



Trademark dilution: Infringing efforts to mint profits

Amra¹, Aashima Jain²

¹ B.A.LL.B, Law College Dehradun, Uttarakhand University, Uttarakhand, India

² BBA.LL.B, Law College Dehradun, Uttarakhand University, Uttarakhand, India

Abstract

The researchers have made an empirical study of the concept of infringement of trademark. They have also made a mention of the origin of this concept, which dates back to 1925, when it was first established by a German court. They have also paid due attention towards the different forms of dilution of trademarks in India.

The researchers have also written about what are the laws that govern infringement of trademark in India.

The study does not end here, they have even tried to provide a substantial relief or remedy for such dilution.

The best part is that the researchers did not confine this study to the 'Trademark dilution in India' but have even taken the global perspective into consideration. They have further made a comparative analysis so as to compare the laws of India with those of the other countries relating to Trademark.

Coming to an end, the researchers have tried to make an in-depth study on the topic with the help of previous judgments of the concerned honorable courts in the matter.

The researchers have concluded the paper with the notion that some marks so well known that they deserve protection beyond any doubts.

Keywords: substituted Li ferrite, magnetostatic and spin waves, microstrip array antenna, X-band frequency range

Introduction

Dilution of Trademark

Trademark law aims at protecting the customer from deceit that arise out of unfair competition. The trademark law traditionally concerned itself 'with situation wherein the defendant use a mark similar to a registered mark in relation to do the same classification of goods. A Trademark is diluted when the use of similar or identical of trademarks in other non-competing markets mean that the trademark in and of itself will close it a capacity to signify a single source. In other words unlike ordinary trademark law, dilution protection extends to Trademark uses that do not confuse consumers regarding who has made a product. Instead, dilution protection law aims to protect sufficiently strong trademarks from closing their singular association in the public mind with a particular product, perhaps imagined if the trademark were to be encountered independently of any products Example just word Pepsi spoken or on the Billboard.

Trademark is a relatively new concept in intellectual property jurisprudence. In general Trademark is understood as an extension of the concept of infringement when the goods are the diametrically different then the harm caused to a Trademark by its use by an unauthorized person is known as the dilution

It is generally believed that the doctrine of Trademark dilution was for the first time adopted by a German court in 1925 where in the manufactures of the mouthwash 'odol' was able to obtain cancellation of the same mark being used in relation to a railroad and Steel company. However others believe that the Doctrine was espoused in England in 1898 in the case of

Eastman photographic material Corporation vs Joha griffiths cycle Corporation, the courts did not allow the camera maker to successfully enjoy the use of 'Kodak' cycles, or although were not directly the competitor of Kodak cameras. This case also known as the Kodak doctrine marked the first significant shift from the traditional Trademark protection. However it was Frank Schechter who actually launched the concept of Trademark dilution write his paper in 1927. It marked a turning point as according to him, the true function of a Trademark is to identify a product as satisfactory and thereby to stimulate and further purchases by the concerning public." By the 1940s is the Massachusetts come up with the statutory law of dilution^[1].

Trademark dilution doctrine is an obvious reflection of the ever increasing demand for extending more and more protection to famous trademarks.

Meaning of dilution

The Trademark dilution occurs when a third party uses a mark or trade name in commerce that is sufficiently similar to a famous mark such that it harm consumer perception of the famous mark or it could be said that when a well known Trademark is used by any person other than the person associated with that Trademark in the way when its uniqueness lessens it will itself lose its capacity to signify a Single source.

In Caterpillar inc v. Mehtab Ahmed and others

The Delhi High Court held: So far as doctrine of dilution is concerned it is an independent and distinct doctrine. The

underlying object of this doctrine is that there is presumption that the relevant customers start associating the mark or Trademark with a new and different source. It results in smearing as partially of affecting the descriptive link between the mark and the goods is blurred. It amounts to not only reducing the force or value of the trademark but also it gradually tapers the commercial value of the marks slice by slice. Such kind of dilution is not a fair practice that is expected in trade and commerce ^[2].

Forms of dilution

Dilution may be divided into three related concepts namely (i) blurring (ii) Tarnishment and (iii) genericide

Dilution by Blurring

Dilution by blurring is defined as Association arising from the similarity between the mark or trade name and a famous mark that impairs the distinctiveness of the mark. In other words, the link between the mark and goods is blurred. It amounts to the devaluation of the strength and commercial value of the marks. The following factors are considered by the courts:-

1. The degree of similarity between the mark or trade name and the famous mark.
2. The degree is inherent or acquired distinctiveness.
3. The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark
4. Degree of recognition of the famous mark.
5. whether the user of the alleged infringing mark or trade name intended to create an association with the famous mark, and
6. Any actual association between the mark or trade name and the famous mark. Again a survey may be helpful.

Dilution by tarnishment

Dilution by tarnishment is an “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark. It is the weakening of a mark through unsavoury or unflattering association. Not all associations will result in tarnishment, For example the application of Maines is anti dilution statute to a magazines non-commercial Parody of the LL Bean Trademark was held to violate the First amendment; where a magazine has not used the mark to identify or market to goods or services

The object of such an invasion is a tarnish, degrade or dilute the distinctive quality of a mark. The dilution of a mark by way of tarnishment is always with regard to well recognized strong and famous marks ^[3].

Dilution of genericide

Some trademark law authors identify genericide as a distinct category of trademark dilution ^[4].

Generic use of Trademark is a form of misappropriation which causes dilution by blurring. In other words, it is particularly caused in wide circulating media like national newspapers, magazines, dictionaries, the internet, television and so on.

If ‘chair’ was once a Trademark it's a generic use to denote a class of goods, namely furniture used by the humans to sit on divested it of trademarks attributes and placed it in the public domain of market language. So, here it occupied the public

domain of market language as it no longer served to identify its original goods in a Trademark sense, but became the name of a class of goods fairly available for use by other market participants.

Confusion by sponsorship

Here the plaintiff must prove that

(a.)his Trademark possess and advertising value in respect of his goods.

(b)The misappropriation of the advertising value of his Trademark is likely to cause confusion by sponsorship between the plaintiff's good and the defendants non competing goods.

(c)The plaintiff's right to good will has been infringed by the tarnishment or dilution of the advertising value of his trademark.

Trademark dilution under Indian Law

The trade and Merchandise marks Act, 1958 did not contain any provisions related to trademarks dilution. Statutory provisions relating to trademarks dilution were introduced for the first time into Indian law with The Trademarks Act of 1999, which came into effect in 2003. There has been little discussion about the concept and therefore many misconceptions have accumulated around it. The provision is found within section 29(4), having regard to internationally recognized standards about the need to protect generally well known marks. A similar provisions in found written section 11(2) of The Trademark Act, 1999 Indian law has Long been inspired by the UK legislation and the equivalent infringement provisions is section 10(3) of the U.K. Trade marks act 1994. Unlike the other provisions dealing with infringement there is no requirement of confusion in this section ^[5].

Trademark Dilution Blurring v. Tarnishment

The federal Trademark and dilution Act (FTDA) embodied in this section 43(c) (1) of the Lanham Act, provides that the famous marks are eligible for federal protection when a third party's use of the mark dilutes the famous marks distinctiveness, even in the absence of competition on, likelihood of confusion, mistake or deception. Protection against dilution not exist to protect the public but rather exists to protect the owner of a trademark

The FTDA protests against two different types of dilution – disssolution by blurring and dilution by tarnishment. Blurring by which the connection in consumer minds between the plaintiffs mark and the plaintiffs goods or services weekend.

Blurring occurs when the third partys use of the trademark decreases the likelihood that the mark will serve as a unique in identifier of the owners product and hinder the selling power of the owners mark. Examples Buick aspirin. On the other hand, the word tarnishment in simple words means mark used in connection with inferior products. It could be said that the trademarks owner reputation get hindered. Example (enjoy) cocaine.

However, under the Dilution Act, it is clear that certain actions will not be subjected to the provisions of the Act. The Act specifically states that fair use (such as comparative advertising, noncommercial use such as non-commercial WEB PAGES) and all forms of news reporting and news

commentary would not constitute dilution under the Act.

Remedy and the relief for Trademark dilution

Typically the only relief available for trademark dilution is injunctive relief. However, if the defendant 'willfully' intended to trade on the owners reputation to cause dilution of the famous mark the owner of the mark may also be entitled to other remedies, including the defendants profit, damages, attorneys fees and destructions of infringing goods ^[6].

Providing the dilution of a mark

Under the dilution Act, famous marks are protected against the dilution of the distinctive nature of the mark. There is no need to prove a likelihood of confusion, nor is there any need to show competition between the goods of the plaintiff and defendant. Therefore, it is possible to use a dilution, cause of action against uses of the same mark even when the defendants goods and services bears no relation to the goods or services of the famous mark.

Marks protected against dilution

Under the terms of the Federal Trademark Dilution Act, only 'famous' marks are protected against dilution. The determination of what constitutes a 'famous' mark will probably involve a great deal of litigation in the coming years. Under the terms of the Act, courts may look at the following factors in determining whether a mark is famous:

1. the duration and extent the duration and extent of use of mark;
2. the duration and extent of advertising for the mark ;
3. the Geographic area in which the mark has been used ;
4. the degree of distinctiveness of the mark either through the nature of the mark itself or through acquired distinctiveness;
5. the degree of recognition of the mark;
6. the method by which the product was distributed and marketed the channels of trade;
7. the use of the mark by third parties and ;
8. whether the mark was federally registered ;

Examples of the marks which clearly considered 'famous' would be XEROX, Kodak, Coca Cola and Reebok. It would be much harder to protect a mark like Apple computers against the dilution, since the term Apple has been used in connecting with other well known products, such as the Beatles records, and has been used by numerous other businesses. Of course, the mark Apple is still protected against Trademark infringement when likelihood of confusion can be established ^[7].

Trademark dilution: A comparative analysis

The concept of Trademark dilution slowly crept into the consciousness of the legal profession, the legislature and Judiciary of many countries where it has been the subject of academic debate and commentary, statutory protection and judicial decisions. The concept of dilution remains one of the most misunderstood concepts in Trademark law. In fact, the term Trademark dilution is not found in the text of any International Trademark treaty, although there is general consensus among academicians that International Trademark law obliges states to provide protection against trademark dilution.

In this topic we will discuss both the statutes and the common law of the USA, Germany, UK and South Africa to determine difference and uniformity of approach adopted by the legislation and case law of these countries towards protection against trademark dilution.

Trademark dilution is a form of harm or injury which occurs where the advertising value of a Trademark is misappropriated and used in respect of the perpetrators non competing goods. By so doing, the perpetrator may create an impression with the purchasing public that his goods are of the same origin of those of the trademark owner or are manufactured under the sponsorship or authority of the trademark owner. A common example of this is comparative advertising when a trader states, for instance, that his goods are "a substitute for", "similar to" or "the same as" the goods bearing the trademark owners trademark ^[8].

Karl Heinz Fezer defines open misappropriation in a competitive relationship in the context German law by observing that:-

If in advertising his own trademarked goods a competitor was another's mark with the aim of participating in the reputation of this mark as an endorsement of his own mark this is an unconcealed misappropriation of the others reputation ^[9].

Bastian on the other hand explains the rationale why comparative advertising as a form of open misappropriation of the advertising value of a Trademark, was prohibited in Germany prior to the European Communities Directive on comparative advertising by arguing that, when engaging in critical comparative advertising the 'advertiser' (promotes) the sale of his own goods or services by disparaging the goods services of one or several competitors to which reference is made in a perceptible manner. In other words, such misappropriation causes dilution by tarnishment.

It should be noted that unconcealed misappropriation can also occur within a competitive context through the generic use of a Trademark by a competitor. Such use destroys the Unique Identity of The trademark and results in a Trademark dilution. This occurs for example when the coffee maker manufacturer advertises his appliance by stating that it is assembled with the same precision as a 'Rolex' or when a pharmaceutical Company states that its medical tablets are manufactured like 'Mercedes' Benz automobiles. In respect of unrelated and non competing goods a good example is the case of Rolls Royce Motors Limited v. Gramm and Grey GmbH and Co. KG, where the defendant traders used the Representation of the highly esteemed Rolls-Royce Trademark in the background of his advertisement for his new brand of whisky and in this way, capitalized on the reputation of the Rolls Royce Trademark by transferring to his whisky the positive Association of outstanding quality which the trademark enjoys in the mind of the consuming public. It is submitted that in the Rolls-Royce case, above the whiskey Merchant parasitically rode on the reputation of the Rolls Royce Trademark in order to draw customers to his whisky, not because of merits of his whiskey, but by Sharing In The excellent reputation of the Rolls-Royce Trademark. In other words the whiskey merchant was covertly assuming the reputation of the Rolls-Royce Trademark in promoting his whisky ^[10].

The United States Trademark Association Commission report

made a similar rationale for protection against Trademark dilution when it observed that “a well known Trademark is powerful advertising tool and source identification. It can fasten a lasting psychological grip on the public consciousness generating consumer loyalty and goodwill. Once established, this commercial magnetism builds and retain Markets and fastens competitive Vigour. The value of well-known brand names is incalculable; they can bring an immense premium in the price of Corporate Acquisition. The unseen but dynamic pull of a famous mark, the essence of many successful business, should be awarded maximum legal protection (from Trademark dilution)(Emphasis added) ^[11].

In the Quick case, German federal court explained why trademarks should be protected from Trademark dilution by observing that the owner of such a mark has a legitimate interest in continuing of maintain the position of exclusively he acquired through large expenditure of time and money and that everything which could impair the originality and distinctive mark. Its basic purpose is not to prevent any form of confusion but to protect an acquired assets against impairment.

In cases where the misappropriation of a trademarks advertising value occurs, the advertising value is usually protected only indirectly through the claim of trademarks dilution. However, South African writers have also made a compelling case for the direct protection of the advertising right as an independent right worthy of protection.

Infringement: does confusion still reign?

when it comes to possible infringement of a registered mark that may be well known, the owner has a choice of weapons assuming the defendants use is not of the identical sign in relation to the same goods or services for which the mark is registered, then under section 10(2) of the 1994 Act, there is infringement if the defendant has(a) used an identical or similar sign,(b) on or in relation to goods or services the same or identical to those for which the mark is registered and (c) there is a likelihood of confusion. In deciding whether confusion is likely, the court applies the ‘Global appreciation’ test and looks at all relevant factors, including the distinctiveness of the registered mark ^[12].

However, in relation to the latter, the court of justice decided that Courts must adopt a counter view of the likely effect of very distinctive marks,’ the more distinctive the earlier mark; the greater will be the likelihood of confusion. While this may be correct for some very distinctive (or perhaps even famous) marks, particularly those that are invented or highly unusual such as Adidas, Google or Exxon, where their use on practically goods or services, but which may have legitimate right to use on different goods or services, such as Mac Donalds, Tiffany or Polo ^[13].

Diluting the meaning of ‘well known’

section 10 (3) and article 5 (2) of The trademark directive on which it is based, gives to registered trademarks with a reputation protection against use by a third party that dilutes the distinctiveness of the registered mark, through use on goods or services identical, similar or dissimilar to those for which mark is registered. Dilution is not a new concept in Trademark law and other jurisdiction have introduced anti-dilution the legislation ^[14].

Dilution type protection has been likened to a form of unfair competition law, but under the Trademark Directive and the 1994 Trademarks Act, it is specifically reserved for Marks with a reputation. Section 10 (3) of the 1994 Act States:

A person infringes a registered trademark if he uses in the course of Trade a sign which (a) is identical with or similar to the trademark, where the trademark has a reputation in the United Kingdom and the use of the sign, being without due cause, take advantage of, or is detrimental to, the distinctive character on the repute of the trademark ^[15].

Although it is correct that well known mark and mark with a reputation are ‘kindred concept’ that means they are related concepts, it does not mean they are the same thing.

Trade Dress and dilution of Trademark in relation to Dissimilar Goods.

As stated earlier, the dilution of Trademark it is concept and unrelated with confusion similarity or imitation of Trademarks or similarity of trade dress. Thus, if confusing similarity is not proved still the right holders may desire an injunction for which dilution of the trademark is alleged. The law for the same may be understood with the help of cases In Hamdard National Foundation v. Abdul Jalil, 2008 (38) PTC 109 (Del) the plaintiff wanted to restrain the defendant from using the word HAMDARD and the visual mark associated with it which they had been using since 1906, when ‘Hamdard Dawakhana’ was established. The plaintiffs were owners of marks such as ‘Hamdard’ Eye Design, ‘Hamdard Balmi’, ‘Hamdard Marham’, ‘Hamdard Gripe water and others labels as well as device marks. The plaintiffs held i 37 registrations of the mark. It is claimed that the mark and the design, which is also a mark are well known and famous trademarks, and have acquired distinctiveness. The defendant was using the word mark HAMDARD in relation to processing and marketing rice and had sought to register the trademark. The defendants label marks comprise marks Hamdard brand Dehradun basmati rice the Android logo which is identical to the plaintiffs registered trademark HAMDARD EYE design as well as the trading style of the defendant, Hamdard Industries.

The plaintiff claimed that their Trademark is registered and reputed therefore they had right to restrain the use of similar marks on dissimilar goods or services under sec 29(4) and that under the Doctrine of dilution, the marks similar to famous marks are liable to be refused as per international practice. Justice S. Ravinder Bhatt scrutinized the legal position in Canada and USA and confirmed the interim injunction against the use of ‘Hamdard on rice’. The court concluded “unlike in other jurisdiction, there was no separate famous marks registry to protects claim. However, Indian courts had in several instances, recognized and given protection to such claims. Justice Bhat stated in Canada and pre- 2006 United States decisions show that mere existence of a famous mark, by itself is sufficient to guarantee and an injunction relief when goods are dissimilar. Normally, there was a Canada insistence of establishing the injurious Association in the case of dissimilar goods in the instant case the reason like the desist notice of 1992 opposition to registration in year 2000, the defebdant the unable to state reasonsfor using ‘Hamdard’, lastly trade channels being same, the court issued the injunction.

The U.S. Position

As a sequel to the requirement of actual dilution, the US amended the applicable law on October 2006. The consequences of the supreme court judgment's was a swift congressional intervention by amendment of the trademark dilution Revision Act,(effective October 2006),the standard of "likelihood of dilution "was affirmed: the amendment provided inter alia that:

the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness shall be entitled to an injunction against another person, who at any time after the owners mark has become famous, commences use of a mark a or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishments of the famous mark regardless of the presence or absence of actual are likely confusion, of competition, or of actual economic injury.

Freeriding.....

Freeriding occurs when a mark owner receives the benefit of a positive Association between that mark and a well-known mark. The court of Justice of the European Union has described freeriding as an actionable offence and several countries within EU (eg..Germany and Slovakia) refer to the practice as 'parasitic exploitation'.

Conclusion

From the above research it is concluded that dilution of a Trademark is an extended form of infringement as when the famous Trademark is used by the person other than the owner in a way that lessens the marks uniqueness. The trademark Act, 1999 is not explicit about dilution and does not refer to the term. The object of the dilution form of infringement is wider Trademark protection to a well-known Trademark. Here, the judiciary is playing a vital role in the protection of trademarks from their unauthorized use. As in the Hamdard case, the standard for deciding what amounts to infringement of trademarks by dilution in relation to goods and products, which are dissimilar under Section 29 (4) is much the same which on the other hand, doing the comparative study of dilution of Trademark the likelihood of deception is required in USA and not actual deception. The US standard which was similar to Canadian one (actual damage rather than likelihood of damage has now been changed with effects from 6 October, 2006.

So, it is crystal clear that Trademarks dilution therefore stands for the proposition that some marks are so well known that they deserve protection beyond the standard likelihood of confusion analysis for determining trademark infringement.

But the definition elements of Trademark dilution may vary from country to country jurisdiction that expressly recognize trademark dilution include USA, the new Era, South Africa, India and Japan as well as several Central and South America countries and the Canada recognized dilution as 'depreciation of good will'. So Trademark dilution doctrine protects strong and as and well known Trademark from losing their uniqueness in the minds of a people. with a particular product dilution is a basis of Trademark infringement which is applies to famous marks.

References

1. <https://www.uniassignment.com/essay-samples/law/doctrine-of-dilution-of-trademark-law->

company-business-business-Partnership essay. php (last visited, 2017).

2. Caterpillar Inc v/s Mehtab Ahmed and others 25 PTC 438 (Delhi), 2002, 441-42.
3. <https://www.patent-trademark-law.com/trademarks/trademark-infringement-dilution/trademark-dilution> (last visited Nov.3, 2017)
4. Tony Martino, Trademark Dilution) arguing that Prof. Walter J Derenberg identified atleast two other harms which may befall a trademark for which the dilution status provides a remedy. The first he described as death by genericide, genericization or trademark citation. 1990, 57-63.
5. Razit Sharma. Law Relating To Trademark: Infringement And Allied Aspects 141(Regal publications,2ns ed. 2016)
6. <https://www.legalteamusa.net/tacticalip/2012/12/20/trademark-dilution-blurring-tarnishment/>last visited, 2017.
7. <https://www.bitlaw.com/trademark/dilution.html> (last visited, 2017).
8. van heeuden and neethling 202(note6)
9. karl heinz fezer, trademark protection under unfair competition law, 1988, 195.
10. Tony Martino. Trademark dilution arguing that Prof. Walter J. Derenberg identified atleast two other harms which may befall a trademark for which the dilution statutes provide a remedy. The first he described as 'death by genericide genericization 'or' trademarkicide. 1990, 57-63.
11. 77trademark Rep, 1987, 455.
12. Sabel V. Puma ECRI-6191, ECG, 1998.
13. See for example the decision of the court of appeal in Singapore in Polo/ Tauren v.Shop- in department store (1998) to SLR 550 where the use of 'Pacific Polo' on T shirts retailing for US \$ 5-8 it was found not likely to confuse the average consumer into believing there was any trade connection with the owners of the 'Polo' mark, 'Ralph Lauren'. For an explanation of Singaporean decisions in the area, see Ng-Loy,' An interdisciplinary perspective on the likelihood of confusion: Consumer Psychology and Trademark in an Asian society, 2008, 98. TMR 950
14. See the U.S Trademark Dilution Revision Act of 2006. This statute was passed in the U.S. after a period in which, in the words of the leading commentator on U.S. Trademark Law, Professor Thomas Mc. Carthy, 'In both the EU and the U.S., court have had little success in making sense of their anti - dilution laws.'(See 'Dilution of a Trademark: European and United States Law compared, TMR. 2004; 94:1163.
15. Wilk of Basheer. Overlapping Intellectual Property Rights 242 Oxford Indian ed, 2013.