

**PROVING DILUTION OF FAMOUS AND WELL-KNOWN MARKS  
IN THE EU, GERMANY, ROMANIA AND THE UNITED KINGDOM**

**FAMOUS AND WELL-KNOWN MARKS COMMITTEE  
EUROPE AND CENTRAL ASIA SUBCOMMITTEE**

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## Introduction

The European legislation has adopted the protection of well-known marks in Art. 8 (5) European Union Trademark Regulation and equivalent national law sections. According to the interpretation of the Court of Justice of the European Union (CJEU) this protection encompasses three kinds of claims – unfair advantage/free riding, dilution (damage to distinctiveness/blurring) and tarnishment (damage to reputation). The focus of this report targets the dilution claim and the proof thereof.

In the leading cases Intel and Wolf (C-252/07 and C-383/12), the CJEU established the proof of a change in the economic behaviour of the average consumer as a necessary condition of the dilution of a famous and well-known mark (FWKM). According to the Court of Justice a higher standard of proof is required in order to find detriment or the risk of detriment to the distinctive character of the FWKM. The first interpretation of this requirement was conservative. The attempt of the General Court of the European Union (GC) to ease the consequences of the Intel judgment regarding the higher standard of proof (T-570/10) was overruled again by the Court of Justice.

A serious application of the change in economic behaviour condition does not only put the FWKM owners into practical difficulties. The application of that condition also reduces the protection against dilution to a limited protection in the same category of goods or services. It is impossible to prove a change in the economic behaviour if the challenged mark is used in other business areas than the FWKM (or indeed if the challenged mark is not yet in use). The Court of Justice rejected an expansion into other business areas. In the INTEL judgment it expressed that detriment to the distinctive character or the repute of the FWKM must be assessed by reference to the consumers of the goods and services of the FWKM.

On a practical level, FWKM owners are best served if they can and do invoke the taking of unfair advantage alternative. This alternative has its focus on the consumer of the contested sign without any limitation of the goods and services. Taking unfair advantage of a FWKM may therefore be found in other business areas as well. It does not involve comparable evidence difficulties. Invoking the dilution of a FWKM will, in most cases, be only of supplemental importance.

The intent of this report is to analyse the practice of the courts and EUIPO regarding dilution. An analysis of the Wolf case (C-383/12) shows that the Court of Justice expects that:

- the evidence must be more than the mere fact that consumers note the presence of a new sign similar to an earlier sign (par. 37)
- it is necessary to demand a higher standard of proof (par. 40)
- evidence of actual detriment is not required but the serious risk of such detriment is sufficient, allowing the use of logical deductions (par. 42)
- such deductions must not be the result of suppositions but must be founded on an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case (par. 43)

The “Dilution Working Group” of the INTA FWKM Committee – Europe and Central Asia Subcommittee has searched for national and European case-law on how the courts apply the change of economic behaviour condition and the higher standard of proof including logical

deductions. Based on the case-law found the team analysed whether the courts take the higher standard of proof seriously and what the logical deductions are that go further than just a link in the mind or the identity or similarity of the signs and whether the courts avoid the dilution examination and rather focus on the taking of unfair advantage alternative.

#### A. General Court of the EU and the CJEU

Notwithstanding the general principles set by the CJEU the General Court appears to infer an injury, including dilution, of the FWKM directly from the recognition of the FWKM where the signs are identical and the FWKM enjoys an exceptionally strong recognition.

In the ZARA judgment, for instance, the GC states that a conclusion may be established on the basis of logical deductions. It points out that there is an interdependence between the reputation and the distinctive character of the FWKM on the one hand and the three types of injury on the other hand (GC, 11/4/2019, T-655/17 - ZARA par. 53, 57). While the GC deals explicitly with the conditions related to the concept of taking unfair advantage it also makes reference on a more general level to the three types of injury so that it must be understood as extending its thoughts to dilution. In the Mustang judgment the GC has confirmed the EUIPO Boards of Appeal's view that an exceptionally high level of recognition establishes evidence of a future risk, which is not hypothetical, of unfair advantage or detriment (GC, 18/11/2015, T-606/13 – Mustang par. 25, 28).

These decisions appear to convey lower requirements to the submission of evidence at least in case of an exceptionally strong recognition of the FWKM. The GC appears to soften the principles set by the Court of Justice where the application of the interdependence principle allows to balance the yardstick as to proving the risk of a change of the economic behaviour. It remains to be seen whether the Court of Justice will approve of this.

The European Courts do not seem to extend the higher standard of proof to the taking of unfair advantage alternative. The Court of Justice applied no comparable hurdle to free-riding. In the early L'Oréal/Bellure judgment it held that the taking of unfair advantage does not require that there be a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor (CJEU, C-487/07). In the wake of the Wolf Jardin decisions Advocate General Wahl took the view:

*Be that as it may, the Court has set the standard of proof regarding detriment (through blurring and tarnishment) rather high. In order for that standard to be met, evidence is required of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered as a result of the use of the later mark, or a serious likelihood that such a change will occur in the future. As I have already mentioned, that statement seems to specifically concern heads of injury pertaining to blurring and tarnishment.*

*To my mind, it is doubtful whether that test can be transposed directly to the context of free-riding. In the case of free-riding, the perspective is different to the extent that the focus is on average users of the later trade mark and on the advantage that the later mark may be expected to derive from the earlier. What is more, the case-law does not seem to require that the benefit thus acquired needs to be expressed, for example, in terms of increased sales (Opinion of Advocate General Wahl, C-125/14 para 45).*

The Court of Justice repeated its standpoint in the Burlington Arcade (C-155/18) decision. It confirmed that dilution requires evidence of a change in the economic behaviour or a serious risk that such a change will occur in the future (C-155/18 para 78). Advocate General Hogan explained why he considered that this had not been proven:

*There is little reason to suppose that, for example, a brand-conscious London-based consumer of high quality goods would be deterred from frequenting Tulliallan's arcade simply because they happen to come across fashion items or, indeed, other goods bearing the name 'Burlington' in other retail outlets (Opinion of Advocate General Hogan, C-155/18 para 63).*

Though the case before the General Court did not make explicit references to dilution the CJEU took the unclear language used by the GC as a hook to further confirm that the finding that there is no risk of a reduction in attractiveness is not, in any event, capable of proving that there is no risk of unfair advantage being taken of the distinctive character or the repute (C-155/18 para 81). The CJEU can be understood that the Wolf Jardin case-law does not apply to the taking of unfair advantage.

## B. Romania

Romanian courts follow the well-established EU principals regarding dilution, namely for invoking / proving / establishing detriment:

- the party needs not to submit evidence of actual detriment, but it must convince the court by adducing evidence of a serious future risk – which is not merely hypothetical – of detriment;
- the party may submit evidence that proves a likelihood of detriment on the basis of logical deductions made from an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case;
- for establishing dilution the courts require (a higher standard of) proof that may pertinently support the logical deduction.

For example, in the Decision no. 768 of May 12, 2017 of the High Court of Justice, the court applied the change of economic behavior condition, including logical deductions.

*the plaintiff was prejudiced by the transfer of the consumer's attachment to the trademark they know to the infringing sign and by the dilution of the plaintiff's reputed trademark. Considering the reputation of the plaintiff's trademark, it is easily acceptable that a damage was caused by the change in the consumer's economic behavior. (...) The fact that the attractiveness of the trademark is diminished constitutes a prejudice, which results also from the fact that that color is no longer a landmark identifier of the chocolate manufactured by the plaintiff, which may result into the trademark lacking its particularity, uniqueness (...)*

The condition of the change of economic behavior was also applied in another decision of the High Court of Justice (Decision no. 1059 of June 16, 2017). The court established dilution based on the

fact that consumer behavior may change because they can find on the market both genuine products and also alternative (infringing) products, but cheaper.

In a similar decision (an older Decision no. 7A of 2013), the Bucharest Court of Appeal held that the unauthorized use of a protected reputed trademark may lead to its dilution; the court held that the consumer may perceive the trademark differently, when an unlawful sign is used for goods or services similar to those of the trademark owner; the consequence is that the qualities usually attributed by consumers to products under the reputed trademark are altered and consumers change their opinion about the goods or services belonging to the reputed trademark holder.

### C. United Kingdom

Brexit has not changed the principles in the UK. The law in the UK is just as it is in the EU, with the UK following the *Intel* case which in fact originated from the UK courts. The key requirement of dilution is the need to evidence a change in consumers' economic behaviour. It seems, however, that the UK courts apply a very specific logical deduction that goes further than just a link in the mind of the consumer, i.e. a likelihood of confusion. While there is not a complete picture of what dilution is the existing cases can be summarized as follows:

- in essentially, a finding of dilution follows a finding of confusion;
- this appears almost an automatic finding, in that because there is confusion, the judge has been satisfied that there must also be dilution;
- when evidence has been put forward specifically to show dilution and which is something other than evidence of confusion, it has often been dismissed by the judge as not convincing, or been relegated to be a minor part of the reasoning for dilution which was primarily based on a finding of confusion;
- the *Glee* case provides the best illustration of evidence of dilution and is quite fact specific.

1. *Comic Enterprises Ltd v Twentieth Century Fox Film Corp* [\[2016\] EWCA Civ 41](#), [2016] EWCA Civ 455, [\[2014\] EWHC 185](#)

A comedy club, owner of THE GLEE CLUB device below, successfully challenged 20th Century Fox's hit TV show, Glee.

| Claimant's mark   | Defendant |
|---|-----------|
|  | GLEE      |

As well as finding confusion, the first instance judge (Mr Roger Wyand QC) and the UK Court of Appeal found dilution.

The basis of the Claimant's complaints on dilution were that the comedy club had been swamped by the success of the TV show, and that this had created undesirable associations which had impacted its ability to attract customers. The conclusion of both courts in favour of the Claimant turned on evidence which is best summarised by reference to three paragraphs from the judgments:

- First instance at 134: "Does the use of the sign cause damage to the distinctive character or repute of the Mark? The evidence establishes that it does. The evidence relating to the reaction of potential customers of the Claimant shows that they are put off attending the Claimant's shows. This will apply generally to people who have not heard of, or at least do not know, the Claimant's business. However, they are clearly potential customers, for instance students at Freshers' Fairs or people being taken by friends. Because of the difference in the underlying theme of the TV show from the Claimant's comedy shows, the Claimant's customers are put off if they think that there is a connection with the TV show."
- Court of Appeal at 141: "Here the evidence as a whole showed that actual and potential consumers were connecting the business of Fox with that of CEL. Further the scale of Fox's use of glee was such as to have a serious impact on CEL's business and its ability to use the Mark for the purposes of identifying and promoting its venues as its own. The capacity of the Mark to stimulate the desire by consumers to attend CEL's venues was in this way seriously impaired, as was its power to attract consumers. As the deputy judge noted, this was reflected in the problems faced by its advertising agents and in the fact that many potential consumers were put off because they thought the two businesses were connected".
- Court of Appeal at 144: The deputy judge was entitled to find on the evidence before him that potential customers were changing their economic behaviour and that the Mark was suffering detriment because it was being swamped by Fox's use of its sign. In that regard the deputy judge had before him the evidence of Ms Shaw and her colleagues at m360 [advertising agents] that they had to adapt their marketing campaign in an endeavour to distinguish the Nottingham venue from glee; the evidence of Mr Mortimore that CEL had to make and distribute thousands of flyers in Oxford to quell the confusion occurring there and distinguish the Oxford venue from glee; and the evidence of Mr Burns and Mr Jackson about the detrimental effect glee had upon their efforts to attract young people to attend their stall. In my judgment this and the other evidence adduced by CEL at trial about the real effect on consumers of the launch of glee does constitute evidence of a change in economic behaviour of average consumers, or evidence of a serious likelihood that such a change would occur in the future.

## 2. Lifestyle Equities CV v Santa Monica Polo Club Ltd [\[2017\] EWHC 3313 \(Ch\)](#)

This case involved a claim for infringement of the well-known Beverly Hills Polo Club fashion logo against a defendant which used three variants of its logo, starting with a one-horse version and finishing with a three-horse version.

The table below shows the outcome of the claims.

| Claimant's mark | Defendant 1-horse | Defendant 2-horse | Defendant 3-horse |
|-----------------|-------------------|-------------------|-------------------|
|                 |                   |                   |                   |

|   |   |   |  |
|---|---|---|--|
|  |  |  |   |
| Claimant's mark infringed?  | Yes, likelihood of confusion  | Yes, borderline likelihood of confusion.  | No likelihood of confusion<br>But dilution proven because of confusion caused by the earlier logos, and the 3-horse came after |

The finding of dilution was based almost entirely on the finding of confusion for the other two variants of the logo. Put another way, because there had previously been confusion, the judge was content to find dilution later.

The main evidence (see paras 55-57 of the judgment) relied on to establish dilution in its own right was ultimately not the deciding factor. This evidence concerned sales by BHPC to retailer TK Maxx. BHCP had supplied TK Maxx with *“BHPC branded underwear on what was almost a monthly basis from January 2013 to July 2016, at which point they stopped for seven months until resuming in March 2017.”* The evidence also showed that SMPC had supplied TK Maxx, with the *“bulk of these orders... delivered to TK Maxx after 1st July 2016 – ie, at exactly the time when [BHPC] noticed that TK Maxx stopped ordering BHPC branded goods from the Claimant.”* However, the judge concluded that *“there is no evidence to explain why this actually happened. In particular, no evidence to suggest that it had anything to do with the Defendants’ signs. For all I know, TK Maxx simply wanted a change of supplier.”*

Therefore, while evidence was put forward which *could* have shown dilution, it did not convince the judge who instead preferred to make the leap directly from confusion to dilution – almost a legal consequence without independent evidence of dilution.

The judge in this case was Mr Recorder Douglas Campbell QC.

### 3. Coreix Ltd v Coretx Holdings Plc [\[2017\] EWHC 1695 \(IPEC\)](#)

This was an Intellectual Property Enterprise Court (IPEC) case, considering likelihood of confusion, dilution, distinctiveness, passing off and reputation. It concerned two businesses in the communication and computer services sector. Infringement was found based on both confusion and dilution.

|                 |             |  |
|-----------------|-------------|--|
| Claimant's mark | Defendant 1 | Defendant 2 - logo   |
| COREIX          | CORETX      |  |

The Claimant relied upon the following evidence to show successfully a change in economic behaviour and dilution:

- Evidence of actual confusion;
- Evidence that the Defendant was much bigger than the Claimant (to cause swamping).

Some other types of evidence were relied upon but these did not convince the judge (see para 74).

This is another example where dilution largely follows from a finding of confusion.

The judge in this case was again Mr Recorder Douglas Campbell QC.

4. [Luen Fat Metal and Plastic Manufactory Ltd v Jacobs and Turner Ltd \(t/a Trespass\) \[2019\] EWHC 118 \(IPEC\)](#)

The Claimant owned a trade mark for FUNTIME covering “Games, toys and playthings; electronic games”. The Defendant sold products under the same name, including a water gun and a kite.

The judge in this case was again Mr Recorder Douglas Campbell QC.

The judge declined to find the Claimant’s mark invalid on the grounds of it being non-distinctive and descriptive and then found a likelihood of confusion and infringement by the Defendant.

Having done so, the judge also went on to consider a claim based on dilution. He noted that “The Claimant accepted that its claim under s 10(3) did not really add anything to its claim under 10(2)”. However, he still found dilution. As with the other cases by this judge, he seemed to find that dilution followed from confusion.

5. [British Amateur Gymnastics Association v UK Gymnastics Ltd \[2020\] EWHC 1678 \(IPEC\)](#)

The marks in suit are below. The Defendant’s name and logo infringed the Claimant’s trade marks.

| Claimant’s mark   | Defendant 1   | Defendant 2 - logo   |
|---|---------------|--|
|  | UK Gymnastics |  |

As well as a likelihood of confusion, it was found that dilution had occurred in this case.

The Claimant was a recognised National Governing Body (NGB) in the UK for gymnastics and the Claimant was not aware of a situation where there were two NGBs for the same sport that performed

the same role in the same geographical location. The Defendant's use of its marks was therefore likely to lead the relevant public to believe there was a link or connection with the Claimant, and the Claimant was likely to suffer damage to its goodwill as a result.

Dilution was dealt with very briefly alongside tarnishment at paragraph 139 of the judgment. Again, the finding of dilution appears to follow the finding of confusion.

The judge in this case was Her Honour Judge Melissa Clarke.

#### D. Germany

The German Federal Court (Bundesgerichtshof) seems to refuse a strict application of a higher standard of proof. All leading German cases accept dilution if the infringer suggests an economic connection to the FWKM.

##### 1. VOLKSWAGEN vs Volks Inspektion

| Claimant's mark | Defendant  |
|-----------------|--|
| VOLKSWAGEN      |  |

In a decision of 2013 (Federal Court, 11/4/2013, I ZR 214/11 par. 61 – VOLKSWAGEN/Volks. Inspektion) that issued subsequent to the CJEU's Wolf Jardin decision, the Federal Court recited the INTEL principles for dilution, i.e. that the economic behaviour of the average consumer must change or that there must be a future risk of such a change, but without mentioning the standard of proof or making any reference to the Wolf Jardin case-law. The Federal Court refers to paragraph 81 of the INTEL Judgement by using the words: "also the one-time use of the younger sign may suffice for detriment of the FWKM" (the correct citation of the INTEL Judgement would have read "first use" instead of one-time use). The Federal Court then refers to the need of an overall assessment and mentions the criteria for detriment that include the degree of recognition, the dissimilarity, similarity or identity of the goods or services and the degree of similarity between the signs. The Federal Court assumed that there can be detriment already if the advertising suggests an economic connection between the advertiser and the FWKM holder. The Federal Court's assumption that a suggestion alone is sufficient for finding dilution does not fit with CJEU's requirement of a higher standard of proof. The Federal Court eventually finds that the great recognition of the FWKM VOLKSWAGEN or the great media impact of the contested advertising campaign can be taken into account in the overall appreciation.

The line of arguments of the German Federal Court shows that it does not apply the higher standard of proof as required by the CJEU. Instead of the Wolf Jardin principles the Federal Court applies its

own principle of a suggestion of an economic connection. The Federal Court does not explain how it has developed this criterion. As a basis for its finding, it refers i.a. to the Google France judgement of the CJEU (C-236/08 - C-238/08) that does not deal with the causing of detriment but with the adverse effect on the function of indicating origin. It appears that the German Federal Court is misappropriating findings of the Google France judgement to avoid a strict application of the Wolf Jardin criteria.

## 2. Famous red colour of a bank house

| Claimant's mark   | Defendant  |
|---|--|
|  |  |

Subsequent to the “VOLKSWAGEN/Volks Inspektion” decision the German Federal Court maintained its position in the “Sparkassen Rot” decision (famous red colour of a famous German bank house). In this decision the Federal Court repeats its view that the causing of detriment to the distinctiveness of a FWKM may be established by advertising that suggests an economic connection between the advertiser and the FWKM owner (Federal Court/Bundesgerichtshof, 23/09/2015, I ZR 78/14 par. 111, 112). The sports field advertising on billboards that suggests an economic connection between the advertiser and the FWKM owner may therefore be sufficient to prove the risk of a change in the economic behaviour of the average consumer. Although the Federal Court considers the mere suggestion to be sufficient for itself the Federal Court refers also to the option to present opinion polls showing that the number of consumers that attribute the red colour to more than just one financial institute has increased since the defendant has entered the German market.

## 3. Comments in the literature

Although there is much sympathy in Germany for the Federal Court's view one of the leading legal commentaries for trademark law has criticized the Federal Court. The opinion in the legal commentary contends that the Federal Court cannot maintain its case-law in view of the principles of the CJEU (Ströbele/Hacker/Thiering, Trademark Law, 13th edition, section 14 par. 398).

#### 4. ÖKO-TEST

| Claimant's mark   | Defendant  |
|---|--|
|  |  |

A recent decision shows that the Federal Court does use arguments that approximate to the CJEU's principles where the case provides for this. For instance, the famous German consumer magazine "ÖKO-TEST" issues independent product testing reports. It has a great recognition in Germany for its product testing. If the manufacturer of the tested product wants to use the "ÖKO-TEST" label together with the test results to promote its product the manufacturer must first acquire a license from "ÖKO-TEST". The use of the label without permission causes detriment to the distinctiveness of "ÖKO-TEST". The Federal Court argues that maintaining the reputation of the "ÖKO-TEST" label requires the control of the users of the "ÖKO-TEST" label to prevent any misuse. There is the risk that the capacity of the "ÖKO-TEST" label to influence the purchase decision of consumers will decrease if the manufacturer can use the test results under the label in the product advertising without the permission of "ÖKO-TEST" (Federal Court/Bundesgerichtshof, 12/12/2019, I ZR 173/16 para. 47).

#### 5. BASF

| Claimant's mark                                | Defendant  |
|--|--|
| <p style="text-align: center;"><b>BASF</b></p> | <p style="text-align: center;"><b>DEGOBASF</b></p> |

In a latest decision the German Federal Patent Court found dilution exclusively from the status of an extremely well-known mark. The Chinese applicant filed the mark "DEGOBASF" for advertising in class 35 which is a totally different business area than the goods for which the earlier mark "BASF" is extremely well-known. Due to the very large distance between the chemical and the advertising industry the Federal Patent Court had its doubts whether "DEGOBASF" could take unfair advantage of the distinctiveness or the reputation of "BASF" or be detrimental to the reputation of "BASF". The Federal Patent Court found, however, that the assessment of detriment to the distinctiveness (dilution) must take into account all the facts and circumstances of the case which include an interdependence between the degree of the awareness and the distance of the goods and services.

Extremely well-known marks such as Coca-Cola, adidas or Lego deserve protection against dilution irrespective of the goods and services (Federal Patent Court, 25/03/2021, 30 W (pat) 23/19). The earlier mark “BASF” being such a mark therefore deserves protection against dilution irrespective of the remoteness of the business of the younger mark.

**E. EUIPO**

The Boards of Appeal of the European Union Intellectual Property Office (EUIPO) decided on some cases involving distinct and very far apart market sectors.

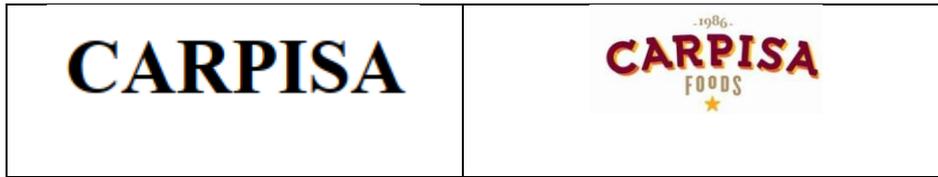
**1. BOSS**

| Claimant’s mark | Defendant           |
|-----------------|---------------------|
| <b>BOSS</b>     | <b>Flavour Boss</b> |

In case R 1222/2019-2 (4 May 2020) the Board of Appeal acknowledged that BOSS is a highly well-known trademark for clothing. The survey proved that the brand awareness in Germany for BOSS in relation to clothing is 93 % and that 26 % of the basic population possesses BOSS clothing (para. 45). Notwithstanding this extremely well-known status of BOSS the Boards of Appeal found that the opposed goods, being food flavourings and electronic cigarettes, were so poles apart from clothing that a serious likelihood of dilution would require an extremely high degree of similarity between the signs, even to the point of being identical, which in this case they were not (para. 91, 92). The Board of Appeal makes a difference between goods that are just dissimilar and goods that pertain to market sectors which are very far apart and not connected in any plausible way (para. 65). Owing to the distinct industries that lack any material overlap and the differences of the signs the Board saw no evidence for a serious risk for a change of the economic behaviour of the consumer and denied dilution.

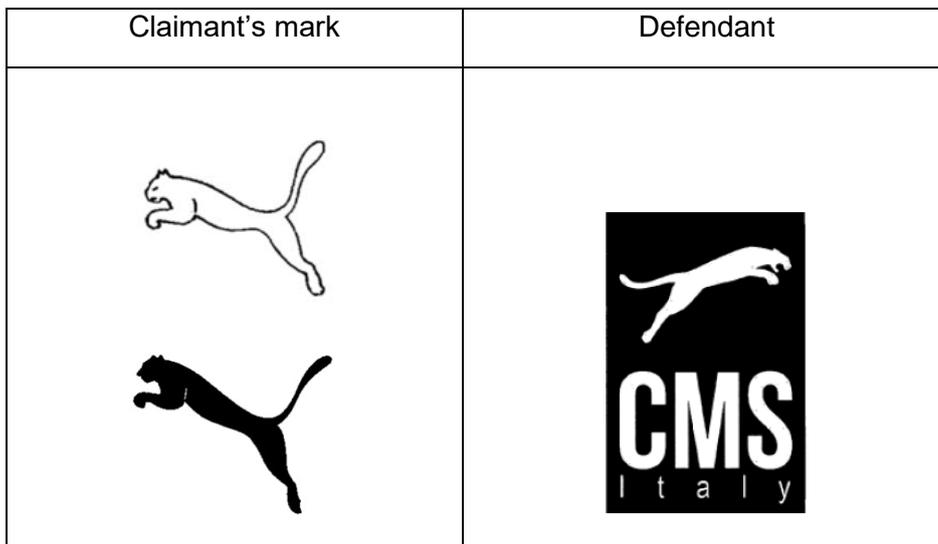
**2. CARPISA**

| Claimant’s mark | Defendant |
|-----------------|-----------|
|                 |           |



In Case R 2055/2018-1 (October 31, 2019) the Board of Appeal denied the necessary link in the mind because of the remoteness of the different markets. The Opponent claimed that CARPISA is a FWKM on the market for leather bags. The opposed application covered entirely different goods on the foods sector. The Board of Appeal did not acknowledge dilution because the link between signs was not proved. *“The Board notes that even if the sign ‘CARPISA’ is unique, the relevant public would not automatically associate it if it is used in different market sectors.”*

### 3. Puma



In case R 2215/2019-4 (September 24, 2020) the Board of Appeal found that Puma proved some degree of reputation for sports shoes, and that the visual and conceptual similarity would be very low or extremely low. The Board denied dilution because the opposed industrial machine tools, heating and ventilation equipment address professionals which are a different target group. The fact that professionals operating in the construction field may also purchase sports shoes cannot suffice to make a connection between the marks.

It seems from this case that the EUIPO had difficulties to find dilution where the target groups are different. This line of arguments complies with the Intel case-law of the Court of Justice that requires the perspective of the consumers of the FWKM. In addition, the EUIPO stringently applies the notion of the link between signs, in the mind of the public:

*“The types of injure to trade marks with a reputation, referred to in Article 8(5) EUTMR, where they occur, are the consequence of a certain degree of similarity between the marks by virtue of which the relevant section of the public makes a connection between those two marks,*

*that is to say establishes a link between them even though it does not confuse them. In the absence of such a link in the mind of the public, use of the later mark is not likely to make unfair advantage of or be detrimental to, the distinctive character or the repute of the earlier mark.”*

## **Comparison of the case-law**

A comparison of the territories examined reveals a fragmentation of the case law. The compared countries find their own ways of proving a change in the economic behaviour of the average consumer. All jurisdictions have in common that there is no need of actual evidence. The serious risk of detriment is sufficient. The crucial implementation of a higher standard of proof, however, has been treated differently by the courts.

Romania adopts the most effective implementation. The Romanian case law targets at a change of the economic behaviour of the average consumer and requires proof that the attractiveness of the FWKM has been diminished. This requires that the qualities of the FWKM will be adversely affected. According to the Romanian case law the average consumer will stop buying the FWKM product if he or she can buy cheaper counterfeits, or if other qualities of the counterfeit change the average consumer's opinion of the FWKM. The limitation of dilution to cases involving the serious risk of negative opinions as applied by the Romanian courts fulfils the change of economic behaviour condition. The method applied by the Romanian courts is clearly dilution-specific and puts the threshold rather high. The Romanian case law reaches the threshold required by the Wolf Judgement.

The close alignment of the Romanian case law with the CJEU can be illustrated in the example of the Burlington Arcade case if one changes the situation. The shopping experience in the Burlington Arcade as described in the original case before the Court of Justice does not produce adverse connotations if the average consumer is confronted also with Burlington fashion items. This experience is unlikely to change the economic behaviour of the average consumer. That assessment would change, however, if counterfeits were sold in the shops at the Burlington Arcade. The spread of news of counterfeits being sold would tarnish the picture which the average consumer has in his or her mind of the Burlington Arcade with its highly reputable shops. More and more consumers would start thinking of the Burlington Arcade as a dishonest place and this would pose the serious risk that the average consumer will change his or her behaviour.

While the Romanian standards comply with the Court of Justice, this is not so evident in the other countries. The other countries have found their own ways of proving dilution.

In the UK the courts follow a very specific avenue on how to discharge the burden of proving dilution in a trademark infringement case. The focus is not on finding convincing evidence of dilution but on a double check whether there is also confusion. The cases leave open how dilution can be proved. The courts do not explicitly state that it is impossible to prove dilution without the finding of confusion. Confusion has, however, always been required as a minimum condition. It goes without saying that

making dilution dependent on a finding of confusion establishes a higher standard of proof for a change of the economic behaviour that goes beyond the notion of the presence of a similar sign. On the other hand, the implementation of confusion as a requirement of dilution mingles the different concepts of the protection of a well-known mark and the likelihood of confusion. Although the confusion requirement limits dilution to the same category of goods and services it appears possible that this implementation may inflict inconsistencies because confusion is not the same as dilution.

The problem of inconsistency becomes apparent when one applies the UK case law to the Burlington Arcade case. The situation in the Burlington Arcade case lacks arguments that could support the causing of detriment to the FWKM. As observed by Advocate General Hogan there is little reason to suppose that consumers would be deterred from frequenting the Burlington Arcade simply because they come across fashion items bearing the name Burlington. Consequently, that situation cannot qualify as dilution. If one follows the view of the UK courts, however, one would have to acknowledge dilution of the FWKM because the Burlington fashion items must be seen as confusable to the retailing of fashion in the Burlington Arcade. The shopping arcade's services are retail services which are similar to the fashion articles sold under the highly similar mark Burlington. That alone satisfies UK courts already that there must also be dilution notwithstanding the lack of deterrence of consumers from frequenting the Burlington Arcade. The inconsistency inflicted by the foregone conclusion of the UK courts remains to be a weakness of the UK case law.

Nevertheless, the approach of the UK courts can be considered an attempt to implement a higher standard of proof for the change of the economic behaviour of the consumer. Turning to Germany it appears that the German courts are rather dodging the principles of the Court of Justice of the EU.

The analysis of the German case law shows that the courts though referring to the INTEL and WOLF decisions of the Court of Justice do not apply a higher standard of proof for the change of the economic behaviour of the average consumer. The highest German court, the Federal Court, is satisfied by the mere suggestion of an economic connection between the marks which can be considered as a very soft interpretation of the higher standard of proof. In the Burlington Arcade case discussed above this would mean that there is no need for deterrence of consumers from frequenting the shopping arcade. Since consumers may easily draw an economic connection between the fashion items and the arcade in which the items are sold dilution seems to be an automatic finding by the German courts in the Burlington Arcade case. The latest decision in the BASF case even reveals that just the status of being an extremely well-known mark is sufficient for the finding of dilution.

The application of the interdependence principle for justifying dilution of extremely well-known marks can be observed in Germany as well as in the case law of the EU General Court and the EUIPO. It seems, however, that the German courts require the least evidence for a change of the economic behaviour in case of extremely well-known marks. In particular, the DEGOBASF case in Germany and the EUIPO's Flavour Boss case were decided most differently although the earlier marks were extremely well-known and the compared market sectors far apart.