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## Identical Cousins?: On the Road with Dilution and the Right of Publicity

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### I. Introduction

In the United States, the dilution doctrine and the right of publicity have a great deal in common - not in their origins, but in their current application. Yet the dilution doctrine currently engenders more skepticism and confusion than publicity rights. This Article inquires how these parallel concepts are faring outside the United States. From examining the status of these doctrines in Japan, continental Europe, the United Kingdom, Canada, and Australia, two conclusions emerge. First, the similarities between the doctrines do not lead countries to adopt or reject them in tandem. Second, the stable and successful establishment of each doctrine in any given country depends on whether that doctrine has emerged as a natural evolution from the nation's legal and cultural traditions. Incoherent and inconsistent judicial interpretations tend to result when either doctrine is introduced by other mechanisms, such as global harmonization pressures or a legislative process that fails to include sufficient efforts to assess the benefits and burdens of the proposed legislation....

### IV. Cousins on the Road....

#### A. Japan....

Unlike many other civil law countries (notably the EU countries), Japan has adopted dilution-type legislation that protects both registered and unregistered marks. Article 4-1(19) of the registration provisions in Japan's Trademark Act bars registration of a mark that is similar to another person's well-known mark if it is used for "the purpose of gaining unfair profits, the purpose of causing damage to the other person, or any other unfair purposes." n41

This language was added to Article 4-1 in 1996 n42 in response to "the increased demand for clarification of the protection of well-known and famous trademarks," n43 in an attempt to "prevent the use of trademarks that are widely known in Japan or other countries with unfair intent." n44 The statutory language implies that the prohibition applies only when the applicant has unfair intent. The intent [\*650] requirement is consistent with pre-1996 case law in which Japanese courts resorted to concepts such as plagiarism and trademark abuse to deny the benefits of registration to parties that deliberately imitated famous marks. n45

The Trademark Examination Manual of the Japan Patent Office (JPO) leaves little doubt that this bar to registration reflects dilution principles:

Well-known and famous trademarks, which have become widely known and have gained a high reputation, credit and popularity among consumers as a result of the company's long, hard efforts and a considerable amount of advertising costs, can be

considered to possess sufficient capability to attract consumers and to have worthy property values themselves.

The use of such well-known and famous trademarks by a third party may not necessarily cause confusion over the source of goods etc., but it may weaken the source-indicating function or harm the reputation of these well-known and famous trademarks. Therefore, it is necessary to sufficiently protect these trademarks from illicit use, bearing in mind such purposes. n46

The Trademark Examination Manual thus interprets Article 4-1(19) as incorporating both blurring and tarnishment concepts. Article 4-1(19) is designed to preclude registration of a trademark identical or similar to one that is "famous nationwide" because, even though the second registration "may not necessarily cause confusion of the source of goods, etc.," it "may weaken the source-indicating function or harm the reputation of the said famous trademark." n47 The Manual also confirms that the bar to registration applies only where the applicant has "unfair intent," and not where the similarity of the marks arises "by chance." n48 However, where the marks are very similar and the well-known mark is unusual (e.g., a coined word) the JPO trademark examiner is permitted to presume the existence of unfair intent. n49

Similarly, the JPO's Trademark Examination Guidelines provide that Article 4-1(19) bar registration of:

A trademark identical with or similar to a trademark well known throughout Japan, for which an application has been filed with an intention to dilute the distinctiveness of the well-known trademark to indicate the source of goods or impair the reputation, etc. of the trademark owner, however the trademark of that application per se is not liable to cause confusion over the source of the goods. n50

Accordingly, registration of a trademark is barred only if the dilution or impairment of reputation is intentional.

The Guidelines also note that, in determining whether a mark is used for "unfair purposes," the examiner should consider "materials showing that a trademark, if used by its applicant, is liable to impair credit, reputation, consumers-attractiveness built up in a well-known trademark." n51 This language suggests that the examiner should be concerned only with trademark uses that have a tarnishing effect, rather than uses which merely undermine the distinctiveness of the well-known mark or which "free-ride" on the notoriety and favorable associations of the mark. In contrast, the Manual suggests that both blurring and tarnishment are grounds for refusing registration. n52 Despite their differences, both the Manual and the Guidelines clearly interpret Article 4-1(19) as precluding registration only where the applicant has some kind of predatory intent. Finally, while neither the Manual nor the Guidelines suggest that registration should be denied based on free riding alone without proof of a tarnishing or a blurring effect, the statutory reference to "gaining unfair profits" n53 appears to support this additional ground for denial.

Article 2-1 of Japan's 1993 Unfair Competition Prevention Act provides a cause of action for the trademark owner against:

(1) acts of creating confusion with another person's goods or business by using an indication of goods or business (which means a name, trade name, trademark, mark, or container or package of goods used in relation to a person's business, or any other indication of a person's goods or business; the same shall apply hereinafter) that is identical or similar to said person's indication of [\*652] goods or business that is well known among consumers or other purchasers ... ;

(2) acts of using as one's own an indication of goods or business that is identical or similar to another person's famous indication of goods or business... . n54

When these two subsections of Article 2-1 are compared, it seems clear that subsection (2) is the only one that could be characterized as a dilution provision, because it makes no reference to a likelihood of confusion. It also differs from subsection (1) in that it refers to "famous," as opposed to merely "well known" marks, although it is not altogether clear how Japanese courts are to distinguish between these categories. n55

In Professor Port's recent study of Japanese dilution law, he notes that the legislative history of the 1993 unfair competition amendments specifically indicates that they were intended to prevent "free riding." n56 This same passage in the legislative history however, goes on to suggest that, as a result of free riding, "consumers might become confused that this newcomer is the same as the company that endeavored to obtain high trust and repute." n57 It is not clear whether this means that consumers will believe that the goods or services are from the same company, or merely that they are the same in their characteristics and quality. Additionally, in spite of referencing confusion, the report elsewhere states that a dilution claim should not depend on consumer confusion. n58

The creation of a dilution cause of action in Japan was not a pure "top down" phenomenon. Prior the 1993 amendments, Japanese [\*653] courts often, in the case of identical marks, presumed confusion even where confusion was unlikely, in an effort to protect marks from free riding. n59 This practice suggests that, even before the dilution provisions were enacted, such free-riding was inconsistent with the Japanese judiciary's fundamental sense of commercial morality. Nonetheless, as discussed below, the judiciary's interpretation of the 1993 amendments suggests that the courts are confused about the difference between dilution and traditional confusion-based doctrines.

Despite the Japanese courts' past willingness to find confusion even where it is unlikely, Professor Port has noted that very few dilution-type claims have been brought under the unfair competition statute. n60 Of the cases he reports, one involving product design trade dress is analyzed under Article 2-1(1) - the confusion provision - rather than Article 2-1(2). n61 The Tokyo High Court rejected the dilution claim, reasoning that if there had been dilution then the plaintiff's product design would have ceased to be famous and would have lost its ability to function as an origin indicator. n62 By requiring proof of actual blurring, this reasoning overlooked the "free rider" aspect of dilution which, it appears, Article 2-1(2) was intended to encompass. This supports one of the hypotheses posed by Professor Long in her study of FTDA cases - that judges are reluctant to extend dilution protection to unconventional marks such as product design. n63

A second case under Japan's unfair competition statute involved an entertainer who adopted a stage name very similar to a company's well-known mark. n64 The Tokyo District Court analyzed the claim under Article 2-1(1), finding that the defendant's name caused confusion. n65 This time,

Professor Port notes, the court condemned the defendant's action as free-riding, thus using a dilution concept to justify a finding of confusion. n66

Professor Port also reports a Tokyo District Court decision holding that the name VOGUE for a fashion magazine was well-known but not famous, and therefore was not eligible for dilution [\*654] protection under Article 2-1(2). n67 Nonetheless, with no explanation, the court held that the use of a similar name for a condominium was actionable under Article 2-1(1) on the grounds of confusion. n68 Yet confusion between the name of a magazine and the name of a condominium seems very unlikely.

In reflecting on these rulings, Professor Port suggests that "Japanese judges have an inherent distrust of the notion of dilution," and that, despite or perhaps because of the apparently broad mandate of Article 2-1(2), "Japanese judges seem reluctant to apply the language as written and, instead, seek other options to attempt to confine the expansion of the trademark right." n69 Professor Port concludes that "the confused status of Japanese trademark dilution law indicates a judiciary at odds with the legislature," and that the courts are attempting "to rein in a right the judiciary sees as inconsistent with the purposes of trademark protection in Japan." n70 If Professor Port is correct, then it appears that the Japanese judiciary is engaging in the same kind of bottom-up attempt to rein in dilution laws that Professor Long has observed in the United States courts.

The judiciary's discomfort with Article 2-1(2) is somewhat surprising since, prior to 1993, the Japanese courts were willing to find confusion even where true confusion was unlikely. n71 The courts protected trademarks from free riding by employing the concept of "confusion in the broad sense." n72 Apparently the Japanese courts were willing, on their own initiative, to extend their traditional legal and ethical concepts (confusion and fairness) to protect trademarks against uses which violated the courts' innate sense of business morality. But the legislative importation of a foreign legal concept designed to remedy those same perceived abuses has been less successful. Ironically, the legislative history of Article 2-1(2) indicates that, as of 1992, the Japanese courts had begun to have second thoughts about their practice of presuming confusion in order to provide a remedy against free riding. n73 This may offer a partial explanation of the courts' difficulty in enforcing the new regime. If judicial attitudes [\*655] toward free riding were already in a state of flux, the courts may be uncertain about whether, and to what extent, the new law was intended to alter their past practice.

The bumpy ride experienced by dilution law in the Japanese courts is ironic for another reason as well. Japan has expressed a desire to strengthen the dilution laws of other countries, particularly in Asia, in order to reduce "free riding on the house marks of Japan's well known companies." n74 Toward this end, Japan's Industrial Property Council has supported global harmonization efforts, such as the WIPO Joint Recommendation and a revision of TRIPS which would require WTO countries to adopt dilution laws. n75....

## B. Continental Europe....

### 1. Dilution

The 1988 Trade Mark Harmonization Directive requires EU members to bar registration of marks that dilute Community Trademarks, n87 but merely permits them to bar registration of marks that

dilute marks registered in their national systems. n88 These similarly-worded provisions apply "where the use of the later trade mark without due cause would take unfair advantage of, or be [\*657] detrimental to, the distinctive character or the repute of the earlier trade mark." n89

The Directive also permits, but does not require, members to recognize a civil cause of action for dilution:

Any Member State 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 trade mark in relation to goods or services which are not similar to those for which the trade mark 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 trade mark. n90

The pre-2004 members of the European Union have all adopted dilution provisions that conform to the Directive, n91 some with minor variations in wording. Little controversy or public debate seems to have accompanied their adoption, most likely because, as discussed below, dilution concepts were already established to varying degrees in the domestic laws of much of continental Europe.

Even before the Directive, dilution law was already established in Germany (where it is said to have originated in the 1925 Odol mouthwash case) n92, the Benelux countries n93 (whose domestic law served as the model for the Harmonization Directive), n94 and, to a lesser degree, France. n95 The German courts recognized dilution-type claims under the general law of unfair competition. n96 In the Benelux [\*658] countries, dilution was addressed in Article 13A of the 1971 Benelux Trademark Act, which provided that:

Without prejudice to the possible application of ordinary civil law in matters of civil liability, the proprietor of a mark may, by virtue of his exclusive right, oppose: 1) any use made of the mark or of a similar sign for the goods or services in respect of which the mark is registered, or for similar goods or services; and 2) any other use, in economic intercourse, of the mark or of a similar sign made without a valid reason under circumstances likely to be prejudicial to the proprietor of the mark." n97

Although France amended its trademark laws in 1992 in response to the Directive, n98 even before then a remedy was often available for dilution-type claims if they constituted "parasitic behavior" giving rise to a "disloyal competition" claim under the liberally-construed tort provisions of the French Civil Code. n99....

## C. United Kingdom....

### 1. Dilution

The conventional wisdom is that dilution laws originated in the British and German courts. n111 Although Germany was indeed an early adopter of the dilution concept, a closer look at the 1898 British case that is often cited for the dilution concept suggests that Britain was not in fact an

earlier adopter. The case held that the use of the [\*661] KODAK mark on bicycles was infringing and reveals that, while the goods in that case (bicycles and photographic supplies) were noncompeting, they were related. n112 Both were often sold in the same stores and Kodak marketed a camera specifically for use on bicycles. n113 The court's holding was based on a liberal view of consumer confusion as to sponsorship or affiliation n114 rather than on a novel theory of infringement. As discussed below, even after the United Kingdom formally adopted a dilution statute in 1994, many courts seemed reluctant to abandon the requirement of confusion. n115

Like the other pre-2004 members of the European Union, the United Kingdom has adopted a dilution law that tracks the language recommended by the 1988 Trade Mark Harmonization Directive. n116 Initially, some British courts refused to interpret these provisions in a way that dispensed with the traditional confusion requirement. n117 Later decisions acknowledged that confusion was no longer required, n118 but expressed varying degrees of uncertainty as to the other requirements of section 10(3). n119

[\*662] After a string of ECJ precedents that interpreted the corresponding provision of the Trade Mark Harmonization Directive, n120 British courts began to apply section 10(3) more liberally, but continued to express uncertainty as to its scope. In *Miss World Ltd. v. Channel 4 Television Corp.*, n121 the High Court enjoined a television station from using the term "Mr. Miss World" in promoting the broadcast of a transsexual beauty pageant, even in the absence of a likelihood of confusion. The High Court held that the "Mr. Miss World" mark would violate section 10(3) by taking "unfair advantage" of the reputation of the "Miss World" mark. n122 In *L'Oreal SA v. Bellevue NV*, n123 the High Court went even further, finding infringement under section 10(3) where the maker of a series of "smell-alike" perfumes gave vendors comparison lists identifying the brand name fragrance that each of its products was imitating. n124 This usage was not confusing, and would have been considered truthful comparative advertising, and thus non-infringing, under United States trademark laws. n125 The Court of Appeal of England and Wales expressed concern about the ramifications of the High Court's holding. n126 Agreeing that the defendant's use was nonconfusing but was designed to capitalize on the repute of the brand name fragrances, [\*663] Justice Jacob expressed difficulty "deciding where to draw the line between permissible and impermissible "free riding." n127 Justice Jacob noted that "you can only have effective comparative advertising where the advertiser is in some sense "free riding' on the goodwill of the target mark." n128 He was also uncertain as to the scope of "due cause" with respect to the comparison lists, because "realistically, you cannot sell a replica fragrance - a lawful product - without such a list." n129 Finally, with regard to the term "unfair advantage" in section 10(3) of the Trademark Law, as well as Article 5(2) of the Harmonization Directive, he expressed concern that some courts in the European Union were treating as unfair every advantage gained through the use of another's trademark, without allowing for the possibility that a particular use might in some cases confer a fair advantage. n130 To obtain clarification on the application of section 10(3) to truthful comparative advertising, the court referred all of its questions to the ECJ. n131

[\*664] The cautionary note sounded by Justice Jacob's opinion in *L'Oreal* could signal a desire to "put the brakes on" the trend toward [\*665] expansive interpretations of section 10(3). Although not mentioned by Justice Jacob, another recent decision of the High Court may add fuel to such concerns. In *Julias Samann Ltd. v. Tetrosyl Ltd.*, n132 the High Court used section 10(3) to effectively give one party a monopoly over the market for air fresheners shaped like Christmas trees:

There is a real probability that members of the public seeing the Christmas Tree product will think that it is another product in the Magic Tree range or a Christmas version of the Tree products. In my judgment the evidence and comparison of the marks and sign establish that the average consumer will make a link between the sign and the Tree marks and that this will inevitably damage the distinctiveness of the Tree marks. Their capacity to denote the products of the claimants exclusively will be diminished. n133

The pendulum which initially rejected the dilution concept in Baywatch may have swung too far in the opposite direction in *Julias Samann*. Judicial treatment of dilution claims in the United Kingdom has yet to settle into a consistent pattern.

#### D. Canada....

In Canada, a dilution statute has been on the books since 1953, n158 but has seen little use. The statute, which is now section 22 of the 1985 Trade Marks Act, prohibits unauthorized uses of registered marks that are "likely to have the effect of depreciating the value of the goodwill attaching thereto." Although the history of section 22 suggests that it was intended to replicate the concept of dilution as it [\*669] had evolved in the United States at that time, n159 54 years after the enactment of this provision, courts still have not determined what it means to depreciate the value of goodwill. This is not surprising, because section 22 offers little guidance to assist the courts. That this omission was deliberate is evidenced by comments from the Chair of the Trade Mark Law Revision Committee that recommended the legislation:

The intention of the Act of 1953 is to accord to the court very broad powers of discretion in deciding questions of infringement. Any conduct likely to have the effect of depreciating the goodwill attaching to a trademark is a matter left entirely to the discretion of the court and the Act of 1953 quite properly prescribes no rules for the exercise of the discretion. The answer will depend upon the facts of each case and the breadth of view brought to bear on modern commercial questions by any judge called to interpret the section. n160

The Canadian courts thus found themselves invested with virtually unbounded authority to establish rules for a new cause of action that had no foundation in the common law. The result, not surprisingly, has been a curious mixture of confusion, literalism, and paralysis.

The first case applying section 22, the 1968 *Clairol* case, n161 interpreted it as preventing truthful comparative advertising. The court strangely limited the statute's application by holding that it applied to comparative information on the product's packaging but not to comparative information in promotional brochures. n162 A 1985 case applying *Clairol* held that section 22 was violated where a defendant referenced the plaintiff's product in a non-disparaging way simply by showing that the competing products were compatible and similar; n163 oddly, the defendants did not even contest this interpretation. n164

[\*670] Canadian courts have been highly inconsistent in applying section 22 to parodies in advertising, n165 holding in 1983 that the *PERRIER* mark was depreciated by a "Pierre Eh!" label parodying Prime Minister Pierre Trudeau, n166 but rejecting a claim that *SEXUAL PURSUIT* depreciated *TRIVIAL PURSUIT* (despite finding a likelihood of confusion in the latter case). n167

Nor have the courts clarified whether section 22 applies to blurring or free-riding. The Canadian Supreme Court's 2006 decision in the *Veuve Clicquot* case tells us only that "a mental association of the two marks does not, under section 22, necessarily give rise to a likelihood of depreciation." n168

Viewed together, these cases suggest that Canadian courts interpret "depreciation" as an especially broad form of tarnishment, by applying section 22 to uses that may reflect negatively on the mark. For example, comparative advertising is truthful and beneficial to consumers, but can "depreciate" the mark by suggesting that another maker's product may be equal or superior. The Canadian courts have not applied section 22 to uses which merely blur the distinctiveness of a mark or free-ride on its ability to attract consumers. Indeed, the correctness of this narrow view was asserted by Justice Thurlow in *Clairol*:

As I see it goodwill has value only to the extent of the advantage of the reputation and connection which its owner enjoys and whatever reduces that advantage reduces the value of it. Depreciation of that value in my opinion occurs whether it arises through reduction of the esteem in which the mark itself is held or through the direct persuasion and enticing of customers who could otherwise be expected to buy or continue to buy goods bearing the trade mark. It does not, however, as I see it, arise, as submitted by Mr. Henderson, from danger of loss of exclusive rights as a result of use by others as this in my view represents possible loss of exclusive rights in the trade mark itself rather than reduction of the goodwill attaching to it. n169

Given the paucity of case law applying section 22, its meaning is unlikely to be clarified in the near future. As Professor Welkowitz has noted, section 22 cases often fail to move forward, because the [\*671] plaintiffs frequently fail to meet the Canadian courts' demanding standard for preliminary injunctions. n170 This standard has the effect of weeding out many section 22 claims, thus enabling the Canadian courts to minimize the impact of section 22 without engaging in the type of substantive judicial activism that might otherwise be needed to restrict the scope of the statute.....

## E. Australia....

### 1. Dilution

Australian trademark law contains no explicit dilution provisions and Australia is not a party to any international agreement requiring dilution protection. Indeed, unlike many of the United States' other recent bilateral trade agreements, n190 the 2004 U.S.-Australia Free Trade Agreement contains no dilution provisions. n191

Australia's close neighbor New Zealand enacted a dilution law for well-known marks in its Trademarks Act of 2002, closely tracking the language of the EU Trade Mark Harmonization Directive. n192 [\*674] However, unlike the dilution statutes of New Zealand and the EU countries, Australia's trademark statute omits the crucial language referring to unfair advantage or detriment. Until 1995, Australia provided an infringement cause of action only where a mark was used on similar or related goods. n193 Section 120(3) of Australia's Trademarks Act of 1995 now satisfies



Article 16(3) of TRIPS with respect to registered well-known marks, but it still requires the trademark owner to show that the defendant's use of the mark on unrelated goods suggests "a connection" between the defendant's goods and the owner of the registered mark:

A person infringes a registered trade mark if:

- (a) the trade mark is well known in Australia; and
- (b) the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:
  - (i) goods (unrelated goods) that are not of the same description as that of the goods in respect of which the trade mark is registered (registered goods) or are not closely related to services in respect of which the trade mark is registered (registered services); or
  - (ii) services (unrelated services) that are not of the same description as that of the registered services or are not closely related to registered goods; and
- (c) because the trade mark is well known, the sign would be likely to be taken as indicating a connection between the unrelated goods or services and the registered owner of the trade mark; and
- (d) for that reason, the interests of the registered owner are likely to be adversely affected. n194

[\*675] There is little case law applying section 120(3). n195 This has not stopped some commentators from suggesting that the provision is already broad enough to protect well-known marks against dilution. n196 Although a 2000 decision by the Australian High Court suggested, obliquely and in dictum, that section 120(3) might protect a mark from "'dilution' of its distinctive qualities or of its value to the owner," n197 no case has interpreted section 120(3) so broadly. n198 The adoption of the statutory phrase "indicating a connection," in contrast to taking "unfair advantage of" or causing "detriment to" the value of mark, suggests that, at least for now, a plaintiff seeking relief under section 120(3) must show a likelihood of confusion or deception as to origin, endorsement, or association.

Like many other countries, Australia defines infringement of a registered mark to include the use of that mark on goods or services which are the same as, similar to, or closely related to, the goods or services for which the mark is registered. n199 In the case of identical goods or services, a likelihood of confusion is presumed. n200 Where the goods or services are merely similar or closely related, however, there [\*676] must be a likelihood of deception or confusion. n201 Moreover, trademark infringement under several other provisions of Australian law requires that the marks be "substantially identical" or "deceptively similar," the same terms that are used in section 120(3). Case law interpreting this language in the other provisions of Australia's trademark law has construed these terms narrowly; n202 interpretations under section 120(3) are likely to conform to this practice. Thus, even if the phrase "indicating a connection" in section 120(3) is construed broadly enough to apply to blurring, tarnishment, or free riding, this application might in practice be limited

to marks that are virtually identical, which would limit the potential reach of any dilution protection arising under the current statute.

Will the forays of New Zealand and the United Kingdom into dilution law persuade Australia to follow suit? Despite Australia's close connections with these countries and with the United States, there seems little likelihood that Australia will amend its trademark laws to add a dilution provision in the near future. Although Australia's Advisory Council on Intellectual Property (ACIP) has recommended further study of the issue, n203 it reports receiving widely varying submissions on the need for such legislation, n204 and the International Trademark Association (INTA) reports that there has been little advocacy for dilution laws within Australia. n205 The dearth of cases litigated thus far under section 120(3) suggests that it would be premature at present for Australia to consider any further expansion of the protection for well-known marks.

[\*677] In its 2002 submission to the ACIP, the Intellectual Property Research Institute of Australia (IPRIA) cautioned against adoption of dilution provisions without conducting a broad review of:

(a) "Whether the theory that protection against dilution leads to benefits for consumers and innovation is borne out in practice," and

(b) "Whether the costs of protection against dilution are worth the benefits." n206

Such searching reviews have been noticeably absent in most of the countries that have adopted dilution laws. This failure to legitimize almost certainly contributes to the confusion experienced by their judiciaries in attempting to interpret and apply those laws. If Australia adopts a dilution law, as a result of international pressures rather than domestic policy analysis, the absence of a legitimizing domestic foundation may lead Australia's courts to experience the same dissonance they have observed in their foreign counterparts....

#### **FOOTNOTES:**

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++ J.D. 2004, William S. Boyd School of Law, University of Nevada, Las Vegas; Office of the Senior Counsel, Sunbelt Communications. The views expressed in this article are solely those of the authors.

n41. Shohyo-Ho [Trademark Act], Law No. 127 of 1959, art. 4-1(xix) (amended 2005), translation available at <http://www.cas.go.jp/jp/seisaku/hourei/data/TA.pdf> (unofficial translation provided by Japan's Cabinet Secretariat).

n42. Japan Patent Office, Trademark Examination Manual § 42.25(1) (2001), available at [http://www.jpo.go.jp/quick\\_e/index\\_sh.htm](http://www.jpo.go.jp/quick_e/index_sh.htm).

n43. Id.

n44. Id.

n45. See Masaya Suzuki, The Trademark Registration System in Japan: A Firsthand Review and Exposition, 5 Marq. Intell. Prop. L. Rev. 133, 169-70 (2001).

n46. Japan Patent Office, Trademark Examination Manual, supra note 42.

n47. Id.

n48. Id. § 42.25(2).

n49. Japan Patent Office, Examination Guidelines for Trademarks ch. III, pt. 17, § 5 (2007), available at [http://www.jpo.go.jp/quick\\_e/index\\_sh.htm](http://www.jpo.go.jp/quick_e/index_sh.htm).

n50. Id. § 1(b) (emphasis added). Although "well known" is not defined in this context, the section of the Guidelines that addresses defensive registrations indicates that "well known" means "famous." See id. ch. XIII, § 1. With respect to Art. 4-1(19) of the registration statutes, the JPO's Trademark Examination Manual equates "trademarks widely recognized by consumers" with "famous" trademarks. See Trademark Examination Manual, supra note 42, § 42.14.

n51. Examination Guidelines for Trademarks, supra note 49, § 4(f).

n52. See supra notes 46-47 and accompanying text.

n53. See supra note 41 and accompanying text.

n54. Fusei Kyoso Boshi-Ho [Unfair Competition Prevention Act], Law No. 47 of 1993, art. 2-1, translation available at <http://www.cas.go.jp/jp/seisaku/hourei/data/ucpa.pdf> (unofficial translation provided by Japan's Cabinet Secretariat). For an alternate translation, see Kenneth L. Port, Trademark Dilution in Japan, 4 Nw. J. Tech. & Intell. Prop. 228, 229 (2006).

n55. As noted earlier, supra note 50, the Trademark Examination Guidelines appear to treat well-known marks as synonymous with famous marks, although this interpretation of the trademark registration statutes by the Japan Patent Office would not necessarily carry over to the Unfair Competition statutes, nor would it appear to be binding on Japanese courts. In Advance Magazine Pub-

lishers, Inc. v. Puropasuto, 1890 Hanrei Jiho 127 (Tokyo D. Ct., July 2, 2004), a case discussed by Professor Port, the Tokyo District Court treated the name of a magazine as well known but not famous where it was well known to readers of fashion magazines but not to the general public. See Port, supra note 54, at 246.

n56. Port, supra note 54, at 233 (citing Sangyo Kozo Shingikai Chiteki Zaisan Seisaku Bukai Hokokusho [Report of the Intellectual Property Policy Committee of the Industrial Structure Council] (1992)) [hereinafter IPPC Report].

n57. Id.

n58. See id.

n59. Id.

n60. Port, supra note 54, at 247.

n61. Port, supra note 54, at 238-39 (citing Negurosu Denko KK v. Matsushita Denko KK, 1819 Hanrei Jiho 121 (Tokyo Koto Saibansho, May 31, 2002)).

n62. Id. at 239.

n63. Long, supra note 7, at 1069-70.

n64. Port, supra note 54, at 240-41 (citing Tokyo Kyuko Dentetsu KK v. Takachi Noboru, 1639 Hanrei Jiho 115 (Tokyo D. Ct., Mar. 13, 1998)).

n65. Id. at 240.

n66. Id.

n67. Port, supra note 54, at 246 (citing Advance Magazine Publishers, Inc. v. Puropasuto, 1890 Hanrei Jiho 127 (Tokyo D. Ct., July 2, 2004)).

n68. Id.

n69. Port, supra note 54, at 231.

n70. Id. at 229.

n71. See *supra* note 56-59 and accompanying text.

n72. Port, *supra* note 54, at 252.

n73. IPPC Report, *supra* note 56 (noting that courts "have come to question the notion of presuming confusion").

n74. Int'l Affairs Comm., Indus. Prop. Council, *Towards the International Harmonization of Industrial Property Rights Systems in the 21st Century* ch. 2, pt. II.3(2)(A) (1999), available at <http://www.jpo.go.jp/shiryoe/index.htm>.

n75. *Id.*

n87. First Council Directive 89/104, art. 4(3), 1989 O.J. (L 40) 1.

n88. *Id.* at art. 4(4).

n89. *Id.* at arts. 4(3), 4(4).

n90. *Id.* at art. 5(2).

n91. McCarthy, *supra* note 29, at 1163.

n92. See Soyoung Yook, *Trademark Dilution in European Union*, 11 *Int'l Legal Persp.* 223, 223 (2001).

n93. See *id.* at 242-43; John A. Tessensohn, *May You Live in Interesting Times - European Trademark Law in the Wake of Sabel BV v. Puma AG*, 6 *J. Intell. Prop. L.* 217, 231-32 (1999).

n94. Yook, *supra* note 92, at 227.

n95. See *infra* note 99 and accompanying text.

n96. Yook, *supra* note 92, at 259-60; see also Mathias Strasser, *The Rational Basis of Trademark Protection Revisited: Putting the Dilution Doctrine into Context*, 10 *Fordham Intell. Prop. Media & Ent. L. J.* 375, 405-06 (2000). On this basis, German courts found that the fame of the Rolls Royce mark was unfairly exploited when a Rolls-Royce automobile was featured in a poster advertising Jim Beam Whiskey, *Bundesgerichtshof [BGH] [1983] GRUR 247*, 15 *Int'l Rev. Indus.*

Prop. & Copyright. L. 240 (1984). In addition, they barred registration of the Dimple mark for cosmetics, because that mark was already well known for whiskey, Dimple [1985] GRUR 550, 1985 WRP 399 (BGH), 17 Int'l Rev. Indus. Prop. & Copyright. L. 271-75 (1986). See Elson Kaseke, Trademark Dilution: A Comparative Analysis 275-76 (March 2006) (unpublished Doctor of Laws dissertation, University of South Africa), available at <http://etd.unisa.ac.za/ETD-db/theses/available/etd-10112006-121411/unrestricted/thesis.pdf>. Germany amended its trademark statutes to conform to the EU Directive in the Trade Mark Reform Law of October 25, 1994, §§9(1)(3), 10(1) (refusal or cancellation of marks based on dilution), § 14(2)(3) (providing a cause of action for dilution, even for owners of unregistered marks). *Id.* at 299-300.

n97. See Yook, *supra* note 92, at 227 (emphasis added).

n98. Article L713-5, the wording of which is slightly different from the Directive, provides:

Any person who uses a mark enjoying repute for goods or services that are not similar to those designated in the registration shall be liable under civil law if such use is likely to cause a prejudice to the owner of the mark or if such use constitutes unjustified exploitation of the mark.

The foregoing paragraph shall apply to the use of a mark that is well known within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property referred to above.

Law No. 92-597 of July 1, 1992, art. L713-5, *Journal Officiel de la Republique Francaise* [J.O.] [Official Gazette of France], July 3, 1992 (emphasis added). Article L713-5 has been held to protect against unauthorized use of a mark even in the absence of confusion, where the defendant was perceived as borrowing the prestige of the senior user's mark. See Yook, *supra* note 92, at 257-58 (citing *Cour d'Appel* [CA] [regional court of appeal] Paris, Dec. 15 1993, 1994 E.C.C. 385).

n99. For example, in 1962 a French court held that the use of the PONTIAC trademark for refrigerators caused injury to the owner of the PONTIAC mark for automobiles by blurring the distinctive character and attractive power of the senior mark. Ruddy R.Y. Clauss, *The French Law of Disloyal Competition*, 17 *Eur. Intell. Prop. Rev.* 550, 553-54 (1995); Yook, *supra* note 92, at 258-59.

n111. See, e.g., Julie Arther Garcia, *Trademark Dilution: Eliminating Confusion*, 85 *Trademark Rep.* 489, 491 (1995); Walter J. Derenberg, *The Problem of Trademark Dilution and the Antidilution Statutes*, 44 *Cal. L. Rev.* 439, 448 (1956); Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 *Harv. L. Rev.* 813 (1927).

n112. *Eastman Photographic Materials Co. v. John Griffith's Cycle Corp.*, (1898) 15 R.P.C. 105, 110.

n113. *Id.*

n114. Id.

n115. See *infra* notes 116-119 and accompanying text.

n116. Section 10(3) of the Trade Marks Act of 1994 provides:

(3) A person infringes a registered trade mark if he uses in the course of trade a sign which -

(a) is identical with or similar to the trade mark, and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered,

where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

Trade Marks Act, 1994, c. 26, § 10(3).

n117. See *Baywatch Prod. Co. v. Home Video Channel*, [1997] F.S.R. 22, 30 (Ch.) (holding that § 10(3) requires a likelihood of confusion in cases involving similar marks on dissimilar goods, because it would be "illogical" to apply a more demanding standard to similar goods than to dissimilar goods); cf. *BT plc v. One in a Million* [1999] F.S.R. 1 (C.A.) (leaving the question open).

n118. *Sihra's Trade Mark Application*, [2003] R.P.C. 44 (holding that confusion as to origin is not required to oppose registration under § 10(3)); cf. *Audi-Med Trade Mark*, [1998] R.P.C. 863, 871-72 (TMR) (holding that likelihood of confusion is not required under § 5(3) to reject application for registration)); *Oasis Stores Ltd.'s Trade Mark Application*, [1998] R.P.C. 631 (TMR) (similar).

n119. See *Mars UK Ltd. v. Burgess*, [2004] EWHC (Ch) 1912, 2004 WL 1476759 (noting that § 10(3) is "a powerful protection for the trademark owner since it allows an infringement claim without proof of confusion," but rejecting plaintiff's § 10(3) claim because plaintiff failed to establish that its color mark, used in product packaging, had a reputation in the United Kingdom); *Daimler Chrysler AG v. Alavi (t/a Merc)*, [2001] R.P.C. 42 (Ch) (rejecting claim under § 10(3) because plaintiff failed to show a "connection" between the two marks); *Premier Brands UK Ltd. v. Typhoon Europe Ltd.*, [2000] F.S.R. 767 (Ch) (stating that likelihood of confusion was not required under § 10(3), but denying relief because plaintiff failed to demonstrate any detriment); *Daimler-chrysler AG v. Alavi*, [2001] R.P.C. 42 (Ch.) (expressing uncertainty as to the concept of "detriment" under § 10(3)); see also Stephanie Chong, *Protection of Famous Trademarks Against Use for Unrelated Goods and Services: A Comparative Analysis of the Law in the United States, the United*

Kingdom and Canada and Recommendations for Canadian Law Reform, 95 Trademark Rep. 642, 671-72 (2005); David S. Welkowitz, Trademark Dilution: Federal, State, and International Law 441-43 (2002 & Supp. 2006).

n120. E.g., Case R 308/2003-1, *Mango Sport Sys. S.R.L. Socio Unico Mangone Antonio Vincenzo v. Diknah S.L.*, [2005] E.T.M.R. 5; Case C-408/01, *Adidas-Salomon AG v. Fitnessworld Trading Ltd*, 2003 E.C.R. I-12537; Case C-251/95, *SABEL BV v. Puma AG*, 1997 E.C.R. I-6191.

n121. *Miss World Ltd. v. Channel 4 Television Corp.*, [2007] EWHC (Pat) 982, [2007] F.S.R. 30.

n122. The same outcome could have been reached based on likelihood of confusion, since both parties provided similar services - entertainment in the form of beauty pageants.

n123. *L'Oreal SA v. Bellure NV*, [2006] EWHC (Ch) 2355, [2007] E.T.M.R. 1, [2007] R.P.C. 328.

n124. *Id.*

n125. See, e.g., *R.G. Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1982) (holding that advertising for knock-off perfume may lawfully identify the brand name of the fragrance being imitated).

n126. *L'Oreal SA v. Bellure NV*, [2007] EWCA (Civ) 968, 2007 WL 2817991.

n127. *Id.* at P 27.

n128. *Id.* at P 38.

n129. *Id.* at P 83.

n130. *Id.* at P P 91-94. In particular, Justice Jacob expressed concern about the following statement in *Mango Sport Sys. S.R.L. Socio Unico Mangone Antonio Vincenzo v. Diknah S.L.*, which upheld the rejection of an application to register a Community Trademark:

As to unfair advantage, which is in issue here since that was the condition for the rejection of the mark applied for, that is taken when another undertaking exploits the distinctive character or repute of the earlier mark to the benefit of its own marketing efforts. In that situation that undertaking effectively uses the renowned mark as a vehicle for generating consumer interest in its own products. The advantage for the third party arises in the substantial saving on investment in promotion and publicity for its own goods, since it is able to "free ride" on that already undertaken by the earlier



reputed mark. It is unfair since the reward for the costs of promoting, maintaining and enhancing a particular trade mark should belong to the owner of the earlier trade mark in question ... .

Id. at P 88 (citing Case R 308/2003-1, *Mango Sport Sys. S.R.L. Socio Unico Mangone Antonio Vincenzo v. Diknah S.L.*, [2005] E.T.M.R. 5, [19]).

n131. The court referred the following five questions:

1. Where a trader, in an advertisement for his own goods or services uses a registered trade mark owned by a competitor for the purpose of comparing the characteristics (and in particular the smell) of goods marketed by him with the characteristics (and in particular the smell) of the goods marketed by the competitor under that mark in such a way that it does not cause confusion or otherwise jeopardise the essential function of the trade mark as an indication of origin, does his use fall within either (a) or (b) of Art. 5 of Directive 89/104 ?

2. Where a trader in the course of trade uses (particularly in a comparison list) a well-known registered trade mark for the purpose of indicating a characteristic (particularly a smell of a fragrance product) of his own product (particularly its smell) in such a way that:

a) it does not cause any likelihood of confusion of any sort; and

b) it does not affect the sale of the products under the well-known registered mark; and

c) it does not jeopardize the essential function of the registered trade mark as a guarantee of origin and does not harm the reputation of that mark whether by tarnishment of its image, or dilution or in any other way; and

d) it plays a significant role in the promotion of the defendant's product does that use fall within Art. 5(1)(a) of Directive 89/104 ?

3. In the context of Art. 3a(g) of the Misleading Advertising Directive (84/240) as amended by the Comparative Advertising Directive (97/55), what is the meaning of "take unfair advantage of" and in particular where a trader in a comparison list compares his product with a product under a well-known trade mark, does he thereby take unfair advantage of the reputation of the well-known mark?

4. In the context of Art. 3a(h) of the said Directive what is the meaning of "presenting goods or services as imitations or replicas" and in particular does this expression cover the case where, without in any way causing confusion or deception, a party merely truthfully says that his product has a major characteristic (smell) like that of a well-known product which is protected by a trade mark?

5. Where a trader uses a sign which is similar to a registered trade mark which has a reputation, and that sign is not confusingly similar to the trade mark, in such a way that:

(a) the essential function of the registered trade mark of providing a guarantee of origin is not impaired or put at risk;

(b) there is no tarnishing or blurring of the registered trade mark or its reputation or any risk of either of these;

(c) the trade mark owner's sales are not impaired; and

(d) the trade mark owner is not deprived of any of the reward for promotion, maintenance or enhancement of his trade mark.

(e) But the trader gets a commercial advantage from the use of his sign by reason of its similarity to the registered mark

does that use amount to the taking of "an unfair advantage" of the reputation of the registered mark within the meaning of Art. 5(2) of the Trade Mark Directive ?

L'Oreal SA v. Bellure NV, [2007] EWCA (Civ) 968, P 164, 2007 WL 2817991.

n132. Julias Samann, Ltd., v. Tetosyl, Ltd., [2006] EWHC (Ch) 529, [2006] E.T.M.R. 75.

n133. Id. at P 83.

n158. Welkowitz, supra note 119, at 444.

n159. Mirko Bibic & Vicky Eatrdes, Would Victoria's Secret Be Protected North of the Border - A Revealing Look at Trade-Mark Infringement and Depreciation of Goodwill in Canada, 93 Trademark Rep. 904, 904 (2003).

n160. Id. at 912 (quoting H.G. Fox, The Canadian Law of Trademarks and Unfair Competition 340-42 (1972)).

n161. Clairol Int'l Corp. v. Thomas Supply & Equip. Co., [1968] 2 Ex. C.R. 552.

n162. See the discussion in Welkowitz, supra note 119, at 444. See also David Welkowitz, Protection Against Trademark Dilution in the U.K. and Canada: Inexorable Trend or Will Tradition Triumph?, 24 Hast. Int'l & Comp. L. Rev. 63, 100-02 (2000).

n163. Interlogo, AG v. Irwin Toy Ltd., [1985] 3 C.P.R.3d 476, para. 20 (Fed Ct.).

n164. Id.

n165. See Welkowitz, *supra* note 119, at 444.

n166. Source Perrier (Societe Anonyme) v. Fira-Less Marketing Co., [1983] 2 F.C. 18, 70 C.P.R.2d 61.

n167. Horn Abbott Ltd. v. Thurston Hayes Devs. Ltd., [1997] 77 C.P.R.3d 10, 22 (Fed. Ct.).

n168. Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltee, [2006] 1 S.C.R. 824, 850.

n169. Clairol Int'l Corp. v. Thomas Supply & Equip. Co., [1968] 2 Ex. C.R. 552, 573.

n170. Welkowitz, *supra* note 119, at 445 n.69 (collecting cases).

n191. The U.S.-Australia FTA is available at the website of the United States Trade Representative, *supra* note 190.

n192. The Trade Marks Act, 2002, Act No. 49, § 89(1)(d), provides:

(1) A person infringes a registered trade mark if the person does not have the right to use the registered trade mark and uses in the course of trade a sign --... .

(d) identical with or similar to the registered trade mark in relation to any goods or services that are not similar to the goods or services in respect of which the trade mark is registered where the trade mark is well known in New Zealand and the use of the sign takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark

n193. See *Campomar Sociedad, Limitada v. Nike Int'l Ltd.*, (2000) 202 C.L.R. 45 P P 36-49 (discussing Trade Marks Act of 1955).

n194. Trade Marks Act, 1995, Act No. 119, § 120(3) (emphasis in original).

n195. A Westlaw search indicates that only nine cases have been reported.

n196. Frederick Mostert & Trevor Stevens, *The Protection of Well-Known Trade Marks on Non-Competing Goods*, 7 *Austl. Intell. Prop. J.* 76, 84 (1996); *Intell. Prop. Research Inst. of Austl.*,

University of Melbourne, Review of Enforcement of Trademarks: Submission to the Advisory Council on Intellectual Property in response to its Issues Paper on Review of Enforcement of Trade Marks 28-29 (2002) [hereinafter IPRIA].

n197. *Campomar Sociedad, Limitada v. Nike Int'l Ltd.* (2000) 202 C.L.R. 45, P 42. In discussing the importance of confusion or deception under other provisions of Australian trademark law, the Court observed in passing that:

In this decade, legislation in the United States, the United Kingdom, and now in Australia to varying degrees has extended the infringement action to restrain activities which are likely adversely to affect the interests of the owner of a "famous" or "well-known" trade mark by the "dilution" of its distinctive qualities or of its value to the owner.

Id. A footnote indicates that the Australian provision referenced here is  $\beta$  120(3). The IPRIA's subsequent claim, in its 2002 submission to the ACIP, that "the High Court must have intended in *Campomar v. Nike* that sub-section 120(3) does not require likely confusion," was based entirely on this excerpt. IPRIA, supra note 196, at 29.

n198. In applying  $\beta$  120(3) to a defendant's unauthorized use on coffee products of a well-known mark which the plaintiff had registered for pasta products, the Federal Court of Australia tacitly assumed that confusion as to association was required, pointing out that "it is well-known that food and beverage manufacturers make a variety of different products and that brands are extended over different products." *San Remo Macaroni Co. v. San Remo Gourmet Coffee Pty Ltd.* (2001) 50 I.P.R. 321, 331.

n199. Trade Marks Act, 1995, Act No. 119,  $\beta\beta$ 120(1), (2).

n200. Id.  $\beta$  120(1).

n201. Id.  $\beta$  120(2). Australia's common law also employs a liberal concept of passing off, applicable to false suggestions not only as to origin but as to "association, quality, or endorsement." *Campomar Sociedad, Limitada v. Nike Int'l Ltd.* (2000) 202 C.L.R. 45, 88-89.

n202. See, e.g., *Polaroid Corp. v. Sole N Pty Ltd.* (1981) 1 N.S.W.L.R. 491, 495 (SOLAROID not substantially identical to POLAROID); *SAP Austl. Pty Ltd. v. Sapient Austl. Pty Ltd.* (1999) 48 I.P.R. 593, 604 (SAPIENT not substantially identical to SAPIENT COLLEGE); *Coca-Cola v. All-Fect Distribs. Ltd.* (1999) 96 F.C.R. 107, 121 (candy in shape of Coca-Cola bottle was not substantially identical).

n203. The ACIP submitted a series of recommendations in its Review of Trade Mark Enforcement in April, 2004. Recommendation 7 advises:

(a) The Government should support research into the economic and legal benefits of, and costs associated with, extended protection of well-known marks.

(b) Australia should continue to actively participate in international discussions regarding well-known marks.

Advisory Council on Intell. Prop., Review of Trademark Enforcement 5 (2004), available at <http://www.acip.gov.au/library/reviewtmenforce.pdf>.

n204. *Id.* at 21.

n205. Protection of Well-Known Marks , *supra* note 33, at 6.

n206. IPRIA, *supra* note 196, at 33; see also J. Thomas McCarthy, Proving a Trademark Has Been Diluted: Theories or Facts?, 41 Hous. L. Rev. 713, 717-18 n.15 (2004) (discussing Australian law).