

Question Q214

National Group: The Netherlands

Title: Protection against the dilution of a trade mark

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Questions

I. Analysis of current law and case law

The Groups are invited to answer the following questions under their national laws:

1. Do the laws of your country provide for protection against dilution of a trademark? If so, which laws?

The following laws provide for protection against dilution of a trademark in the Benelux:

- Benelux Convention on Intellectual Property ("BCIP") (art. 2.20(1)(c))
- Community Trademark Regulation ("CTMR") (art. 9(1)(c))
- Community Trademark Directive 2008/95/EEC (which replaced 89/104/EEC) ("CTMD") (art. 5(2))

2. Is there a legal definition of dilution in your legislation or case law?

Art. 2.20(1)(c) BCIP and art. 9(1)(c) CTMR state that a trademark proprietor is permitted to prevent any third parties not having its consent from using in the course of trade any sign which is identical with or similar to the trademark in relation to goods or services which are not similar to those for which the trademark is registered, where the latter has a reputation in the Benelux resp. Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark. (in Davidoff, C-292/00, the ECJ clarified that this rule can also apply in case of similar or identical goods or services)

Thus, in the legislation dilution is defined as detriment to the distinctive character or the repute of the trademark.

Dilution has also been discussed in case law. In respect of Community trademarks, reference is made to the Intel decision (ECJ 27 November 2008, C-252/07 (Intel); see also below). In respect of Benelux trademarks, reference is made to the Claeryn/Klarein decision (Benelux Court of Justice, 1 March 1975, NJ 1975, 472).

- 3.1. Which trademarks are afforded protection against dilution? What are the eligibility criteria? (Please only briefly list the eligibility criteria here; more detailed explanations will be required below).

Only trademarks with a reputation in the Benelux resp. Community are afforded protection against dilution.

- 3.2. To be eligible for protection against dilution, does a mark need to be distinctive? If so, does the protection depend upon the mark being inherently distinctive or are marks that have acquired distinctiveness through use also protected?

Yes, a trademark needs to be distinctive to be eligible for protection against dilution. Both trademarks being inherently distinctive and trademarks that have acquired distinctive character through use may be protected against dilution.

- 3.3.1 To be eligible for protection against dilution, does a mark need to have a reputation or be well-known or famous? If so, when does a mark have a reputation, when is it well-known or when is it famous? Are the factors mentioned in paragraph 15 and 22 above relevant for determining whether a mark has a reputation, is well known or famous? For what point in time does this have to be assessed?

Yes, a trademark needs to have a reputation to be eligible for protection against dilution.

Most of the factors mentioned in paragraph 15 and 22 of the Working Guidelines are indeed relevant for determining whether a trademark has a reputation.

The eligibility criteria, also listed above, are essentially as follows:

- *such a degree of knowledge that the trademark is known by a significant part of the relevant public, in which respect all relevant facts of the case must be taken into account, in particular:*
- *the market share held by the trademark;*
- *the intensity, geographical extent and duration of the use of the trademark,*
- *the size of the investment made by the undertaking in promoting the trademark.*

(ECJ 14 September 1999, C-375/97 (General Motors/Yplon, also referred to as "Chevy"), para. 23-27)

These factors have been confirmed in Dutch case law (see e.g. Preliminary Relief Judge of the District Court of The Hague, 30 January 2004, IER 2004/48 (Dance Valley)).

In the Chevy case it was furthermore held by the ECJ that a trademark has a reputation in the Benelux if it can claim it in a "substantial part of the Benelux territory", which may consist of a part of one of the Benelux countries (the Benelux countries being Belgium, the Netherlands and Luxembourg).

In the Pago case, the ECJ ruled that (i) a Community trademark has a reputation if it is known by a significant part of the public concerned by the products or services covered by that trademark in a substantial part of the territory of the European Community, and (ii) in view of the facts of the case at hand, the territory of the member state in question may be considered to constitute a substantial part of the territory of the Community. Thus, repute within one member state may or may not be sufficient, depending on the facts of the case (ECJ 6 October 2009, C-301/07 (Pago)). The Pago criteria were recently applied by the Dutch Court of Appeal of the Hague, which noted that the Benelux (or at least the Netherlands and Belgium) can be considered a substantial part of the territory of the Community and concluded that the IKEA trademark concerned must be considered a reputed mark in the Community; see CoA The Hague, 26 January 2010, case no. 105.005.534/01.

Whether a trademark has a reputation must be assessed in respect of the moment/time period to which the claims relate. In this respect, we note the reputation of a trademark and hence the eligibility for protection against dilution may fluctuate in time.

- 3.3.2 For a mark to have a reputation or to be considered well known or famous, must it meet a certain knowledge or recognition threshold? If so, what is that threshold? What percentage of population awareness is required? How widespread must the awareness be across the country? If a mark is well known or famous in one country, what effect, if any, does this have with regard to other countries?

As set out above, a trademark has a reputation if it is known by a significant part of the public concerned by the products or services covered by that trademark in a substantial part of the territory. However, European and Dutch case law do not formulate a specific knowledge or recognition threshold, at least not a hard percentage of population awareness.

In the Pago case (C-301/07), the ECJ ruled that the condition of "a reputation in the Community" was satisfied by a reputation in a single Member State, namely Austria. Thus, depending on the facts of the case, the territory of a single Member State may be considered to constitute a substantial part of the territory of the Community. (see also above, sub 3.3.1)

Reputation outside the relevant territory, i.e. outside the Benelux (in respect of Benelux trademarks) resp. outside the Community (in respect of Community

trademarks) is in principle not relevant when establishing whether a trademark is reputed. However, sometimes such reputation "crosses the border", e.g. in case of advertisements in magazines from outside the territory which are widely read in the relevant territory, which may cause the trademark in question to obtain a reputation within the relevant territory.

- 3.3.3 What is the relevant population in determining the knowledge, recognition or fame of the mark, the general public at large or the relevant sector of public? Is recognition or fame in a limited product market ("niche market") sufficient?

The relevant population is the public concerned by the products or services covered by the trademark, in other words, the relevant sector or target group of the products or services (Chevy, C-375/97, para. 26).

In case a trademark concerns a specific niche market, reputation within that specific niche market could be sufficient. However, we note that in determining the public concerned not only customers or potential customers should be taken into account, but also other members of the public that come into contact with the trademark. For example, in a case in which one law firm claimed another law firm had infringed its trademark rights to a particular sign, it was held that reputation among lawyers and in-house legal counsels of large companies only was not sufficient to establish reputation of the trademark (Dutch Supreme Court, 28 January 2005, NJ 2005/432 (Nauta Dutilh / Lensen)).

- 3.4. To be eligible for protection against dilution, is it required that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in the country where protection is being sought?

To be eligible for protection against dilution, the trademark in question must have a reputation in the relevant territory (the Benelux in case of a Benelux trademark and the Community in case of a Community trademark). Furthermore, the trademark must be registered; a mere application which has not yet proceeded to registration is not sufficient (art. 2.19(1) BCIP resp. art. 6 CTMR). In view of the provision of art. 16 (3) TRIPs Agreement (which has direct effect in the Benelux), this is even the case if the trademark involved is a well-known trademark within the meaning of art. 6bis of the Paris Convention.

It is not required that the trademark has been used in this territory. However, if the trademark has not been used for five years, it is vulnerable to cancellation due to non-use. It is possible that a trademark has not been genuinely used in the Benelux resp. Community, but has still acquired a reputation with the relevant public in the Benelux. This is the case, for example, where a trademark is widely used in other countries and the trademark has a reputation on that basis also in the Benelux, for instance because the trademark often appears in popular television programs.

- 3.5. Are there any other criteria a mark must comply with to be eligible for protection against dilution?

No; if the trademark is validly registered and it can be proven that it has a reputation in the relevant sector, that is sufficient to be eligible for protection against dilution. Of course, it must then still be established whether in the given circumstances there is in fact trademark dilution (or a serious likelihood thereof, see I.7).

- 3.6. Is eligibility for protection against dilution a matter of law or an issue of fact? Who bears the burden of proof regarding the eligibility criteria? How does one prove that a mark meets the eligibility criteria? Are sales and advertising figures sufficient or is survey evidence required? Which evidential standard must this proof satisfy?

Eligibility for protection against dilution, i.e. the question whether the trademark has a reputation, is an issue of fact. Judges (not juries) decide, based on the facts put forward, whether the conditions set forth in the law to come to the conclusion that the trademark has a reputation have been fulfilled and whether the trademark should therefore be protected against dilution.

The party relying on the reputation of the trademark bears the burden to prove such reputation.

To be eligible for protection against dilution, proof should be submitted that the trademark is known by a significant part of the public concerned by the products or services which it covers (see for further details above sub 3.3.1). The courts must take into consideration all relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of the use of the trademark and the size of the investment made by the undertaking in promoting the trademark.

Market surveys are taken into account by courts and often used to substantiate that a trademark has a reputation. However, survey evidence is not required. Furthermore, as set out above, there is no fixed minimum percentage of the public by which a trademark must be known to be eligible for protection; all relevant facts of the case must be taken into account (Chevy, C-375/97, para. 25-27).

- 3.7. Is there any registry of eligible marks in your country? If so, what is the evidentiary value of registration? Can it be challenged in litigation?

No, there is no registry of eligible marks in the Benelux resp. Community. The eligibility for protection against dilution will be decided by courts on a case by case basis.

4. Does your law require the existence of a 'mental association' or 'link' between the earlier trademark and the later trademark? If so, in which circumstances does a 'mental association' or 'link' between the earlier trademark and the later trademark exist? Are the factors mentioned in paragraph 27 and 28 above relevant for assessing the existence of such a 'mental association' or 'link'? Are there other factors to take into account? Is the assessment of a link a question of fact (so

something that can be established by market surveys), or is it a question of law to be established by the courts or authorities on the basis of such factors?

The law requires that the earlier mark and the later sign be sufficiently similar to have the effect that the relevant section of the public establishes a link between the sign and the mark. The establishment of the existence of a likelihood of confusion is not required (but if it does exist, a link is established). A link is established if the earlier mark is brought to mind with the relevant public when confronted with the later mark. The existence of a link must be appreciated globally, taking into account all factors relevant to the circumstances of the case. (ECJ 23 October 2003, C-408/01 (Adidas v Fitnessworld), para. 29-31; Intel, C-252/07, i.a. para. 30, 42-44, 60). The relevant factors to be taken into account include (but are not limited to) those set out in the ECJ's judgment in the Intel decision (C-252/07) as mentioned in paragraph 27 of the Working Guidelines.

Whether a link exists will be decided by the court on the basis of the facts brought forward by the parties and taking into account all relevant factors. Actual evidence of the existence of a link, for instance in the form of a market survey, although often submitted to the courts, is not strictly necessary. In the absence of a market survey that proves the relevant public actually establishes a link, the court may still conclude that there is a link, based on the assessment of the relevant factors referred to above. It should be noted, however, that Dutch courts tend to be somewhat sceptical with respect to the acceptance of market surveys as evidence, since such surveys can be strongly influenced by the line of questioning used, the composition of the public that has been surveyed et cetera.

5. Does such 'mental association' or 'link' between the earlier trademark and the later trademark automatically result in detriment to the earlier trademark's repute or distinctive character? Or does detriment have to be proved over and above the existence of a 'mental association' or 'link'?

The existence of a link between the conflicting marks does not dispense the proprietor of the earlier trademark from having to prove detriment to the trademark's reputation or distinctive character or a serious likelihood that such detriment will occur in the future.

6. Are the same factors taken into consideration to assess the existence of detriment as those already discussed for the link? Are there additional ones?

In para. 68 of the Intel decision (C-252/07), the ECJ has set out that the existence of detriment or a serious likelihood thereof must be assessed globally, taking it into account all factors relevant to the circumstances of the case, which include the factors mentioned in that same decision as being relevant for the assessment whether there is a link.

However, the existence of a link in itself is not sufficient (Intel, C-252/07, para. 32). How the existence of detriment must be assessed was discussed in the Intel decision (see below in the response to question I.7).

7. Must actual dilution be proved or is a showing of likelihood of dilution sufficient? Whose burden of proof is it? How does one prove dilution or likelihood of dilution? Does detriment require evidence of a change in the economic behaviour of the average consumer or that such change in behaviour is likely? If so, what is a change in the economic behaviour of the average consumer? Is reduced willingness to buy goods sold under the earlier mark a change in the economic behaviour? How do you prove a change in the economic behaviour of the average consumer or likelihood of such change in behaviour?

In the Intel decision, the ECJ decided that proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires: (i) "evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark", or (ii) "a serious likelihood that such a change will occur in the future" (Intel, C-252/07, para. 81). The existence of detriment, or a serious likelihood that such detriment will occur in the future, must be assessed globally, taking into account all factors relevant to the circumstances of the case (Intel, C-252/07, para. 68).

The party alleging the dilution, i.e. the trademark owner, bears the burden of proof.

How the Intel decision must be interpreted and what will be sufficient evidence is presently not entirely clear. For this, the case law of the national courts will have to provide the (first) guidance. As far as the Netherlands are concerned, there have meanwhile been three Dutch cases, from which the following can be deduced.

Less than a month after the Intel decision, a Dutch court rendered a judgment in the G-Star/PepsiCo case, applying the Intel rule and taking a strict view (President, District Court The Hague, 15 December 2008, case/docket no. 321649/KG ZA 08-1322 (G-Star/PepsiCo)).

G-Star alleged that PepsiCo infringed its trademark rights. The court emphasized that the requirements for successfully invoking the "paragraph c" ground were strict, that G-Star's RAW marks were not unique marks within the meaning of the Intel decision and that the goods concerned were clearly dissimilar. The court then stated that even if a link was made, this was insufficient in the absence of proof of unfair advantage and dilution, in which respect the ECJ had set a high standard. It noted that (i) for the taking of unfair advantage, G-Star had to prove a serious danger that this would occur in the future and (ii) for the causing of detriment to the marks' distinctive character, and in view of the Intel decision, G-Star had to prove that the economic behaviour of the average consumer of G-Star clothing and related products/services had changed as a result of the use of PEPSI RAW, or that there was a large chance that this would occur in the future. The evidence adduced by G-Star in this respect was deemed insufficient by the court: "(...) In fact, the only thing adduced in this respect is the alleged concern of some G-Star retailers and similar concerns allegedly voiced by customers of theirs. It is conspicuous that this mainly seems to be the case in Scandinavia, where Pepsi RAW is not

on the market, and hardly in any other country where Pepsi RAW has been introduced. Thus, PepsiCo rightly places question marks against this alleged 'noise' in the market. (...)" (para. 4.12).

In the second case, the Huis & Hypotheek/DSB case, the court merely stated that the Intel decision set a high standard in respect of the proof to be adduced and that insufficient proof had been adduced in the case at hand (District Court Leeuwarden, 29 April 2009, case/docket no. 87328/HA ZA 08-96 (Huis & Hypotheek/DSB), paras. 4.36-4.37).

In the third decision, concerning an interim decision in the proceedings on the merits in the G-Star/PepsiCo case, the court emphasized that actual infringement need not be proven, but that a serious risk of infringement suffices. In this respect, the court clarified that "serious" can also be read as "non-hypothetical":

"The Intel decision makes it clear in paragraph 38 that the trade mark owner need not necessarily prove actual infringement, but that it suffices if he proves elements on the basis of which it can be concluded that there is a serious risk (in the decision of 12 December 2008, case C-197/07 re TDK, in paragraph 22, the ECJ refers to a 'risk, which is not hypothetical') that an infringement will occur in the future. Furthermore, the explanation given by the ECJ in respect of the various forms of infringement (the most recent being in (...) L'Oréal) must be taken into account." (District Court The Hague, 25 November 2009, case/docket no. 329755/HA ZA 09-414 (G-Star/PepsiCo), para 4.32).

The Dutch Group concludes that while in the first G-Star/PepsiCo decision, as well as in the Huis & Hypotheek/DSB decision, the courts still emphasized the high bar set by the ECJ, the words used by the court in the second G-Star/PepsiCo decision – specifically, with reference to the TDK decision (ECJ 12 December 2008, case C-197/07, para. 22), that a non-hypothetical risk must be proven (NB see also ECJ 25 May 2005, T-67/04 (Spa), para. 40)– seem to indicate a more lenient position. Also the decision of the ECJ in the L'Oréal/Bellure case, C-487/07, (which does not relate to detriment but to another "sub c" ground, the taking of unfair advantage) can be used to argue that the Intel decision should not be interpreted too strictly. However, further clarification will have to be obtained from future case law.

8. What is the extent of protection afforded to marks which are eligible for dilution protection? May the owner of the earlier trademark object
- to the registration of a later trademark?
 - to the actual use of a later trademark?
 - in respect of dissimilar goods only or also in respect of similar goods?

Provided the criteria for dilution are met, the owner of the earlier trademark may object to each of the situations indicated.

9. What are the legal remedies? May the owner of the earlier trademark file an opposition and/or a cancellation action? May he ask for injunctive relief or preliminary

injunctive relief? Does your trademark office refuse the registration of a later trademark on grounds of likelihood of dilution?

The legal remedies in respect of infringement by way of dilution of a Benelux trademark are: (i) proceedings on the merits, (ii) preliminary relief proceedings (inter partes) and (iii) ex parte preliminary relief proceedings, in each of which injunctive relief may be requested. There is no possibility to file an opposition on this ground, nor is it tested ex officio. Cancellation actions cannot be filed with the Benelux Office for Intellectual Property (is it necessary to start court proceedings therefor).

The legal remedies in respect of infringement by way of dilution of a Community trademark are: (i) proceedings on the merits, (ii) preliminary relief proceedings (inter partes), (iii) ex parte preliminary relief proceedings, (iv) opposition with the OHIM, (v) cancellation action with the OHIM. Injunctive relief may be requested in (i) through (iii). Dilution is not checked for ex officio.

II. Proposals for adoption of uniform rules

The Groups are invited to put forward proposals for adoption of uniform rules with a view to protecting trademarks against dilution. More specifically, the Groups are invited to answer the following questions:

1. Which trademarks should be eligible for protection against dilution? What should the eligibility criteria be? Should recognition or fame in a limited product market (“niche market”) be sufficient?

Only trademarks with a reputation should be eligible for protection against dilution.

The Dutch group agrees with the eligibility criteria as presently applied under Benelux and Community law.

Recognition or fame in a limited product market (“niche market”) should be sufficient. In infringement proceedings in which the well-known trademark is invoked, the court will assess whether the trademark must actually be considered well-known in the specific market concerned and whether there is detriment or likelihood thereof. In this respect the Dutch Group notes that the requirement of showing detriment or likelihood thereof should satisfy possible concerns of a too broad protection of trademarks with a reputation in a niche market only.

2. Should it be a criteria [criterion] for being eligible for dilution protection that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in the country?

Registration of the trademark in the country concerned should be required in order to safeguard legal certainty; third parties should be able to check via e.g. a clearance whether there are (potentially) conflicting trademarks.

Use of the trademark in the country concerned should not be a requirement (at least not in this context). Establishing that a trademark has a reputation in the country concerned should suffice; this need not necessarily be the result of use in that country.

3. Should there be a registry of eligible marks? If so, what should the evidentiary value of registration be? Should it be possible to challenge it in litigation?

The Dutch Group is of the opinion that there should not be such a registry.

Usually, the courts are sufficiently able to determine whether or not a trademark should be considered a trademark with a reputation on the basis of the submissions and arguments of the parties. Our main objections against a registry for reputed marks are as follows:

- *the introduction of a registry would probably not bring more than creating just another forum for litigation on a particular issue, namely whether or not the trademark can be considered having a reputation: good for lawyers, but not necessarily for trademark owners;*
- *introducing a registry will not solve all issues regarding the qualification trademarks, because the reputation of a trademark is a dynamic feature: as a result, it is e.g. possible that a trademark acquires a reputation without such having been processed yet in the register, or that a trademark has lost its reputation but is still registered as being a reputed mark;*
- *a registry would create a significant administrative burden.*

Thus a registry would create further disputes and an administrative burden, without providing the legal certainty it would purport to give.

If nevertheless such a registry would be instated, we think that the evidentiary value should be limited to the fact that the trademark registered in that particular register is considered reputed in legal proceedings that may be brought against third parties. Given our reservations against the registry, we certainly think that it should be possible to challenge registrations in litigation.

4. Should the existence of a 'mental association' or 'link' between the earlier trademark and the later trademark be an independent requirement for a trademark dilution claim?

It must be a requirement for a trademark dilution claim, as without a link caused by trademark similarity (as further specified above, see I.4), there cannot be any resulting harm. However, it need not necessarily be formulated as a separate requirement, but may also be discussed within a broader framework.

If a defendant in a trademark infringement law suit contests the dilution claim, he will likely argue that the sign that allegedly infringes the well-known trademark does not have the effect of changing the economic behaviour of the public. Such a defence will

most probably include the argument that the later sign does not give rise to a mental association or 'link' in the minds of the relevant consumers. If this is an issue that is relevant to the dispute it will thus be discussed anyhow. In other words: the existence of the mental association is an implicit requirement, which can always be addressed in connection with the issue of causation (the causal link). In a great number of decided cases we see such discussions between the parties taking place. Therefore it seems not absolutely necessary to make the existence of mental association or link an independent requirement for a trademark dilution claim.

5. Should detriment to the distinctive character or reputation of the earlier mark require evidence of a change in the economic behaviour of the average consumer or that such change in behaviour is likely?

In answering this question, a distinction should be made between detriment to the distinctive character (blurring) and detriment to the reputation of a mark (tarnishment).

In the Intel decision (C-252/07), the ECJ has only given further guidance on the proof to be adduced in respect of detriment to the distinctive character. As set out above (see the answer to I.7), this requires (i) "evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark", or (ii) "a serious likelihood that such a change will occur in the future".

It is presently not clear whether this test also applies to the assessment of detriment to the reputation of a well known mark.

If the "Intel test" is applied rigidly, it is made very difficult, if not almost impossible, for trademark owners to successfully invoke detriment to the distinctive character (and/or possibly reputation). After all, how is an actual (or serious risk of) change in economic behaviour, especially as a consequence of the use of the later mark, to be proved, except in cases of severe damage to the trademark? The Dutch group notes that this would in effect limit dilution to such severe cases and also mostly to disputes in respect of similar goods/services (as in respect of dissimilar goods - for which art. 5(2) CTMD was originally written! - it is even more difficult to prove that consumers purchase less or will likely purchase less). Should the Intel test also be applied to detriment to the reputation-cases, the Dutch Group considers that the requirements given by the ECJ in the Intel-decision may in certain cases be somewhat less difficult to meet (compare e.g. a Dutch case in which a reputed mark for peppermints was used by a third party for condoms; a court could in such case be more easily inclined to accept a serious likelihood of a future change in the economic behaviour of peppermints consumers; see District Court Leeuwarden, 16 March 1996, BIE 1997/51 (KING)).

In Dutch legal literature, an alternative interpretation advocated by Quaedvlieg and Gielen is that a careful reading of the Intel decision indicates that the old test still applies and that, as before, all the relevant circumstances of the case must be taken into account. For infringement, these should amount to proof that a non-hypothetical

change in consumers' economic behaviour occurs or is likely to occur. According to Quaedvlieg and Gielen, this requires not economic proof as such, but legal proof.

The Dutch Group is of the opinion that the requirement as formulated in the Intel decision is too strict or, at best (if Quaedvlieg and Gielen are followed in their interpretation), unclear. Evidence of a change in the economic behaviour of the average consumer or that such change in behaviour is likely should not be a separate requirement for the establishment of detriment to the distinctive character or reputation of the earlier mark.

Moreover, if it would be upheld as a separate requirement, the Dutch group notes that it is still very unclear how such evidence can be given and what evidence will be accepted in this respect; therefore, clarification thereon is vital.

6. What should the remedies be for dilution of a mark?

The remedies should consist of an injunction, payment of damages and other ancillary claims. Also, the actual costs of the proceedings (i.e. attorney's fees, costs of market surveys, costs of experts etc.) should be reimbursed to the prevailing party. This is in line with the present situation in the Netherlands.

A point for discussion is what territory an injunction should cover. Should this be the entire territory for which the trademark is valid, or only part thereof? More in particular, should a trademark with a reputation in only part of the territory concerned be allowed to be used to obtain an injunction in respect of that territory only?

In respect of Benelux trademarks, it is generally accepted that the injunction should apply to the entire Benelux. In respect of Community trademarks, the following is noted.

On the one hand, it would serve the uniformity of the system of Community trademarks if in such case a Community-wide (cross border) injunction would be given. On the other hand, such may not in all cases be fair. For example: why should a trademark owner be entitled to an injunction on the basis of dilution for member states where the trademark concerned does not have a reputation? The principle of uniformity, or the "unitary character" does not always take precedence in Community trademark legislation; in fact, the CTMR expressly provides for a limitation of an injunction to a certain territory in certain cases, see e.g. art. 98(2) CTMR. Thus, there are arguments pro and contra, which do not immediately point to an answer but require careful consideration.

The Dutch Group is of the opinion that it should be clarified whether or not an injunction based on detriment may only concern the territory where the invoked trademark has a reputation, or whether it should concern the entire territory where the trademark is valid. This should be discussed on a European level.

National Groups are invited to comment on any additional issue concerning the protection of a mark against dilution.

n/a

Summary

Benelux and European law provide for protection against dilution of a trademark. The main rule, as set out in legislation, has been clarified in case law, of which the European Chevy, Pago (both on the criteria for repute), adidas/Fitnessworld (on the required link) and Intel (on the criteria for detriment) are the most important decisions. The Dutch Group believes that presently the main two areas requiring further clarification are (i) whether a reputed trademark should only be able to obtain protection against detriment in respect of the territory where it is reputed or in respect of the entire territory where it is valid and (ii) what the requirements for detriment are and how it can be proven, particularly in respect of the Intel decision which if read rigidly sets a high bar.