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LAW DEGREE



**“DILUTION: THE POTENTIAL FOR UNINTENTIONALLY BROAD PROTECTION
FOR FAMOUS MARKS”**

**THESIS THAT AS AN OPTION AS A
LAW DEGREE**

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To my parents, Veronica and Gerardo. The best things are closely related to our love for family, so it is still a measure of our stability, because it measures our loyalty. There is no doubt that the greatest and most important virtues of mankind are created, strengthened and maintained in and around the family.

To my professors... I have found guidance, discipline and friendship in each of you. Thank you for the lesson of a lifetime.

“The mediocre teacher tells. The good teacher explains. The superior teacher demonstrates. The great teacher inspires.”

- William Arthur Ward

ABSTRACT

On June 2, 2006, Congress passed the 2006 Trademark Dilution Act Amendment (TDRA), hoping to provide more protection for famous trademarks, also known as well-known marks. Some commentators insist that TDRA will cause more confusion in the federal courts, which will not be resolved. Others claim that the law will undoubtedly provide more protection for famous trademarks. The comment advocated the interpretation of federal trademark dilution protection (including TDRA) in accordance with foreign and international laws. As brand names are recognized globally, people around the world will associate brands with specific products and attributes. Therefore, it is important to consider the obligations of the United States, Mexico and the European Union under international agreements and their possible impact. Most notably, courts around the world have found it difficult to distinguish trademark infringement from trademark dilution. Ultimately, I argue that legislatures and courts have not been able to give a clear standard of when and how dilution protection should be applied or if it should be applied at all. Likewise, I discuss the importance of broadly understanding the trademark dilution protection figure so that in this way, domestic and foreign courts can provide more uniform protection for trademark dilution.

Key words: famous trademarks; dilution; well-known marks; protection; international laws.

RESUMEN

El 2 de junio de 2006, el Congreso aprobó la Enmienda de la Ley de Dilución de Marcas Registradas (TDRA) de 2006, con la esperanza de brindar más protección a las marcas comerciales famosas, también conocidas como marcas notoriamente reconocidas. Algunos comentaristas insisten en que TDRA causará más confusión en los tribunales federales, que no se resolverá. Otros afirman que la ley, sin duda, brindará más protección a las marcas comerciales famosas. El comentario defendía la interpretación de la protección federal contra la dilución de marcas registradas (incluida la TDRA) de acuerdo con las leyes extranjeras e internacionales. Dado que las marcas se reconocen a nivel mundial, las personas de todo el mundo asociarán las marcas con productos y atributos específicos. Por ello, es importante considerar las obligaciones de Estados Unidos, México y la Unión Europea bajo acuerdos internacionales y su posible impacto. En particular, los tribunales de todo el mundo han tenido dificultades para distinguir la infracción de marca de la dilución de una marca. En última instancia, sostengo que las legislaturas y los tribunales no han podido dar un estándar claro de cuándo y cómo se debe aplicar la protección contra la dilución o si se debe aplicar en absoluto. Asimismo, discuto la importancia de comprender ampliamente la figura de protección por dilución de marca para que de esta manera, los tribunales nacionales y extranjeros puedan brindar una protección más uniforme para la dilución de marca.

Palabras clave: marcas famosas; dilución; notoriamente conocidas; protección; leyes internacionales;

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INTRODUCTION

In the present work we will carry out an analysis of the potential for unintentionally broad protection for famous marks. Likewise, we will address the questions of where the boundaries may ultimately be formed.

Regarding famous brands in trademark law, I think one of the trickiest issues is the determination of “fame” across international borders. To carry out this work, we must consider Mexican regulation, American regulation, and as well as European Union regulation in order to have a complete, concise, and concrete idea of what we are trying to solve.

The legal problem that we will try to solve presents a situation that, provided by the legislation, has not been sufficiently addressed or that presents confusing, contradictory, or obscure aspects.

Trademark law rests heavily on consumer perceptions. This is where evidence comes up to show likelihood of confusion, and the protection of whether a mark is violating your trademark rights can be affected by the fame of both marks. This is where the limitations should be drawn, this why this topic is of extremely importance.

What we intend by writing about this topic is to give an answer of the boundaries that should be formed in order to have a protection that instead of “broad” it is just what it should be necessary.

The index is divided in seven parts: introduction to trademark law, introduction to dilution, general aspects of dilution according to Mexican legislation, general aspects of dilutions according to American legislation, general aspects of dilution according to the European Union regulation, a comparison between the three different regulations, and the problems and solutions found and proposed.

The first part is going to give the general idea of what needs to be understand by trademark law and this will be analyzed through Mexican, American, and European Union legislation too. In order to come up with a unified idea of what we are going to be developing in the next chapters.

The second part is going to give an insight of what it is going to be developed in the next chapters. In this chapter, the historical perspective of the dilution theory is going to be introduced. Furthermore, the figure of dilution is going to be defined and the general problem is going to be stated. As well, the relationship between dilution and fame, and between dilution and the likelihood of confusion is going to be addressed.

The third, fourth, and fifth part are going to give the insight about dilution in the different regulations. In this case, Mexico, United States, and European Union. The three are going to give a legal framework of what the issue in this thesis is. The unintentionally broad protection of trademarks that are considered famous. The hypothesis that is going to be proven right or wrong states that the dilution protection is not appropriate since it protects solely a famous mark excusing itself with the fame, but it fails to apply all the rules to fall into a violation of a trademark.

The sixth part is going to show the comparative, of the legal figure of dilution, between what was found in part two, three, and four. A comparative between the legal framework of Mexico, United States, and the European Union. As well, it will be compared the different approaches that each legislation gives to the legal figure of fame inside Intellectual Property Law. Having also in mind the differences of what trademark law is in each regulation.

The last chapter is going to discuss the problems found in the legal framework of Mexico, United States, and the European Union, regarding with trademark dilution and the notion of fame inside each regulation. As well, it is going to be propose, in this section, the solution that might help one or all legal frameworks.

Chapter I

INTRODUCTION TO TRADEMARK LAW

Intellectual Property Law is issued for the fine purpose of encouraging the creation of a wide variety of intellectual goods. In order to achieve this, the law gives people property rights to the information and intellectual goods they create. There are several ways of protecting one's rights, that is a patent, trademark, copyright, among others. However, the purpose of this analysis is to identify whether or not is right the way the figure of dilution is being applied, and that is solely trademark segmented. The key function of trademarks is to distinguish products and services from other commercial products. In fact, only trademarks with this function are protected by law. Trademark is a type of intellectual property consisting of a sign, design or expression that is registered by the trademark owner in order to protect it.

A. TRADEMARK LAW UNDER UNITED STATES REGULATION

United States trademark law is based on a dual system of registered and unregistered rights. Unlike other nations, if you use an unregistered mark in commerce the act of using the mark in commerce as a source identifier adds rights in the mark. The main difference between registered and unregistered is that unregistered is location specific. If it is registered, you can use that mark no matter where you do business.

According to the Restatement (Third) of Unfair Competition (1995), a trademark is

“a word, name, symbol, device or other designation, or a combination thereof that is distinctive of a person's goods or services and that it is used in a manner that identifies those goods or services and distinguishes them from the goods or services of others.”

According to the Lanham Act, § 45, a trademark is

“a word, name, symbol, device or any combination thereof used by a person, or which a person has a bona fide intent to use in commerce and applies to register on Principal Register to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”

Under the rules previously mentioned, the Lanham Act includes all that it is mentioned by the Restatement (Third) of Unfair Competition. However, the Lanham act mentions two basic requirements that must be met for a mark to eligible for trademark protection, while the Restatement (Third) of Unfair Competition does not.

The two requirements that the Lanham Act in its section 45 mentions is that it must be use in commerce, and it must be distinctive.

The first requirement, that a mark must be use in commerce, arises because trademark law is constitutionally based in the congressional power to regulate interstate commerce. So, under this premise, if a mark is not in use in commerce at the time the application for registration is filed, registration will be denied. However, under 15 U.S.C. §1051, the registration may still be permitted if the applicant establishes, in writing, a good faith intent to use the mark in commerce at a future date. Both at common law and under traditional Lanham Act registration procedures, exclusive rights to a trademark are awarded to the first to use it in commerce.

The second requirement, that a mark must be distinctive, addresses a trademark's capacity for identifying and distinguishing particular goods. Under *Abercrombie & Fitch Co. v. Hunting World, Inc.* the spectrum of distinctiveness is divided into four categories: generic, descriptive, suggestive, arbitrary/fanciful.

1. The spectrum of distinctiveness

Generic terms are never eligible for trademark protection because they refer to a general class of products rather than indicating a unique source. A mark may be generic *ab*

initio, meaning that it is considered inherently from the start, and refused registration, or it may become generic over time through use, starts as a trademark and becomes generic.

In the Trademark Manual of Examining Procedure (TMEP) §1209.01(c)(i) there is a two-part test used to determine whether a designation is generic: (1) what is the class of goods or services at issue? And (2) does the relevant public understand primarily to refer to that class of goods or services?

The test turns upon the primary significance that the term would have to the relevant public. The mark needs to be analyzed as a whole and determine if it is anything more than a generic word/phrase for the relevant goods/services.

Whenever a word or phrase conveys an immediate idea of the qualities, characteristic, effect, purpose or ingredients of a product or service, it is classified as descriptive.

A trademark that is categorized as descriptive is only protectable as a trademark if it has acquired a secondary meaning or acquired distinctiveness in the minds of the consuming public. Secondary meaning is also necessary to establish trademark protection for a personal name or a geographic term.

In *Zatarin's, Inc. v. Oak Grove Smokehouse, Inc.*¹ the district court established that proof of secondary meaning is an issue only with respect to descriptive marks, and the burden of proof rests at all times with the plaintiff to establish such a meaning.

Secondary meaning can be proved through direct evidence or circumstantial evidence. The direct evidence is proven through surveys and the circumstantial evidence is proven through advertising, volume of sales, length plus manner of use of trademark.

If a mark is categorized as suggestive, it is considered to be inherently distinctive and exclusive rights to the mark are determined solely by priority of use. A suggestive mark tends to indicate the nature, quality, or a characteristic of the products or services in relation to

¹ *Zatarin's, Inc. v. Oak Grove Smokehouse, Inc.* 698 F.2d 786 (5th Cir. 1983).

which it is used, but does not describe this characteristic, and requires imagination on the part of the consumer to identify the characteristic.

If a mark is categorized as arbitrary/fanciful, it is considered as if the mark is categorized as suggestive. A fanciful distinctive mark is prima facie registrable, for example, “Kodak” had no meaning before it was adopted and used as a trademark in relation to goods. An arbitrary trademark is usually a common word which is used in a meaningless context, for example, “Apple.” This means that the mark consisted of a word which have some dictionary meaning before being adopted as trademarks.

B. TRADEMARK LAW UNDER MEXICAN REGULATION

According to the Federal Law for the Protection of Industrial Property in its Fourth Title, Chapter I. Any person, natural or moral, may make use of trademarks in industry, commerce or the services they provide. However, the right to its exclusive use is obtained by registering with the Institute.

A trademark is understood to be any sign that is perceptible by the senses and is susceptible of being represented in a way that allows determining the clear and precise object of protection, which distinguishes products or services from others of the same kind or class on the market.

A trademark may constitute denominations, letters, numbers, figurative elements and color combinations, as well as holograms; three-dimensional shapes; trade names and denominations or company names, as long as they are not included in the following article; the proper name of a natural person, provided that it is not confused with a registered trademark or a published commercial name; the sounds; the smells; the plurality of operational or image elements, including, but not limited to, size, design, color, shape arrangement, label, packaging, decoration, or any other that, when combined, distinguishes products or services on the market, and the combination of the signs.

1. Evolution of Trademark Law in Mexico

Mexico's first legislation to recognize the protection of famous trademarks was the Law of Inventions and Trademarks of 1975, revised in 1986. Prior to this, the problem of famous trademarks can be traced back to the early 1950s. The Mexican courts also made a number of rulings, among which the question was whether the alleged infringer's trademarked products were "similar" under Article 6bis of the Paris Convention. Therefore, among other things, the trademark *Cadillac* is protected and cannot be applied to clothing products. Similarly, the trademark *GE* is also protected and cannot use registered protective cover hardware, plumbing and steam accessories. The same happened with the *Omega* trademark related to machinery and tools. The *Guerlain* trademark used in perfumes and cosmetics; *Marlboro* used in clothing; and *Chanel* related to clothing.²

Acquired distinctiveness will be recognized as an exception to the absolute grounds for refusal. Bad faith, in a broad sense, is incorporated as a ground for opposition, and also as a ground for invalidation.

The Mexican Institute of Industrial Property (IMPI) has adopted the criterion that effective trademark use for a certain period is needed in order to maintain a registration that is disputed on a non-use basis. In the past, any use could be enough to maintain a trademark registration. However, it is not necessary to prove use for the whole three-year period.

The Federal Law for the Protection of Industrial Property is issued, and the Law on Industrial Property is repealed. The new Act is published in the Official Journal of the Federation on July 1st of 2020. The text is in force as of November 5 of 2020.

² Luis C. Schmidt. "The Mexican System for Protecting Famous Marks Vis-à-vis the U.S. Dilution Theory: A Comparative Analysis" 1998. Available online: **Olivares**. 2015-2020 <<http://www.olivares.mx/the-mexican-system-for-protecting-famous-marks-vis-a-vis-the-u-s-dilution-theory-a-comparative-analysis/>> (November 22, 2020).

C. TRADEMARK LAW UNDER EUROPEAN UNION REGULATION

A trademark is an exclusive right over the use of a sign in relation to the goods and services for which it is registered. Trademarks mainly consist of signs capable of distinguishing the products, this could be either goods or services, of a trader from those of others. Such signs include words, logos, numbers, shape/packaging of goods, personal names, letters, colors, and sounds.

The World Intellectual Property Organization (WIPO) gives this definition about trademark: “*A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises. Trademarks are protected by intellectual property rights.*”³

In the European Union Regulation, the main function of a trademark is to identify the commercial origin of a product. This is because trademarks consist of the quality of a product, in order to facilitate consumer’s choice. As well, trademarks are used for the purpose of advertisement and they can also function as a way of investment. The latter because trademarks should specialize, personalize and unitize specific products or services, and identify their origin.

In the European Union, there are three different levels of routes to trademark registration. This are national, regional, and international. In order to choose the best route, it has to be analyzed the applicant’s target markets, business, financial capabilities, and commercial expectations.

The national route registration is obtained only in the territory where the trademark is registered. The regional route registration covers the territory of all Member States. The international route registration allows to obtain protection in more than 100 territories.

³ **World Intellectual Property Organization (WIPO)**, United Nations, Switzerland, 1967. (*Mexico: 1978*). Available online: WIPO <<https://www.wipo.int/trademarks/en/>> (Sept. 22, 2020).

The main requirements for trademark registration are clear and precise representation, distinctiveness, non-deceptiveness, non-descriptiveness, non-customary in the language, and non-contrary to public order and morality.

Clear and precise representation alludes to the capability of the sign, that is intended to be registered, to be represented. Distinctiveness is kind of the same idea as in US regulation since it is looking that the mark that is applying for registration to be capable of distinguishing the goods or services from those of other traders. Non-deceptiveness refers to the prohibition that a mark must not deceive the public, as to the nature, quality, or geographical origin of the goods or services. Non-descriptiveness alludes to the restriction of designating characteristics of the goods or services bearing the mark. Non-customary in the language refers that a mark must not become customary in the language, for example, “stimulation” for energy drinks. Non-contrary to public order and morality is self-explanatory.

The protection that a trademark confers allows its owner to prevent others from using the same, similar or related signs, goods, and/or services as those protected by the trademark without the owner’s previous permission. This protection is granted and enforceable within the geographical boundaries of the type of registration (regional, national, international). It is limited to last for 10 years from the date of filing and it can usually be renewed indefinitely.⁴

However, within five years of registration, EU trademarks related to goods or services registered in the EU must be actually used in the EU, otherwise they may be lost. As an obligation of use, in order to maintain registration with the protection that comes with it, trademarks need to be used in the consumer society in relation to the goods or services for which they are registered. This obligation means that if within a period of time a trademark is not being used, they will lose the exclusive right to that trademark.

The Paris Convention, Madrid Agreement (Marks), Madrid Protocol, Nice Agreement, Vienna Agreement, Singapore Treaty, Trademark Law Treaty, and the Nairobi Treaty are the treaties trademark-related administered by WIPO. EU trademark applications

⁴ “IPR Chart EU Trademark” Available online: **European IPR Helpdesk**. Grant Agreement No 641474. <https://www.iprhelpdesk.eu/sites/default/files/documents/IPR-Chart_EU-trade-mark.pdf> (November 22, 2020).

can be submitted online to the European Union Intellectual Property Office (EUIPO) through the user area, mail or express. Alternatively, the European Union can also be designated in the international application through the Madrid System of the World Intellectual Property Organization (WIPO).

WIPO is the global forum for intellectual property and technology services, policy, information, and cooperation. It is a self-funding agency of the United Nations, with 193 member states, including United States, Mexico, and the European Union.

1. Evolution of Trademark Law in the EU

The term “Community Trademark” is replaced by the term “European Trademark” also known as EUTM. As well, the “Office for Harmonization in the Internal Market” is renamed to “European Union Intellectual Property Office,” also known as EUIPO.

However, the denomination of the trademark was not the only thing that evolved. It also became easier to file non-traditional trademarks, and certification trademarks are now eligible for registration. The changes facilitated the prosecution and enforcement of EUTMs.

Besides the previous changes, in addition to the national route, mentioned in the trademark law under the European Union legislation section, there are other channels in the Union for the purposes of trademark protection: the Benelux route, the Union trademark (created in 1994) and the international route. Regulation (EU) 2017/1001 of the European Parliament and of the Council, of June 14, 2017, on the European Union trademark. The 2017 codification was carried out for the purposes of clarity and transparency, given that the EU trademark system had undergone substantial modifications on several occasions. Directive 98/71 / EC, of October 13, 1998, approximates the national provisions on the legal protection of designs. Regulation (EC) No. 6/2002 of 12 December 2001, which has been subject to amendments, establishes a Community system for the protection of designs. Council Decision 2006/954 / EC and Council Regulation (EC) No. 1891/2006, both of December 18,

2006, aim to link the Union's design registration system to the system International Register of Industrial Designs of the World Intellectual Property Organization (WIPO).⁵

In conclusion with respect of trademark law regulation, in US legislation, the use/or registration of a trademark creates an exclusive right, a set of boundaries, and the obligation of the rights holder is to take reasonable steps to keep others on the outside of that fence. The size of the right/property often relates directly to the consistency and effectiveness of enforcement. To get this exclusive right, as it is having a trademark, it is a prerequisite of outmost importance to have distinctiveness for trademark protection.

As well, even if a mark is inherently distinctive or evidence supports that it has acquired distinctiveness, it is vital that trademark owners guard that distinctiveness to ensure the strength of the mark is maintained. There are common steps which can be taken, regardless of the territory in which the mark is used. This includes the use of the trademark as it is registered and register it in the form in which it is used, use the trademark as an adjective modifying the name of a product or service, never use the trademark as a noun, verb or in possessive or plural forms, among others steps.

On the other hand, Mexican legislation has a lot of legal loopholes when it comes to trademark regulation and how broad it is, there is not much to work with so there is a lot of uncertainty and questions towards how to act when certain legal problem surfaces.

In the case of the European Union, although intellectual property rights (IPR) are governed by different national laws, they are also subject to Union law. The European Parliament and the Council of the European Union shall establish measures to ensure uniform IPR protection in the Union. The Union's legislative activity in this field is mainly aimed at harmonizing certain specific aspects of IPR through the creation of a single European system, as in the case of the Union trademark and designs.

⁵ **Fact Sheets on the European Union** (European Parliament). Economic Governance Support Unit (European Union). 1979. Available online: Fact Sheets <<https://www.europarl.europa.eu/factsheets/es/sheet/36/la-propiedad-intelectual-industrial-y-comercial#:~:text=La%20propiedad%20intelectual%20es%20el,exclusivos%20sobre%20las%20creaciones%20intelectuales.&text=El%20Tratado%20de%20Funcionamiento%20de,propiedad%20intelectual%20>> (Sept. 22, 2020).

Chapter II

INTRODUCTION TO DILUTION

Traditional trademark law grants the owner a property right that can be exercised to the extent necessary to avoid confusion or deception regarding the origin of a product. However, the concept of dilution represents a fundamental change in the nature from protection of the public or consumer brand to protection of the owner's property in the brand itself.

In order to understand the next chapters and what the objective is, this chapter is developed to understand the general idea of what dilution and the different perspectives there are, and the aspects that should be taken into consideration for the purposes of analyzing the problem the way it is presented.

A. HISTORICAL PERSPECTIVE

This concept is primarily intended to protect famous brands which, over time, may have acquired considerable reputation and goodwill. There has been a lot of controversy over the emergence of this concept because, while some see it as a welcome and delayed advance to improve the legal protection of their trademarks, in which they have spent considerable resources building it, others have seen it as a they see it as an unacceptable and dangerous expansion of the protection afforded by trademark law.

The concept of dilution, as a recognized trademark theory, emerged in the United States in a famous article written by trademark attorney Frank Schechter in 1927 and it was his opinion that the use of a trademark by a third party tended to diminish the consumers

association of that mark and that should not be allowed as the mark's advertising power is the real value worth protecting.⁶

B. GENERAL CONCEPT

The concept of dilution has been complicated to determine since the beginning. The United States Supreme Court does not get dilution, the Court of Appeals, and every other court has failed to define dilution. Not even in the Trademark Dilution Revision Act there is a proper definition of what dilution is.

However, the Lanham Act states that dilution refers to an association between a mark and a famous mark that either impairs the distinctiveness or harms the reputation of the famous mark, regardless of the presence or absence of competition between the owner of the famous mark and other parties or of any likelihood of confusion. See Lanham Act §43(c).

As well the TDRA establishes, in section 43 of the Trademark Act of 1946 (15 U.S.C. 1125), that the owner of a famous mark shall be entitled to an injunction against another person who commences use of a mark or trade name in commerce that is likely to cause dilution either by blurring or tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion of competition, or of actual economic injury.

So, in general terms and for the purpose of this thesis you need two things in order to determine if dilution is being presented: a famous mark and that same mark being harm by another mark.

⁶ All Answers Ltd. **Dilution Under Trademark Law**. July 17, 2019. Available online: Law Teacher < <https://www.lawteacher.net/free-law-essays/business-law/dilution-under-trademark-law-business-law-essay.php#ftn45> > (September 1, 2020).

C. FAME IN RELATION WITH DILUTION

In general terms, a mark is famous if it is widely recognized by the general consuming public. However, each country or group of countries have their own legislation and rules to give this degree of recognition. The big problem is that determining fame is complicated and very relative.⁷

One must understand the importance of trademarks and the brand value that they create. Since the whole purpose of this analysis is around the concept of how value is valuable, this is something to be under consideration.

As previously stated, it can be seen that it cannot be an injunction through the legal figure of dilution if the mark is not considered famous. So, the first step is to know if the mark that is being harm it is actually a mark that has the degree of recognition of fame.

D. DILUTION IN RELATION WITH LIKELIHOOD OF CONFUSION

In trademark law there is a concept called “likelihood of confusion” that encloses a 7-step test that a plaintiff needs to demonstrate in order to prove that the defendant use of its mark is causing the consumers to get confused with the plaintiff’s mark. This is used to claim trademark infringement and unfair competition. However, in dilution the concept of likelihood of confusion is applied without this 7-step test. Its application is more general and without any actual proof of confusion, that is why there is a word of “likelihood” before confusion. It is highly important to make this distinction since it can be seen that courts do

⁷ “Famous Trademarks Receive a Broader Scope of Protection” 2013/2020. Available online: **Law Offices of Nikki Siesel PLLC**. Justia Law Firm Website. <<https://www.ny-trademark-lawyer.com/famous-trademarks-receive-a-broader-scope-of-protection.html>> (November 22, 2020).

not apply the same scrutiny when there are famous marks involved, making it look as if just the fame is enough to overrule a test that it is applied now a days.

This likelihood of confusion is targeted to confusion, mistake, and deception. So, in dilution there is a strict relation between the two marks and a likelihood of confusion. This likelihood of confusion is implied in the injunction relief given by the Trademark Dilution Revision Act through dilution by blurring or by tarnishment.

In conclusion, dilution is a method that can be use by a trademark owner when he feels that its mark is being harm by any other mark. In order to acquire this injunction relief, the trademark needs to have a famous degree of recognition and another mark that is possibly causing a likelihood of confusion, mistake or deception.

Chapter III

GENERAL ASPECTS OF DILUTION IN MEXICO

In a globalized world such as the one we live in today in which brands cross borders, products and services that were previously offered locally now have a greater place in the world, it is required that the owners of the brands that have gained prestige among consumers, protect them to the fullest by all available legal means in order to preserve their continued market value and the production of desired profits.

A. TRADEMARK DILUTION

Mexico has not issued an anti-dilution statute in order to protect famous marks, unlike the US that has this legal figure a little bit more understandable. However, Mexico does have protection equivalent to dilution insofar as well-known marks are granted protection against the unfair advantage by a junior user which damages the reputation of the well-known mark.

Mexico, as the European Union, does not follow the concept of dilution, but rather protects famous marks based on the “confusion” doctrine. In particular, Mexican regulation protects famous marks against infringement, which is defined as the realization of acts contrary to honest uses and practices in industrial, commercial or service matters which may amount to unfair competition and related to the subject regulated by the Federal Law for the Protection of Industrial Property.⁸

⁸ Luis C. Schmidt, Ob. Cit.

B. APPLICABILITY OF FAME

In order to create a legal standard that will give a clearer view of what the problem is, it is important to state that the figure of dilution comes from the idea of recognition, fame, and notorious. With this said, the Federal Law for the Protection of Industrial Property only says one time in the whole regulation the word of dilution.

The following will not be registered as a trademark: signs deemed equal or similar in degree of confusion to a brand that the Institute deems or has declared a well-known trademark in Mexico, in terms of Chapter III of this Title, to be applied to any product or service, when the brand whose registration is requested could:

- a. Create confusion or a risk of association with the owner of the well-known brand;
- b. Constitute an unauthorized use by the owner of the well-known brand;
- c. Cause discrediting of the well-known mark, or
- d. Dilute the distinctive character of the well-known brand.

This impediment will not be applicable when the registrant is the owner of the well-known mark;

As well, it will not be registered as a trademark, signs identical or similar in degree of confusion to a brand that the Institute deems or has declared famous in terms of Chapter III of this Title, to be applied to any product or service. This impediment will not be applicable when the registrant is the owner of the famous trademark.

The previous being said, only in letter d. there is a reference to dilution. However, despite the plain language of the statute that the infringing use may cause either confusion, or association with the well-known mark, the Mexican Institute of Industrial Property (IMPI) only takes into account a finding of likelihood of confusion between the senior and junior marks, or in some cases the mere finding of renown will suffice to grant an extended protection.

In fact, the Mexican Institute of Industrial Property (IMPI) sets out only two main requirements that the holder of a well-known mark must satisfy:

- a. The mark is well-known at the time of the registration of the junior user, and
- b. Because of the similarities of the marks, there will be a finding of confusion

The Mexican Institute of Industrial Property (IMPI) is the authority that has the power to test and determine whether there is a similarity between two specific marks. To this end, follow the following principle: Products or services in a particular category are considered similar, with some exceptions. Therefore, laws and precedents believe that although products or services have the same characteristics, they have different categories, but similarities may occur.

1. Well-known and Famous Marks

It will be understood that a brand is well-known when a certain sector of the public or the country's commercial circles knows the brand as a consequence of the commercial activities carried out in Mexico or abroad by a person who uses that brand in relation to their products or services or, as a consequence of its promotion or publicity.

It will be understood that a brand is famous when it is known by the majority of the consuming public, or when it has a diffusion or recognition in global trade.

According to the Federal Law for the Protection of Industrial Property, for the purposes of obtaining the declaration of notoriety or fame, the applicant will provide the following information:

- I. The sector of the public made up of actual or potential consumers who identify the brand with the products or services it covers;
- II. Other sectors of the public other than actual or potential consumers who identify the brand with the products or services it covers;
- III. Commercial circles made up of merchants, industrialists or service providers related to the genre of products or services, who identify the brand with the products or services it covers;

- IV. The date of first use, the time of continuous use and the effective advertising time of the brand in Mexico and, where appropriate, abroad;
- V. Marketing channels in Mexico and, where appropriate, abroad;
- VI. The means of diffusion of the brand in Mexico and, where appropriate, abroad;
- VII. The licenses or franchises that have been granted in relation to the brand, and
- VIII. The percentage of the brand participation in the corresponding sector or segment of the market.

Having stated the previous, there is one clear distinction between well-known and famous marks, and that is the scope that the mark reaches. A well-known mark is considered this way when its scope reaches a certain sector, while a famous mark is considered this way when its scope reaches a majority of consuming public. However, Mexico protects well-known and famous marks under the same criteria.

For example, there was a case that involved the mark *Bulova* which had been used since 1911 in the United States and was registered in Mexico by a third party for the same goods in 1993. The Trademark Office found the mark well-known and decided to cancel the defendant's registration in the country on ground of bad faith. The Trademark Office held that the registration was made with an intention of misappropriating a mark that was already been used in Mexico and by doing so "had the intention of harming the lawful owner of the mark by diverting clientele from him."

In the article called "The famous brands and the fury of lawyer Valeriano" it is pointed out the importance that a famous mark has. It is a case in which lawyer Valeriano used as a mockery the Louis Vuitton French company logo. Lawyer Valeriano has the same first two letters of the famous mark and he adapted his name to have the aspect of the French company logo. Famous brands are a special type of brand, within the classification of brands, they have

more protection than any other and the one in charge of making this declaration is the Mexican Institute of Intellectual Property (IMPI).⁹

2. Advantages

From what has been stated above, it is also fair to acknowledge some of the advantages of having a mark declared as famous or well-known. These advantages are as follows.

By issuing a single declaration in the classes of specific protection products and/or services (notoriety) or in all classes (fame), the applicant will be able to assert it against third parties and/or in their favor in all cases that suits their interests without the need to prove said notoriety or fame in each case.

There is a protection of the holders who have a declaration of notoriety or fame against third parties, since when the rights of the first ones are reinforced by obtaining the aforementioned declaration, they will discourage third parties in carrying out unfair practices and / or use or creation from similar brands that may invade your rights.

The possibility of preventing the brand declared as well-known or famous from becoming generic, since third parties will be faced with the impossibility of registering marks that are not only identical but also similar in the specific sector of protection (notoriety) or in all classes (fame).

There is an increase in the economic and commercial value of the brand by reaffirming its prestige by obtaining the corresponding declaration in addition to the possibility of its positive use in the marketing of the brand.

⁹ “*Las marcas famosas y el furor del Licenciado Valeriano... ¿pero qué sucedió?*” June 14, 2019/November 24, 2020. Available online: **Mi Patente**. Editorial Mi Patente < <https://www.mipatente.com/marcas-famosas-licenciado-valeriano-memes-viral/>> (November 23, 2020).

C. INTERNATIONAL REGULATION

A well-known brand is regulated in our country under the Federal Law for the Protection of Industrial Property and internationally by the Paris Convention.

The 1994 revision of the Law of Industrial Property, now known as the Federal Law for the Protection of Industrial Property, changed the famous trademark rules. The new rules have expanded and improved the protection standards for famous trademarks and improved the previous laws. It is basically based on Article 1708(6) of the North American Free Trade Agreement (NAFTA), and in some respects on Article 6bis of the Paris Convention for the Protection of Industrial Property. However, Mexico's regulations definitely exceed the requirements of Article 6bis of the Paris Convention and Article 1708(6) of the North American Free Trade Agreement (NAFTA).

In its Article 6 Bis, of well-known marks, it mentions that the countries of the Union undertake to refuse or invalidate the registration and to prohibit the use of a trademark that constitutes reproduction, imitation or translation, liable to create confusion, of a mark that the competent authority of the country of registration or use deems to be well-known there as being already the mark of a person who can benefit from this Agreement and used for identical or similar products.

The Agreement on Trade-Related Aspects of Intellectual Property Rights, or also known as TRIPS, is an international legal agreement between all the member nations of the World Trade Organization. The Agreement on TRIPS has the latest versions of the primary intellectual property agreements administered by the World Intellectual Property Organization (WIPO), the Paris Convention for the Protection of Industrial Property, and the Berne Convention for the Protection of Literary and Artistic Works.¹⁰

¹⁰ **United States Patent and Trademark Office.** U.S. Constitution. June 5, 2018. Available online: USPTO <<https://www.uspto.gov/ip-policy/patent-policy/trade-related-aspects-ip-rights>> (Sept. 22, 2020).

D. EVOLUTION OF THE CONCEPT OF FAME

Previously, in the Law on Industrial Property a brand was famous in Mexico, when it was known by the majority of the consuming public. However, in the Federal Law for the Protection of Industrial Property that is now issued, a brand is famous when it is known by the majority of the consuming public, or when it has a diffusion or recognition in global trade.

Nowadays, there is only eight requirements for obtaining the declaration of notoriety or fame. However, before the new law for the protection of industrial property were to be issued, there were fourteen requirements. Besides everything that was already mentioned before, in order to obtain the declaration of notoriety or fame it was also required: The investment made in the last three years in advertising or promotion of the brand in Mexico and, where appropriate, abroad. The geographical area of effective influence of the brand. The volume of sales of the products or the income received from the provision of the services covered under the brand, during the last three years. The economic value that the brand represents, in the stockholders' equity of the company that owns it or according to the appraisal that is made of it.¹¹

Having in mind the requirements that are no longer necessary to obtain the declaration of notoriety or fame, it is smart to say that the government was not thinking about the definition they gave of well-known and famous marks. It is really to prove that your mark is well-known or famous without showing the effective influence in a specific geographical area, or the volume of sales of the products, or the economic value that the brand represents. My point being that with the requirements that are necessary nowadays, it is easier to get your mark a declaration of notoriety or fame. This takes away the uniqueness of having a mark declared as well-known or famous.

¹¹ William Marroletti. "Dilution, Confusion, or Delusion? The Need for a Clear International Standard to Determine Trademark Dilution" January 1, 1999. Available online: **Brooklyn Journal of International Law**. Law Journals at Brooklyn Works. Volume 25, Issue 3, Article 11 <<https://brooklynworks.brooklaw.edu/cgi/viewcontent.cgi?article=1586&context=bjil>> (November 23, 2020).

In conclusion, the requirements for a trademark to be considered well-known or famous are extensive. However, there is not a single article in the Federal Law for the Protection of Industrial Property that talks about the protection that these marks have. In addition, the protection given to well-known or famous marks is the same.

Chapter IV

GENERAL ASPECTS OF DILUTION IN UNITED STATES

In addition to bringing an action for infringement, owners of trademarks can also bring an action for trademark dilution under either federal or state law. Under federal law, a dilution claim can be brought only if the mark is "famous." Under state law, a mark need not be famous in order to give rise to a dilution claim. Instead, dilution is available if: (1) the mark has "selling power" or, in other words, a distinctive quality; and (2) the two marks are substantially similar. However, our focus is under federal law where the conditional is the alleged fame.

A. TRADEMARK DILUTION

In 1947, Massachusetts codified the first anti-dilution law. Soon, other states followed suit, namely, Illinois, New York, and Georgia. Today, the number of states with dilution laws is 38.¹² The legal theory of anti-dilution was conceived to protect strong marks against a diluting use by a junior user in goods or services far removed from that in which the famous mark appears.¹³

Courts generally remained hostile to the doctrine until the end of the 1970s. Granting trademark protection by a stringent application of the dilution statutes, without the need to show likelihood of confusion, was viewed as a threat to competition and as a form of fostering undesirable monopolies. A dilution test for analyzing the claims was much needed.

In order to claim dilution, there are four steps that have to be met:

¹² David S. Welkowitz. **Trademark Dilution**. 2nd ed. United States, Bloomberg BNA, 2011/2012, p. 38.

¹³ J. Thomas McCarthy. **McCarthy on Trademarks and Unfair Competition**. 4th ed. United States, Clark Boardman Callaghan, 1996/2004, §24:172.

1. The plaintiff has a “famous mark” that is distinctive, either inherent distinctiveness or acquired distinctiveness
2. The defendant made a “use in commerce” of a mark
3. The defendant’s use occurred after the plaintiff’s senior mark became famous
4. The defendant’s use is likely to cause dilution by either blurring or tarnishment.

Injunction is the standard remedy for a court to dictate in case they find there was trademark dilution. See TDRA 2.43.

“Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.”

1. Types of Federal Dilution

There are two types of dilution according to Federal law: dilution by blurring and dilution by tarnishment. Dilution by blurring is when the reputation of the mark is harmed or when there is negative association between the marks. See Lanham Act 43(c)(2)(B). Dilution by tarnishment is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark. See Lanham Act 43(c)(2)(C).

Likewise, there are two factors in order to claim tarnishment trademark dilution. The first one states that the mark needs to be famous (through use, distinctiveness of mark). Stating that the mark is widely recognized by the general consuming public. Also, looking through advertising sales, length of use, references, actual recognition, geographic extent, and registration. As well, that the defendant used the mark in commerce and that the use came after the trademark became famous. The second one states that the mark is likely to cause dilution.

The Trademark Dilution Revision Act states the six factors in order to claim trademark dilution by blurring. See TDRA of 2006 15 USC 1051.

“In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

- (i) The degree of similarity between the mark or trade name and the famous mark.*
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.*
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.*
- (iv) The degree of recognition of the famous mark.*
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark.*
- (vi) Any actual association between the mark or trade name and the famous mark.”*

The Trademark Dilution Revision Act does not clarify whether these factors are all the factors to follow in order to determine if a mark is causing dilution or not, or just the relevant within, also, not clarified.

Tarnishment and blurring are generally regarded as forms of dilution, but with different requirements. Being so, tarnishment is finding that a plaintiff's mark will or is likely to suffer negative associations through defendant's use, whereas for blurring, a substantial mental association must exist between the senior and junior mark. See *Nabisco, Inc. v. PF Brands, Inc.*¹⁴ Normally, tarnishment does not diminish the mark's source identifying function, but rather attacks the goods associated with the mark and thereby makes its owner lose control over the mark's message.¹⁵

The Restatement (Third) of Unfair Competition (1995) notes that although tarnishment and blurring are conceptually different, both ultimately undermine the selling power of a mark and thus reduce the value of the mark to its owner.¹⁶ Further, the harm

¹⁴ *Nabisco, Inc. v. PF Brands, Inc.* 50 F.3d 188 S.D.N.Y. 1999.

¹⁵ David S. Welkowitz, Ob. Cit., p. 96-110.

¹⁶ *Idem.*, p. 111D.

caused by tarnishment is usually more intuitive and thus easier to produce convincing evidence to a judge. The damage by blurring is rather gradual and abstract.¹⁷

2. Applicability of trademark dilution

Once the prerequisites for a dilution claim are satisfied, the owner of a mark can bring an action against any use of that mark that dilutes the distinctive quality of that mark, either through “blurring” or “tarnishment” of that mark.

The court of appeals in *Victoria Secret v. Moseley* states that the new act creates a rebuttable presumption that a new mark used to sell sex products is likely to tarnish a famous mark if there is a clear semantic association between the two. It has boundaries of where the protection for famous mark may ultimately be formed. Moseley appealed and the Supreme Court granted *certiorari* to resolve the split of the circuit courts. The question presented was whether the plaintiff must prove actual or likely economic harm. In answering the question, the Court compared the language of the state anti-dilution statutes to that of the FTDA, finding that in the state statutes reference is made to a likelihood of harm, rather than complete harm, whereas the phrase causes dilution under the FTDA “unambiguously requires a showing of actual dilution, rather than likelihood of dilution.” In the Court’s reasoning, if the marks at issue are identical then no further evidence will be necessary to reach the conclusion that the mental association causes dilution to the senior mark. However, the Supreme Court missed the opportunity to clarify what interests are to be protected under the FTDA: the distinctiveness or the selling power of famous marks.

The courts reject the similarity requirement, the intent to associate does not require bad faith, actual association does not require actual or even likelihood of confusion. See *Starbucks v. Wolfe’s Borough Coffee*.

¹⁷ J. Thomas McCarthy, Ob. Cit., p. 74.

Blurring occurs when the power of the mark is weakened through its identification with dissimilar goods. For example, Kodak brand bicycles or Xerox brand cigarettes. Although neither example is likely to cause confusion among consumers, each dilutes the distinctive quality of the mark.

Tarnishment occurs when the mark is cast in an unflattering light, typically through its association with inferior or unseemly products or services. So, for example, in a past case, ToysRUs successfully brought a tarnishment claim against adultsrus.com, a pornographic website. See *Toys “R” Us v. Akkaoui*.

With regard to the dilution claim, the court has held that, under the statute, in order to obtain protection, it must be established that the plaintiff possesses a “strong mark,” either inherently distinctive or with secondary meaning, capable of being diluted. In the cases shown above, the decision is worth nothing for two main reasons: it rules out the need to show confusion or competition and imposes a threshold of strength for marks somehow akin to fame.

B. CONCEPT OF FAME

A mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors including the following:

- “(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.*
- (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.*
- (iii) The extent of actual recognition of the mark.*
- (iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.”*

In my opinion, the concept of fame is strictly subjective and there are not enough requisites in order to make such a statement, whether a trademark is famous or not. As you can see in the statement above, one of the requisites to have the degree of recognition is the extent of actual recognition of the mark. How do you prove that? What is enough to say, “this is actual recognition”? It is fair to say that giving one’s a trademark famous recognition is no different than to be thinking “this mark is cooler than the other because I say so.”

C. EVOLUTION OF THE CONCEPT OF FAME

From the “Federal Trademark Dilution Act of 1995” to “Trademark Dilution Revision Act of 2006.” There is a new fame standard: “widely recognized by the general consuming public of the US.” Now there is a need of only showing a likelihood of dilution, not actual dilution. From “lessening of the capacity to identify and distinguish” to “impairs the distinctiveness.”

Lanham Act §43(c)(2) “fame factors” pre-October 6, 2006 there is a distinctiveness of plaintiff’s mark, duration plus extent of plaintiff’s use plus advertising of mark, geographic extent trading area, use plus degree of recognition, similar marks by third parties, and a concerned if the mark is registered. After October 6, 2006 “widely recognized by general consuming public of the US as a designation of source.” The factors include advertising publicity factor, sales factor, actual recognition, and if there is federal registration.

The identity standard in dilution has different analysis in each circuit. In the second circuit, no longer “very” or “substantially similar,” but rather one of the six non-exhaustive factors to consider. In the ninth circuit, no longer “identical or nearly identical” just a mere likelihood. In the ninth circuit court of appeals, determined no “identical or nearly identical” requirement under the Trademark Dilution Revision Act and remanded for reconsideration under new standard: 1 of 6 non-exhaustive factors.

The most topical issue regarding dilution in the US is, and remains, what in fact causes dilution of a famous mark and the evidence to prove it. The Supreme Court decision supporting the actual dilution standard under the Trademark Dilution Revision Act failed to clearly articulate how litigants should prove that their marks have been diluted.

According to the Lanham Act of 1995, in determining whether a mark is distinctive and famous, a court may consider the following:

- (A) “The degree of inherent or acquired distinctiveness of the mark;*
- (B) The duration and extent of use of the mark in connection with the goods or services with which the mark is used;*
- (C) The duration and extent of advertising and publicity of the mark;*
- (D) The geographical extent of the trading area in which the mark is used;*
- (E) The channels of trade for the goods or services with which the mark is used;*
- (F) The degree of recognition of the mark in the trading areas and channels of trade used by the mark’s owner and the person against whom the injunction is sought;*
- (G) The nature and extent of use of the same or similar marks by third parties;*
and
- (H) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.”*

As observed, in the concept of fame, the relevant factors that the court might consider are different from the ones above. This is because the Lanham Act changed its factors from 1995 to the ones that we read today from 2006. The factors (C) and (D) are compacted in one sole factor. The factor (H) is kept the same. The factor (B) and (E) are kind of kept in the actual Lanham Act but it is very lightly the similarity. The factors (F) and (G) are completely dismissed. Finally, the factor (A) is change for the requisite that analyzes the extent of actual recognition of the mark, instead of the acquired distinctiveness.

In conclusion, I do agree with the update that was made to the Lanham Act, especially to the requisite of “the extent of actual recognition of the mark”. The latter because “the degree of inherent or acquired distinctiveness of the mark” is something that was already met to have a trademark. There will be no trademark if what the owner wants to register is something that does not have acquired distinctiveness, as explained in the first chapter. So,

in order to determine if a mark should have a certain degree of recognition, as a famous mark, it is reasonable to consider “the extent of actual recognition of the mark.”

Chapter V

GENERAL ASPECTS OF DILUTION IN THE EUROPEAN UNION

The protection conferred by the registered trademark must be absolute in the case of identity between the trademark and the corresponding sign and between the products or services. Protection must also cover the risk of confusion. The likelihood of confusion, depends on numerous factors and, in particular, on the recognition of the mark in the market, on the association that can be made of it with the sign used or registered, on the degree of similarity between the mark and the sign and among the designated products or services, must constitute the specific condition of protection.

A. TRADEMARK DILUTION

In order to establish a unified trademark to allow goods to move freely between countries, the European Community seeks to harmonize many different intellectual property laws, including trademark regulations. The Trademark Harmonization Directive¹⁸ achieves this goal by providing a trademark protection system. Directives are usually binding on the "results to be achieved", but individual countries can choose the form of achieving these results. The provisions provide protections similar to those in TDRA, it gives the trademark owner the right to prevent the use of the trademark which may cause "likelihood of confusion" or "likelihood of association". Some people believe that this provision can protect trademarks even if there is no evidence of confusion.

“It is essential to ensure that registered trademarks enjoy the same protection under the legal systems of all the Member States. In line with the extensive protection granted to EU trade marks which have a reputation in the Union, extensive protection should also be granted at national level to all registered trade marks which have a reputation in the Member State concerned.”

¹⁸ Directive 2015/2436 of the European Parliament and of the Council (European Union). 1988/2015. Available online: EUR-Lex <<https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32015L2436>> (Oct. 6, 2020).

The previous article is introducing in some way a new kind of acknowledgement to the marks. Since they are looking at the reputation of the mark than anything else. Changing the way, it was analyzed in Mexico and United States.

Article 10 (2) (c) of the law provides the strongest trademark dilution protection for trademarks, which specifically protects registered trademarks and prohibits their use:

“the sign is identical with, or similar to, the trade mark irrespective of whether it is used in relation to goods or services which are identical with, similar to, or 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.”

Unlike other parts of the directive, claims under Article 10 (2) (c) do not require proof of confusion. Although Article 10(2)(b) requires the display of "likelihood of confusion", Article 10(2)(c) does not require such a requirement.

B. APPLICABILITY OF FAME

In article 6bis of the Paris Convention, about well-known trademarks it is stated the following:

“(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.”

The Chevrolet case illustrates how the requirements mentioned in the previous section are applied in determining the scope of protection. In this case, General Motors (the owner of the Chevrolet trademark often referred to as "Chevrolet") tried to prohibit the Belgian company from using the Chevrolet trademark on detergents. The defendant successfully argued that Chevrolet is not known in the Benelux region. The court ruled that in order to enjoy a reputation in the territory, a large number of consumers in the Benelux territories must know this. The court provides several criteria to consider when determining whether a trademark has achieved the necessary reputation: (1) the market share held by the trade mark; (2) the intensity of the mark; (3) the geographical extent in which the mark is used; (4) duration of its use and; (5) the size of the investment made in promoting the mark.¹⁹

C. EVOLUTION OF THE CONCEPT OF FAME

The Amending Regulation provides a broader protection of well-known trademarks. Before the Benelux countries revised their trademark laws in 1996, all trademarks (whether famous or not) provided trademark dilution protection. The new anti-dilution regulations provide protection for famous trademarks.

The European Union have defined fame in their national statutes as nation-wide fame. In the case of *General Motors Corp. v. Yplon SA* the court establishes that the earlier trademark must have earned a reputation among the relevant public through the products or services covered by the trademark. The trademark must be known to a considerable part of the public. When making an assessment, the court must take into account all relevant facts of the case, especially the market share, strength, geographic scope, term of use, and the scale

¹⁹ General Motors Corp. v. Yplon SA, [1999] 3 C.M.L.R. 427.

of investment made to promote the trademark. The earlier the uniqueness and reputation of a trademark, the easier it is to accept damage to the trademark.²⁰

If we want to achieve knowledge coherence within the trademark system, we must face difficulties related to reputation triggers. In the case that a trademark only has a reputation in a niche market or a limited geographic area, there are some particularly difficult operational issues regarding the way the reputation threshold works, the purpose is to further explain why reputation is not satisfactory for other types of transactions Trademark protection.²¹

D. EXTENT OF THE INTERNATIONAL APPLICATION

For most developing countries, the Trade-Related Aspects of Intellectual Property Rights (TRIPS) are a relatively new field. In the past, societies in developing countries did not regard intellectual property rights as an important aspect that had a major impact on society itself or development.²²

The TRIPS is a multilateral agreement under the World Trade Organization (WTO). This is the first agreement to treat so-called intellectual property (IP) rights as a global trade issue, based on the fact that a country's failure to protect another country's intellectual property will create trade barriers between these countries. However, the fundamental reason for defining intellectual property rights as a trade issue is that the WTO can be used to

²⁰ Spyros Maniatis. "Dilution in Europe". 2016. **Centre of Commercial Law Studies**. Queen Mary University of London. <https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/law_and_practice/mediation/IP_CL_Conference_05-05-2016/Spyros_Maniatis_en.pdf> (November 17, 2020).

²¹ <<https://link.springer.com/article/10.1007/s12027-016-0419-2>> (November 17, 2020).

²² Huala Dolf. "Trade-Related Aspects of Intellectual Property Rights and Developing Countries." March 2001. Available online: **The Developing Economies**. XXXIX-1 49-84 <https://www.ide.go.jp/library/English/Publish/Periodicals/De/pdf/01_01_02.pdf> (November 18, 2020).

establish a good enforcement mechanism that can authorize the use of trade sanctions against countries that do not meet the agreed standards.²³

In Article 6bis of the Paris Convention and Article 16 (2) of the TRIPS Agreement, as well as Article 5 (2) (d) of the Trademark Directive, refer to well-known marks. Well-known trademarks are usually protected regardless of whether they are registered or not. Furthermore, they are protected for goods and / or services that are identical or similar to those for which they have earned their reputation in case there is a risk of likelihood of confusion in the relevant sector of the public. In some countries, also, under certain conditions, they are protected for different goods and services.

TRIPS has taken a step forward by extending the protection scope of Section 6bis of the Paris Convention to Article 16

“goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.”

In conclusion, trademark dilution in the European Union regulation is very similar to the regulation of the United States. As well, the word they use is not famous mark or well-known mark, but they refer to a certain “reputation” towards the mark. The interesting point here is that even in their directives they accept to have an extensive protection granted to this marks that have a reputation in the Union. This is interesting since it is not necessary to infer that the protection the European Union is granting, is extensive, it is already expressed in their own regulation.

As well, it is important to point out that the stronger the earlier mark’s reputation, the easier it will be to accept that detriment or harm has been caused to the mark. This is exactly why it is important to set boundaries and limitations to the application of trademark dilution.

²³ Spyros Maniatis, Ob. Cit.

The more a mark is known, the more a mark is protected, and this protection does not come with boundaries.

Chapter VI

COMPARATIVE BETWEEN MEXICO, UNITED STATES, AND THE EUROPEAN UNION

In this chapter, a comparative between Mexico, United States, and the European Union is going to be made with all the information previously gathered. This comparative will not only be specific to trademark dilution but will also be about the trademark definition that each regulation has and the different ways of view towards fame, recognition, and well-known trademarks. The differences within the trademark definition are in order to see if the problem with trademark dilution comes from the base of what each regulation considers and views as a trademark.

A. COMPARATIVE OF THE TRADEMARK DEFINITION

In order to have a clear understanding of the comparative of the trademark definition between Mexico, United States and the European Union I will state what it is for each regulation.

In United States there are two different but similar definitions for trademark. These are given by the Restatement of Unfair Competition and the Lanham Act. The one we are going to use for this comparison, in terms of clearness, conciseness, and completeness will be the one given by the Lanham Act. According to the Lanham Act, § 45, a trademark is

“a word, name, symbol, device or any combination thereof used by a person, or which a person has a bona fide intent to use in commerce and applies to register on Principal Register to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”

Trademark under the Federal Protection of the Industrial Property of Mexican regulation constitutes:

“denominations, letters, numbers, figurative elements and color combinations, as well as holograms; three-dimensional shapes; trade names and denominations or company names, as long as they are not included in the following article; the proper name of a natural person, provided that it is not confused with a registered trademark or a published commercial name; the sounds; the smells; the plurality of operational or image elements, including, but not limited to, size, design, color, shape arrangement, label, packaging, decoration, or any other that, when combined, distinguishes products or services on the market, and the combination of the signs.”

The Federal Law for the Protection of Industrial Property only protects inherently unique trademarks, that is, trademarks that are suggestive, fictitious or arbitrary. On the other hand, the Federal Law for the Protection of Industrial Property explicitly prohibits the registration of generic and descriptive trademarks, even trademarks that have acquired distinctiveness due to continuous and widespread use.²⁴

Lastly, trademark in the European Union is an exclusive right over the use of a sign in relation to the goods and services for which it is registered. Trademarks mainly consist of signs capable of distinguishing the products, this could be either goods or services, of a trader from those of others. Such signs include words, logos, numbers, shape/packaging of goods, personal names, letters, colors, and sounds.

So, taking into consideration the previous definitions of what trademark is considered in each regulation, United States, Mexico, and European Union, I am going to classify first all the similarities that there are in the definition and then the differences.

In the three definitions they are talking about a protection with respect of words or denominations, goods or services, that someone gives. As well, the three regulations are protecting rights that are use in commerce. A product that is unique and not generic or descriptive.

They also have several, for not to mention a lot of differences, and the biggest one is the need of the use in commerce. I honestly think that if you are trying to define trademark you cannot create a definition without having in mind what trade is. The big problem here is that the base of trademark law is already tainted since it does not have the right or adequate

²⁴ Luis C. Schmidt, Ob. Cit.

base for it to start being developed. How do we expect to have a good definition for anything else if the very base is not being defined properly?

If we cannot have a uniform idea of what trademark is, we cannot even try to comprehend or dictate a uniform idea of what dilution is and the limitations it should have, or if it should even exist.

So, for the purposes of stating a universal definition of what a trademark is, will be defined as follows:

“an exclusive right over the use of a word, name, symbol, denominations, letters, numbers, figurative elements and color combinations, the sounds, smells, plurality of image elements, as well as devices or any combination thereof used by a person that has a bona fide intent to use in commerce to identify and distinguish his or her goods, including a unique product from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”

B. COMPARATIVE OF THE DILUTION CONCEPT

The first comparison between the three legislations is the word they use to give some kind of importance or superiority to a mark. In Mexican regulation there can be famous marks and/or well-known marks, in American regulation there can be just famous marks. In the EU regulation is based in the reputation of the mark.

Unlike the TDRA in the US which does not articulate a definition of a famous mark but instead established a non-exhaustive list of factors to determine fame, the Federal Law for the Protection of Industrial Property defines a well-known mark.

It could be said that dilution has not been explored in depth in Mexican regulation. The magnitude of renown in Mexico is much lower than the required in the US for protection under the TDRA. In Mexican Regulation, a mark may only be enforced against alleged

infringers if it is already registered before the Mexican Institute of Industrial Property. However, the only exception to this general rule corresponds to notorious and famous marks, which may be enforced without a registration, providing sufficient evidence demonstrating such privileged status is exhibited.

Having in mind that the topic in question is dilution, I would suggest that the Trademark Dilution Revision Act (TDRA) is the best regulation between United States and Mexican regulation. However, it is important to point out that there is probably no point of comparison since the Trademark Dilution Revision Act (TDRA) was created specifically for the purpose of taking trademark dilution further, meanwhile, stating that Mexico has nothing like it is just another argument against Mexican regulation and the lack of information there is towards this topic.

It is completely absurd that in US all the “requirements” for claiming dilution are simply overruled and that in Mexico you don’t even need a prior registration. The extent of the protection for notorious and famous marks is far beyond what it should be. Because if we fall to the statement that every “famous” or “well-known” mark has not a certain degree recognition but an absolute degree of recognition, where is the limit?

The Paris Convention does not provide for the obligation to protect trademarks from dilution. Although the protection provided for well-known trademarks appears in Article 6bis, it is based on the confusing concept of traditional trademark infringement. In addition, the use is limited to the same or similar goods in sharp contrast with the theoretical concept of dilution: use on different goods. Regarding the Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPs), Article 16, paragraph 3, expands the scope of protection for well-known trademarks. Article 6bis of the Paris Convention covers the future use of non-competitive goods and services. According to international law, whether this provision is regarded as anti-dilution protection is still controversial.²⁵ Showing that there are not boundaries towards giving a certain recognition to a mark, having no difference between one

²⁵ “Dilution under international framework” 2014. Available online: **Thailand Law Forum**. Thailand Law Journal. Spring Issue 1, Volume 17. <<http://thailawforum.com/articles/thailand-trademark-dilution-3.html#:~:text=There%20is%20no%20obligation%20imposed,to%20protect%20trademarks%20against%20dilution.&text=Furthermore%2C%20uses%20are>> (Sept. 18, 2020).

trademark legal figure and another, and having an immense scope of protection to the marks with the certain recognition.

Since Article 6 bis is mentioned, the literal interpretation of Article 16 paragraph 3 requires the elements imposed by Article 6 bis: connection and injury. Therefore, although the wording "link" rather than "confusion" is used, it only extends protection based on the traditional confusion of the well-known trademarks in Article 6bis. From this perspective, TRIPs set basic requirements for contracting parties, but nothing prevents members from providing better protection.

All five factors seen in the *Chevrolet* case are similar to those used by American courts. The TDRA amendment changed the scope of anti-dilution protection in the United States. FTDA was originally formulated to comply with international agreements such as TRIPs and implement WIPO recommendations.

In conclusion, having a unified definition of what a trademark is or should be is possible, and not just possible but necessary since it can be the answer to a problem that starts developing from this same definition. As well, the dilution concept is something that is applied everywhere but that not everywhere is regulated. How can you even apply something you don't even regulate?

Every regulation has their own concept of "famous" "well-known" or "notorious" trademarks. None of them has a clear set of boundaries nor a clear definition of what this should or should not protect. United States is the regulation that has a little bit more idea of what they are trying to protect. However, having in mind that trademark dilution was first brought in the United States, seeing how poorly it is regulated and how much confusion it has caused, I cannot even start to imagine how long it will take everyone else to reach a certain point where is no longer absurd, nor unclear.

Chapter VII

PROBLEMS FOUND IN MEXICO, UNITED STATES, AND THE EUROPEAN UNION

In this chapter we are going to develop all the problems that were found in chapters three, four, and five of this analysis. Referring to the problems that were found in the regulations of Mexico, United States, and the European Union with respect to trademark dilution protection. As well, a proposal of the possible solutions to the problems that we may encounter.

A. PROBLEMS IN MEXICO

Mexico and the European Union, do not follow the concept of dilution, but protect famous trademarks based on the "confusion" doctrine.

The new Federal Law for the Protection of Industrial Property broadens and improves the protection standards for famous trademarks. It is basically based on Article 6bis of the Paris Convention for the Protection of Industrial Property in some respects. However, the Mexican regulations definitely exceeds the requirements of Article 6bis of the Paris Convention.

The Trademark Dilution Revision Act (TDRA) requires an obvious trademark to qualify for this protection. Distinctiveness should be inherent, but if distinctiveness is acquired, the trademark may also be "diluted." Under the Federal Law for the Protection of Industrial Property, as long as non-discriminatory trademarks gain distinctiveness, nothing will prevent them from standing out and being protected in the first place.

Presumably, the US courts will determine the famous level of a trademark through an eight-factor test. Neither Mexican Institute of Industrial Property (IMPI) nor Mexican courts rely on any specific standards.

The Federal Law for the Protection of Industrial Property do not provide for any kind registration for notorious or well-known trademarks. Also, since the Federal Law for the Protection of Industrial Property does not recognize the concept of dilution, it is not obliged to distinguish it.

B. PROBLEMS IN UNITED STATES

Under the TDRA, only famous marks are protected against dilution. It is worth nothing that amongst courts and scholars, the terms well-known and famous for marks have been considered different. A well-known mark may only be warranted protection from infringement by confusion, but for the federal dilution protection the mark must possess a high degree of renown.

Legal commentators suggest that famous marks are only known to a substantial segment of the relevant public associated with the particular goods or services, while the well-known marks are traditionally considered to have a higher degree of reputation and therefore to deserve a broader scope of protection against unauthorized use on non-competing goods or services to which their commercial magnetism extends.²⁶ Based upon this distinction, it is argued that famous marks are specifically selected for protection against dilution.²⁷

However, fame for dilution purposes is difficult to prove. In spite of statutory factors to assist courts in determining whether a mark has the status of being famous to qualify for federal dilution protection, the Trademark Dilution Revision Act (TDRA) fails to provide any guidance for weighing those factors or indication as to how famous a mark must be. Additionally, the word “famous” can be interpreted in many different ways. This is because

²⁶ Frederick W. Mostert, and Pravin Anand. **Famous and Well-Known Marks: An International Analysis**. 2nd ed. United States, International Trademark Association, 1997/2004, p. 19-20.

²⁷ Frederick W. Mostert. **Well-known and Famous Marks: Is Harmony Possible in the Global Village?** United States, International Trademark Association, 1996, p. 103-131.

consistent and an adequate fame test has not yet been adopted by the courts²⁸, which has resulted in elevating to the “famous category,” marks that should not be there.²⁹ Meaning, that even if there is an eight-factor test to know if a mark should be famous or not, courts sometimes do not apply it and just follow what the society sets as a “famous mark.”

On June 2, 2006, Congress passed the Trademark Dilution Act (TDRA) of 2006, with a view to providing more protection for famous trademarks. Initially, Congress aimed overturned the Supreme Court’s interpretation of the Federal Trademark Law, which set a very high standard for the plaintiff to prove that the trademark was diluted. Supporters of the bill also claim that it will help resolve different interpretations of the 1995 Federal Trademark Dilution Act (“FTDA”) in the lower federal courts.

Unlike traditional trademark infringement claims, trademark dilution does not require proof of “probability of confusion” of the source of the product or service. Instead, the trademark dilution statement is intended to prevent “Gradually reduce or decentralize identity through the use of similar trademarks and maintain the public awareness of the original trademark.”³⁰

In recent years, the interpretation of the Federal Trademark Dilution Act (FTDA) has become increasingly controversial. The law was described as dauntingly elusive, controversial, and was accused of causing “overly abstract and vague requirements. American judges have multiple interpretations of the statute, despite the fact that there is a possibility of incorrectly application of the standard of confusion.” It is an incorrect application since dilution claims need not be confused just either a question if a mark is being blurred or tarnished. So, to have the audacity of applying a standard that does not have anything to do with trademark dilution, the legal figure in question, is completely absurd.

²⁸ Adam Omar Shanti. “*Measuring Fame: The Use of Empirical Evidence in Dilution Actions*” 2001. Available online: **Marquette Intellectual Property Law Review**. Marquette Law Scholarly Commons. Vol. 1, Issue 1, Art. 5, <<http://scholarship.law.marquette.edu/iplr/vol5/iss1/5>> (September 1, 2020).

²⁹ J. Thomas McCarthy, Ob. Cit., §24.

³⁰ Keola R. Whittaker. “*Trademark Dilution in a Global Age*.” 2014. Available online: **Legal Scholarship Repository**. Penn Law. Vol. 27:3 <<https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1202&context=jil>> (Sept. 22, 2020).

In the Supreme Court's *Moseley v. V Secret Catalogue, Inc.*, case, the court resolved some of the conflicting interpretations of FTDA and raised more questions. Many people believe that the *Moseley* ruling undermines many of the rights that the FTDA intends to protect. In addition, the court failed to draw a line between the traditional doctrine of trademark infringement and trademark dilution.³¹ Therefore, the amendments to the FTDA are important because they may affect the way other countries interpret and apply the international intellectual property agreements discussed in the previous chapters.

Since the promulgation of the Dilution Act, US courts have often been confused and perplexed when implementing the Dilution Act. This can be understood in many judgments issued by court reporters. Also, in the commentary article, the commentator criticized certain decisions of the court. For example, this is obvious because it is difficult for the court to draw the line between dilution and confusion as a separate and independent error.³² Even though this application is towards the Federal Trademark Dilution Act (FTDA), in the Trademark Dilution Revision Act (TDRA) the issue is not yet resolved.

Lastly, under the Trademark Dilution Revision Act (TDRA), it is not clear whether well-known trademarks and diluted trademarks must be the same or similar. Also, the TDRA did not consider having some kind registration for famous trademarks. As well, the TDRA of the United States has created a language suitable for dilution, which is different from the traditional concept of trademark infringement.

C. PROBLEMS IN THE EUROPEAN UNION

The reference of “well-known marks” for the European Union is taken from the Paris Convention, one of the biggest issues or mistakes is the mention of a broader protection to well-known marks. However, there is not a single mention, reference, or statute of how this

³¹ *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

³² Luis C. Schmidt, Ob. Cit.

protection is going to work, where are their limits, and how do you even prove that you legally acquire this kind of protection.

Courts in the United States and Europe have found that it is difficult to separate traditional trademark infringement from trademark dilution, usually applying the “probability of confusion” test to trademark dilution.

The European interpretation of the term "likelihood of association" supports a broad vision of confusion. As the *World Wide Nature Fund v. World Wrestling Fed'n* has ruled, the rights of the proprietors of well-known trademarks such as the Fund are “not restricted to 'confusion' in the strict sense”. It is possible to use a broader concept of "association" and "definition of confusion" in Benelux to expand confusion.³³

D. PROBLEMS WITH THE INTERNATIONAL REGULATION

At present, the World Intellectual Property Organization (WIPO) has 14 treaties related to the protection of industrial property rights, 6 treaties that regulate intellectual property registration institutions and 4 treaties that define the characteristics of intellectual property rights. classified. The Industrial Property Treaty defines internationally recognized basic standards to protect the intellectual property rights of each country.³⁴

There are eight trademark-related treaties administered by WIPO: Paris Convention, Madrid Agreement (Marks), Madrid Protocol, Nice Agreement, Vienna Agreement, Singapore Treaty, Trademark Law Treaty, and Nairobi Treaty. Mexico, United States, and the European Union are part of these treaties. However, just one of them, the Paris Convention talks about well-known marks and that they need a broader protection. As well,

³³ *World Wide Nature Fund v. World Wrestling Fed'n*, [2002] EWCA (Civ) 196 (Eng.).

³⁴ Okairy Zuñiga. “*Tratados internacionales sobre Propiedad Intelectual*” Available online: **Pymerang**. <<https://pymerang.com/emprender/pasos-para-iniciar-un-negocio/licencias-y-registros/594-la-matricula-mercantil-en-colombia>> (November 18, 2020).

as how's been stated there is not enough evidence, nor information to set any kind of limitation. It is unbelievable that such legal figure could have so many loopholes and so much lack of information.

FTDA marks a significant increase in the level of protection granted to trademarks under federal law. There are two main reasons for the passage of federal regulations. First of all, it is hoped that federal regulations will provide uniform protection for famous trademarks across the country. Second, supporters of FTDA believe that the regulation is necessary for the United States to comply with the international trademark law codified in the TRIPS Agreement.

Another problem in the international view is the harmonization of the trademark dilution legal figure in order to set the international standard. This is not only on how to harmonize laws but also how will laws modeled on the dilution statute will benefit in-state legislations.

As it can be seen stated previously, there is a confusion or an unclear view over the definition of the term "well-known" in both the Paris Convention and the TRIPS agreement.

Courts in the United States and Europe have found that it is difficult to separate traditional trademark infringement from trademark dilution, usually applying the "likelihood of confusion" test to trademark dilution. Despite the language of the regulations, US courts still use the "likelihood of confusion of source" standard to rule on trademark dilution requirements. In the absence of a list of factors that determine whether dilution has occurred, the courts often restore it to the most appropriate standard: "the likelihood of confusion."³⁵

E. SOLUTIONS PROPOSAL

An answer to the question as to how famous a mark should be may be found in the 1987 Report of the Trademark Review Commission where it was stated that "the

³⁵ Keola R. Whittaker, Ob. Cit., p. 935-934.

geographical fame of the mark must extend throughout a substantial portion of the US.”³⁶ Although it does not define what constitutes a substantial portion of the US, the legislative history of the 1995 Act recognized the need to enact a federal anti-dilution statute “because famous marks ordinarily are used on a nationwide basis.”

In order to reduce the cost, time and uncertainty of obtaining intellectual property protection on a global scale, more and more efforts have been made to make intellectual property laws similar between international jurisdictions.

Generally, although international treaties and other agreements related to intellectual property rights still have flexibility, they do require a certain degree of coordination. Coordination has both costs and benefits. Unity has built greater confidence in the global market and provided an efficient and low-cost method to allow trademark owners to identify their goods and services.

The Paris Convention and the TRIPS Agreement seemed confused about the definition of "well-known", which prompted the World Intellectual Property Organization (WIPO) to formulate guidelines for determining whether a trademark is well-known. Although the resolution has no treaty effect, it does provide guidelines for legislators. The joint proposal takes into account the period of use of the trademark, the degree and extent of publicity, and the geographical scope of reputation. WIPO recommends that other factors be considered, such as "the record of the successful enforcement of rights in a trademark, especially the degree of recognition of the trademark by the competent authority" and "trademark-related value".³⁷

Finally, the last solution proposal is to contemplate having a register for famous trademarks to have some kind of order and to give this kind of recognition the officiality it needs to have.

³⁶ “*The Trademark Reporter*” 1987. Available online: **Hein Online**. Vol. 77. <<https://heinonline.org/HOL/LandingPage?handle=hein.journals/thetmr77&div=1>> (September 1, 2020).

³⁷ **Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks**. Assembly of the Paris Union for the Protection of Industrial Property. 1999. Available online: WIPO <https://www.wipo.int/edocs/pubdocs/en/wipo_pub_833-accessible1.pdf> (Oct. 6, 2020).

CONCLUSIONS

The previous investigation shows the development of a trademark figure called dilution, which involves the protection of the well-known or famous marks. This investigation starts with the basic concept of the notion of what a trademark is in the Mexican, American, and European legislation. Followed by the analysis of the figure of dilution in those same legislations, and the application of the protection for well-known or famous marks. Ending with a comparative of how dilution is applied or implied between the legislations named above, and the presentation of the problematics and solutions that were found.

This investigation showed how little is the legal figure of dilution actually treated in all legislations, and how broad its protection is given without actual notion of the consequences and the extent of its protection. The potential for unintentionally broad protection given for well-known or famous marks by the legal figure of dilution is proven.

In the development of this investigation, I found and realize that there is a lack of knowledge and a big gap between Intellectual Property and Technology Law applied in United States and everywhere else. As if they are ahead of something they should not have to be. United States always looks to be the first and the best in everything, however, by trying to “advance” in their regulations, they might leave loopholes behind affecting laws and the society as a whole. Since we are talking about rights that must be adequately protected in order to solve in an effective manner anything and everything that is related with it.

In the process of gathering the information required to make this investigation, I found myself in a predicament where there was not much information about dilution, or well-known or famous marks regarding European Union regulation. This actually is surprising, since it is a confederation of first world countries. I was astonished about the fact that there was much more information in Mexican regulation than in European regulation.

Trademarks often play a critical role in brand development, connect consumers to products, make or break goodwill, can last indefinitely (if used consistently) and, for these

reasons, may be a company's most valuable asset. Distinctiveness is a prerequisite to trademark protection because free speech concerns are stronger for generic terms and weaker for fanciful words.

Evidence of distinctiveness is also a common requirement across most territories. Trademark owners that maintain records of the use, promotion, and investment in their trademarks will be in a stronger position to acquire, defend, and utilize the strength of their marks.

In general terms, dilution is the injunction relief for trademark owners that have a degree of distinction or recognition of fame to give their trademark a broader protection. To acquire this kind of injunction relief, it is needed two things; for the mark to be famous and a likelihood of confusion, harm, or deception.

Dilution is not appropriate since, in most cases, it does not have to be proven the consumer confusion between the two marks. In order to prove dilution, the court does not need an actual proof, it just needs the likelihood of dilution to happen and that is very unreliable, subjective, and not to mention unfair.

The importance of fame should not be underestimated. Fame is the base which limits the applicability of the anti-dilution remedy to famous marks. Consequently, courts have asserted that once this greater burden of fame has been met under the TDRA, the issue of dilution must be addressed. However, not all judicial approaches seem to have taken account of the fame limitation in federal dilution claims insofar as decisions on a mark's fame have been made according to the intuition of the courts.

Although hearings and debates on FTDA requirements usually focus on the United States' obligations under international law, international law is rarely mentioned when discussing proposed amendments to FTDA.

It is important that when determining whether the FTDA should be amended, it is necessary to consider both international agreements that first prove that the FTDA is reasonably approved, and how to apply these agreements to foreign jurisdictions. The European Union's application shows that the traditional expansion of the "probability of

confusion” standard for diluting trademark infringement requirements will strike a balance between the rights of well-known trademark owners and the right to seek market entry. .

Extending the "possibility of confusion" of famous trademarks to cover the confusion of sponsorship or other economic associations will protect famous trademarks from dilution and allow other forms of fair use. In addition, the statute should prevent courts from adopting the "actual dilution" standard, which is almost impossible to achieve without actual economic losses. Finally, any further changes to the FTDA prestige factor must comply with international law, while allowing states to establish their own dilution protection for local famous trademarks.

It is important to realize that even when United States is more “prepared” in this topic than Mexico and the European Union, it is not enough to determine the exact and right limitations towards trademark dilution. United States, Mexico, and the European Union have a brief list of requirements in order to get a trademark. However, only in the United States there is some kind of steps to follow to get a certain recognition known as fame, these steps, as stated above is the eight-factor test. Unfortunately, as shown in the previous examples, the courts do not always follow this eight-factor test. Even though United States do not follow their own requirements, nor Mexico or the European have anything in order to declare a mark that is notorious, well-known, or famous. It is absurd to think that an authority has the power to declare a trademark with a certain recognition when they do not even know what are the right requirements to get this.

Lastly, it can be seen that the laws of the United States, the European Union and Mexico provide special protection for famous trademarks. These schemes are equivalent in terms of protecting the same object, but they are different at the same time. Taking into account the provisions of the Trademark Dilution Act (TDRA), well-known trademarks are protected from the perspective of their distinguishing ability. In Mexico, the protection of famous trademarks is viewed from the perspective of “chaos” caused by competition. The standards of the Mexican rules are much higher than those of NAFTA and the Paris Convention. In the European Union, the definition of fame is so broad that the scope of protection is broader.

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