The Protection of Well-Known Marks

In the European Union, Canada and the Middle East

A Country and Regional Analysis

Prepared by the INTA EU, Canada, Middle East Dilution Subcommittee

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A. INTRODUCTION

The protection of famous or well-known marks is currently receiving a lot of attention in certain countries, especially in the US. But what about other countries? This report examines the state of protection of well-known marks in the European Union, Canada, and the Middle East. The report provides information on the state of specific dilution laws, relevant case law, current issues and future directions. The information was gathered by asking local trademark practitioners the following questions:

- 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 proved?
- 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 country-by-country basis in an alphabetical order and can be used as a resource to find specific information in a specific country.

In view of the number of regions and countries covered by the report the amount of information, the information itself and the observations resulting from the information are quite diverse. The report will show for instance that at least in a number of the European Union countries there seems to be fairly consistent case law on protection of well-known marks as opposed to for instance Middle Eastern countries.

The state of dilution protection is obviously a dynamic entity. Legislation, case law and discussions on this issue will continue to develop, in some countries more than in others.
B. THE EUROPEAN UNION

1. WHAT IS COVERED?

1.1 Two types of marks:

(a) Marks with "reputation"

(i) Marks with “reputation” are protected under the European Trademark Harmonisation Directive (89/104/EEC) (Directive) and the Community Trademark Regulation (EC) 40/95 (CTMR).

(ii) See sections 2.1 and 2.2 below.

(b) "Well-known" marks

(i) “Well-known” marks are protected through implementation of the Paris Convention for the Protection of Industrial Property (1883) as amended (Paris Convention) and Article 16 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

(ii) The purpose of Article 6bis of the Paris Convention is to protect well-known trademarks. It places its member states under an obligation to reject or cancel the registration of trademarks which are confusingly similar to a well-known trademark, and to prohibit their use. The prerequisite for the protection of a well-known trademark is a given product similarity. On an international level, the usual proposal is an expansion of the trademark protection for a well-known trademark to the area beyond a similarity of products and services. The protection according to Article 6bis only exists for trademarks relating to products, but not for those relating to services. However, the countries belonging to the Paris Convention are not prevented from extending the protection of well-known trademarks to services.

(iii) According to Article 16 of TRIPs, well-known trademarks are not only to be protected for products, but also for services. The protection extends to the area beyond product similarity, when the use of the trademark would indicate a connection between the products and the owner of the well-known trademark, which would probably cause detriment to the trademark owner.

(iv) Part II, Section 2, Articles 15 to 21 of TRIPs contain trademark provisions which, to a large extent, are modelled on the Directive. The relationship between TRIPs and the Paris Convention is regulated in Article 2 of TRIPs. In Article 2, TRIPs incorporates all substantive provisions of the Paris Convention and renders these binding upon contracting parties who are not members of the Paris Convention.
1.2 **Definitions**

There are no particularly helpful definitions of either mark with a reputation or well-known mark.

A definition of “well-known” is not to be derived from either Article 6bis of the Paris Convention or Article 16 of TRIPs. The interpretation of whether a trademark is well known or not is not, according to the Convention, to be interpreted on an independent, national scale. This corresponds to Article 4(d) of TRIPs, where express reference is made to Article 6bis of the Paris Convention. The World Intellectual Property Organization (WIPO) has published a Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, (adopted by both the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of WIPO in September 1999) according to which not only the trademark’s degree of prominence in the relevant consumer circles of the country of protection is to be given consideration, but also other parameters. WIPO’s recommendations are not, however, binding. If they were to become established, the result will be a substantial expansion of the protection for well-known trademarks.

2. **REGIONAL PROTECTION**

2.1 **Community Trademark Regulation (CTMR) - Articles 8(5), 52(1)(a) and 9(1)(c)**

Protection against risk of dilution and generally, protection of well-known marks and marks with a reputation, is provided by the Community trademark (CTM) system in the above three articles, which are discussed in the following three sections.

(a) **Article 8(5) of the CTMR – Protection against dilution by registration in opposition proceedings against a trademark application**

Article 8(5) of the CTMR establishes that the trademark applied for shall not be registered where it is identical with or similar to the earlier trademark even if the contested CTM covers goods or services that are not similar to those for which the earlier trademark is registered, provided that the following conditions occur:

(i) in the case of an earlier CTM, where the trademark has a reputation in the Community or in the case of an earlier national trademark, where the trademark has a reputation in the member state concerned; and

(ii) where the use without due cause of the trademark applied for would take unfair advantage of the distinctive character or the repute of the earlier trademark; and/or

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1 Article 8(2) defines earlier trademarks as CTM applications or registrations, national trademark applications or registrations in an EU Member State, international registrations with effects in at least one Member State and trademarks that are well known in the sense of Article 6bis of the Paris Convention on the priority date of the contested application.
(iii) where the use without due cause of the trademark applied for would be detrimental to the distinctive character or the repute of the earlier trademark.

(b) Article 52(1)(a) of the CTMR - Protection against dilution by registration in invalidity proceedings against a registered trademark

Article 52(1)(a) of the CTMR establishes the same grounds for invalidity of a CTM registration as those that may be cited in opposition proceedings under Article 8(5) of the CTMR. It provides that the said grounds may be cited in an application for a declaration of invalidity before the Office for Harmonisation in the Internal Market (OHIM) or in a counterclaim in infringement proceedings.

(c) Article 9(1)(c) of the CTMR – Protection against dilution by use

Article 9(1)(c) of the CTMR entitles the owner of the earlier CTM to prevent all third parties not having his consent from using in the course of trade any sign which is identical or similar to his CTM in relation to goods and services which are not similar to those for which his Community trademark is registered, provided that the same conditions occur as in the aforementioned Article 8(5) of the CTMR, i.e., where the CTM has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or reputation of the earlier CTM.

2.2 The Directive – Article 4(3) and optional Articles 4(4)(a) and 5(2)

(a) Article 4(3) of the Directive – Protection of a Community trademark against dilution by registration

Article 4(3) of the Directive states:

A trademark shall...not be registered or, if registered, shall be liable to be declared invalid if it is identical with, or similar to, an earlier Community trademark within the meaning of [Article 4(2) of the Directive]2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier Community trademark is registered, where the earlier Community trademark has a reputation in the Community and where the use of the later trademark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trademark.

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2 Article 4(2) of the Directive defines “earlier trademarks,” and includes (under Article 4(2)(d) of the Directive): “trademarks which, on the date of application for registration of the trademark, or, where appropriate, of the priority claimed in respect of the application for registration of the trademark, are well known in a Member State in the sense in which the words “well known” are used in Article 6bis of the Paris Convention.”
(b) Article 4(4)(a) of the Directive – *Protection of a national trademark against dilution by registration*

Pursuant to the Directive, EU Member States (Member States) are free to provide that if a trademark conflicts with an earlier trademark with a reputation in that Member State, this forms a ground for refusal or invalidity of the later conflicting trademark. In this regard Article 4(4)(a) of the Directive states that the Member States are free to provide that a trademark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that the trademark is identical with, or similar to, an earlier national trademark (including a well-known trademark in the meaning of Article 6bis of the Paris Convention) and is to be, or has been, registered for goods or services which are not similar to those for which the earlier trademark is registered, where the earlier trademark has a reputation in the Member State concerned and where the use of the later trademark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trademark.

(c) Article 5(2) of the Directive – *Protection of a national trademark against dilution by use*

Pursuant to the Directive Member States are also free to provide that the use of signs identical or similar to trademarks with a reputation in that Member State, can be prevented. In this regard Article 5(2) of the Directive states that Member States may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trademark in relation to goods or services which are not similar to those for which the trademark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark.

Article 5(5) of the Directive leaves it to the Member States and their national laws to provide for protection against the use of a sign other than for the purposes of distinguishing goods or services, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark.

2.3 *European Court of Justice (ECJ) decisions*

(a) General Motors Corp v. Yplon SA Case C-375/97 (Chevy)

(i) The Chevy case lays down the principles as to when a trademark can be said to have reputation in order for a trademark to be granted wider protection under Article 5(2) of the Directive. The first condition of Article 5(2) of the Directive implies a certain degree of knowledge of the earlier mark among the public.

(ii) The relevant public depends on the product or services marketed and may be either the public at large or a more specialized public.
(iii) The degree of knowledge required must be considered to be reached when the earlier trademark is known by a significant part of the public concerned with the products or services covered by the mark.

(iv) It is only where there is a sufficient degree of knowledge of the earlier mark that the public, when confronted by the later mark, may possibly make an association between the two marks, even when used for non-similar products or services, and that the earlier trademark may consequently be damaged.

(v) All relevant factors must be taken into consideration in assessing the degree of knowledge, in particular:

(A) the market share held by the earlier mark. However, it cannot be inferred from Article 5(2) of the Directive that the trademark must be known by a given percentage of the public so defined;

(B) the intensity and duration of use of the earlier mark;

(C) the geographical extent of the earlier mark; and

(D) the size of the investment made by the undertaking in promoting the earlier mark.

(vi) Territorially a trademark must have reputation in a Member State. The Court stated that a trademark cannot be required to have reputation throughout the territory of the Member State. It is sufficient for it to exist in a substantial part of it.

(b) **Davidoff & Cie SA v. Gofkid Ltd Case C-292/00 (Davidoff)**

   (i) In the Davidoff case the Court stated that Article 5(2) of the Directive cannot be given an interpretation which would lead to marks with a reputation having less protection where a sign is used for identical or similar goods or services than where a sign is used for non-similar goods or services.

   (ii) Article 4(4)(a) and 5(2) of the Directive are to be interpreted as entitling Member States to provide specific protection for registered trademarks with a reputation in cases where a later sign or mark, which is identical with or similar to the earlier registered mark, is intended to be used or is used for goods or services identical with or similar to those covered by the earlier registered mark.

(c) **Adidas-Salomon AG v. Fitnessworld Trading Ltd Case C-409/01 (Adidas)**

   (i) The Court stated that the protection conferred by Article 5(2) of the Directive is not conditional upon a finding of similarity between the mark with a reputation and the sign such that there exists a likelihood of confusion as to origin. Rather, it is sufficient for the degree of similarity between the mark with reputation and the later sign to have
the effect that the relevant section of the public establishes a link between the sign and the mark.

2.4 **Key OHIM decisions**

(a) There have been approximately 85 decisions by OHIM in the last few years relating to the dilution of trademark/Article 8(5) of the CTMR. Of these, about a third of the decisions were based on merits and only 11 give any helpful guidance on the approach taken by OHIM in dilution cases.

(b) Please refer to Appendix A for summaries of these OHIM decisions.

2.5 **Divergence in approach between ECJ and OHIM?**

(a) OHIM decisions before Davidoff indicate that there was some uncertainty as to whether dissimilarity of goods/services was a requirement for the application of Article 8(5) of the CTMR. However, clarification of this issue in relation to Article 5(2) of the Directive by the ECJ in Davidoff has since been followed by OHIM in its consideration of Article 8(5) of the CTMR.

(b) No other divergences in approach between the ECJ and OHIM are apparent.

3. **National approaches to protection of 'well-known' marks**

For each of the current Member States listed in the footnote below\(^3\) we have covered the issues set out in section 3.2 to 3.5 below. For purposes of further comparison, these issues are also covered for Norway and Switzerland, which are not in the European Union.

The reports for each of the Member States as well as Norway and Switzerland are presented in a table format at Appendices B, C, D, E and F.

3.1 **Statutory/civil code/common law protection**

(a) Relevant national trademark statute

(b) Specific (*sui generis*) dilution statute (if relevant)

(c) Relevant civil codes

(d) Unfair competition/passing off

3.2 **Key case law**

(a) Courts

(b) National trademark registries

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\(^3\) Austria, Belgium, Denmark, Finland, France, Germany, Italy, Ireland, Luxembourg, Netherlands, Spain, Sweden, United Kingdom, Czech Republic, Hungary, Latvia, Poland, Slovakia, Slovenia, and Norway (non EU) and Switzerland (non EU).
3.3 **General themes at the national level**

(a) Is the test for infringement the same as the test for registrability – is there protection against:

(i) dilution by registration?

(ii) dilution by use?

(b) How are the necessary elements for protection viewed and how must they be proved? For example:

(i) unfair advantage;

(ii) detriment;

(iii) distinctiveness of the mark;

(iv) repute of the mark;

(v) without due cause

(c) Is confusion necessary in a dilution claim:

(i) as to origin?

(ii) merely as to association?

(iii) generally?

(d) Are there diverging approaches between the national court(s) and the national trademark registry?

(e) Is there a register of well-known marks?

3.4 Are changes in the approach to protection of well-known marks (whether “well-known” or having a “reputation”) expected?

4. **ISSUES ACROSS THE EUROPEAN UNION, NORWAY AND SWITZERLAND**

4.1 **Is confusion necessary in a dilution claim (i) as to origin, (ii) merely as to association, (iii) generally?**

(a) The legislation of almost every Member State of the EU which has been analyzed for this report does not require confusion as to origin as a necessary ingredient to institute a dilution claim. Therefore, confusion is not necessary in a dilution claim in Austria, the Benelux, Finland, France, Germany, Greece, Italy, Ireland, Poland, Slovenia, Spain, Sweden or the UK. The exceptions are the Czech Republic, Denmark, Hungary, Latvia and Slovakia where confusion appears to be necessary.

(b) In Norway, confusion (as to origin or on other grounds) also appears to be necessary. In Switzerland it is established that confusion is not a requirement
in a dilution claim. However, the goods and services of the infringing mark should be suitable for an image transfer. This means that a dilution claim would fail against use of the mark MICROSOFT on a soft drink, because the public would not think that the software company is using its mark on beverages. Thus, it appears that Switzerland has a regulation, which requires something between the “mere link” (as in the Adidas case) and confusion as to business origin.

4.2 Are there any common standards with respect to proving (i) unfair advantage, (ii) detriment, (iii) distinctiveness of the mark, (iv) repute of the mark, or (v) without due cause?

(a) Based on the reports presented on the issue of common standards existing across the EU with respect to the tests listed above a few conclusions may be drawn. Firstly, the countries where there exists some consistent case law in the matter are still in minority. Of those one can name Benelux, France, Italy and the UK. At the other end of the spectrum are the new EU member-states where the relevant case law does not exist. In the middle are all the rest with only isolated cases, which may not yet serve as indicative of a trend.

(b) Secondly, it may be said that while there is certain similarity in the application of the tests there is also a difference in standards, e.g. in assessment of the repute of the mark from jurisdiction to jurisdiction. As regards the specifics of application of the tests the following may be noted:

(c) Unfair advantage

(i) It is clear from the case law that registration and/or use of a trademark identical with or similar to a well-known trademark in relation to dissimilar goods/services, as a general rule, does not in itself qualify as unfair advantage. Demonstrating intention on behalf of the registrant/user of the earlier mark, i.e. that the choice of the mark has been motivated by the desire to take advantage of the reputation of the well-known trademark, is one way to prove unfair advantage for e.g. the French Pontiac case (Court of Appeal of Paris). However, such showing is not imperative; for example in Norway and Denmark the very fact of using a trademark with repute and profiting from its goodwill is enough to establish unfair advantage. The French Civil Code also does not make intent a condition for a finding of unfair advantage finding.

(ii) The ECJ has not yet decided whether it is necessary to show “actual” rather than “likely” unfair advantage, although Advocate General Jacobs in Chevy considered that national courts must be satisfied by evidence of actual unfair advantage. In the UK, unfair advantage must be actual, i.e., it should be proven that some sort of connection is formed between the earlier mark and the senior mark with repute (see the Merc case in the UK). Showing of unfair advantage is also necessary in Switzerland. However in most other countries, it appears unnecessary to show actual unfair advantage. Instead, it appears sufficient to show only a likelihood of unfair advantage, e.g., the Boss-
Zigaretten II case in Austria and Article L.713-5 of the Intellectual Property Code in France, which refers to liability attaching if use is “likely” to cause prejudice to the owner. In Slovakia, it is necessary to show a likelihood of association by consumers to establish unfair advantage. In Italy, the courts will consider whether the later mark has acquired goodwill due to association with the well-known mark (e.g., Court of Monza, July 8, 1999). However this is not a requirement for proving unfair advantage.

(iii) Specific ways of proving unfair advantage include, e.g., providing evidence that the form of presentation of products with an earlier mark appeals to the consumers of a senior well-known trademark and the sector of consumers of both products is one and the same (Court of Milan, December 23, 1999). It is easier to prove unfair advantage when the senior trademark has been used for a broad range of goods, e.g., by way of licensing, than if it has only been used to designate one single type of product (Court of Milan, April 6, 1994; Court of Appeal of Milan, July 18, 1995).

(d) Detriment

(i) While often the same evidence is used to demonstrate detriment as well as unfair advantage, it is not always necessarily so. In Switzerland, while it is necessary to show unfair advantage, it is not a requirement to show that the well-known mark has suffered detriment. Also, case law across Europe differs as to whether positive demonstration of actual detriment is required. The ECJ has not yet decided whether it is necessary to show “actual” rather than “likely” detriment although Advocate General Jacobs, in Chevy, considered that national courts must be satisfied by evidence of actual detriment. In the UK it is necessary to demonstrate actual detriment by proving some sort of connection formed between the sign used by the defendant and the mark and its associated reputation (see the Merc case). Confusion as to origin (although not required by the UK equivalent of Article 5(2) of the Directive) is considered to be a form of detriment (for e.g. the Virgin Oil case).

(ii) However, in France a risk of detriment is sufficient. The higher the quality standards or prestige underpinning the well-known mark, the more likely the assertion of detriment becomes. A similar approach is practiced in Austria, which protects a well-known mark against the abstract likelihood of negative effect of use of a younger earlier mark (Boss case, Austrian Supreme Court, October 16, 2001). In Norway, it is only necessary to show that it is probable that detriment to a trademark with reputation will result from registration of the later mark

(iii) Detriment may take two principle forms: loss of exclusivity or uniqueness (blurring), and damage to the well-known trademark caused by lower quality or undesirably association of the products marked with the earlier mark (tarnishing). In the first situation the mark becomes incapable of giving rise to immediate associations with
the goods for which it is registered, in the second – the goods for which the infringing mark is used appeal to the public senses in such a way that the attractive power of the well-known mark is affected (Claeryn v. Klarein BenCJ, March 1, 1975).

(e) **Distinctiveness of the trademark**

(i) Distinctiveness of the mark is viewed as influencing the scope of protection accorded to it. It is easier for an inherently distinctive trademark to obtain the degree of reputation necessary to deserve protection against dilution. However, distinctive character is also a function of intensive use and may be shown by the same means as the demonstration of reputation, i.e., showing the period of use, sales and advertising volumes, market share, consumer surveys, etc.

(f) **Reputation of the trademark**

(i) The case law is largely based on criteria set by the ECJ in Chevy. A registered trademark must be known (i.e., have a reputation) by a significant part of the public concerned by the product or service that it covers. Also, territorially it is sufficient for the reputation to exist in a substantial part of the territory concerned. To demonstrate the reputation one needs to show the market share held by the mark, intensity of its use, geographical extent and duration of use of the mark, and the size of investment into it. None of the named criteria is deemed necessary or sufficient alone for establishing the reputation, and thus each case is judged on its own merits.

(ii) While generally there is no set-in-stone definition of requirements for recognition of a trademark as possessing reputation or being well known, some jurisdictions have further developed the relevant doctrine by adding some optional tests of notoriety. For example, in France a trademark is considered well known or to have a reputation when its well-known character or reputation extends beyond the industrial or commercial sectors in which the trademark is used. The well-known character of the mark is assessed by reference to the public in general, as opposed to potential consumers. Additional tests to be taken into consideration, as developed by the case law, are the seniority of the registration, the volume of sales of the goods covered by the trademark, market share in foreign markets or turnover resulting from exportation, advertising budgets. Surveys can be useful to prove the reputation of the trademark among a significant part of the public. Surveys can also be used by defendants to prove that a mark is not well known. Courts are however quite reluctant to base decisions solely on this means of evidence.

(iii) Certain jurisdictions impose differing requirements to marks with a reputation, on the one hand, and well-known and famous marks, on the other hand. While reputation needs to be positively proved, well-known or famous marks are famous as such and there is no need to substantiate it (Finland).
(iv) While it cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trademark must be known by a given percentage of the public concerned, from time to time courts accept numbers as sufficiently evidencing the recognition sought. For example, the Austrian Supreme Patent and Trademark Senate found knowledge of a mark by 85% of the relevant public as sufficient to establish protection as a well-known mark (Boss case, Austrian Supreme Patent and Trademark Senate December 22, 1999, Om 4/99).

(g) **Undue cause**

(i) Due cause may be recognized as equitable defence in infringement actions based *inter alia* on dilution claims. In BenCJ 1 March 1975, BIE 1975/183 (Claeryn v. Klarein) the criterion "due cause" was interpreted as requiring that the user of the trademark has such need to use the trademark that he cannot reasonably be expected to refrain from doing so, or that the user is entitled to the use of the trademark in his own right and does not have to yield this right to the owner of the registered trademark. In the UK, with regards to the meaning of “without due cause”, the court (in Premier Brands UK Ltd v. Typhoon Europe Ltd [2000] All ER (D) 52) quoted the Benelux Court in Lucas Bols [1976] 7 IIC 420 at 425: “what this requires, as a rule, is that the user (of the mark) is under such a compulsion to use this very mark that he cannot honestly be asked to refrain from doing so regardless of the damages the owner of the mark would suffer from such use, or that the user is entitled to the use of the mark in his own right and does not have to yield this right to that of the owner of the mark…”.


4.3 **Registers of well-known marks**

(a) With the exception of Slovakia, no such register exists in any of the EU countries that have been analyzed for this report (i.e., Austria, Benelux, Denmark, Finland, France Germany, Hungary, Italy, Ireland, Latvia, Poland, Slovenia, Spain, Sweden, United Kingdom). Nor does a register of well-known marks exist in Norway or Switzerland.

(b) The register of well-known marks in Slovakia is considered to be informative rather than reliable.

(c) In the Czech Republic there is no register of well known marks, but there exists an online database of well known marks which serves as a motivation to
the patent and trademark office to refuse registration of confusingly similar marks, irrespective of products and services claimed in the application.

5. **FUTURE DIRECTIONS**

5.1 **Are there any planned changes to existing legislation?**

For the countries for which national reports have been incorporated in this general report, no changes to existing legislation are expected, with the exception of the following:

(a) **Hungary**

(i) The definition of the "earlier trademark" will be made more concrete and narrowed, as per 1 May 2004, which is the date for the Hungary’s accession to the European Union. The legislation will then be in full conformity with Article 6bis of the Paris Convention.

(ii) *A trademark* with later priority which is identical to an earlier trademark and is registered for identical goods or services as the earlier trademark *and a trademark* which, due to its identity with or similarity to an earlier trademark or the identity or similarity of the goods or services covered by the trademark, consumers may confuse with the earlier trademark *are accepted as earlier marks* if they became well known in the domestic market at an earlier date, regardless of their registration status, on the basis of the Paris Convention.

(iii) In order to comply with Article 5(2) of the Directive, a sign with later priority registered for different goods or services that is identical or similar to an earlier trademark enjoying a *reputation* in the domestic market, where the use of the later trademark *without due cause* would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trademark, may not be granted trademark protection.

(b) **Latvia**

Amendments in the Law on Trademarks and Indications of Geographical Origin are expected by 1 May 2004 to incorporate in the law provisions of EU legislation.

5.2 **Harmonization of the 10 new Member State of the EU**

(a) The Treaty of Accession, signed by the 10 new Member States on April 16, 2003, (Accession Treaty) entered into force on May 1, 2004 and all new Member States had to comply with EU law by that date.

(b) The 10 new Member States, therefore, had to implement the Directive by May 1, 2004.

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4 Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia
The amended CTMR (in new Article 142(a)) provides that CTM registrations and applications existing (or claiming priority) before May 1, 2004 will automatically extend to the new Member States. An automatically extended CTM registration cannot be invalidated nor can an application be refused because of an earlier national right or by absolute grounds that only apply in new Member States.

However the proprietor of an earlier national right, acquired in good faith, in a new Member State before May 1, 2004, can prevent the use of a CTM on grounds including Article 9(1)(c) of the CTMR.

Owners of earlier national rights in new Member States may also oppose CTM applications filed after November 1, 2003 on grounds including Article 8(5) of the CTMR.

If a new Member State chooses to implement Articles 4(4)(a) and/or Article 5(2) of the Directive, owners of earlier national trademarks with a reputation in that Member State will also be able to prevent registration and/or use of a later identical or similar trademark in respect of identical or similar, and dissimilar goods provided that the conditions of Articles 4(4)(a) and/or Article 5(2) are met.

The increased number of national trademarks and increase in the number of EU languages from 11 to 21 is likely to mean there will be a larger pool of potentially conflicting identical or similar marks, thereby increasing the risk of trademark dilution.

C. THE MIDDLE EAST

1. WHAT IS COVERED?

1.1 For each of the countries listed in footnote below\(^5\), the report covers the issues set out in sections 1.2 to 1.4 below. The reports for each of countries listed in footnote 5 are presented in a table format at Appendix G.

1.2 Present position
(a) Source of law
(b) Types of marks covered
(c) Does the law provide for a separate register to well-known marks?
(d) Specific provisions
   (i) against dilution by use
   (ii) against dilution by registration

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\(^5\) Bahrain, Egypt, Israel, and Gaza.
(e) Relevant provisions (if there are no specific provisions)

1.3 Issues/Observations

1.4 Future directions

2. ISSUES/OBSERVATIONS

There is no apparent coordination between the various countries of the Middle East as far as the protection for well-known marks. In most countries the concept of well-known marks is recognized and the countries of the Middle East seem to strive to better their IP protection and conform their legislation to international standards.

3. FUTURE DIRECTIONS

Significant advances and changes to the laws of most Middle Eastern countries are still necessary in order to reach a level of protection for well-known marks, which is prevalent in western countries. In some countries such changes are likely to take place in the near future.

D. CANADA

1. PRESENT POSITION

1.1 Source of law

“Trade-marks Act”

1.2 Types of marks covered

Standard trademarks only (as opposed to famous marks).

1.3 Does the law provide for a separate register of well-known marks?

No.

1.4 Specific provisions

(a) Canadian legislation does not distinguish between well-known marks and others. Canadian legislation does not have any dilution provisions, per se. However, section 22 of the Trade-marks Act is arguably a dilution-like provision. Section 22 of the Trade-marks Act has only very limited applicability. Section 22 (1) of the Trade-marks Act states:

No person shall use a trade-mark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.

(b) Section 22 of the Trade-marks Act only applies if (a) the plaintiff is asserting a registered trademark, and if (b) the defendant is using the mark as registered, and if (c) the defendant “used” the mark as defined by the Trade-marks Act.
In other words, in general, if the defendant is selling goods, there must have been a sale by the defendant where the trademark appeared on the goods or on the packaging. If the defendant is providing services, the trademark must have been displayed and the services must have been provided in Canada.

(c) The leading case supporting the above principles is: *Clairol International Corp. v. Thomas Supply & Equipment Co.* (1968), 55 C.P.R. 176 (Exchequer Court).

1.5 **Relevant provisions (if there are no specific provisions)**

As noted above, there are no specific provisions for well-known marks or for dilution, per se. Apart from section 22 noted above, owners of well-known marks may rely on provisions available to owners of standard trademarks, such as provisions for passing off (at common law and pursuant to section 7 of the Trade-marks Act) and infringement (sections 19 and 20 of the Trade-marks Act).

2. **ISSUES/OBSERVATIONS**

As noted above, there are no provisions in Canada specifically for well-known marks. However, in assessing the issue of confusion, the reputation (or fame) of a mark is one of several factors a court will take into consideration. From time-to-time, Canadian courts have said that well-known marks should be given a larger ambit of protection than other marks. This larger ambit of protection may lead to a finding of passing off or infringement that might not otherwise have been found.

3. **FUTURE DIRECTIONS**

There is no pending legislation or vocal movement to change Canadian laws in this respect.