THE PROTECTION OF WELL-KNOWN MARKS IN ASIA-PACIFIC, LATIN AMERICA AND AFRICA

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Refer to attached tables, which deal with the following issues:

### 4.1 Dilution

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1. INTRODUCTION

The protection of famous or well-known marks is currently receiving a lot of attention in certain countries, especially in the United States. The internationalization of trade and commerce necessitates a closer look at how famous and well-known marks are protected in jurisdictions around the world.

This report is an investigation into the state of protection of well-known marks in the Asia-Pacific, Latin America and Africa. The report provides information on the state of specific dilution laws, relevant case law, current issues and future directions. The information was gathered by conducting surveys in which local trademark practitioners were asked to answer questions like:

- Is there a specific (sui generis) dilution statute in your country?
- What is the key case law on protection of well-known marks?
- How is “repute of the mark” viewed and how must it be proven?
- Is it necessary to show confusion as to origin in a dilution claim?

The answers to all those questions (to the extent available) are compiled in a chart which is attached to the report. The chart is organized on a territory-by-territory basis in alphabetical order and can be used as a resource to find specific information in a certain country or territory.

In view of the number of regions and countries covered by the report, the amount of information, the information itself and the conclusions resulting from the information are rather diverse. The report will show for instance that in a majority of jurisdictions there is no specific dilution law and the amount of case law differs significantly from jurisdiction to jurisdiction.

Obviously the state of dilution protection is a dynamic entity. Legislation, case law and discussions on this issue will continue to develop, in some countries more than in others.

2. SUMMARY OF FINDINGS

This subcommittee covers a wide range of jurisdictions. The results revealed, not surprisingly, that the laws are very diverse. Consequently, there is little continuity for owners of well-known trademarks who are seeking protection across these countries.

All of the jurisdictions in this report recognise that well-known trademarks deserve special protection in that all have introduced specific provisions dealing with well-known or famous
Very few jurisdictions included in this report have specific anti-dilution legislation. Those that do, or have quasi anti-dilution protection, have had very little case law that provides much guidance. For example, South Africa has had specific anti-dilution protection for nearly 10 years but there have been very few cases. Singapore’s anti-dilution laws are brand new and Singapore will presumably look to the United States for guidance, given that the U.S. – Singapore Free Trade Agreement was the genesis for introducing the dilution concept.

Similarly, in many countries where there is specific protection for well-known trademarks, there has been very little case law on the issue of whether and when a trademark is sufficiently well-known or famous. A prominent theme in all jurisdictions is that better guidance as to what constitutes a “well-known” trademark is desirable. This committee proposes to further explore whether and why anti-dilution / well-known trademark provisions appear to be under-utilised. Similarly, it would be useful to identify what practical steps, if any, are available to trademark owners to improve protection, particularly as protection for trademarks as defensive registrations have been repealed in a number of countries or defensive registrations are dwindling.

Most countries require evidence of confusion or likelihood of confusion as to origin. As such do not introduce the concept of confusion. This committee proposes to further explore whether this has had a significant practical impact on owners of well-known trademarks and whether their interests would be better served by removing that requirement.

It is a time of change for many jurisdictions and if specific legislative reform has not been explicitly contemplated there is a feeling that reform may be just around the corner. As such, any experiences, lessons and warnings from other countries will be useful to identify the appropriate next step.

3. CURRENT ISSUES IN EACH TERRITORY

ARGENTINA

Summary of current law and case law which mentions concept of dilution/ notorious marks

Argentina’s local law does not consider specifically the protection of well-known marks, and the dilution concept is not included. Nevertheless, it could be considered that article 24 b) indirectly
protects famous marks by stating that “the nullity of a registered mark may be declared if the applicant knew or should have known it belonged to a third party”.

Moreover, famous marks receive special protection according to the Paris Convention (art. 6bis), TRIPS (art. 16) and the Argentina Jurisprudence.

Argentina’s Courts have based some decisions about this matter on the provisions of the Paris Convention and TRIPS. According to both treaties, the mark needs to be famous in the country where the action is being filed. However, TRIPS allows that the notoriety comes from advertising in the country where the action is filed, and not from actual use.

Argentina’s Courts have also decided in some cases that it is not necessary to use the mark as a trademark in order to get special protection as a well-known mark, but it needs to be famous in Argentina.

Due to the lack of statutory protection for well-known marks, in most cases the court uses strict criteria to analyze the confusion between marks (in general?) and well-known ones.

With respect to court actions, it is relevant that Argentina Courts have accepted several preliminary injunctions based on well-known trademarks, even though they were not registered.

Below are some cases related to famous marks:

- Lionel’s S.R.L. s/injunction, November 24, 1998. (Mark GLORIA)
- Marriot Corporation v. Rila S.A.
- Fromageries Bel S.A. v. Enrique Ivaldi s/nullity action” (Mark LA VACHE QUI RIT).
- Lacoste, Jean René v. Modart S.A.C.I.F.
- Herrera Paloma c/ Carolina Herrera SA y otro s/ cese de oposición al registro de marca CNCIV Y COMFED - Sala III – Sept. 12, 2003
- Jacob Suchard S.A. c/ Alberto Fehrmann S.A. s/ Cese de Uso de Marca

Other forms of protection

Defensive trademarks are accepted and protected in Argentina. It is usual in Argentina to file applications in all the classes or in several, even though the mark will not be used in all of them.

Defensive marks could be used to file oppositions or court actions.
Defensive marks do not need to be used in all the classes to be protected. Thus, if a defensive mark is used at least in one class, it allows the owner to avoid cancellation actions based on non-use.

**AUSTRALIA**

Australia has no specific anti-dilution trademark protection. However, Australia does have strong protection for both foreign and local trademark owners against traders who are using or seeking to register substantially identical / deceptively similar trademarks for similar or closely related goods or services.

Australia also provides specific protection for well-known trademarks (Section 120(3) of the Trade Marks Act 1995 (Cth)). Australia is a party to the TRIPS Agreement and although there has been some debate on the issue, Australia is generally regarded as complying with its obligations under Article 6bis of the Paris Convention and Article 16(2) and (3) of the TRIPS Agreement.

Because Australian trademark laws have provided relatively strong protection, the introduction of specific anti-dilution laws has not (at least until relatively recently) featured as a high agenda item. However, anti-dilution issues are increasingly gaining prominence for two reasons.

Firstly, New Zealand and the United Kingdom have a different regime from Australia as they embrace, at least, a more pure anti-dilution form of trademark protection for their well-known trademarks. This is a little surprising because Australia’s laws have traditionally been very similar to the trademark laws in New Zealand and the United Kingdom.

Secondly, Australian intellectual property laws are increasingly becoming internationalised. In early 2004 Australia entered into a Free Trade Agreement with the US. Intellectual property is one of the key issues in the Free Trade Agreement. The focus of the Agreement is on copyright and patent reform. There is little reform of trademarks and the current guide to the Agreement certainly does not mention anti-dilution protection for trademarks. However, there is an overall sense that there may be changes to the intellectual property regime so that it is aligned more closely with that of the US. It remains to be seen whether in time this includes a reform of Australian trademark law, to align it with the USA, and indeed New Zealand and the United Kingdom.

In the absence of specific anti-dilution protection, how are well-known trademarks protected in Australia?
Registration

Australia still provides for registration of well-known trademarks as defensive trademarks. However, in practice the approach of the Trade Marks Office in requiring extensive evidence showing that the trademark is well-known and that use on goods or services would be taken as indicating a connection with the trademark owner, means that defensive registrations can be difficult and very expensive to obtain, even for the most famous of trademarks. Consequently, defensive registrations are relatively rare in Australia.

Opposition

Section 60 of the Trade Marks Act 1995 (Cth) enables an application to be successfully opposed if it is substantially identical with or deceptively similar to a trademark that had acquired a reputation in Australia before the filing date of the opposed application, and because of the reputation of a mark of earlier priority, the use of the opposed mark would be likely to deceive or cause confusion.

The opposition ground does not require actual use in Australia and the reputation may comprise spill-over reputation from abroad, that is, reputation which flows into Australia from use outside Australia. It is not limited to use for similar goods or services (to those for which the well-known mark is currently registered / used).

Section 60 protects both registered and unregistered marks. The prior trademark need not be “well-known”. However, the likelihood of deception or confusion must be real and tangible.

This requirement of likelihood of deception or confusion limits the scope of protection offered for well-known trademarks, and as described below, means that Australia does not have a specific anti-dilution ground of opposition.

Cancellation

A trademark may be cancelled on basis of prior reputation where that would have constituted a basis for opposition (Section 88(2) (a)). However, cancellation is discretionary and may be refused if mark is registered in good faith.

Challenging use

There are 3 forms of protection

1. Passing off – Under the common law, a well-known or famous mark may be protected by an action for passing off.
2. Misleading or deceptive conduct - Sections 52 and 53 of the Trade Practices Act 1974 (Cth) provide further scope of protection of a well known trademark where another’s conduct is misleading or deceptive.

3. Trade Marks Act 1995. Section 120 provides specific protection for well-known marks. In particular, Section 120(3) deals with the infringing use of a well-known trademark on unrelated goods and services.

Do these adequately protect well-known trademarks?

Passing off and the Sections 52 and 53 Trade Practices Act causes of action protect unregistered marks and can extend to goods or services which are not related to those of the trademark owner. Both causes of action are arguably broader and more flexible than a claim for trademark infringement. However, despite the flexibility of passing off and the Trade Practices Act causes of action, they have different theoretical bases than a specific anti-dilution cause of action and as such cannot protect trademarks in the same way.

In particular, the rationale for Trade Practices legislation is not to confer a property right, but rather to protect consumers’ interest in not being misled or deceived. Passing off, also, does not confer a property right in the mark. Instead it protects the underlying goodwill associated with that mark. Consequently, consumer confusion (or likelihood of consumer confusion) is a significant component of both causes of action.

In contrast, in anti-dilution cause of action is not focussed on consumer protection or damage to the goodwill of a business. Rather, according to traditional dilution theory, the trademark is a property right which protects the ability to distinguish the trademark owner’s goods or services from those of other traders.

In order to succeed in an action for infringement under Section 120(3), the owner of the well-known trademark must establish that the infringing mark would be taken as indicating a connection between the defendant’s unrelated goods or services and those of the registered owner of the trademark. This is generally regarded as a requirement of confusion or likelihood of confusion. Consequently, because an essential element of anti-dilution is that the remedies are not conditional on there being a likelihood of confusion or deception, Australia’s specific provision dealing with well-known trademarks does not introduce a specific anti-dilution cause of action in Australia.

What do Australians want?

Even though the concept of trademark dilution is not new and has long been controversial, there has been relatively little noise advocating reform to introduce a specific anti-dilution regime.
However, as with many other countries, the protection of well-known trademarks is increasingly becoming a live issue.

On 25 May 2004 the Australian Government’s Advisory Council of Intellectual Property (ACIP) issued a report on Review of Trade Mark Enforcement. The report recognises that there are problems in the area of protection of well-known trademarks, in particular, the difficulty in determining what constitutes a well-known mark, whether a mark needs to be generally well-known, or only well-known in a specific market. Further, the report recognises that there is considerable inconsistency in how well-known marks are protected throughout the world.

The ACIP report recommends that the Australian Government supports research into the economic and legal benefits of, and costs associated with, extended protection of well-known marks. It also recommends that Australia should continue to actively participate in international discussions regarding well-known marks.

Given high profile US case law, the increased awareness of the issues at an international level and the introduction of specific anti-dilution protection in the United Kingdom and New Zealand, protection of well-known trademarks will no doubt become a more prominent issue in Australia.

**BRAZIL**

The following is a brief analysis of the Brazilian Trademark Office's (BPTO) resolution nº 110/2004 which approved procedures for application of article 125 of Law no. 9279/96 (Intellectual Property Law - IPL), which reads:

"Art. 125 - Marks registered in Brazil and deemed to be of high repute shall be afforded special protection in all fields of activity."

The importance of recognizing the high repute of a trademark lies not only in the possibility of its affording protection in all classes of products and services, including those in which the trademark owner is not active, but also on the criminal appeal provided for under art. 196, II of the IPL, according to which the penalty for the crime of infringement of a trademark shall be increased by one third to one half of it, if the altered, reproduced or imitated trademark is a high repute one.

**I - Well-Known Trademarks and Trademarks of High Repute**

*Well-Known Trademark*

The former Industrial Property Code - IPC (Law no. 5.772/71, which lapsed on May 14, 1997) provided, under article 67, special protection for the so-called "well-known" trademark. A "well-
known" trademark, qualified to receive special protection in all classes, was understood as a trademark regularly registered in Brazil that enjoyed notoriety and renown and was widely recognized by all social classes to distinguish a given product or service.

The well-known trademark, as part of the former Brazilian IPC, depended upon a special declaration of notoriety by the BPTO. For this purpose, the applicant had to file an application showing detailed information which included the book value of the trademark in company assets, capital expenditures with publicity directly related with such trademark, a list of all countries where the trademark was registered, and the initial date when the trademark started to be effectively used in Brazil, among others. Another essential aspect for the BPTO was that the trademark had to be widely known by the general public, in percentages over 50% (fifty percent) of all social classes of the Brazilian population.

*Trademarks of High Repute*

The 1996 IPL disregarded the concept of "well-known" trademark and set forth, under its article 125, the trademark of high repute. The high repute is a matter of fact recognized in light of evidence of distinctiveness of the trademark, the degree in which it is known by the public and, above all, the image of quality associated to the trademark, besides many other factors that might contribute to make up the mind of whomever may be responsible for the decision in this respect. This implies the concept of notoriety, acceptance, prestige, reputation, that is, of renown among the clientele, not being necessary that the trademark enjoys any specifically high index of recognition by the general public, as formerly required under article 67 of the previous law.

**II - BPTO's Resolution no. 110/2004**

In the absence of specific administrative procedures aimed at the official recognition of the high repute of a trademark - something that had been postponed by the BPTO since 1996, when Law no. 9.279 was passed - the only measure a trademark owner could take was to search for judicial support. It is worth noting that some famous trademark owners made use of legal proceedings in an attempt to obtain the recognition of the high repute of their trademarks and force the BPTO to reject all trademark applications or registrations which infringed such protection.

Thus, with an aim to set procedures to ensure the protection of high repute trademarks, Resolution no. 110/2004 was published by the BPTO on January 27, 2004. Its provisions are analyzed henceforth.

*Application for Protection*

With respect to the application for the special protection provided under article 125 of the IPL, article 1 of the new resolution establishes that such application must be submitted to the BPTO,
incidentally, when an objection is raised against a trademark that belongs to a third party, by means of an opposition or administrative nullity proceedings.

Before examining the opposition or the administrative nullity proceedings, the BPTO shall analyze and make a decision on the condition of high repute of the trademark, which serves as a basis for that opposition or administrative nullity which is being requested.

*High Repute Recording*

It is worth noting that differently from what happened in the past, when a special registration was required for the so-called well-known trademarks, Resolution 110/2004 does not establish any procedure for registration of high repute trademarks.

Once the high repute of a trademark is recognized, the BPTO shall proceed to what the Resolution named as "the recording of the high repute", with validity for 5 years and which will serve as a record to exempt the owner from the obligation to submit elements of proof whenever a new administrative petition is filed against third party applications, with basis on the high repute of his trademark. It should be noted that this recording - optional and declaratory, and not a registration - seems to be perfectly in line with the IPL, which does not clearly provide for a high repute registration.

*Evidence of High Repute*

With regard to evidence of the high repute of a trademark, article 5 of Resolution 110/2004 includes the following:

1) Date when the trademark started to be used in Brazil;

2) User public or potential users of the products or services covered by the trademark;

3) Fraction of the user public or potential users of those products or services covered by the trademark to which it applies, essentially due to its tradition and qualification in the market, identified by means of an opinion survey or market survey or by any other applicable means;

4) Fraction of the user public of other market segments who spontaneously and promptly connects the trademark to those products and services to which it applies, identified by means of an opinion survey or market survey or by any other applicable means;

5) Fraction of the user public of other market segments who spontaneously and promptly recognizes the trademark essentially due to its tradition and qualification in the market,
identified by means of an opinion survey or market survey or by any other applicable means;

6) Means of commercialization of the trademark in Brazil;

7) Geographical amplitude of the effective commercialization of the trademark in Brazil and, eventually, abroad;

8) Length of time during which the trademark has been effectively used in the internal market and, eventually, in the international market;

9) Trademark promotional channels in Brazil and, eventually, abroad;

10) Length of time during which the trademark is effectively promoted in Brazil and, eventually, abroad;

11) Amounts invested by the owner in publicity/advertising of the trademark in the Brazilian media, in the last 3 (three) years;

12) Product sales volumes or service revenues in the last 3 (three) years;

13) Economic value of the trademark booked in company assets.

Motion to Deny the Protection

It is worth mentioning that any interested party may apply for the denial of the special protection afforded by a high repute trademark, in which case the applicant must submit all the applicable evidences to demonstrate that the high repute trademark is unable to subsist, for later decision by the BPTO.

Creation of a Special Commission

Should the high repute be claimed, a Special Commission formed by three (3) representatives of the BPTO shall be created to evaluate the fundamentals and evidences of the conditions of the trademark under examination, providing their conclusions thereon.

Official Fees

The BPTO stipulated substantially higher official fees for petitions based on high repute trademarks. These fees include: BRL 1,000 for oppositions (against BRL 200 for a "regular" opposition), BRL 2,075 for administrative nullity proceedings (against the "regular" BRL 415),
BRL 500 for replies (against the "regular" BRL 100), and BRL 1,650 for appeals (against the "regular" BRL 330). The current exchange rate is approximately US$ 1.00 = BRL 3,00.

There should certainly be no problems for the owner of a high repute trademark to pay such significantly higher fees at one time, with an aim to have the high repute of his trademark recognized. However, those higher fees shall apparently be required in all oppositions against trademark applications filed by third parties with grounds on that high repute trademark, even after its recording by the BPTO. Thus, those higher fees are expected to restrict the proceedings grounded on high repute trademarks exclusively to those cases where the trademark in question is effectively of utmost importance to the company.

Obligation to Inform the Competent Authorities for Registration of Domain Names

One of the most important measures raised by this new Resolution is that which imposed to the BPTO the obligation to inform the Competent Authority(ies) or Agency(ies), for the purpose of registration of domain names in Brazil, the recognition of the high repute of a trademark or the lack of support to such condition, so that the registration of a domain name which is identical to a high repute trademark becomes unfeasible. Unfortunately, this will not prevent a domain name that contains the high repute trademark with any additions or small variations from being registered.

III. Conclusions

Despite the fact that the publication of Resolution 110/2004 represents a step forward on the part of the BPTO, a gap remained which might impact its effectiveness. According to the new regulations, to apply for the declaration by the BPTO, it is necessary that a conflict between trademarks exists. The difficulty here would be that not all defrauders apply for the official registration of a trademark. In this sense, our major concern lies in the possibility of the Judiciary to understand that the declaration by the BPTO would be mandatory as a proof of the high repute. Thus, when there were no trademark conflicts within the area of the BPTO, such trademark quality would not be recognized with the consequent impact on the Court action.

On the other hand, it is not yet quite clear whether the BPTO shall dismiss applications for registration (or cancel registrations) ex-officio with basis on art. 125 of the IPL. Although there is nothing to prevent this, a rough interpretation of the Resolution might infer the contrary, even after the recognition of the high repute of a trademark is recorded, in light of what is provided for under art. 14, § 1º which exempts the owner from the presentation of "proofs of such condition in case of eventual litigations involved in the proceedings for the granting of trademark rights", but not exempting that same owner from the "litigations".
CHINA

Summary of current law

There is no specific anti-dilution legislation in China, although well-known marks are accorded protection on similar as well as dissimilar goods and services under the 2001 Trademark Law, the Trademark Law Implementing Regulations, and the 2003 Rules on the Recognition and Protection of Well-known Marks. Such legislation and regulations were instituted to bring China in conformity with its obligations to Article 6bis of the Paris Convention and to the TRIPS Agreement.

While China is a civil law country where trademark rights are based on first to file, well-known marks, whether they are registered or not in China (at least in the case of similar goods and services), can be protected according to Article 13 of the Trademark Law, which states:

Where the trademark of an identical or similar kind of goods is a reproduction, imitation, or translation of another person’s well-known trademark not registered in China and is liable to cause public confusion, no application for its registration may be granted and its use shall be prohibited.

Where the trademark of a different or dissimilar kind of goods is a reproduction, imitation, or translation of another person’s well-known trademark registered in China and it misleads the public so that the interests of the owner of the registered well-known trademark are likely to be impaired, no application for its registration may be granted and its use shall be prohibited.

It should be noted that registration of a trademark in respect of the goods and/or services for which it is well known is a precondition for protection on dissimilar goods and services.

Article 14 of the Trademark Law lists the following factors to be considered in determining whether or not a trademark is well known:

1. The degree of public recognition in its trading areas;
2. The duration in which it has been in use;
3. The duration and extent of its advertising, and the geographical areas the advertising has covered;
4. The records of protection it has gained as a well-known trademark; and
5. Other factors serving to make it well known
On June 1, 2003, Rules on the Recognition and Protection of Well-known Marks (hereinafter referred to as the “Rules”) came into effect. Promulgated by the State Administration for Industry and Commerce (SAIC) on April 17, 2003, the Rules define well-known trademarks and seek to provide clearer guidance on applying the Trademark Law (Articles 13 and 14) and its Implementing Regulations (Article 45) to the determination and protection of well-known marks.

According to the Rules, well-known trademarks are defined as trademarks that are widely known to the relevant public and enjoy a relatively high reputation. “The relevant public” includes the current or potential consumers of the kind of goods and/or services designated by the trademark, the people who manufacture the aforementioned goods and render the aforementioned services, together with the people involved in the distribution channels. Therefore, “known” and “reputation” are required simultaneously for a “well-known” trademark to be recognized as such in China.

The Rules clarify the procedure of seeking well-known mark protection under Article 45 of the Trademark Law Implementing Regulations. Trademark owners may file opposition to a trademark application made by another party with the Trademark Office or file cancellation against a registered trademark with the Trademark Review and Adjudication Board (TRAB), by seeking recognition of well-known status, through the submission of relevant evidence. Trademark owners may also enforce their rights in infringement proceedings by seeking recognition of well-known status through the submission of relevant evidence via the local Administration for Industry and Commerce (AIC).

The following may be used as evidence to prove that one’s mark is well known:

1. Documentation to prove the extent to which the relevant general public is aware of the trademark.

2. Documentation to prove the duration of use of the trademark, including the history and sphere of the use and registration of the mark.

3. Documentation to prove the duration, geographical areas and extent to which the knowledge of the trademark covers, including but not limited to the mode and geographical areas of advertising and sales promotion, the types of promotional media as well as the budget fixed for advertising.

4. Documentation showing the record of the trademark protected as a well-known trademark, including the trademark being protected as a well-known trademark in China or other countries and regions.
Other documentation to prove the well-known nature of the mark, including the output, sales volume, sales income, profits and taxes paid, as well as sales areas and so forth of the principal product bearing the trademark.

In March 2004, the China Trademark Office released a list of 43 trademarks recognized as well known in opposition, cancellation and enforcement proceedings since the implementation of the 2003 Rules. Of these, 40 were marks owned by Chinese companies in various industries, one was from Taiwan, and two were foreign (the United States). Within the next few months, another 26 such marks were announced, including 11 owned by companies outside mainland China, Hong Kong, Macau and Taiwan.

The People’s Court can also make a determination on whether a registered trademark in an infringement hearing is well known, at the request of interested parties or at its own discretion. The People’s Court has in recent years decided on domain name cases based on well-known marks determination.

**Trends**

No statutory reform has been proposed in the short term relating to well-known marks protection and dilution, but there are certain trends emerging.

Currently, use in the local jurisdiction is required for trademarks registered in respect of goods and services for which it is well known. There has been a lot of discussion which could lead to a new trend that, when the owner of a well-known mark has registered its well-known mark in some other class(es) for protective purposes and that mark is not used for three consecutive years after the date of registration, and when such class(es) of goods or services are too different to be confused with the goods or services for which the mark is well-known, such registration(s) might be cancelled upon the request of any parties with real interests in the disputed goods or services.

**INDIA**

**The Law:**

As the new Indian Trademarks Act 1999, repealing the Trade & Merchandise Marks Act, 1958, has taken effect, recently, from 15 September 2003, no further changes are imminent.

The new Trade Marks Act, 1999, (hereafter 'the new Act') does not contain any reference to 'dilution of trademark' *per se*, but it introduces the concept of a “well known trademark” defined under Section 2 of the new Act.

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1 Of these 11, six were from the United States, and one each from Switzerland, the United Kingdom, France, Germany and Italy.
Section 11 of the new Act lays down the criteria for determination of “well-known” status of a trademark by the Registrar. Under Section 11 of the new Act, it would also be a valid ground for refusal of an application for registration of a trademark, if it is similar to a “well-known” registered trademark, regardless of the goods or services. The new Act requires the Registrar to take into consideration “bad faith” in balancing the interests of the parties involved in the enforcement of “well-known” trademarks.

Thus dilution of trademark would occur from the infringement of a “well known” trademark.

In passing off action in India (through which claim of dilution can also be founded for an unregistered “well-known” trademark), it is not necessary to prove actual confusion, and the probability of deception and confusion is sufficient for making out a case for injunction. Thus, "threatened harm" would constitute cause of action in a passing off suit.

Use of survey reports in a trademark action is still not a widely followed practice, though in some cases, survey reports are produced as evidence, either to prove subsistence of confusion, or the contrary.

There is no provision for Defensive Marks under the new Trademark law.

**Representative Case Law:**

Since the concept of a “well-known” trademark is a relatively new provision incorporated into The Trade Marks Act, 1999, the law is not exhaustive, as yet, in this regard.

The following instances of infringement of such “well-known” trademarks (decided under the old Act which had no express provision for “well-known” trademarks), which would have otherwise given rise to dilution of trademark:

**Dalip Chand v Escorts (1981):** The word ESCORT in respect of electric irons, electric kettles, soldering irons and elements of electric irons and kettles (user since 1958) was refused registration, on the ground that the opponent's name was well known in the trade since 1950 in relation to a wide variety of goods.

**Rolex Appln. (1976):** 'Rolex' with the device of a crown and letter 'R' refused registration in respect of washing soaps on opposition by the owners of the reputed trademark 'Rolex' with the device of a crown registered and used in respect of watches.

**Jeep v Lion Industries (1978):** A trademark consisting of the device of a motor vehicle and words “Jeep Chhap” (Jeep Mark) in respect of washing soaps was refused registration on the ground of the use and reputation of the mark JEEP for automobiles.
**Shulton v Bhagwant Lal (1979):** OLDSPICE for safety razor was refused registration on the ground of the use and reputation of the same mark of Shulton in respect of aftershave lotions, cologne for men, body talc, hair cream, and shaving creams.

**Dunhill v K.B.Engineering (1983):** DUNHILL for cycle parts was refused registration on the ground of the extensive use and advertisement of the same mark in respect of cigarettes by Dunhill.

**Daimler Benz Aktiengeselleschaft vs Hybo Hindustan (1993):** The Court found the adoption by Hybo Hindustan of Daimler Benz' trademark BENZ along with the representation of a man with his legs separated and hands joined together above his shoulder, all within a circle for undergarments as deliberate and that the Trade Mark law was not intended to protect a person who deliberately set out to take benefit of somebody else’s reputation which extended worldwide. Although the relevant goods were different, use of the mark “Benz” with the device of the “three pointed human being in a ring” for undergarments would demean the goodwill and reputation attached to the mark BENZ and device of “three pointed star” for automobiles.

**MEXICO**

In Mexico, the Law which regulates all aspects of trademarks is called the Industrial Property Law. Such law has been in full force and effect since 1991. Of course there had been some amendments and currently there are some amendments pending to be issued by the Mexican Congress.

The Industrial Property Law in its article 90 establishes:

**Article 90**

The following will not be registered as trademarks:

I to XIV.

XV. Three-dimensional names, figures or forms, that are the same as or similar to a trademark that the Institute deems to be conspicuously known in Mexico, to be applied to any product or service;

It will be understood that a trademark is conspicuously known in Mexico when a determined sector of the public or of the business circles of the country knows the trademark as a consequence of business activities carried out in Mexico or abroad by a person that uses this trademark in relation to its products or services, as well as the
awareness of the trademark in the territory as a consequence of promotion or publicity of the same.

One may use all evidentiary means permitted by this Law to demonstrate the notoriety of the trademark.

This impediment will proceed in any case, in which the use of the trademark by the person applying for its registration could create confusion or a risk of association with the holder of the conspicuously known trademark, or constitutes an exploitation that discredits the trademark. Said impediment will not be applicable when the applicant for registration is the holder of the conspicuously known trademark.

Mexico is also part of several international treaties such as the Paris Convention which according to one of the judicial precedents issued by the Mexican Supreme Court, such treaty is above the Industrial Property Law. This means that the authorities are obliged to apply the legal dispositions contained in such treaty in connection with the protection of the well-known trademarks.

On the other hand, the Industrial Property Law does not contain the complete regulation in connection with the protection of the well-known marks, due to the fact that the law does not establish if the Mexican Institute of Industrial Property is entitled to issue resolutions declaring the notoriety of a mark, nor does it state the proceeding in order to issue a declaration or the evidence that could be filed to demonstrate that a trademark registration is well known in a determined sector of the public or of the business circles.

As a consequence of this lack of provisions, the Mexican Institute of Industrial Property has delayed the issuance of declarations, stating that the Law does not provide any proceeding to consider a trademark as notoriously well known. Therefore the owner has to file a Constitutional Proceeding in order to demonstrate to a District Court Judge that the Mexican Institute of Industrial Property is obliged to apply the dispositions of the Paris Convention and the Industrial Property Law, also stating that the authority is obliged to improve the protection to well-known marks.

On the other hand, the Mexican Institute of Industrial Property has not issued a declaration of notoriety as a result of the contentious proceedings contained in the Law, which are: nullity, cancellation for lack of use and infringement. This could be a consequence of the lack of faculties and the lack of provisions regarding which evidence could be taken into consideration.

The aforementioned reasons explain why in Mexico there are only four trademarks that were declared as well known. Three of the resolutions were issued by the Mexican Institute of Industrial Property and the other one was issued by a Circuit Court, as part of a judicial precedent.
At this time there is a project of amendments to the Industrial Property Law, exclusively related to the protection of the well-known trademarks. Such amendments include the following improvements:

a) To expressly empower the Mexican Institute of Industrial Property to analyze and issue resolutions declaring the notoriety of a trademark.

b) To improve the protection of the well-known trademarks, this means to avoid allowing any third party to obtain the registration of a mark that is similar to a well-known trademark.

c) To establish the proceeding (procedural stages, forms, requirements, etc) that could be filed by the owner of a trademark in order to obtain the recognition of a well-known mark.

d) A list of the documents that could be filed as evidence in order to demonstrate that a trademark is well known.

e) The amendments are also trying to establish when the declaration of notoriety will expire, in case the declaration was issued in violation of the provisions of the laws, and/or was granted based on false information contained in the application, and/or was granted by error, inadvertence, or difference of appreciation; and/or cancellation for lack of the conditions that were taken into consideration at the time of the issuance.

f) To include a specific infringement case as a result of the violation of a well-known trademark.

It is important to take into consideration that the aforementioned amendments are not final; this means that the parties involved in such amendments are still trying to improve the project, gathering comments from the authorities and the IP experts, in order to improve the protection of well-known marks in Mexico. Once the project is completed, the Mexican Congress will receive it and will start with the legislative debate.

As for the dilution of the trademarks, it is important to mention that the Industrial Property Law establishes the following:

**Article 153**

Cancellation of the registration of a trademark will be in order if its holder has provoked or tolerated its transformation into a generic name that corresponds to one or several products or services for which it was registered, in the commercial media and in generalized public use, the trademark having lost its distinctive character as a means to distinguish the product or service to which it applies.
As we may note, the Industrial Property Law does not provide any disposition regarding which criteria the Authority will have to take in order to consider that a trademark registration has tolerated its transformation into a generic name. At this moment we do not have any notice of any project of amendments regarding the dilution of trademarks. However, we do not have knowledge of any resolution stating the dilution of a trademark.

PERU

Both Peruvian local law (Legislative Decree 823) and Andean Community law - Decision 486 (which is part of Peruvian legislation) consider the protection for well-known trademarks and include the ‘dilution’ concept. Likewise, Peru is a member of the Paris Convention and TRIPS which include regulations related to well-known trademark protection.

Peru’s legislation defines ‘well-known trademark’ in provision 224º of Decision 486- Andean Community statute. A trademark is considered well known if it has been recognized as such, by any of the country members (Bolivia, Colombia, Ecuador, Peru and Venezuela) by the pertinent sector or business, independently in the manner or way by which it would have been notorious. To consider a trademark as ‘well-known’ in Peru or any country of the Andean Community it is not required use in local jurisdiction.

With respect to well-known trademarks protection, Peru’s legislation establishes the following:

Provision 136º, section h) of Decision 486 states that:

‘A symbol may not be registered as trademark, with respect to third parties' rights, if it:

h) constitutes the complete or partial reproduction, imitation, translation, or transcription of a well-known trademark, for any goods or services, when the use may cause confusion or mistake, or an unjust exploitation of the well-known trademark’s prestige, dilution of its distinctiveness or its commercial or publicity value.’

Likewise, provision 155, sections e) and f) of Decision 486, states that:

‘Registration of the mark confers on the registrant the right to take legal action against any third party who, with regard to the same or similar goods or services for which the mark has been registered, without the registrant’s consent does any of the following:’
e) *uses in commerce a symbol that is identical to or which resembles a notorious mark, for goods or services different from those for which the mark has been registered, where use of the symbol may cause the notorious mark owner unwarranted economic or commercial damage, by the dilution of the distinctiveness or commercial or publicity value of the trademark, or by the unjust exploitation of the notorious mark’s prestige;*

f) *uses publicly a symbol that is identical to or which resembles a notorious mark, even for non-commercial purposes, when this may cause the dilution of the notorious mark’s distinctiveness or commercial or publicity value of the mark, or an unjust exploitation of the notorious mark’s prestige.*

Therefore, according to the statutory law mentioned above, well-known trademarks are protected before the Peruvian Administrative and Judicial Courts from third parties’ unauthorized use or intent of registration of an identical or similar mark.

From the provisions mentioned, it is clearly stated that a well-known trademark is protected from third parties’ use, even though said use is non-commercial (trademark use is not required). The only requisite to file an action according to this rule is that said unauthorized use may cause any damage to the notorious mark owner, by the following reasons:

- Dilution of the trademark’s distinctiveness, or
- Dilution of the trademark’s commercial value, or
- Dilution of the trademark’s publicity or advertising value, or
- Unjust exploitation of the trademark’s prestige.

With respect to well-known trademarks protection against third parties’ intention to register a similar or identical trademark to cover any goods or services, the well-known trademark owner may file an opposition against said trademark registration if occurs any of the reasons stated above, and/or if there is a risk of confusion, mistake or association with the third party or with the third party’s goods or services. Therefore, the protection of well-known trademarks covers unrelated goods or services and confusion is not required. Confusion is one of the reasons that may determine the damage to the notorious trademark but not the only one. Likewise, according to statutory and case law it is not necessary to prove bad faith to have protection for a well-known mark.

With respect to ‘dilution’, Peru does not have a specific statute. Even though dilution has been mentioned in Peru’s legislation in the statutory provisions and case law related to well-known trademarks, there are no regulations that specify when one is before a dilution case, or when one is in a blurring or tarnishment cause of action. Case law is not broad in explaining and regulating
dilution. Therefore, ‘dilution’ has been recognized and mentioned in Peru’s legislation, but no specific regulation may be found. Unfortunately, there is no proposal for statutory reform in the short term to introduce dilution specific regulations.

SINGAPORE

On 1 July 2004, Singapore amended its trademarks legislation mainly on account of the Free Trade Agreement entered into with the United States of America. One of the most important changes was the introduction of the U.S. concept of dilution. In the past, Singapore followed closely the English common law system; under that system (at least in the past) it was not possible to attach liability without evidence of likelihood of confusion.

The anti-dilution provisions have come in two areas: firstly, in the protection of well known marks and secondly, as a ground for refusal on relative grounds. On this second ground flows the possibility of taking opposition and/or invalidation proceedings.

In respect of the protection of well known marks under Section 55, it should be noted that the only remedy provided for is an injunction i.e. it is not possible to claim damages, discovery or delivery-up. The infringement provision under Section 27(which allows such claims to be made) does not provide remedy for dilution. It is believed that this is a middle ground reached by the Singapore authorities as they ease the anti-dilution provisions in.

There is explicit provision to extend the anti-dilution provisions under Section 55 to business identifiers which would include business names and, probably, domain names.

There also appears to be an explicit defence under Section 55A(3) where the use is for comparative advertising, non-commercial purpose, news reporting and commentary.

SOUTH AFRICA

Since 1993, South Africa has had specific protection against dilution for well-known trademarks. Prior to that, South African trademark owners had to rely on common law remedies.

Even though South Africa has had specific anti-dilution protection for nearly 10 years, there has been very little case law concerning the anti-dilution provisions although a dilution allegation is now routinely thrown into demand letters.
It is difficult to explain the lack of dilution case law in any way but to say the right case had not until recently come along, and issues which would be ripe for a dilution hearing are typically dealt with by the Advertising Standards Authority (ASA) as a breach of its code, along with comparative advertising issues. So, although no trademark case was made, BMW was prevented from flighting advertisements about "BEATS THE BENDS" where a Mercedes Benz ad had shown the safety of a M-B car by recounting how the driver had survived when his car left a notoriously bendy bit of road. The BMW ad showed a BMW serenely negotiating the same curves at speed. Similarly Opel was prevented from continuing to flight advertisements about its cars being "more fun than Golf". These ads would be perfectly acceptable in the US, which may go some way in explaining the lack of dilution suits.

However, the anti-dilution laws have not been without tension and three topical issues in South Africa are set out as follows.

**Conflict between dilution theory and Constitutional free speech issues**

In the Cape Provincial Division case SAB International t/a Sabmark International v Laugh if Off Promotions CC ([2003] 2 All SA 454 (C)), Judge Roger Cleaver refused to recognise the parody defense because of perceived hate speech elements in the parody and the commercial motivation of the alleged diluter (i.e selling t-shirts). This is in contrast with the US position on parodies after Campbell v Acuff-Rose Music, Inc and the appeal outcome in the South African Supreme Court of Appeal is awaited for certainty. The appeal is likely to be heard within the next three months.

**Conflict between dilution theory and comparative advertising**

Attitudes toward dilution theory and comparative advertising in South Africa are confused, but generally dealt with by the ASA rather than by the courts. The ASA is a voluntary body which has arguably grown beyond itself, and its rulings are (in this writer's opinion) generally arbitrary and display a lack of understanding of the balance between free speech issues, the legitimate concerns of trademark law, and dilution theory. As the effect of an ASA decision is to suppress particular marketing, and upsetting the ASA in the courts is generally not a practical proposition because of the long delays in the court process, the de facto position is dictated by the advertising industry rather than by the courts. The nature of the "laugh it off" business has taken that particular case beyond the area of the ASA and its outcome will doubtless have a major effect on the development of the law in this country.

**Defensive registrations**

As outlined in the South African summary, the introduction of specific anti-dilution protection was coupled with abolishment of the defensive registration system (although existing defensive registrations remain in force for a certain period). A current issue is whether it would be desirable to reintroduce defensive trade mark registration as a means of engendering certainty and a relatively cheap and quick procedure for proprietors, given the difficulties in defining diluting use
and the very substantial evidentiary burden, comparable to common law passing off, imposed on proprietors alleging dilution.

TAIWAN

The following is a brief summary of Taiwan’s newly Amended Trademark Law and comparison and contrast of new and old provisions.

Taiwan’s current Trademark Law was amended and promulgated on December 22, 1993. Subsequently, in order to meet the requirements imposed on Taiwan in connection with Taiwan’s admission to the World Trade Organization, Taiwan revised the Law on May 7, 1997. Since then, the Taiwan authorities recognized that international use of trademarks has increased significantly. After a review of foreign trademark legislation, Taiwan’s authorities again passed amendments to the Trademark law and these most recent amendments became effective on November 28, 2003.

Taiwan’s newly amended Trademark Law contains several significant revisions that have a generally liberalizing effect. Under the new Law, the definition of a trademark is expanded and sound and three-dimensional marks may now be registered, while the scope of validity of a trademark right is defined. At the same time, additional grounds for refusing the registration of a mark have been added. In compliance with Article 23(2) of the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), Taiwan’s new Law provides protection for geographical indications used with certain alcoholic beverages. The amended Law permits a single application to cover multiple classes and allows trademark applicants to divide applications. The new Law abolishes associate trademarks and schedules the gradual abolishment of the defensive trademarks. Also abolished are substantive examinations of trademark renewal applications. The revisions also protect the rights of licensees of a trademark is assigned. The other revisions of note are those that expand the type of acts that are deemed infringement of a trademark right.

One of the new grounds for refusing the registration of a mark that has been added to the Trademark Law is the provision against the registration of a mark that may dilute the goodwill, distinctiveness or affect the reputation of a well-known mark at Article 23 (12). Prior to the most recent amendments, Taiwan’s Trademark Law did include provisions that protected well-known trademarks. The previous Law stipulated that no application could be filed for registration of a trademark that was identical or similar to another person’s well-known mark, thus causing confusion or misidentification among the general consumers.

However, Taiwan’s new Trademark Law specifically provides protection for well-known trademarks by prohibiting the registration of a trademark that is likely to dilute the distinctiveness
or reputation of a well-known trademark. Taiwan’s authorities added this protection against dilution after considering the September 9, 1999 resolution of the World Intellectual Property Organization (WIPO) that identified the necessity of avoiding the dilution of the reputation of well-known marks.

Article 23 (12) of Taiwan’s newly amended Trademark Law stipulates the following:

A trademark application shall be rejected if the proposed trademark is identical or similar to another person's well-known trademark or mark and hence is likely to confuse the relevant public or likely to dilute the distinctiveness or reputation of said well-known trademark or mark. However, the aforementioned restriction shall not apply to an application filed with consent from the owner of said well-known trademark or mark.

As indicated, Taiwan’s previous Trademark Law provided protection for well-known trademarks, and the Main Points for Determining a Well-Known Mark included in the Enforcement Rules stipulated that a well-known mark as referred to in the Law is a mark that has been generally recognized by the relevant businesses or consumers based on the available concrete evidence. The determination of relevant businesses or consumers is based on the scope of transactions with which the mark is used, including but not limited to the following:

1) actual and/or potential consumers of the goods and/or services on or with which the mark is used;

2) persons involved in channels of distribution of the goods and/or services on or with which the mark is used; and

3) relevant business operators dealing with the goods and/or services on or with which the mark is used.

A mark that has been generally recognized by any one of the relevant businesses or consumers identified above will be deemed a well-known mark. When determining whether a particular mark is a well-known mark, the authorities, on a case-by-case basis, consider the following factors:

1) the degree of knowledge or recognition of the mark by the relevant businesses or consumers;

2) the duration, extent and geographical area of any use of the mark;
3) the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

4) the duration, extent and geographical area of any registration, and/or any application for registration, of the mark, to the extent that they reflect use or recognition of the mark;

5) the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well-known by the administrative or judicial authorities;

6) the value associated with the mark; and

7) any other factors sufficient to determine a well-known mark.

When asserting that a particular mark is well known, the following evidence can be submitted to support the above-identified factors considered:

1) invoices, marketing documents, import/export documents and detailed statistics data of sales for the goods or services;

2) advertisements in domestic or foreign mass media, such as newspapers, magazines or television;

3) documents relating to the sales outlets and channels of trade or types of distribution;

4) showing appraisal of the mark in markets by traders, ranking in sales amounts, ranking in the advertising expenditures, or the business status relating to the mark;

5) proof of the year when the mark was adopted or created and the proof of continual use of the mark;

6) documents showing registrations status of the mark in and/or outside of this country, including registrations made by the affiliates;

7) relevant evidence or market survey reports issued by the credible organizations;

8) documents showing the recognition made by the administrative or judicial authorities; and

9) any other evidence proving the fame of the mark.
Taiwan does not limit its definition of well-known marks to marks registered, applied for registration or used in Taiwan. Nor does Taiwan require that the owner of the mark itself use the mark. Rather, any use of the mark by the owner’s affiliates or a third party may be considered. The evidence of use of the mark must include a date, or be supplemented by any material available to identify the mark and its date of use. The evidence of use can be provided from outside of Taiwan. However, whether such evidence is deemed to demonstrate that a particular mark is well known depends on whether the relevant public in Taiwan had an opportunity to know the mark.

Once a mark is determined to be a well-known mark, the owner thereof generally does not need to present the same evidence in subsequent cases. However, the authorities retain the discretion of requiring the submission of relevant evidence, on a case-by-case basis, if the same is deemed necessary.

A trademark right shall be deemed infringed in either of the following conditions where consent of trademark right holder is absent:

1.) One knowingly uses a trademark identical or similar to a well-known registered trademark of another person, or uses the word(s) contained in said well-known trademark as the company name, trade name or domain name or any other representation identifying the body or source of his business, and hence diluting the distinctiveness or reputation of said well-known trademark; or

2.) One knowingly uses a trademark identical or similar to a well-known registered trademark of another person, or uses the word(s) contained in the said well-known trademark as the company name, trade name or domain name or any other representation identifying the body or source of his business, and hence causes confusion among the relevant consumers of goods or services thereof.

Thus, while a showing of a likelihood of confusion will be sufficient, a showing that a mark will dilute the distinctiveness or reputation of a well-known trademark, even in the absence of a likelihood of confusion, will be enough for the purpose of infringement.

**Scope of Protection Offered by Other Laws in Taiwan**

Taiwan’s Fair Trade Law provides protection of well-known marks. Article 20 (3) of this Law stipulates that no enterprise may use on identical or similar goods a trademark that is identical or similar to a well-known foreign trademark not registered in Taiwan, or sell, transport, export or import goods bearing such trademark in connection with its business operations.
The protection provided by Taiwan’s Fair Trade Law, however, does not apply in the following situations:

1.) where use of the mark is made in an ordinary manner of the generic name customarily associated with the goods themselves or of a symbol customarily used in the trading of goods of the same category, or the sale, transport, export or import of the goods bearing said name or symbol;

2.) where use of the mark is made in an ordinary manner of a name or other symbols customarily used in trading for similar business or services; or

3.) where use of one’s own name is made in good faith or the sale, transport, export or import of goods bearing said name.

Where the business, goods, facilities or activities of an enterprise is (are) likely to suffer damage or confusion as a result of the act(s) of another enterprise as set forth in Item 3 above, the enterprise may request such other enterprise to affix an appropriate distinguishing symbol, unless the other enterprise acts only as a carrier of such goods.

If an enterprise violates any provision of this Law and infringes upon another person’s rights or interests, the injured party may petition for the elimination of such infringement. If there is only a likelihood of infringement, the party that might be injured may petition for prevention thereof.

An enterprise that infringes the rights and interests of another person as a result of its violation of the Fair Trade Law shall be liable for the damages arising there from, and in the case of an intentional act, a court may, at the request of the injured party and based on the extent of infringement, award compensation in an amount greater than the amount of damages actually incurred but not in excess of three times the amount of the proven damages.

Where the infringing party obtains any profit from his act of infringement, the injured party may request that damages be calculated based exclusively on such profits. Finally, a plaintiff who brings a claim in accordance with the Fair Trade Law may request that the contents of the judgment be published in newspapers at the infringing party’s expense.

A party who violates the Fair Trade Law with respect to infringement of well-known marks shall be punished by imprisonment for not more than three (3) years, detention, or in lieu thereof or in addition thereto a fine of not more than one million New Taiwan Dollars (approximately US$ 30,300).

In the event that the violator is a legal person, in addition to the punishment imposed upon the person committing the act, said legal person shall also be subject to the fine specified above.
Moreover, where more severe punishment is provided in other laws in connection with the infringement of well-known trademarks, the more severe punishment shall apply.

Where an enterprise violates the Fair Trade Law with respect to well-known trademarks, the Fair Trade Commission may order said enterprise to discontinue its infringement or set a time limit for it to take remedial action. If the enterprise still fails to discontinue its infringement or to remedy the situation within the given time limit after having been ordered to do so, the Fair Trade Commission may continue to order and, in addition thereto, the enterprise shall be punished successively by a fine not exceeding one million New Taiwan Dollars (approximately US$ 30,300) until it ceases the infringement of the well-known trademark.