



Compilation of Law and Case Law on Dilution in Latin America & the Caribbean

By

The Famous and Well-Known Marks Latin America & Caribbean Subcommittee's Task Force on Dilution

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1. COMPILATION OF LOCAL PROVISIONS

ARGENTINA

Argentine Law does not provide or express any specific protection against dilution. In addition, no statutory reform relating to dilution is expected to be introduced in the short term. However, it is possible to find arguments which enable the protection of trademarks against dilution pursuant to the following provisions of Argentine Trademark Law:

“Article 3: The following may not be registered:

- (a) A mark that is identical to one previously registered or applied for in order to distinguish the same goods or services;
- (b) Marks similar to others already registered or applied for in order to distinguish the same goods or services [...]

Article 4: Ownership of a mark and exclusivity of use shall be obtained through registration. In order to be the owner of a trademark or exercise the right to oppose its registration or use, the applicant or opponent must have a legitimate interest.

Article 24: The following marks shall be null and void: [...]

- (b) Those registered by anyone who, at the time of applying for registration, knew or should have known that the marks belonged to a third party.”

Argentine legislation on damages also affords protection against dilution as per Article 953 of the Civil Code, which nullifies any immoral juridical acts. Furthermore, Article 1109 states that “any individual who causes damage to another because of its own negligence, is obliged to pay compensation.”

Moreover, Argentine law indirectly addresses the dilution of trademarks by virtue of Article 6 *bis* (1) of the Paris Convention, which reads as follows:

“Article 6 *bis*: Marks; Well-known Marks

- (1) The countries of the Union undertake, *ex officio* if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.”

Protection against dilution is also indirectly addressed by the TRIPS Agreement by virtue of its Articles 16.2 and 16.3, which reads as follows:

“Article 16: Rights Conferred [...]”

2. Article 6 *bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services and

3. Article 6 *bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.”

BOLIVIA

The Andean Pact (established by means of Decision 486) bears the following anti-dilution provisions:

“Article 136 – Those signs may not be registered as marks whose use in trade would unduly harm a third party right, especially where: [...]”

(h) They constitute a reproduction, imitation, translation, transliteration or transcription of all or part of a well-known distinctive sign the owner of which is a third party, regardless of the goods or services to which the sign is applied, where their use would be liable to create a risk of confusion or association with that third party or with his goods or services, constitute misappropriation of the prestige of the sign or dilution of its distinctive power or commercial or advertising power.”

Moreover, Section 306 (Chapter IX) of the internal code of the Bolivian office of trademarks and patents (SENAPI - Propiedad Industrial del Servicio Nacional de Propiedad Intelectual) establishes that “in case of invoking in a contentious process any risk of dilution, parasitical use or association, it is not enough to prove the notoriety of the trademark to provide protection beyond the principles of territoriality and specialty, but alleged risk or risks must also be proved.”

BRAZIL

BTO’s Ordinance 107/2013¹ deals with the examination proceedings to be followed by the BTO in order to assess whether or not a mark may be declared as highly reputed, thus ruling Section 125² of the Brazilian Industrial Property Law - **IPL**. Some provisions of this Ordinance directly address the concept of dilution, as it will be informed in more detail further below.

¹ Available at www.inpi.gov.br/portal/artigo/resolucoes

² Article 125 – Marks registered in Brazil and deemed to be famous shall be afforded special protection in all fields of activity.

Well-know and famous (highly reputed) marks – For the proper understanding of this study on protection against dilution in Brazil it is important to bear in mind that under local legislation a clear differentiation is made between well-known and famous (highly reputed) marks.

Well-known marks are those dealt with in Article 6 bis of the Paris Convention³ and incorporated in the IPL pursuant to its Article 126.⁴

Famous marks have gone far beyond their original scope of protection, so that protection is provided not only in their field of activity and related ones, but also in connection with any business.

It is interesting to also note that while well-known marks enjoy protection without consideration of the principle of territoriality (a registration in Brazil is not a requirement for enforcement), the compliance with the principle of specialty is mandatory.

Conversely, famous marks must comply with the principle of territoriality (registration in Brazil for proper enforcement), but fame is a much broader concept, spreading over all kinds of business, so that famous marks do not have to comply with the principle of specialty.

This means that the holder of a well-known mark may attack a pending application or a registration on the grounds of protection obtained abroad, but evidencing that the genuine mark is well-known in its field of activity. Registration is not a requirement, but must be sought as stated in the IPL as per Article 158 paragraph 2⁵.

The Brazilian Doctrine on Trademark Dilution

Brazilian authors, when examining the concept of dilution, more commonly refer to the so called parasitical benefit. Camelier da Silva in his recent book⁶ draws our attention to an article written by Luiz Antonio de Carvalho⁷. Pursuant to said article, this expression was first used in a decision rendered in France in 1974 by the Appellate Court of Nancy in connection with the trademark “Anne de Solne”. When rendering its decision, the court of Nancy stated that the use of a famous

³ Article 6bis Marks: Well-Known Marks – (1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion of mark considered by the competent authority of the country of registration or use to be well known in that country so being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

⁴ Article 126 – Marks that are well-known in their field of activity in accordance with article 6 *bis* (I) of the Paris Convention for the Protection of Industrial Property shall enjoy special protection, whether or not they have been previously filed or registered in Brazil.

⁵ Article 158 – Once officially recorded, the application shall be published for the filing of oppositions within a sixty (60) day period. § 2 – Oppositions, administrative nullity procedures and nullity actions based on item XXIII of article 124, or article 126 shall not be admitted if proof of the filing of an application for the registration of the mark in accordance with this law is not submitted with sixty (60) days after filing the opposition or nullity procedure or action.

⁶ Camelier da Silva, Alberto Luís – Concorrência Desleal: atos de confusão – São Paulo: Saraiva, 2013 – (p. 88-89)

⁷ Revista da ABPI no. 10 Jan-Feb. 1994 (p. 45-47)

mark beyond the limits of traditional competition, i.e., not intended for identical or similar products, should be regarded as parasitical benefit. In this case there is not a direct competition between the products and services, but still the risk of diminishing the distinctiveness of a famous mark.

Lélio Schmidt⁸ reminds us of the lesson given by J. Thomas McCarthy about dilution. According to this famous American expert, “dilution takes place when a third party uses a famous mark in a different business”. In Schmidt’s opinion, this would occur, for instance, if famous marks such as “NIKE”, “COCA-COLA”, “FERRARI”, etc. would be used to distinguish furniture, household appliances or editing services.

Schmidt adds that this kind of use would provide infringers with a parasitical benefit, especially bearing in mind the fact that such use would be detrimental to the publicity function of the famous mark.

Maitê Moro⁹ has also studied the possibility of dilution in her book referring to the description made by Busse, which reads as follows (free translation of the original text in Spanish):

“The public comes across a trademark which is similar to a famous one to identify different kinds of products. Even if the first mark does not entail confusion as to the source, it will make the public recall the famous mark, even if unconsciously. Little by little the public will get used to the fact that another business makes use of the mark as well. As a consequence, the distinctiveness of the famous mark will vanish, its publicity attraction diminishes and its position of exclusiveness disappears.”

Dilution in Brazil has been thoroughly studied by Siemsen and Atab¹⁰ in an article published in 2014¹¹. In the introduction of their work¹² a very precise approach to the local understanding is provided; especially when they point out that, “[I]n general, these discussions were primarily focused on a third party’s good will as well as on the protection of the consumer, against confusion or undue association.”

As to the decision rendered by the courts and the BPTO the authors concluded that¹³ “cases of likelihood of dilution were analyzed under general principles and provisions set forth by the Brazilian Civil Code, including the principles of good faith, against unjust enrichment, and the abuse of rights doctrine.”

The above mentioned is a direct consequence of the fact that the Brazilian doctrine relatively recently focused on the study of acts of unjust enrichment, parasitical benefit and abuse of rights

⁸ Schmidt, Lélio Denicoli A distintividade das marcas: *secondary meaning*, vulgarização e teoria da distância - São Paulo: Saraiva, 2013 – p. 211.

⁹ Moro, Maitê Cecília Fabbri – Direito de marcas: abordagem das marcas notórias na Lei 9.279/1996 e nos acordos internacionais – São Paulo: Editora Revista dos Tribunais, 2003 p. 132.

¹⁰ Partners at Dannemann Siemsen Advogados, Rio de Janeiro, Brazil.

¹¹ SIEMSEN, Peter Dir; ATAB, Rafael. Brazil. In: BERESKIN, Daniel R. (Org.) International Trademark Dilution. St. Paul: Thomson West, 2014 – p. 147-160

¹² Op. cit. p. 148

¹³ Op. cit. p. 148

having in mind the risk of dilution of a famous trademark. According to said authors¹⁴, not surprisingly, court decisions specifically analyzing dilution claims (as such) are still scarce and can be considered a somewhat new trend.”

Thus, there is no wonder why the IPL does not bear express provisions dealing with the concept of dilution.

The fact that Ordinance 107/2013 for the very first time expressly mentions anti-dilution as a means of properly protecting highly reputed marks is to be regarded as a quite significant development.

Based on the judicial case law which will be commented further below, the development and refinement of the dilution concept in Brazilian legislation may be a consequence of court decisions to be issued in the future, especially from those rendered by the specialized IP courts among others by the Federal and State Courts of Rio de Janeiro. In fact, these decisions may pave the way for the development of the concept of dilution in Brazilian law. Still, it remains to be seen how long it will take until Brazilian doctrine and case law will address dilution in the form of “blurring” or “tarnishment”.

The Brazilian Industrial Property Law – IPL

The **IPL** does not deal with the issue of dilution of a mark directly, but only indirectly through the BTO’s Ordinance 107/2013, which on its turn makes quite clear that one of the main purposes of affording protection in all fields of activity, as stated in Section 125¹⁵ of said law, is to hinder the possibility of dilution of famous marks.

Apart from the few provisions of said Ordinance dealing with the general concept of dilution, there are no definitions of “blurring” (weakening the distinctiveness of a famous mark) and of “tarnishment” (association of the mark with sexual or offensive content).

Section 130 item III of said law may be applied in order to hinder the possibility of dilution of a mark (*Section 130 – The proprietor of or applicant for a mark shall also be entitled to the right to: III – care for its material integrity or reputation) as it can be seen in one of the decisions rendered by the Federal Appellate Court in Rio de Janeiro, to be commented below.

It is worth noting that Article 130 item III of the aforementioned law provides not only brand owners but also trademark applicants with protection against dilution by virtue of its general and comprehensive contents; entitling them with the right to care for the material integrity and reputation of their marks.

In spite of the fact that the IPL does not bear express protection against dilution, Siemsen and Atab¹⁶ very pertinently note that the said law “was quite innovative by stipulating a very general

¹⁴ Op. cit. p. 148

¹⁵ Article 125 – marks registered in Brazil and deemed to be famous shall be afforded special protection, in all fields of activity.

¹⁶ Op. cit. p. 150

protection clause for trademark owners against any acts that could somehow harm a trademark – either registered or simply applied for – in Brazil.”

Notwithstanding, it remains to be seen how Brazilian courts will apply this provision in cases of dilution claims. The same authors also express some caution about this by stating that¹⁷ “the extent of the protection afforded by this Article has not yet been fully addressed by Brazilian courts and particularly by the Brazilian higher courts.”

The BTO’s Ordinance 107/2013

Even though the IPL affords protection by virtue of its Section 125 to highly reputed marks, fact is that this provision alone is not self-applicable, gives calling for a regulation. This role is performed by BTO’s Ordinance 107/2013.

Said Ordinance is absolutely clear about the fact that one of its goals is to provide highly reputed marks with special protection against dilution of pursuant to its Section 1 and first paragraph, which read as follows:

“Section 1 – For the effects of this Ordinance, a mark is considered to be famous when its performance in distinguishing its products or services and its symbolic effectiveness (in terms of distinguishing goods or services) goes beyond its primitive scope, thus exceeding the so called principle of specialty thanks to its distinctive character, its recognition by a significant number of consumers, its quality, reputation and prestige associated to it and its flagrant capacity of attracting consumers by means of its mere presence”

1st Paragraph – Section 125 of the IPL is intended to enable the protection of a mark to be regarded as famous against third parties’ attempts to register marks which either reproduce or imitate a famous mark, even if the products or services are different, so as to prevent the possibility of dilution of its distinctive power or its parasitical benefit.

Thus, the special status is meant to provide special protection to famous marks against attempts of registration by third parties either by means of reproduction or imitation, even if no identity or similarity between the products and services can be ascertained. This is to curb the possibility of dilution of the distinctive power of the mark or its parasitical benefit as expressly set forth in the Ordinance in question.

Dilution is expressly mentioned as well in Section 4¹⁸ and in the third paragraph¹⁹ of this Ordinance as well.

¹⁷ Op. cit. p. 150

¹⁸ Section 4: “The application for special protection dealt with by this Ordinance must be prepared by the holder of the registered trademark and said holder must provide all suitable evidence to attest that it is highly reputed in Brazil.”

¹⁹ 3rd Paragraph:” Copies of law suits or summons related to the defense of the mark against attempts of dilution or parasitical benefit may be submitted as well, should it be the case.”

In addition, the fourth paragraph, item XI of Section 4²⁰ sets forth that suitable information about ongoing dilution of the distinctiveness of the alleged famous mark may be deemed as one of the elements to be considered by the examiners who will render a decision as to whether or not special protection in all fields of activity should be granted.

In a nutshell, except for BTO's Ordinance 107/2013, no other legal provision in Brazil expressly or directly deals with dilution. Furthermore, a statutory reform relating to dilution is not expected to be introduced in the short term.

CHILE

Art. 20, letter (g), subparagraph 3^o of Law 10.039 of Intellectual Property (Ley No. 10.039 de Propiedad Industrial) deals with dilution and it reads as follows:-

“Trademarks registered in Chile that enjoy fame and notoriety may impede the registration of other identical or similar signs applied for to distinguish different and unrelated goods, services or commercial or industrial establishments provided, on the one hand that the latter have some type of connection to the goods, services or business or industrial establishment distinguished by the well-known trademark, and on the other, it is likely that said protection will harm the interests of the holder of the well-known registered trademark. In this case, the fame and notoriety shall be determined in the pertinent sector of the public that usually consumes those goods, demands those services or has access to those commercial or industrial establishments in Chile.”

However, in Chilean law there is no specific mention to the word ‘dilution’.

COLOMBIA

Firstly, it is necessary to mention that in Colombia, which is part of the Andean Community, there is no distinction between well-known trademarks and famous trademarks. Therefore, dilution covers both kinds of trademarks. At least that is the concept of the Andean Tribunal, despite that from the legal regime it can be deduced that there is a difference.

Through the decisions, the Andean Community has been given more or less protection to the figure of the well-known trademarks, given their special features (trademarks that are recognized in the market, that receive a special treatment to avoid the misappropriation of thirds parties and in consequence the dilution or weakening of the sign).

Article 226 of the Andean Decision states that:

²⁰ Section 4 – XI – information providing indication that dilution of the distinctive character of the mark alleged to be highly reputed is occurring or evidence that it is suffering parasitical benefit by third parties.

“Article 226. - Use of all or a part of a well-known distinctive sign or the reproduction, imitation, translation, or transliteration thereof, that may create confusion in respect of identical or similar businesses, activities, products or services to those to which it is applied, shall constitute unauthorized use of that distinctive sign.

Also constituting unauthorized use of a well-known distinctive sign is the use of all or of an essential part of that sign, or the reproduction, imitation, translation, or transliteration thereof, even if in respect of businesses, activities, goods, or services other than those to which that well-known distinctive sign is applied, or its use for non-commercial purposes, where such use could be liable to produce any of the following effects:

(a) The risk of confusion or of association with the owner of the sign, or with the businesses, activities, goods, or services belonging to that owner;

(b) Unjust economic or commercial injury to the owner of the sign by reason of the weakening of the distinctive force of commercial or advertising value of that sign; or,

(c) Unfair exploitation of the sign’s prestige or fame.”

In the first part of the referred rule there is a protection in function of the specialty principle, because it forbids the use in relation of products, services, activities, and establishments that are identical or similar to those that identify the well-known trademark.

As we can see, in the second part of the rule, the protection reaches the totality of products or services. Therefore, although in practice the Andean Community makes no clear distinction between the well-known and famous trademarks, the regulation does distinguish the two.

About this point, the professor Otero Lastres said that:

“In the second paragraph, is wider the protection of what the precept calls ‘well-known trademark’, but with the own features of the famous trademarks. Indeed, in this norm there is a protection for the owner of the well-known trademark, or for better say, famous, in front of the use that makes a third of that sign in its totality or in an essential part, or a reproduction, imitation, translation, or transliteration of it, to distinguish products or services different of the well-known or famous trademark to commercial purposes.”²¹

In the same way, article 136 (h) of the 486 Decision refers to the dilution of the well-known trademarks, already mentioned.

However, the Andean Tribunal has a different interpretation, not distinguishing between well-known and famous trademarks.

In the prejudicial interpretation number 31 of 2013. The Andean Tribunal said:

²¹ **OTERO LASTRES, José Manuel. “Régimen De Marcas En La Decisión 486 del Acuerdo de Cartagena.”**Revista Jurídica Del Perú. Lima. 2001. página 66. Translation made by myself.

“It’s important to take into account that the currently communitarian regimen of intellectual property, does not make a difference between famous trademark and well-known trademark in order to protect against the different risks in the marker. For that, the protection against the dilution is predicable for well-known trademarks and famous trademarks. In that sense, the consultant judge must analyze if the requested sign to register could cause a dilution risk of the distinctive capacity of the well-known trademark.”

It should also be mentioned that there is a cause of opposition based on the risk of dilution of the trademark that is established in (h) of article 136 of the Andean Decision:

“Article 136 – Those signs may not be registered as marks whose use in trade would unduly harm a third party right, especially where:

(h) they constitute a reproduction, imitation, translation, transliteration or transcription of all or part of a well-known distinctive sign the owner of which is a third party, regardless of the goods or services to which the sign is applied, where their use would be liable to create a risk of confusion or association with that third party or with his goods or services, constitute misappropriation of the prestige of the sign of dilution of its distinctive power or commercial or advertising value.”

COSTA RICA

Legislation in this country does not bear any provisions dealing with dilution. No statutory reform relating to dilution is expected to be introduced in the short term.

DOMINICAN REPUBLIC

Its legislation provides protection against dilution.

ECUADOR

In order to obtain a view about dilution in Ecuador, the following should be taken into account:

- Ecuadorian Intellectual Property Law;
- Andean Community Intellectual Property Decision;
- Ecuadorian decisions on trademark dilution
- New Project of Ecuadorian IP Law

The Ecuadorian Intellectual Property Law expressly provides protection to famous marks against dilution by virtue of the following provision.

“Article 196 (d) – marks that violate third party rights may not be registered such as (d) marks that totally or partially copy, imitate, translate, transliterate or transcribe a mark that is well known in

the country or abroad, regardless of the products or services it protects, when its use can cause a risk of confusion or association, a misappropriation of its notoriety, or the dilution of its distinctive aptitude or its commercial value.”

Therefore, the requirements to protect a mark against dilution are (1) that the mark needs to be well known in Ecuador or abroad, and (2) that use of the junior mark is likely to cause dilution of the distinctive force or commercial value of the mark.

The Ecuadorian IP Law makes a distinction between well-known and famous marks. However, there is no express mention about protection against dilution for famous marks. Nevertheless, it shall be interpreted that given that famous marks have more protection, dilution shall also apply to them.

In this respect the Andean Law (Intellectual Property Decision 486 of the Andean Community), which preempts the Ecuadorian Law protects well-known marks against dilution as set forth in the provision reproduced below:

“Article 136(h) protects well-known marks against dilution:

“Marks where their use in commerce may unduly harm a third party’s right may not be registered particularly if (h) they consist totally or partially in a reproduction, imitation, translation, transliteration or transcription of a third party’s well known mark, regardless of the products or services when its use is likely to cause confusion or association with that third party or its products or services, misappropriation of its reputation or good will, or the dilution of the marks distinctive force, commercial value or advertising value.”

Although the wording is similar, the Andean decision keeps the same requirements of (1) well-known mark, (2) that the use can cause dilution of the mark’s distinctiveness, commercial value, and adds protection against dilution of the advertising value.

Article 155(e) and 155(f) gives a mark owner the right to stop any unauthorized party from:

“(e) Using a mark in commerce that is identical or similar to a mark well known for any goods or services where such use could cause the owner of the registration undue economic or commercial harm due to the dilution of the distinctiveness or commercial or advertising value of the mark, or due to unfair exploitation of the prestige of the mark or its owner;

(f) Making public use of a sign identical or similar to a well-known mark, even for noncommercial purposes, where such use could cause dilution of the distinctiveness, commercial value, advertising value or unfair exploitation of its prestige.”

Article 226(b) enhances this protection when it states that use is non-authorized if it may cause:

“(b) Unfair economic or commercial harm to the owner because its mark’s distinctiveness, commercial or advertising value is diluted.”

The loss of distinctiveness should be interpreted as the loss of capacity of a mark to identify products or services.

EL SALVADOR

Legislation of this country does not bear provisions dealing with protection against dilution. No statutory reform relating to dilution is expected to be introduced in the short term.

GUATEMALA

Protection against dilution is not provided by the legislation of this country. No statutory reform relating to dilution is expected to be introduced in the short term.

HONDURAS

The legislation of this country does not provide protection against dilution. No statutory reform relating to dilution is expected to be introduced in the short term.

MEXICO

The information currently available on this country is that the Mexican IP Law bears regulations consistent with the concept of trademark dilution by virtue of Article 90, Sections XV and XV *bis*. These provisions expressly forbid the registration of marks which may jeopardize the distinctiveness of well-known or famous trademarks.

“**Article 90.** The following may not be registered as marks:

XV. Three-dimensional names, figures or shapes identical or confusingly similar to a mark that the Institute considers or has declared famous in Mexico, to be applied to any product or service.

This impediment shall apply in any case where the use of the mark whose registration is applied for:

- (a) Is liable to create confusion or a risk of association with the owner of the well-known mark; or
- (b) Is liable to constitute an appropriation not authorized by the owner of the well-known mark; or
- (c) Is liable to discredit the well-known mark; or

(d) Is liable to dilute the distinctive character of the well-known mark.

This impediment shall not be applicable where the applicant for registration is the owner of the famous mark; and

XV bis. Three-dimensional names, figures or shapes identical or confusingly similar to a mark that the Institute considers or has declared famous under the terms of Chapter II BIS, to be applied to any good or service.

This impediment shall not be applicable where the applicant for registration is the owner of the famous mark.”

According to the general regulations to any jurisdictional action in México, the Plaintiff has the burden of proof of its affirmations.

Famous or well-known trademarks estimated or declared by the MPTO or a court have its reputation presupposed and, therefore, its notoriety or fame is excluded from the burden of proof.

Owners of famous or well-known trademarks may seek the nullity of a trademark registration granted which may cause dilution of the distinctiveness of its mark.

Now, with regard to tarnishment, Article 213 sections IX and X of the Mexican IP Law considers an infringement the inappropriate use of a trademark or its use in such a way that it might mislead the consumers.

“**ARTICLE 213.** The following shall constitute administrative infringements:

IX. Performing, in the course of industrial activities or trade, acts that confuse, mislead or deceive the public by causing it wrongly to believe or assume:

- a) That a relation or association exists between a given establishment and that of a third party;
- b) That products are manufactured according to specifications, licenses or authorizations from a third party;
- c) That services are rendered or products sold according to authorizations, licenses or specifications from a third party and
- d) That the product concerned comes from a territory, region or locality different from the true place of origin, in such a way so as to mislead the public as to the geographical origin of the product.

X. Pursuing or achieving the aim of denigrating the products or services, the industrial or commercial activity or the establishment of another party. This provision shall not apply to the comparison of products or services protected by the trademark

for the purpose of informing the public, provided that the comparison is not biased, false or exaggerated within the meaning of the Federal Consumer Protection Law.”

In April 2016 a new regulation was enacted in Mexico which entitles third parties to bring oppositions to trademark applications which reproduce famous trademarks. However, according to local counsel in Mexico, the PTO has no duty to analyze said objection.

NICARAGUA

Protection against dilution is not provided by the legislation of this country. No statutory reform relating to dilution is expected to be introduced in the short term.

PANAMA

According to the Panamanian Intellectual Property Law, of famous and well-known marks are defined as:

Article 95 (Law 35 of 1996): - free translation

“Famous or well-known marks are trademarks which, through intensive use in the market and in advertising, have been widely publicized without loss of its distinctiveness and are known by the public at large. Notorious marks are trademarks that have the same characteristics and are known by the group of consumers to which they are addressed.”

This distinction defines a clear difference between famous marks and notorious marks.

A famous mark:

- Can be used as basis for filing opposition/cancellation against trademarks regardless of the class of the famous mark -vs- the opposed/cancelled application/registration.
- Can be used as basis for an infringement action opposing the *use* of a similar mark in the market, without need of registration.

A notorious mark:

- Can be used as basis for filing opposition/cancellation against trademarks, but would have to rely on the class in conflict or neighboring classes.
- Can be used to file infringement action opposing the *use* of another similar mark, but it has to be registered in the Panamanian Trademarks Office.

The word “dilution” appeared for the first time in the Panamanian Intellectual Property Law No. 35 of May 10, 1996 within the contents of conducts to be considered infringement, for which remedies required proceedings at the Criminal Courts. The modification of Law No. 61 of October 5, 2012 introduced changes to different articles within this previous Law No. 35 of 1996, which are reproduced below.

The following articles were introduced with such modifications:

Article 91 (Law 35 of 1996, modified by Law 61 of 2012) – free translation:
The following shall not be registered as trademarks or as elements thereof: [...]

10. Similar or identical marks to a famous mark in Panama, registered or not, been applied to any product or service; or a notorious mark in Panama, been applied to products or services regarding the group of consumers to which they are directed; likewise of marks that can cause dilution of a famous or notorious mark.

Article 99 (Law 35 of 1996, modified by Law 61 of 2012) – free translation:
The owner of a registered trademark shall have the right to prohibit third parties from engaging in any of the following acts without authorization: [...]

5. Using in the commerce an identical or similar sign to a famous or notorious mark or a registered mark in conditions that may cause damages to the proprietor of the mark, in particular when such use may cause dilution or may destroy the distinctive strength or commercial value of the mark;
6. Using, with respect to a determined mark, comparison terms with another mark which products or services are similar or identical, with the sole purpose of diluting or destroying the distinctive strength or commercial value of the mark, causing with this a damage to a proprietor (*of a mark*);

Article 164 (Law 35 of 1996, modified by Law 61 of 2012) – free translation:
For unlawful use of a patent, utility model, industrial design, trademark, trade name or slogan (commercial advertisement), appellation of origin, geographical indication and designation of origin, are liable the manufacturer, marketer, distributor and all persons who in any way have taken part in the commercialization. Therefore, the following will incur in unlawful use of Intellectual Property rights: [...]

10. Who uses an identical or similar mark in likelihood of confusion to a famous mark for identifying and commercializing any product or service; or using a mark identical or similar in likelihood of confusion to a notorious mark for identifying and commercializing products or services determined to a group of consumers to which they are addressed; [...]
13. Who uses, in any way, a trademark covering with it terms of comparison with another trademark, which products or services are similar or identical, with the sole purpose of diluting or destroying the distinctive strength or commercial value of the mark, causing with this a damage to a proprietor (*or a mark*);

Within regulations of Unfair Competition there are also provisions of sanctions for criminal conducts:

Article 279 (Criminal Code) Chapter VIII, Unfair Competition –free translation:
Those who disclose false information or altered information regarding a competitor or use any fraudulent method to deviate in their own favor or in favor of a third party client from another one causing damages, will be sanctioned with prison from eighteen months to three years or its equivalent in daily fines or week-end prison.

PARAGUAY

Paraguayan Trademark Law does not specifically foresee dilution. However, Article 2 of such law sets forth among the signs that may not be registered as trademarks:

(f) Signs **identical or similar** to a registered mark or a mark already applied for by a third party for the same goods or services, or for other goods or services if they might cause confusion or be associated with this mark;

(g) Signs which constitute a **reproduction, imitation, translation, transliteration or transcription** in full or in part of an identical or similar distinctive sign, **well known to the public** in the corresponding sector and belonging to a third party, irrespective of the goods or services to which the sign is applied, if its use and registration are liable to cause confusion or a risk of association with this third party or mean taking advantage of the reputation of the sign or weakening its distinctive character, irrespective of the manner or way in which the sign was made known.

PERU

The legal provision that refers to the possibility of dilution of a well-known trademark in the Peruvian legal system is Article 136 (h) of the Decision 486 of the Andean Community, already mentioned in this report.

Trademark opposition procedure on dilution grounds is available.

URUGUAY

Uruguayan Law does not provide specific protection against dilution. Moreover, no statutory reform relating to dilution is expected to be introduced shortly.

However, the dilution protection could be included in the Uruguayan trademark law (No. 17.011), Article 5. 6:

“Article 5: For the purposes of this Law, the following would not be registrable as trademarks, being considered relatively null: [...]

(6) Signs or words that constitute a reproduction, imitation or total or partial translation of a well-known trademark or of a tradename.”

Uruguayan Law also provides for opposition procedures against trademark applications of reproduction of well-known trademarks in a 30-day period since publication. (Law No. 17.011 Article 20) even if the well-known trademark is not registered or applied in Uruguay (in such case, the opponent, should apply for the trademark in a 10-day period after the opposition filed).

Uruguay addresses the dilution of trademarks by virtue of Article 6 *bis* (1) of the Paris Convention:

“Article 6 *bis*: Marks; Well-known Marks

- (1) The countries of the Union undertake, *ex officio* if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.”

Moreover, some of the Uruguayan scholars consider that protection against dilution is also addressed by the TRIPS Agreement by virtue of its Articles 16.2 and 16.3:

“Article 16: Rights Conferred [...]

2. Article 6 *bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services and

3. Article 6 *bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.”

Finally, Uruguayan courts have applied the Mercosur Intellectual Property Treaty, approved by Law No. 17.052, which specifically addresses the dilution issue at Article 11:

“Article 11: Rights granted by the registration

The registration of a trademark will grant its holder the exclusive right of use, and of impeding that any third party carry out without the latter’s consent, among others, the following acts: use within the market of a sign that is identical or similar to the trademark for any product or service when such use has the ability to create a confusion or a risk of association with the registration holder, or an economical or commercial unjust damage as a reason of a dilution of the distinctive strength or commercial value of the trademark, or an unfair advantage of the trademark’s or its holder’s prestige.”

VENEZUELA

Well-known marks are not expressly provided in Venezuela as of September 12, 2008 despite formally having withdrawn from the Andean Community on April 22, 2006.

On September 12, 2008 the PTO published an official notice indicating that in view of the withdrawal from the Andean community in 2006 the PTO will apply ENTIRELY the 1955 law as of this date. This has been the PTO’s position since that date.

However, the 1955 Law provides as a basis for opposition Article 33 (12) of the law that: “confusingly similar to a registered mark that could lead to error as to the source or quality of the product” could not be registered. The Supreme Court interpreted (back before becoming a member) that “notoriousness” could be embraced by it.

It should also be noted that there are no specific grounds for opposition based on dilution, though the Paris Conventions is usually quoted for that end.

2. COMPILATION OF CASE LAW

ARGENTINA

In spite of the fact that Argentinian Law does not provide express protection against dilution as mentioned above, a number of court decisions have either indirectly or even directly addressed the dilution doctrine as per examples provided below. In many cases the judges have decided in favor of the dilution doctrine, when stating, for instance, that "notoriety of the plaintiff's trademark might experience the loss of its uniqueness by defendant's use of it in non-competing goods."

Decisions which have indirectly addressed the dilution doctrine:

GENIOL - In a decision rendered by the Court of Appeals in Civil Matters (1939), the Court refused the application for trademark "**GENIOL**" to cover "steel products", thus granting an opposition filed by the holder of an identical trademark in international class 05 that was used to identify aspirins and was well-known in the market. The Court held that the right to oppose had the intention of preventing the risk of confusion as to the origin of the products. The ruling was afterwards confirmed by the Supreme Court.²²

LUCKY STRIKE - A similar understanding was used to refuse an application for trademark "**LUCKY STRIKE**" covering parfums on the grounds of an opposition based on opponent's identical mark "LUCKY STRIKE" to cover cigarettes. According to the Supreme Court, the notoriety of trademark "LUCKY STRIKE" should be declared, as otherwise consumers might be led into confusion about the source of the goods in question.²³

CHRISTIAN DIOR - Another decision which clearly deals with the concept of dilution is the one which declared the nullity of trademark "**CHRISTIAN DIOR**" to identify "glass panels" in view of the notoriety of trademark "**CHRISTIAN DIOR**" to identify perfumes.²⁴

Decisions which have directly addressed the dilution doctrine:

VERITAS - Rejection of the application for trademark **VERITAS** in class 4 to cover lubricants on the grounds of trademark VERITAS in classes 3, 5, 35, 39, 40 and 42. In this case the Court has emphasized that this higher level of protection is only deserved by trademarks which are widely spread and constantly used by its owner, even if the use and/or the application by the third party has been in good faith, in order for third parties not to benefit from their prestige. In this case it is interesting to note that the Court considered that blurring (loss of uniqueness) may occur when essentially similar trademarks are used on different products, or when designs are similar enough to generate association when used for closely related goods.

LACOSTE - Rejection of the application for trademark **LAGARTOS & Crocodile device**

²² Sola Hnos V. Laboratorios Saury S.A., Court of the Appeals in Civil Matters, 1939.

²³ David de Mass Bernal v. British American Tobacco Co., Supreme Court of Justice, October 4, 1946

²⁴ Christian Dior S.A. v. Mampar S.A." / Cese de uso de la marca y oposición infundada al registro de marca", Supreme Court of Justice, 31/03/1987.

on the grounds of trademark **LACOSTE**. Both marks were used to identify similar goods inserted in class 25. The court concluded that, "if the coexistence of both trademarks was allowed, the 'publicity effect' of the Lacoste logo would be diminished due to the unfair competition between [the two conflicting trademarks], which would harm the consumer's rights and would weaken the distinctive power of the registered trademark".²⁵ Furthermore, the court stated that the coexistence of the marks in question would diminish the publicity effect of the Lacoste logo, what is a characteristic of the dilution by tarnishment (damage to the trademark's reputation).²⁶

YVES SAINT LAURENT - Similar understanding prevailed in the **YVES SAINT LAURENT** case, as the Court deemed it to be a notorious trademark, so that it would justify the prohibition of the coexistence of trademarks in spite of the fact that the marks in question were meant to identify different products, as "otherwise the damaging effect of trademark dilution would occur". Further to this, the Court held that the coexistence of the marks at hand might lead to the deception of consumers, what might cause damage to the identifying power of the plaintiff's renowned mark, thus causing its dilution.²⁷

MEGADOSE - This case can be regarded as exceptional, bearing in mind the fact that trademark "**MEGADOSE**" does not enjoy notoriety. However, since the products were sold side by side - medical products of FADA (Plaintiff) on one side and cosmetic creams of REVLON on the other side -, the court held that "[T]he weakening of the trademark derived from its coexistence with an identical trademark - even when the former is not notorious - causes damage since trademarks undoubtedly have an economic value. Consequently, it is clear that the loss of the identifying power of a trademark - it's weakening or dilution - causes an actual and not merely a hypothetical damage regardless of the difficulties involved in the determination of such value." In a nutshell, in this case it has been established that the dilution of the distinctiveness of the trademark and dissociation of the product with the trademark must be remedied.²⁸

MAVERICK - In this case the Court did not grant protection against dilution by stating that, "It is worthy of the production of the trademark law, but it has not acquired the notorious trademark status and therefore, it should not be protected as such. Only a few trademarks reach that superlative visibility which entitles them to a special protection, both to prevent illegitimate use by third parties and to defend its distinctive integrity from deterioration by avoiding dilution."²⁹

CUENTOS DE AYER Y SIEMPRE - The holder of this trademark wanted the Defendant to refrain from using trademark "CUENTOS DE SIEMPRE" due to its similarity with trademark "CUENTOS DE AYER Y SIEMPRE". This is also a case where the judges held that the senior mark could be subject to dilution, even if it was not considered to be notorious. In addition, the judges also took

²⁵ Marante, Carlos Alfredo v. Sporloisir S.A., CACCM, August 28, 1992

²⁶ Chevron USA, Inc. v. La Fármaco Argentina Industrial y Comercial S.A., Court of Appeals in Civil and Commercial Matters, May 22, 1990.

²⁷ Yves Saint Laurant International BV v. Castro, Luis Alberto, Nulidade de marca, CACCM, Section II, August 18, 1997

²⁸ Fada Inc. Com. y Farm. S.R.L. v. Revlon, Inc. y otro/Cese de uso de marca. Daños y perjuicios, CACCM, Section II, November 25, 1997.

²⁹ NBA Properties Inc., v. Induswheel S.A.I.C. Cese de oposición al registro de marca, CACCM, Section II, February 3, 1998.

into consideration the fact that the dilution of the trademark "CUENTOS DE AYER Y SEMPRE" should entitle the plaintiff to recover not only the benefits lost due to defendant's trademark, but also moral damages.³⁰

UFO - In spite of the fact that trademark "UFO" is a notorious trademark, the court did not envisage a risk to its distinctiveness by the use of Defendant's mark UFLO UNIVERSIDAD DE FLORES and based this statement on Article 16.3 of the TRIPs Agreement. This case shows that a clear similarity or identity between the marks in dispute is required in claims for dilution.³¹

BRAHMA - BRAHMA is a famous mark in Argentina to identify beers. The Plaintiff sought protection for the identical trademark "BRAHMA" to protect "boots and shoes", but its registration had been denied by the Trademark Office. The Court rendered a decision in the same sense, so as to hinder that the Defendant benefits from the prestige acquired by others. The court also held that the adoption of trademark BRAHMA suggests the existence of a connection between the goods in question, namely beers on one side and boots and shoes on the other side. Such coexistence, if allowed, would occur in Plaintiff's favor and would lessen the rights of the owner of the senior mark by means of dilution. The judges declared that "the damage is caused by the blurring and loss of exclusivity of the mark if coexistence with a group of similar trademarks were allowed, as the relationship trademark-product would be broken."³²

CAROLINA HERRERA - In spite of the fact that this trademark was partially reproduced in PALOMA HERRERA, the court held that the latter would not be detrimental to the Plaintiff's mark. In their decision the Judge held that "in order to assess confusion between trademarks, they must be considered as a whole. For instance, protection is awarded to CAROLINA HERRERA and not to HERRERA alone." Also the judges take into consideration the fact that trademark of the Defendant did match its real name and surname "PALOMA HERRERA". The court also emphasized that PALOMA HERRERA is a famous ballet dancer, main figure of the American Ballet Theatre in New York, worldwide recognized, and considered to be one of the ten greatest dancers in history, which support the judges' decision to allow the registration of the trademark.³³

SIDRA REAL - The holder of this mark was seeking the cancellation of the registration for trademark "SIDRA MERCED REAL" on the grounds of non-use. The Court's understanding was that "[T]he "SIDRA REAL trademark is notorious and has a long-standing presence in the market and the media through advertising, and has the power to identify various products mentioned in class 33." By saying so the court came to the conclusion that dilution could be an argument to justify the interest of the trademark owner of "SIDRA REAL" in having trademark registration "SIDRA MERCED REAL" cancelled due to non-use, as such trademark weakens the distinctive power of "SIDRA REAL" trademark.³⁴

³⁰ Schillaci, Salvador Henzo v. Bibliografía Internacional AS. / Cese de uso de marcas. Daños y perjuicios, CACCM, Section III, November 22, 1998.

³¹ UFO Contemporary Inc. v. Universidade de Flores s/Cese de uso de marca, CACCM, Section I, May 30, 2000.

³² Stanton & Cia. S.A. v. Instituto Nacional de la Propriedade Industrial / Denegatoria de registro, CACCM, Section III, March 21, 2002.

³³ Herrera, Paloma v. Carolina Herrera S.A. y outro ; Cese de oposición al registro de marca, CACCM, Section III, September 12, 2003.

³⁴ Saens Briones y Cia. S.A. v. Goyenechea S.A. /Nulidade de la marca, CACCM, Section II, February 17, 2004

LUIS VUITTON - In this decision an interesting point has been raised, namely that according to the judges "dilution differs from protecting a trademark against infringement because the [aim of the doctrine of] trademark dilution is not protecting a trademark from confusion among consumers arising out of similarity or imitation, but protecting it from the gradual decrease of its indicative worth with regard to the origin of the product, that must be unique and refer to a certain quality."³⁵

CORDURA - The decision in this case is absolutely clear as to the application of the dilution doctrine. Here is an excerpt of it: "[T]he unfair advantage from another trademark's reputation and the dilution of the high distinctive power of a sign have justified extending the protection of a trademark beyond the principle of specialty, even for those trademarks which are known only in specific sectors. [...] 'CORDURA' trademark enjoys a reputation for quality in a limited sector of the textile industry [...]. However, high quality and advertising requirements are not always sufficient to characterize the brand as notorious, and this trademark does not meet the necessary degree of diffusion and attraction to enjoy protection, in order to take advantage of consumer confusion. [...] I fully agree with attorney for E.I. du Pont de Nemours and that this litigation is defined by the close relationship between the products of class 23 and class 18, which indirectly causes consumer confusion, which is used by the defendant to benefit from the prestige acquired by the Plaintiff's trademark."³⁶

SUTER - This mark which is notorious and identifies wines led to the refusal of the application for trademarks SUTTER CLEAN, SUTTER DEO, SUTTER FLOOR and SUTTER HAND. The judges held among other arguments that "[t]he opponent's trademark SUTER is notorious, and therefore deserves an effective protection, according to this special level, qualified by its high distinctiveness and prestigious protection, according to this special level, qualified by its high distinctiveness and prestigious reached, generally through years of effort and considerable expenses to disseminate the good and the trademark." Further, the judges add that "the principle of specialty yields when a notorious mark is involved, even in case where the goods are not related, in order to avoid the illegitimate benefit from someone else's prestige, to prevent the likelihood of eventual confusion regarding the origin of the goods, and to protect these valuable trademarks from the decline of their distinctiveness through blurring or dilution and of the breaking of the association of a given trademark to a product." The judges then concluded that "the weakening or blurring is one of the most important damages that a notorious mark may experience, as it affects its distinctive power and the relation trademark-good."³⁷

ROLLS ROYCE – The difference between “blurring” and “tarnishment” has been thoroughly dealt with by the court, as the judges stated that, “The blurring occurs when a notorious trademark is used in products which are different to the original ones and, if that situation persists, then the notorious trademark could lose its uniqueness. [...] The blurring causes the erosion or watering

³⁵ Luis Vuitton S.A. v. Akermann, Rbén/Nulidade modelos y disenõs, CACCM, Section III, November 16, 2014.

³⁶ E.I. Du Pont de Nemours and Company v. Topola S/A / Cese de oposici3n al registro de marca, CACCM, Section I, November 23, 2004.

³⁷ Sutter Finazera SPA v. Suter S.A. / Cese de oposici3n al registro de marca”, CACCM, Section II, 28/07/2005.

down of the singularity and exclusivity of the trademark in consumers' minds. [...] The second type of dilution is tarnishment and occurs when a notorious trademark is used in low quality products.”³⁸

BRAZIL

Decisions Rendered by the BTO to Afford Highly Reputed Status Dealing with Dilution

Even though the BTO has already rendered decisions after the enactment of Ordinance 107/2013, some decisions issued still on the grounds of Ordinances 110 of January 27, 2004 and 121/05 of September 6, 2015³⁹ will be listed below.

It should be noted, even if briefly, that pursuant to Ordinances 110/2004 and 121/05 evidence of dilution was not mentioned as one of the elements to be submitted to the examiners in charge of rendering decisions on highly reputed status. Furthermore, Ordinances 110/2004 and 121/05 did not deal with dilution as one of the reasons to justify enhanced protection to famous marks. That being sad, it can be concluded that Ordinance 107/2013 provides famous marks with a wider scope of protection when compared to the previous Ordinances.

- When granting the high renown status in favor of trademark “**3M**” in the opposition proceeding against application No. 814448909 for trademark “**3EMES**”, the BTO concluded its reasoning by stating that the latter was in conflict with trademark “**3M**”, either by dilution or by means of wrongful association⁴⁰ and
- Similar statements as those made in the decision mentioned above were added to the decision which afforded high renowned status to trademark “**FIAT**” (vehicles) in the opposition proceeding against application No. 820771317 for trademark “**FYAT –K**” in class 05 (medicines that act on the endocrinal functions and on metabolism). Thus, so as to prevent dilution of the famous mark “**FIAT**” or wrongful association, the application for trademark “**FYAT-K**” was dismissed.⁴¹

³⁸ Grupo Anderson’s S/A De C.V. v. Ricco, Leonardo Jose / Cese de oposición al registro de marca”, CACCM, Section III, 02/03/2006.

³⁹ Available at http://www.dannemann.com.br/dsbim/uploads/imgFCKUpload/file/Resolucao_INPI

⁴⁰ Published in the IP Journal no. 1788 of April 12, 2005 – available at www.inpi.gov.br

⁴¹ Published in the IP Journal no. 1812 of September 27, 2005 - available at www.inpi.gov.br.

Decisions rendered by the BTO under Ordinance 207/2013

The BTO has so far rendered 40 decisions regarding highly reputed marks, but surprisingly special status has been afforded in five cases only, namely “**BARBIE**”⁴² , “**FABER-CASTELL**”⁴³ , “**FUSCA**”⁴⁴ , “**HONDA**”⁴⁵ and “**PLAYSTATION**”⁴⁶ .

The decisions which either dismissed or granted high renowned status reflects the BTO’s understanding that basically three requirements must be met for a trademark to be granted special protection, namely

- (i) Awareness of the mark by a significant part of the public in general and not only by consumers of the products or services under the mark in question;
- (ii) Quality, reputation and prestige which the public associates to the mark and the products or services it covers; and
- (iii) Degree of distinctiveness and exclusivity of the mark in question.

It is now clear that examination of evidence under the criteria set forth by Ordinance 107/2013 is quite severe when compared to the criteria set forth in the previous Ordinances.

It is worth noting that the five cases where special protection against dilution was afforded the submission of an opinion survey was conclusive. This means that in the BTO’s opinion highly reputed status has to be evidenced essentially by means of numbers and percentages. In many cases evidence obtained in social Medias as well as rankings have not been deemed as sufficient by said agency to conclude that the mark in question should enjoy special protection. This kind of evidence is of supplementary nature, but in any event should be submitted as well.

In the decision rendered in connection with trademark “**FUSCA**”, which is the local designation for the Beetle produced by Volkswagen, the examiners did take into consideration that 81% knows it and from this percentage 97% spontaneously associates the mark with automobiles.

The perception of the mark (second requirement) is also taken into consideration through figures, as pursuant to the survey 77% of the interviewed individuals who participated in the survey “**FUSCA**” consists of a solid mark, 75% considers it a mark associated to quality and 73% sees it as a mark enjoying prestige.

The submission of a survey was of key importance as well in the decision to afford highly reputed status to trademark “**FABER-CASTELL**”. Said survey disclosed that 67% of the individuals are familiar with said mark even if only by hearing about it. Further, 92% having a high school degree and 94% having college degree know the mark at hand.

⁴² Published in the IP Journal no. 2308 of March 31, 2015- available at www.inpi.gov.br.

⁴³ Published in the IP Journal no. 2318 of June 9, 2015 – available at www.inpi.gov.br.

⁴⁴ Published in the IP Journal no. 2305 of March 10, 2015 – available at www.inpi.gov.br.

⁴⁵ Published in the IP Journal no. 2309 of April 7, 2015 – available at www.inpi.gov.br.

⁴⁶ Published in the IP Journal no. 2309 of April 7th, 2015 – available at www.inpi.gov.br.

The figures brought by the survey on trademark “**PLAYSTATION**” are also impressive, as 74% of the individuals interviewed are familiar with it even if only by hearing. Among the percentage of 74%, 97% associate the mark with video games.

The survey on trademark “**BARBIE**” is quite clear about its fame and reputation as well, since 83% of the individuals know it even if only by hearing. 76% associated “**BARBIE**” with “dolls” and 71% with toys.

When dealing with the third requirement (degree of distinctiveness) the BTO takes into consideration how diligent the trademark owner is in proceeding against infringers administratively. In the case of trademark **FUSCA**, the few marks belonging to third parties in the BTO’s opinion reflect and reinforce its prestige among the public in general, as they seem to be a consequence of the high prestige and admiration the mark enjoys.

The examiners came to a similar conclusion when examining the degree of distinctiveness of trademark “**FABER-CASTELL**”.

The BTO has issued its first decision on the grounds of highly reputed status of trademark “**FUSCA**” by providing the administrative nullity request submitted by VOLKSWAGEN⁴⁷, thus cancelling the registration no. 829906533 for trademark “**FUSCÃO**” in class 35 (wholesale and retail of agricultural products, animal food) on the grounds of Article 125 of the IPL. The examiner’s opinion is a bit disappointing, as it only states that trademark “**FUSCÃO**” is to be regarded as an imitation of “**FUSCA**”, so that its registration must be cancelled on the grounds of said provision.

Decisions rendered by the local Courts

- The decision rendered by the Appellate Court of São Paulo (indeed a very interesting one) in the dockets of the appeal filed by Restaurante Fasano Ltda. and others deals with dilution by tarnishment expressly.⁴⁸ The Defendant was K1 Estacionamento de Domínios Ltda. which had registered the domain name www.casafasano.com.br and was using it in connection with pornography. When rendering a decision on said appeal, the fourth Chamber of the Appellate Court of São Paulo took into consideration, among others, the possibility of dilution of trademark “**FASANO**” of the Appellant. The Reporting Judge did not ignore the fact that the activities of Plaintiff and Defendant were neither to be confused nor associated. In spite of that, the use of the domain www.casafasano.com.br bearing pornography had to be deemed as extremely detrimental to the fame and reputation of the Plaintiff’s famous mark, namely a business enjoying excellent reputation and prestige. The Reporting Judge, quoting a passage of a decision issued by one member of its Chamber in another case, highlighted that “dilution is the loss of distinctiveness of a famous mark to identify products or services regardless of the existence or not of risk of confusion, mistake or deception”. One of the requirements for the application of the concept of dilution is that the mark being violated must be famous. This protection aims to hinder that a famous

⁴⁷ Published in the IP Journal no. 2328 of August 18, 2015 – available at www.inpi.gov.br.

⁴⁸ Appeal no. 990.10.163429-5, published in DJ-e of June 22nd, 2010

mark falls into discredit and loss of prestige among the public in general. In another passage the Reporting Judge concluded that “[I]t is exactly what occurs in the case at hand. Dilution of the highly reputed mark ‘**FASANO**’ takes place both by ‘tarnishment’ (discredit) due to its use in connection with pornography and by ‘blurring’, as a result of the loss of the economic value of the mark.”

- According to Siemsen and Atab⁴⁹, “In a very important leading case (*Appeal no. 2002.51.01.514660-7, published in D.J.-2, of September 4th, 2006 (T.R.F.-2) involving trademarks ‘**DOUBLEMINT**’ and ‘**DOUBE SOFT**’ (W.M. Wrigley Jr. Company v. Lua Nova Indústria e Comércio de Produtos Alimentícios Ltda.) and the Brazilian Patent and Trademark Office, Appeal Judge Liliane Roriz of the Federal Court of Appeals of the 2nd Region (where the BPTO’s headquarters are located), specifically refers to Article 130, III of Brazilian IP Law as an anti-dilution statutory protection. In her opinion, she makes express reference to US anti-dilution laws and comments on their provisions relating to ‘blurring’ and ‘tarnishment’, ruling that the statutory protection of the material integrity of the mark in Brazil should be read as a protection against dilution. She also points out that protection against dilution should be particularly aimed at famous marks or highly creative/distinctive marks. [...] Judge Roriz even went further to consider that acquired distinctiveness is sufficient to afford protection against dilution in case of famous marks, such as **DOUBLEMINT**.”
- Ms. Liliane Roriz was also the Reporting Judge of the decision rendered by the 2nd Specialized Chamber on IP in the Appeal filed by Dell do Brasil Comunicação Ltda.⁵⁰ As correctly pointed out by Ms. Roriz, one of the requirements for the application of the concept of dilution is that the mark being infringed must enjoy highly reputed status. Further, distinctiveness is of utmost importance. Still according to Ms. Roriz, the main purpose of the dilution theory is to hinder the progressive weakening of a mark, especially of those marks which bear a high degree of distinctiveness and are famous. Before concluding her vote, Ms. Roriz also draws the attention of the other members of her chamber to the fact that the Appellant Company does intend to take parasitical benefit from the reputation of trademark “**DELL**”. As a consequence of that it is clear that there is the risk of dilution in this case.

CONCLUSION - The theory of dilution has been applied in Brazil to protect famous marks both by the BTO as well as by the Courts so as to hinder the loss of their distinctiveness. It was interesting to note that even some decisions rendered by the BTO at the time when Ordinance 110 of January 27, 2004 was in force did apply the theory of dilution to hinder registration of marks being susceptible of diminishing the distinctive power of famous marks.

The decisions rendered by the local courts are in line with the best local doctrine on dilution, what leads to the conclusion that highly reputed marks indeed enjoy stronger protection, especially if

⁴⁹ Op. cit. p. 151

⁵⁰ Appeal – AC2009.51.01.806947-3, published in e-D.J.F.2R on April 5th, 2011 (T.R.F.-2)

we keep in mind that dilution applies even if the products or services are totally different from each other.

BOLIVIA

In the understanding of the Court of the Andean Community the risk of dilution is the possibility that the use of identical or similar marks may lead to a loss of distinctiveness of a well-known mark in the market, even if intended for completely different products. In the decision IP 35-2013 the court sets forth that, actually, Decision 486 has extended the protection to well-known marks in four situations, namely (i) risk of confusion, (ii) risk of association, (iii) risk of dilution and (iv) parasitical benefit.

When rendering decision no. 35-IP-2008, the court has considered the risks that might be caused, namely risk of direct confusion (consumer purchases takes one product by another), risk of wrongful association as to the source of the product, risk of dilution is given when similar or identical marks leads to a decrease of the distinctive power of a mark and lastly the risk of parasitical benefit, which occurs when the infringing party takes advantage of the prestige acquired by the senior (well-known) mark.

It should still be noted that according to Bolivian case law dilution may consist in “blurring” (dilution of the distinctiveness of the mark) or in “tarnishment”, which is the association of the mark with products of low quality or with those detrimental to health. Further, tarnishment is given when reputation of the well-known mark is affected.

CHILE

The Chilean Supreme Court issued a decision dealing with the issue of dilution, namely by the *Segunda Sala* in Case 2974/2013 (Civil), Decision No. 73,151 on 7 October 2013. A company by the name of INTERCO S.A. applied to register the trade mark “**BACARA**” for “*clothing, footwear and headgear*” in Class 25. This application was opposed by **BACCARAT** (the French company) famous for its jewellery, crystals and glass.

The opposition was based, among other grounds, on Article 20, letter (g), subparagraph No. 3 of Law 10.039 of Intellectual Property (*Ley No. 10.039 de Propiedad Industrial*) which deals with dilution.

The opposition was granted in first instance by the INAPI based on Article 20, letter (g), subparagraph 3 of Law 10.039 of Intellectual Property. The Applicant then appealed the decision and the Appeal Court reversed the decision and granted the application. Consequently, a “recurso de casación” was filed by **BACCARAT** before the Supreme Court. The Supreme Court acknowledged the fame and notoriety of the trade mark **BACCARAT** in unrelated goods and applied Art. 20, letter (g), subparagraph 3 of Law 10.039 of Intellectual Property to reject the application.

In a first instance decision from the INAPI against application No. 0862253 **LV LOUIS VUITTON**



& device in Class 34 in the name of Middle East Tobacco Inc. Louis Vuitton Malletier's opposition was not based on Art. 20, letter (g), subparagraph 3^o of Law 10.039 of Intellectual Property, but the decision does acknowledge the fame and notoriety of the earlier trade mark in Class 18.

COLOMBIA

Decision No. 36419 of June 15, 2012, by the Superintendent Delegate for Industrial Property, within application No. 08 10454 for trademark PRESTO PQP in class 3.

The National Trademark Office rejected the trademark registration for PRESTO PQP in class 3, with basis on notorious trademark PRESTO.

Trademark PRESTO was declared notorious by decision No. 36330 of July 22, 2009 with regard to services of class 43.

Trademark PRESTO is a national mark which distinguishes a chain of fast food restaurants.

The National Trademark Office in the present case, recognized the notoriousness of trademark PRESTO and at the same time declared that the application for trademark PRESTO PQP represented a risk of dilution of the notorious trademark PRESTO.

The following are the conclusions by the decision with regard to dilution:

“Notorious trademarks in the light of the Andean legislation are protected against the so-called dilution of their distinctive force. A notorious trademark is covered by a remarkable distinctive force. The protection against dilution is led principally to defend the integrity of the mark due to its special distinctive character that could be damaged by its utilization for diverse products or services, given that this could affect the prestige of the mark and eventually could lead it to lose its position and exclusive significance in the market.

It is observed that given that the notoriousness of a mark is the result of the economical effort of the holder, which is shown in the augmented commercial and advertising value that this mark represents, the Andean provision extends its protection to conducts that could generate dilution of its commercial and advertising value.”

In this sense the Tribunal of the Andean Community has established that: “in all cases it has to be proven one or various of the risks to which notorious trademarks can be exposed, that is to say it is not enough with proving the notoriousness of the mark for granting its protection beyond the

principles of territoriality and specialty, but it has to be proven as well the risk or risks of dilution, parasitic uses or association already analyzed” (Processo 091-IP-2009 ATJ).

(...)

“The Delegation finds that the sign applied for registration brings the loss of the distinctive force or commercial advertising value of the notorious trademark before mentioned, in the way that both trademarks can be associated to the same commercial origin, due to the similarities that they present. The trademark applied for registration threatens the integrity of the notorious trademark in the way that the latter distinctive force is affected by the use of the first, due to the fact that in lieu of being a unique mark with certain characteristics notoriously known, there are going to be two trademarks with totally different origin, with the same characteristics, and so it is evident that the distinctiveness of the notorious mark will be affected”

In this decision the National Trademark Office is recognizing the risk of association of the notorious trademark with the trademark applied for registration. Even though there is not a specific analysis of why the marks would be associated as they distinguish products and services of not connected classes (3 and 43), the decision is establishing a risk of association and therefore a risk of dilution. We want to remark that the dilution was not recognized alone but as a consequence of the risk of association found.

Separate “blurring” cause of action? Separate “tarnishment” cause of action?

There is no separate case law treating independently blurring or tarnishment.

Dilution is treated as a whole in the way shown in the above mentioned case law.

Statutory reform proposed in short term to introduce dilution protection?

The National Trademark Office is working in the preparation of a trademark examiner’s manual, including reference to Notorious Trademarks and a little reference over dilution.

Within the draft of the Manual which was given to the National Association of Intellectual Property for revision and comments, the following has been established:

“If the notorious trademark is a fantasy word it will be more possible that its holder can bring reasons or evidence in order to demonstrate that the granting of the latter mark will imply a detriment to the distinctive power of the notorious mark or damage of the image associated with the said mark.

(...)

In the manner that the proofs brought to the case are stronger, it would be more possible that the mark shall be given protection over sectors not related with the ones related to the notoriety conferred.”

This has to be understood in the sense that in order to study the dilution of the notorious trademark, the examiner shall determine the intrinsic distinctiveness of the sign. Being more feasible to achieve protection of dilution when the mark is a fantasy word, this is a trademark with a highest level of intrinsic distinctiveness.

All the Andean Provisions regarding the protection of WKM are included in Title XIII of the Andean Decision 486. These provisions are comprised within articles 224 to 236. Some of these articles are copied below:

National case law regarding protection of non-used FWKM and/or dealing with geographical issues as a factor to enjoy such protection; whether and where (geographically) particular use or awareness of a trademark in a particular region may be relevant to achieve such character or enjoy special protection:

Notoriously known trademarks, do not need to be in use in Colombia to achieve protection as such, as it was mentioned before.

Therefore, the National Trademark Office concluded in this case, that ever since the notorious trademarks do not need to be in use in the member country to achieve protection over similar trademarks, they shall also not be cancelled for non-use.

Nevertheless, it is established in the decision, that the products or services from which the notorious character is achieved, shall correspond to the products or services in the Colombian trademark registration.

The following are the pertinent quotations from the decision:

“In fact, a trademark that awards the quality of notorious in a certain place, which products or services are not commercialized within this market will comply with its functions as trademarks, because if it is broadly known in the pertinent sector it signifies that the consumers will recognize that it identifies certain products or services to which it is notorious, fully complying with its distinctive function, as well as its advertising function and its function as means of identification of goodwill.”

Therefore, even if in strict sense the mark is not in use, when its notoriousness is recognized, it is implicit the fact that it accomplishes its functions as a distinctive sign, and so its cancellation due to non-use cannot proceed.

In fact, if a notorious trademark is cancelled when it has a high degree of distinctiveness, this will be violating its owner’s right, in detriment of consumers, who already recognize the trademark and associate it with certain qualities and a certain commercial origin.

Territoriality issues regarding use on the Internet:

We did not find any case law dealing with internet use in order to achieve or be granted well known character protection.

Nevertheless, it is our interpretation that the legislation does not limit the use of different means of proves in order for a trademark to be recognized as notorious by the trademark authorities.

In this manner, we consider that the trademark owner can demonstrate knowledge of consumers in the Andean Region of the notorious trademark, by demonstrating use of the mark in the internet. Even if that use in internet does not correspond to a use in commerce, in the corresponding Andean market.

In other words, ever since no actual use in Colombia is needed to demonstrate that a trademark is notoriously known, the proof that the mark is used in the internet, in a manner that it reaches the Andean consumers of the pertinent sector, can be a means of proof of notoriousness.

Once the notoriousness has been proven, the trademark owner shall be granted protection after demonstrating:

1. That the sign in conflict is a reproduction, imitation, translation, transliteration or transcription total or partial of the notoriously-known trademark **and**
2. That the use of the sign is likely to cause a risk of confusion or a risk of association with the owner or with its products and services; **or**
3. The obtainment of unfair profit of the prestige of the sign; **or**
4. The dilution of its distinctive force or of its commercial or advertising value.

With regard to these factors, we remark again that it is the interpretation of the National Trademark Office, than when the mark to be protected is merely notorious (only known in the pertinent sector) the risk of confusion or association with the trademark in conflict has to be proven, to achieve protection.

When the mark is not only notorious but well-known (known by the general public), then the protection will be awarded regardless of the products and services to which the infringing mark is directed.

ECUADOR

Ecuadorian Decisions on Trademark Dilution

As mentioned, the first requirement to protect a mark against dilution is to have protection as a well-known mark. There are a few instances in which the Ecuadorian IP Office (IEPI) awards protection to a mark as well-known. However, in these decisions the junior application has been automatically rejected, and IP Office has not made an express distinction on dilution since the usual matter fall under confusion or risk of association.

Decisions rendered by the Andean Court

Local matters are elevated to before the Andean Court when an issue has been brought before the contentious court, and a provision from the Andean Decision is to be interpreted to ensure harmonization in the entire region.

In Process 115-IP-2013, regarding the CC design by CHANEL  the Andean Court states there is dilution when:

“[T]he use of another similar or identical mark causes the weakening of the high distinctive aptitude that the well-known mark has acquired in the market, even though the use is for products that have no connection to the goods protected by the well-known mark.”

The Court further cites OTAMENDI stating that “[i]f allowing the same mark to be registered for different products, it will little by little be incapable of suggesting a determined business origin, until it loses its distinctive force.”

New Project of Law

There is a new intellectual property law project called the “Knowledge Code” waiting for final approval at Congress. The new law will remove the distinction between famous and well-known marks; however, it keeps the protection against dilution along with the terms of Andean Decision 486.

Local matters are elevated to before the Andean Court when an issue has been brought before the contentious court and a provision from the Andean Decision is to be interpreted to ensure harmonization in the entire region.

CONCLUSION - Dilution is a widely accepted concept, and well-known marks are expressly protected against dilution. However, local or Regional Courts have only mentioned its existence, but have not dealt with or analyzed a fact pattern that clearly provides an example or a precedent in which a mark has effectively been protected against dilution.

MEXICO

The Mexican department stores identified by the trademark “**Liverpool**” filed an infringement action on the grounds of tarnishment a few years ago. The plaintiff alleged unfair competition by an entertainment company which used the trademark Liverpool to identify a topless bar located nearby one of its stores. Liverpool did not had a trademark registration to distinguish entertainment services and it was clear that both companies' businesses were entirely different, however, the MPTO based on subsections XI and X of article 213 of the Mexican IP law granted the admission of such action which finally was solved by means of an agreement.

PANAMA

Here are different decisions that may or may not mention the terms “dilution”, “tarnishment”, “blurring” or “free-riding”, but the concepts are implicit in the Courts analysis:

- “It is relevant to establish that the mark ‘PACO RABANNE’ is notorious, for which the doctrine, the jurisprudence and the law grants special treatment and rigorous protection, proscribing

severely the competitive ‘parasitism’ between marks that wish to enter the market under the ‘roof’ of fame and prestige of others already established and appreciated within the market.” (Opposition proceeding: Paco Rabanne Parfums –vs– Sona Internacional, Zona Libre, S.A., trademark PACO-MO, 1998)

- “In summary, this Court is of the same opinion as the Judge A quo, and thus, with independence of the defendant’s registration in its country of origin for the mark ‘VOGUE’ for covering goods in international class 3, the opposition filed by the plaintiff against such registration is grounded in the fact of prior use and registration for ‘VOGUE’ shown in the process, and thus, of being the original owner of the mark in conflict, which is an arbitrary or fantasy denomination that has reached significance due to the economic investments of its proprietor, which has granted renown and notoriety in an international level overcoming the limits of its class 16 in which is registered.” (Opposition proceeding: Advance Magazine Publishers Inc. –vs– María Minerva Cortés de Chávez, trademark VOGUE-class 3, 1999)

- “This Court shares the comparison criteria of the appealed Court, but also considers convenient to add a couple of considerations to dissipate any doubt. First, the evidence provided by the plaintiff is sufficient to recognize that ‘DUREX AND DESIGN’ (DUREX Y DISEÑO) is one of the most known national marks, therefore, deserves a special protection. Second, from the label of the opposed mark as filed, ‘OFFICIAL SCHOOL WEAR BY DURALEX’ (in English language) we can deduce that the defendant not only wishes to register a similar mark to one positioned in the market for goods within the same class, but also to proclaim in the label that ‘DURALEX AND DESIGN’ is the official clothes for school use, which is invading the segment of the class 25 used strongly by ‘DUREX’”. (Opposition proceeding: TEJIDOS Y CONFECCIONES, S.A. –vs– CONFECCIONES BELLA, S.A., trademark DURALEX Y DISEÑO, 2001).

- “In this sense, the refusal of DULCE & GUAYABA, is necessary to prevent that the mark DOLCE & GABBANA, is undermined in its strength in the market by dilution of its distinctive and distinguishing character, which may produce damage in the market share, or in other cases the popularization with its subsequent loss or diminishing of commercial value, impacting the free and fair commercial competition, discouraging the investment and economic development.” (Opposition proceeding: DOMENICO DOLCE and STEFANO GABBANA –vs– JUMBO ZONA LIBRE, S.A., trademark DULCE & GUAYABA, 2004).

There were some difficulties confronted in this case study, as follows:

1. Lack of electronical compilation of Court’s decisions from 2008, which makes difficult studying cases from 2012 in which the Intellectual Property Law was modified to include prohibition of registrations of marks that may cause dilution to a famous or notorious marks.
2. Court’s reticence to openly declare a trademark “famous” or “notorious”. Abundant evidence is required usually accompanied by market studies or extensive advertisement of the mark to be taken in consideration for declaring that a mark is famous so dilution can be caused. Usually if similarity between marks is proven along with confusion in the consumer, these are criteria enough to deny registration without the need of establishing that a mark is famous or notorious.

3. Confusion on the dilution concept in which necessarily the mark must be famous or notorious. Court's decisions were found in which the mark was not declared famous, but dilution of the mark was established on the basis of damage to the owner of the previous mark or of diluting or destroying the distinctive strength or commercial value of the mark. We would have to take into consideration that no recent decision was analyzed, so this may have been clarified under the modifications of the Law introduced in 2012.

PARAGUAY

In an administrative cancellation by FIAT S.p.A filed a cancellation proceeding against the registration of a mark on the grounds of Resolution no. 227 of December 5, 2002 of the Ministry of Industry and Commerce. In this proceeding **FIAT** argued that trademark "**FIT**" should be cancelled in view of its similarity with its mark "**FIAT**". Upon a thorough discussion of the case, the "Tribunal de Cuentas de Asunción, sala 1 (TCuentasAsuncion)(Sala1)" ruled that FIAT's arguments were contradictory, as on one side it alleged that there might be confusion between trademarks "FIAT" and "FIT" and on the other side it was stated that there would be the risk of dilution. In the opinion of the "Tribunal de Cuentas de Asunción" FIAT's argumentation was contradictory; in fact – so the Tribunal de Cuentas – these two situations – confusion and dilution – would exclude one another. In addition, two facts have been taken into consideration by the examiners, namely (i) that trademark "FIT" would be used in combination with "HONDA", so that a clear indication as to its source is provided and (ii) that vehicles are not to be confused with consumer goods. Apart from the price, which of course demands special attention at the moment of purchase, vehicles may be easily differentiated. Furthermore, it has been ascertained that while "FIAT" bears a proper meaning (a mandate to give effect to something) pursuant to the "Diccionario de la Real Academia Española", "FIT" has no meaning whatsoever, being an "independent signal". In view of these facts the "Tribunal de Cuentas de Asunción" refused the cancellation request, thus maintaining the registration for trademark "FIT".

SADIA S.A. challenged the decision rendered by the "Sección de Asuntos Litigiosos y la Dirección de la Propiedad Industrial" which had dismissed its opposition against a Trademark application. The "Tribunal de Cuentas, segunda sala" provided Sadia's request. In the case at hand SADIA, based on its senior registrations for trademark "SADIA" in classes 29 and 30, filed an opposition against the application for trademark "SARDILLA" in class 29. The "Tribunal de Cuentas" ruled that under consideration of the fact that "SADIA" is a mark with national and international presence and registered in the country for more than 10 years, there would be the risk of its dilution. As a consequence of that, Section 2 letter (g)(*) of the Paraguayan Trademark Law should be applied to dismiss the application for trademark "SARDILLA".

PEPSICO INC. submitted a cancellation request against the decision which granted the registration for trademark "LA OLA BELMONT and device in colors" of Souza Cruz S/A in class 34, as its opposition had been denied.

The "Tribunal de Cuentas, segunda sala" provided PEPSI's cancellation request taking into consideration the fame and renown of trademark "PEPSI" and its device portion. In addition, said Tribunal considered the overall impression of the mark and what the doctrine designates as "trade dress" or the "commercial vestment" to conclude that trademark "LA OLA BELMONT and device

in colors” should be dismissed. The Tribunal has further held that even though the nominative portions of the marks at hand are different, namely “PEPSI COLA” on one side and “LA OLA” on the other side, the confrontation has to encompass the overall impression of the marks. Further, the special protection afforded to trademark “PEPSI COLA” has been taken into consideration to the extent that its device portion has also to be properly protected in all classes.

PERU

Court decisions dealing with the concept of dilution

Resolution No. 0446-2013/TPI-INDECOPI dated February 6, 2013 and issued in the application file No. 383162-2009, in which the Intellectual Property Specialized Chamber for the Board of Appeals of the Peruvian Trademark Commission (INDECOPI) provides a complete analysis and thorough example not only of the criteria to determine if a trademark is well-known, but also regarding the interpretation of its legal protection against dilution (pgs. 34 – 39).

Some of the most relevant citations from that analysis are the following:

“[T]he concept of dilution embraces an extraordinary protection in Trademark Rights, by means of which it is meant to hinder the breach of association between a mark and product or vice-versa as a consequence of its use of the same mark or of a very similar one by third parties to identify products or services of different nature.”

The Andean Court (32) has stated that: “With respect to the risk of dilution, it is intended to make sure that well-known marks from any use of identical or similar marks which may jeopardize the high distinctiveness a well-known mark has acquired in the market, even if is used to identify products with absolutely no connection with those covered by the well-known mark.”

(...)

“[W]ell, pursuant to the afore mentioned doctrine – the concept of dilution is applicable only with respect to highly reputed marks; in compliance with the Andean Court, this doctrine must be analyzed when it is recognized that a mark enjoys a notorious status, bearing in mind the fact that the current Andean regulation – i.e., the Decision no. 486 – there is no distinction between notorious marks and highly renowned marks.”

(...)

“[T]he same author states, with respect to the loss of distinctiveness or dilution of the distinctive power of a mark, that if consumers notice that the famous mark is used by a third party to identify products which are in no way similar to those under the famous mark, there is for sure no risk of confusion; in spite of that there is no doubt that in this case the public will recall the mark and when noticing that the mark is not only used by its holder, in the eyes of the public the distinctive character and its publicity potential will disappear.”

(...)

“[T]he court has understood that dilution occurs specially when the products or services are different so that they do not compete; as a consequence, the distinctiveness of the mark, in particular in case of distinctive marks, has to be preserved, so as to hinder that its distinctive power is lost as well as its commercial or publicity value.”

Finally, it mentions a requirement for protection against dilution that the well-known trademark should have a strong distinctive ability and not be part of other trademark registrations for the same or similar goods or services.

Under consideration of these aspects, the court takes the opportunity to stress that with respect to the famous trademark “TROME” dilution will not occur by the mere fact that it is included in a new mark, so that it is necessary that the public becomes aware of its presence as a sign which is very similar or identical to a famous mark, or that may be allusive to a common corporate source as that of the famous mark.

Additionally, it has to be taken into consideration that dilution of a notorious mark is strongly related to what occurs in the market, meaning that if protection is being sought for a mark which is identical or similar to a notorious mark to distinguish products or services of a certain class, its registration will not entail risk of confusion, if in said class there is one or more marks registered which are also similar or identical to the famous mark. In these cases the dilution concept would not be applicable, as the public will associate trademark “TROME” with more than one mark and, consequently, with more than one corporate origin.

Conversely, if the mark for which protection is being sought is intended to identify products or services of a certain class and there are no further registered marks in this class which might be similar or identical to the famous mark, the mark being applied for will not mature into registration, as in this case there would be a risk of dilution of the famous mark; it would be reasonable to assume that the public of the products or services will establish an association of the term “TROME” with the famous mark, thus supposing that they have a common corporate origin (namely Prensa Popular S.A.C.) as there is no other mark registered which coexists in said class with this mark.

URUGUAY

In the **Louis Vuitton** case, although the use of the Louis Vuitton brand by a third party was considered a trademark infringement and even a tarnishment dilution infringement, both the first instance and the appeals court, rendered on March 28, 2016, stated that damages were not effectively proved. Therefore, the criteria set forth by said decision shows that even famous brands such as Louis Vuitton must prove actual damages in trademark infringement cases and that no “per se” damages are awarded.

VENEZUELA

Because Venezuela has a huge backlog regarding oppositions the following information may be useful:

On July 4, 2012 the Supreme Court interpreted Article 153 of the Venezuelan Constitution stating that upon the coming into effect of a new law the substantive arguments must be decided based on the ruling law at the time of the opposition. Only from the procedural standpoint the local law (Law of 1955) should be applied. This means that upon the filing of an opposition based on a trademark being well known (Andean Decision 313, 344 and subsequently 486) any decision should be based on the corresponding law and not in the current Venezuelan Industrial Property law of 1955 (which came into effect once Venezuela withdrew from the Andean Community).

Between August 2012 and January 2015 (most recent published decisions deciding oppositions dating between May/96 and Sept./2001) the PTO has never issued a declaration of notoriousness but nevertheless seemed to have considered the argument. Even oppositions based on a previously declared notorious mark by the same PTO were not recognized based on the reasoning that “notoriousness is a variable fact in time”.

As can be seen the PTO has not been favoring oppositions based on well-known marks. But what is clear is that under the ruling law (Industrial Property Law of 1955) well known marks are not expressly provided for.

In conclusion, well known marks are not expressly provided but may be included under Article 33(12) of the Venezuelan Industrial Property law. In addition, there is no specific dilution regulation.

On January 26, 2015 a Resolution regarding the registrability of trademark SPIZZICO (DESIGN) was published in the Official Bulletin. Despite the fact that the PTO cites the wrong Andean Law (Decision 486) it is respectful of Article 153 of the Venezuelan constitution.

3. CONCLUSION UPON REVIEW OF LOCAL PROVISIONS AND CASE LAW

Even though most countries do not bear specific anti-dilution provisions, it can be concluded that the Trademark Offices and the courts in the countries subject of this study are sensitive to dilution even if not directly in most cases. Definitions and application of the more sophisticated concepts of “blurring” and “tarnishment” in Latin America and Caribbean Region should still take a while to be implemented.

Even though clear anti-dilution provisions are still missing in many countries in the searched region, some general principles might be applied, so as to compel those who are seeking unjust enrichment to cease acts of unfair competition and bad faith.