

The rationale of the protection against dilution

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Protection against dilution

Art. 8.5./9.2.c EUTMR, Art. 5.3.a/10.2.c EUTMD

Article 9 Rights conferred by an EU trade mark

2. [...], the proprietor of that EU trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where:

(c) the **sign is identical with, or similar to**, the EU trade mark **irrespective of** whether it is used in relation to **goods or services** which are identical with, similar to or not similar to those for which the EU trade mark is registered, where the latter has a **reputation** in the Union 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 EU trade mark.

Blurring and tarnishment

- Trade marks with a **reputation**
 - Reputation = degree of knowledge or recognition by the relevant public
 - General public v. niche reputation
- are protected against
- **blurring**: preservation of distinctive character
- **tarnishment**: preservation of the repute/goodwill of well-known marks
 - Repute = power of attraction
- for **dissimilar goods** (beyond principle of speciality)
- In cases of **no due cause**

Detriment to distinctive character

- Distinctive character:
 - “the mark must **serve to identify the product** in respect of which registration is applied for **as originating from a particular undertaking**, and thus to distinguish that product from goods or other undertakings” (*Chiemsee*, para 46; *Lloyd*, para. 22)
- Detriment to distinctive character:
 - “such detriment is caused when that **mark’s ability to identify the goods or services** for which it is registered and used as coming from the proprietor of that mark **is weakened**, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark.
 - That is notably the case when the **earlier mark, which (at one time) used to arouse immediate association** with the goods and services for which it is registered, **is no longer capable of doing so.**” (*Intel*, para. 29; *L’Oreal*, para. 39, referring to *Intel*)



Distinguishing function

vs.

Repute/goodwill function?

Rationale: distinguishing function

- “The **more distinctive** or unique the mark, the **deeper is its impress upon the public consciousness**, and the **greater its need for protection** against vitiation or dissociation from the particular product in connection with which it has been used.” (Schechter 1927 p. 825)
- Danger of a “**gradual whittling away or dispersion** of the identity and hold upon the public mind of the mark or name” (Schechter, p. 825)

Strong distinctive character = consumers **immediately think** of specific product



Third party use of similar sign creates **additional links** with other products



Consumers would have to think twice to decide which products mark refers to



Consequence: **corrosive effect** on distinctive character

Rationale: repute/goodwill function

- “The owner of [...] a distinctive mark has a legitimate interest in continuing to maintain the position of exclusivity he acquired through **large expenditures of time and money** and that everything which could impair the **originality** and distinctive character of his distinctive mark, as well as the **advertising effectiveness** derived from its **uniqueness** is to be avoided [...] Its basic purpose is not to prevent any form of confusion but to protect an **acquired asset** against impairment” ([German Federal Court of Justice *Quick* GRUR 1959, p. 186](#))



Rationale: repute/goodwill function (2)

- “the degree of protection depends in turn upon the extent to which, through the **efforts or ingenuity of its owner**, it is actually **unique** and different from other marks” (Schechter p. 831)
- Schechter on Odol decision (p. 832): “the mark had acquired an **especially favorable prestige** through the efforts of the complainant” and its “ability to compete with other manufacturers of mouth wash will be impaired if the **significance** of its mark is lessened”
- The **power of attraction and selling power** of the mark, “to arouse immediate association” would be lost when mark is not exclusively used (*Benelux Court of Justice, A 74/1 Claeryn/Klarein, p. 10*)



Focus on detriment to the power of attraction/selling power/repute of a mark, rather than its distinctiveness

Distinction between the two functions?

- Dilution protection NOT merely because of detriment of distinctive character but because of detriment to the **uniqueness of the brand image**
 - **Only with power of attraction**/selling power, detriment by non-exclusivity
 - Only where favourable prestige through advertising has been created, detriment
 - **Then additional links** will have **corrosive effect**: limiting selling power of mark
 - Three stages in trade mark development (Senftleben 2009, p. 47 ff.):
 - Sign reservation – distinctive character as basic function for establishing link
 - Sign programming – preserving quality as guarantee for meeting consumers' expectations
 - Brand image creation – carriers of information on lifestyle and attitude (repute)
-  Only with **sign programming**/brand image creation is there **selling power**
-  Enhancing brand image through advertising also leads to enhanced distinctive character

Intel: arouse immediate association

- Reference alludes to an **effect a brand image has**
 - Immediate association is aroused where selling power was created by brand image/repute
 - Power of attraction is reduced by other additional links
- Underlying purpose of dilution depends on **repute**: only where a mark has repute, can there be detriment to the distinctive character
 - Immediate association is only impaired where earlier mark had positive associations

 There is detriment when **immediate association with the brand image** is impaired, rather than with specific products

Thank you for your attention!



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