing the necessary evidence for establishing dilution is difficult. Courts and authorities must be prepared to accept evidence which goes towards demonstrating that there is a likelihood of dilution (or of detriment to reputation or the distinctive character) of the trade mark, without requiring evidence of actual damage.

A registry of eligible trade marks is not appropriate. Such a register would be difficult to maintain to a useful standard over any period of time, and would be of limited value in proceedings where evidence would need to be adduced in any case.

Résumé

Au Royaume-Uni les marques déposées sont protégées par dilution sous la Loi 1994 de marques déposées (incorporation y compris de la convention de Paris) et aux termes du règlement de CTM.

Les marques déposées nationales ou européennes éligibles qui sont sous l'application ou enregistré et peuvent montrer que la réputation et cette utilisation de la marque postérieure auraient comme conséquence le détriment sans cause due, peuvent s'opposer à des applications de marque déposée et chercher à infirmer des enregistrements et (une fois enregistré) intentent l'action pour l'infraction pour des raisons de dilution. Les marques déposées protégées sous la convention de l'article 6bis Paris, qui sont bien connues au Royaume-Uni et répondent aux mêmes critères (excepté être enregistrée) peuvent s'opposer à des applications de marque déposée et les chercher à infirmer des enregistrements pour des raisons de dilution. Les marques déposées n'ont pas besoin d'avoir été employées au Royaume-Uni, mais ceci aiderait clairement la réputation d'évidence ou ce la marque est bien connue.

L'essai est une question de loi et de fait. La cour ou les autorités doit déterminer, basé sur l'évidence avant elle, si les critères sont faits dehors. L'évidence des ventes et de la publicité sous la marque déposée est utile, mais les références de tiers, les références de concurrent et les références indépendantes telles que des récompenses peuvent être utiles, en particulier où l'utilisation n'a pas été fabriquée au Royaume-Uni .

Un lien entre la marque plus tôt et la marque postérieure est exigé aussi bien que la preuve d'un changement du comportement économique du public approprié, qui peut être un marché de place, ou rendent résistants qu'il y a une probabilité d'une telle occurrence de changement. De tels facteurs sont déterminés par une appréciation globale de toutes les circonstances appropriées. L'apport de l'évidence nécessaire pour établir la dilution est difficile. Des cours et les autorités doivent être préparées pour accepter l'évidence qui va vers démontrer qu'il y a une probabilité de dilution (ou de détriment à la réputation ou au caractère distinctif) ou de la marque déposée, sans exiger l'évidence des dommages réels.

Un enregistrement des marques déposées éligibles n'est pas approprié. Un tel registre serait difficile à maintenir à une norme utile au-dessus de n'importe quelle période, et serait de valeur limite dans les démarches où l'évidence devrait être apportée en tous cas.

Zusammenfassung

In Vereinigten Königreich werden die Schutzmarken durch Verdünnung unter dem Warenzeichenschutzgesetz 1994 (einschließlich Gesellschaftsgründung der Paris-Versammlung) und unter der CTM-Regelung geschützt.

Geeignete nationale oder europäische Schutzmarken, die unter Anwendung oder registriert sind und darstellen können, dass Renommee und dieser Gebrauch von der neueren Markierung Schaden ohne passende Ursache ergeben würden, können Schutzmarkeanwendungen entgegensetzen und zu suchen, Ausrichtungen ungültig zu erklären und (wenn Sie registriert werden), holen Sie Klage auf Verletzung aus Gründen der Verdünnung. Die Schutzmarken, die unter der Vereinbarung des Artikel-6bis Paris geschützt werden, die in Großbritannien weithin bekannt sind und die gleichen Kriterien erfüllen (außer registriert werden) können Schutzmarkeanwendungen entgegensetzen und suchen, Ausrichtungen aus Gründen der Verdünnung ungültig zu erklären. Die Schutzmarken brauchen nicht, in Großbritannien benutzt worden zu sein, aber diese würde offenbar Beweisrenommee helfen, oder die die Markierung ist weithin bekannt.

Der Test ist eine Rechtsfrage und Tatsache. Das Gericht oder die Behörden müssen feststellen, gegründet auf dem Beweis vor ihm, ob die Kriterien ausgemacht werden. Beweis von Verkäufen und von Werbung unter der Schutzmarke ist nützlich, aber Drittparteihinweise, Konkurrentenhinweise und unabhängige Hinweise wie Preise können nützlich sein, besonders wo Gebrauch nicht in Großbritannien hergestellt worden ist

Eine Verbindung zwischen der früheren Markierung und der neueren Markierung wird sowie Beweis einer Änderung im ökonomischen Verhalten der relevanten Öffentlichkeit, die ein Nischenmarkt sein kann, oder prüfen angefordert, dass es eine Wahrscheinlichkeit solch eines Änderungsauftretens gibt. Solche Faktoren werden durch eine globale Anerkennung aller relevanten Umstände festgestellt. Den notwendigen Beweis für die Festlegung von Verdünnung zu zitieren ist schwierig. Gerichte und Behörden müssen vorbereitet werden, um Beweis anzunehmen, der in Richtung zum Zeigen geht, dass es eine Wahrscheinlichkeit der Verdünnung (oder des Schadens zum Renommee oder zum unterscheidenden Buchstaben) oder der Schutzmarke gibt, ohne Beweis des tatsächlichen Schadens zu erfordern.

Ein Register der geeigneten Schutzmarken ist nicht angebracht. Solch ein Register würde schwierig, zu einem nützlichen Standard in jedem möglichem Zeitabschnitt beizubehalten sein und würde von Grenzwert in den Verfahren sein, in denen Beweis auf jeden Fall würde zitiert werden müssen.