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## ISSUES AND CHALLENGES RELATING TO TRADEMARK DILUTION UNDER TRADEMARK LAWS IN INDIA: AN ANALYTICAL STUDY

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### ABSTRACT

It is probably very large to defend the trademark and prevent its infringement because of this Doctrine of Dilution comes into slight if same trademark is utilized by each other person even in non-aggressive markets. It is becoming more famous and applicable as there are various merchandise which may be end up so substantially identified that using that trademark even in non-aggressive marketplace will without a doubt purpose confusion within the minds of public and people might be a part of it to the that broadly identified trademark, even though it isn't always, therefore area of expertise of widely recognized trademark is at stake and to prevent it a doctrine of dilution has been advanced that lets in the owner of a famous mark to forbid others from the use of that mark in a way which might probable damage its location of facts.

The paper begins offevolved with illustrating the Concept of doctrine of dilution and proceeds further to the facts and evolution in cutting-edge-day duration. The paper clarifies the present day success of fantastic legal tips in counties like United States of America, United Kingdom and India. For greater expounding data of the idea the second one 1/2 of paper offer an extensive distinction of US and UK legal recommendations in terms of doctrine of dilution. In the cease the suggestions to amend the contemporary criminal tips purpose the belief.

*Keywords: Trademark, Doctrine of dilution*

### INTRODUCTION

Literary legend Shakespeare rightly wrote that unique call is jewel of soul. Though an indicator is most effective a mark indicating equal supply of starting region of the product for which it's far used, it's miles well properly really worth naming soul of the goods for which it's miles implemented. In the jungle of products logos help consumers to get precisely what they want to

shop for. Trademarks are the foundation of opposition for organizations and provide the freedom of desire to customers. Therefore, it's miles important to defend the trade name and change mark, and its area of expertise. A alternate mark isn't to be diluted through all people, so some of the worldwide locations has protected by way of manner of creating a statute.

### **CONCEPT**

Trademark regulation usually offers with the safety of mark from being infringed. A scenario if arises, in which a person now not felony by manner of using the trademark proprietor, uses the same or comparable items, bought through way of the use of the trademark owner, is taken into consideration a infringement of trademark and therefore remedy is granted to the owner of trademark thru way of the courtroom . However, in masses of jurisdictions, the idea of dilution has developed recently to shield logos as a assets right, securing the investment the trademark proprietor has made in setting up and selling a strong mark.<sup>1</sup>

Trademark dilution is a pretty new concept in intellectual assets jurisprudence. The idea of doctrine of dilution is a very complicated concept of regulation of emblems, and it is in particular tough to offer an reason behind and recognize, as J.T. McCarthy, a famend author has rightly said —No a part of trademark law that I actually have encountered in my forty years of teaching and practising IP law has created so much doctrinal puzzlement and judicial incomprehension due to the fact the concept of dilution as a shape of intrusion on a hallmark. It is a frightening pedagogical project to provide an motive for even the essential theoretical concept of dilution to university college students, felony experts, and judges. I actually have tried mightily. I remember that few can successfully offer an cause in the back of it without encountering clean stares of incredulity or worse, nods of records which mask and conceal puzzlement and misconceptions. Even the U.S. Supreme Court has did now not hold near the contours of the doctrine.<sup>2</sup>

Doctrine of dilution is an indicator law concept that permits the owner of a well-known trademark to forbid others from the use of that mark in a way of that might lessen its distinctiveness. The doctrine of dilution isn't similar to unique kinds of infringement inside the enjoy that it gives a proper to the owner of trademark to prevent any person from the use of his

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<sup>1</sup>BrajenduBhaskar, Trademark Dilution Doctrine: The Scenario Post TDRA, 2005' NUJS Law Review 1 NUJS L. Rev. 637 (2008).

<sup>2</sup>J.T. McCarthy, Proving a Trademark Has Been Diluted: Theories or Facts? 41 Houston L. Rev. 713, 726 (2004)

trademark even in non competitive markets or in particular items or which has no competition with the products of proprietor of trademark. For example, a famous trademark used by one business enterprise to are searching for advice from hair-care merchandise might be diluted if every other employer started using a similar mark to consult breakfast cereals or spark plugs.

A trademark is diluted even as the use of comparable or same logos in distinct non-competing markets, technique that the trademark in and of itself will lose its potential to suggest a unmarried deliver. In different words, not like ordinary trademark law, dilution protection extends to trademark uses that do not confuse clients concerning who has made a product. Instead, dilution safety regulation targets to defend sufficiently robust trademarks from losing their singular affiliation within the public mind with a selected product, in all likelihood imagined if the trademark had been to be encountered independently of any product (i.e., simply the phrase Pepsi spoken, or on a billboard).<sup>3</sup>

Trademark dilution is described as —the impairment of an indicator’s electricity or effectiveness because of the usage of the mark on an unrelated product, normally blurring the trademark’s specific character or tarnishing it with an unsavory association.

Dilution, in truth, turn out to be described in phase 45 of the Lanham Act, 1946 of USA due to the fact the —lessening of the potential of a famous mark to pick out and distinguish items or offerings, regardless of the presence or absence of competition or likelihood of confusion<sup>4</sup>.

Dilution normally takes the shape of blurring or tarnishment. Dilution through blurring, the conventional or —traditionall dilution concept, takes region while modern or capability customers see the plaintiff’s mark used in reference to exclusive devices and services.

## HISTORY

The beginning of trademark dilution idea is commonly because of Frank I. Schechter, trademark counsel for the producer of BVD undergarments, and his article, The Rational Basis of Trademark Protection, which seemed within the Harvard Law Review in 1927, which delivered the concept of dilution to the criminal and academic global. Mr. Schechter severely criticized the

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<sup>3</sup>Ty Inc. v. Perryman, 306 F. 3d 509 (7th Cir. 2002).

<sup>4</sup>15 U.S.C. § 1127 (Supp. V 1998).

dominion of early trademark regulation, recommending as an alternative that the upkeep of the distinctiveness of an indicator ought to represent the handiest rational basis for its safety. Schechter argued that the protection of change identity involves not most effective the question of deception of the majority,<sup>5</sup> however protection of the owner of the trademark who should be able to save you distinct human beings from vitiating the originality and strong point of that mark. He noted that if courts legal Rolls-Royce Restaurants, Rolls-Royce Cafeterias, Rolls-Royce Pants and Rolls-Royce Candy, in ten years you'll no longer have the Rolls- Royce mark any extra.<sup>5</sup> Even though, Schechter is called the daddy of dilution, the idea of dilution is concept to have originated in Germany in a case concerning the mark Odel<sup>7</sup> for mouthwashes ensuing inside the cancellation of the identical mark for metal products..The courtroom spotting the concept of dilution held that, the complainant's potential to compete with different producers of mouthwashes can be impaired if the significance of its mark come to be lessened'. The courtroom further recognized the immorality ("Gegen Die GutenSitten") of trading upon the recognition of a famous mark on the idea that the consumer who sees or hears the mark right now pals the goods with the goods for which the mark has emerge as famous. The court concluded that the proprietor of the mark has an hobby in due to the truth that its mark isn't diluted it'd lose its selling power if everybody used it because the designation in their gadgets.

### **EVOLUTION AND ACCEPTANCE**

For approximately two a few years from the Schechter's famous Article there has been now not masses improvement and increase of Doctrine of Dilution of Trademarks in any country.

### **Evolution and Acceptance in United States of America**

As such there was no concrete improvement of dilution doctrine however there had been enough judicial picks spotting the Doctrine of Dilution, certainly one of them is introduced by way of way of way of Judge Learned Hand<sup>6</sup> wherein he provided the opinion helping the dilution doctrine. Early tries to enact a federal dilution statute inside the U.S. Failed. In the early Nineteen Thirties, Congress declined to bypass the "Perkins Bill," drafted within the primary thru Schechter. During this era an array of advocates known as for motion to prevent to investors

<sup>5</sup>Civil Court, Elberfield 25 JuristischeWochemschrift 502; XXV Markenschutz and Wettbewerb 264 (Sept. 11, 1925)

<sup>6</sup>Yale Electric Corp. v. Robertson, 12.26 F.2d 972 (2d Cir. 1928).

from reaping in which that they'd not sown. By 1942, the dilution idea found properly expressed help in Justice Felix Frankfurter's recognition of the commercial magnetism of a mark as a assets right entitled to protection. Writing for the U.S. Supreme Court in *Mishawaka Rubber & Woolen Manufacturing Co. V. S.S. Kresge Co.*<sup>7</sup> he located:

The safety of a trademark is the laws popularity of the highbrow characteristic of symbolsexchange-mark is a vending short-lesser which induces a client to choose out what he desires, or what he has been induced accept as actual with he goals. The proprietor of a mark exploits this human propensity via making every try and impregnate the surroundings of the market with the drawing energy of a congenial image. Whatever the way employed, the intention is the equal - to carry thru the mark, in the minds of ability customers, the desirability of the commodity upon which it seems. Once that is attained, the trademark owner has some factor of rate. If each distinct poaches upon the economic magnetism of symbols he has created, the owner can gain prison redress.

### **The Road towards the Federal Dilution Statute**

The need for federal dilution statute grew as states contradictorily performed state dilution statutes, and dilution requirements were furthered thru misapplications of the triumphant Lanham Act<sup>40</sup> and unfair opposition law. This added approximately the need for uniformity and truth for trademark owners. As a end stop result, US Congress amended the Lanham Act to create a federal purpose of motion for trademark dilution. Thence, Dilution havegrow to be ultimately adopted within the federal law in 1995 through the Federal Trademark Dilution Act (FTDA) 1995 homogenizing the concept inside the path of country. The FTDA consists of an motion for dilution into the American Trade Marks Act of 1946 (otherwise called the Lanham Act). In some of the elements the FTDA could not worked truly and brought about confusion and conflicting conditions. Therefore, Trademark Dilution Revision Act was handed in 2005. This Act emerge as truly added approximately with the useful resource of the Supreme Court in *Moseley v. V Secret Catalogue Inc.* in which the Court held that the FTDA requires a holder of a famous trademark to illustrate actual in desire to probable dilution of its marks so you can get keep of injunctive remedy in opposition to trademark dilution. The TDRA guarantees

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<sup>7</sup>316 U.S. 203, 205 (1942).

rationalization of the regulation of trademark dilution. It addresses most of the shortcomings within the FTDA that resulted in conflicting and hard selections,<sup>8</sup>

### **Evolution and Acceptance in India**

Statutory provisions regarding trademark dilution have been added for the primary time into Indian regulation with the passing of Trade Marks Act of 1999,<sup>50</sup> which got here into effect in 2003. Fifty one Under Indian trademark law, the idea of dilution<sup>53</sup> has been especially expressed under Section 29 (4) however there are different applicable sections<sup>53</sup> which might be just like section 29(4). Yet thinking about their inception, those provisions have remained on the shelf, largely untouched for half of a decade. By assessment, dilution abilities prominently in litigation primarily based upon the not unusual law tort of passing off, to prevent the unauthorized use of a hallmark in a remarkable type of occasions.

It is pertinent to observe that during India, despite the fact that statutory popularity changed into enforced in 2003 however it must no longer be understood that there was no protection to the well known mark towards misappropriation in recognize of varied gadgets, earlier than passing of the Act. Under the remedy of passing off Indian Courts had applied dilution doctrine lengthy lower back, even in advance than TRIPS have become effective in January 1996, it won't be in gift form but vicinity of facts of the mark have emerge as included in some of the instances. In maximum times, redress has been claimed underneath the pinnacle of the tort of passing off through the claimant.

As early as 1969, the High Court of Bombay in *Sunder Parmanand Lalwani and others v Caltex (India) Ltd*<sup>9</sup> held that use of Caltex for watches should mislead and purpose consumer confusion considering this mark modified into related through way of the usage of customers and public at massive with the well-known petrol and several oil merchandise.

In Daimler Benz *Aktiengesellschaft v. Hybo Hindustan*<sup>10</sup> Delhi High Court treated the idea of dilution. Though the court did not provide an motive of the concept of dilution in any amazing detail it allowed an injunction to the plaintiffs. The Court held that Benz<sup>10</sup> have become a mark of

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<sup>8</sup>Robert C. Scheinfeld And Parker H. Bagley, 'Trademark Dilution Act: An Evolutionary Shift In Focus' New York Law Journal Volume 236—No. 99 Wednesday, (November 22, 2006)

<sup>9</sup>1969 A.I.R. 24 (Bom.).

<sup>10</sup>AIR 1994 Del 239.

worldwide recognition signifying the finest engineered automobiles in the global and is a photo of recognition and nice par excellence. The use of the mark Benz on underwear, it changed into held, would possibly surely dilute the integrity of the mark. Hence, court granted the arena-well-known German automaker an injunction inside the path of the defendants' use of Benz at the side of a pointed person in a ring' on undergarments.

Therefore, it can be said that Indian courts with none statutorily compulsion blanketed broadly identified trademark efficaciously and in the long run it emerge as identified and normal through manner of the legislature in the shape of TMA, 1999.

### **TRADEMARK DILUTION REVISION ACT, 2006**

TDRA got here into effect after the failure of FTDA in attractive the intention and desires correctly and also undo the effects of Moseley judgment. The TDRA, 2006 gives with some number one points. It makes many important modifications for clarifying the intention of Congress for passing of FTDA. The most crucial feature that plays through TDRA is disposing of confusion on key troubles of dilution. In confirmation of the provisions of TDRA, The Trademark Act, 1946 changed into furthermore amended. The definition of dilution united states of Trademark Act, 1946 has been stroke down by using manner of manner of change, in affirmation of TDRA, 2006.

### **PROVISIONS UNDERNEATH THE ACT**

#### **STANDARD FOR DILUTION**

The TDRA establishes the probability of damage<sup>11</sup> good sized for dilution actions, in desire to actual dilution famous which became held in Moseley v. V Secret Catalogue Inc. The Supreme Court if so dominated that plaintiff need to display actual dilution, not sincerely a danger of dilution, to attain a dilution declare. Nevertheless, constant with cutting-edge law of US the proprietor of well-known trademark (plaintiff) want not to reveal actual damage due to dilution however most effective want to prove is that opportunity of damage. The TDRA explicitly states thatSubject to the requirements of fairness, the proprietor of a famous mark that is particular,

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<sup>11</sup>Trademark Dilution Revision Act, H.R. 683, 109th Cong. § 2(c) (2) (2006).

inherently or via acquired robust point, can be entitled to an injunction towards another character who, at any time after the owner's mark has become famous, commences use of a mark or alternate call in change this is in all likelihood to purpose dilution thru blurring or dilution with the beneficial resource of tarnishment of the well-known mark, no matter the presence or absence of actual or in all likelihood confusion, of competition, or of real monetary harm.

Hence, now it would be easy for a plaintiff to show dilution, however hassle although arises as no criterion has been constant either with the useful resource of using courts or under Act itself to expose likelihood of harm' however we can preference that some unique criterion may be evolved by using the usage of courts in near destiny, for you to positioned a harm on any ambiguity or uncertainty.

### **TYPES OF DILUTION IDENTIFIED BELOW THE ACT**

Under TDRA types of dilution are identified, i.e. Dilution by way of Blurring, and dilution with the useful resource of Tarnishment. The Act moreover defines each kinds of dilution. First kind is Dilution with the useful resource of blurring<sup>12</sup> is affiliation springing up from the similarity among a mark or change name and a well-known mark that impairs the individuality of the famous mark.<sup>12</sup>

Hence, for proving blurring, association want to be set up among a mark and well-known mark. It technique clients make an affiliation, i.e., a intellectual connection of relational significance,<sup>12</sup> a number of the plaintiff's mark and the defendant's mark; secondly, there need to be similarity among a mark and a famous mark that ends within the customer to associate the plaintiff's mark with defendant's mark. Thirdly, it ought to damage the uniqueness of the famous mark.

### **PROVISIONS MANAGING DILUTION BELOW THE ACT**

The lively protections for trademark dilution are granted to marks in Section 10(3) of the Act, which especially protects registered trademarks and prohibits use of the mark in relation to objects or services which are not similar to those for which the exchange mark is registered, in

<sup>12</sup>Trademark Dilution Revision Act, H.R. 683, 109th Cong. § 2(c) (2) (B) (2006)

which the trade mark has a reputation within the United Kingdom and using the sign makes unfair gain of, or is damaging to, the wonderful individual or the repute of the trademark.<sup>13</sup>

Now, it is a turn to describe the provisions handling dilution said beneath phase 10(3) regular with under said head.

### **STANDARD FOR SAFETY**

Under section 10(3)<sup>14</sup> no popular is determined for the safety of mark. Unlike different sections of the Act, a claim underneath Section 10(3) does now not require proof of misconception. For investigating approximately the usual of safety we might look in the direction of European Union Directives, as UK law came into existence because of the EU directives and almost comparable, however that still cannot help us as no longer whatever is expressly written regarding to standard of protection. Article 5(2) of the Directive, as protected into the national rules of the most of EU Member States, makes possible for an owner of a trademark to achieve this for —a popularity to prevent anyone from the usage of equal or similar marks in a way that —takes unfair advantage of, or is negative to, the excellent person or the fame of the change mark. There isn't always this type of particular ruling with the aid of manner of European Court of Justice (ECJ) which offers with the problem, whether or not or now not anti-dilution plaintiffs want to display real, in region of probably, detriment or unfair advantage in each infringement instances or registration demanding conditions. However, Advocate General Jacobs considered the issue in General Motors, noting that: Article 5(2), in assessment to Article 5(1) (b), does not refer to an insignificant threat or danger of its conditions being fulfilled. The wording is greater amazing: „takes unfair benefit of, or is bad to (emphasis brought). The country wide court ought to be glad of evidence of actual detriment, or of unfair advantage.

It is pertinent to note that the evaluation made by means of the use of Advocate General Jacobs, become neither regular, nor rejected by way of the ECJ explicitly, clearly, through manner of talking of detriment and unfair benefit without mentioning likelihood the ECJ appears to have tacitly everyday that actual unfair benefit or detriment is needed for infringement underneath Art.

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<sup>13</sup>Trade Marks Act, 1994, c. 26 (U.K.), For online version you may refer, available at: <http://www.opsi.gov.uk/acts/acts1994> (Visited on May 01, 2021).

<sup>14</sup>Section 10 (3) A person infringes a registered trade mark if he uses in the course of trade a sign which— (a) is identical with or similar to the trade mark,

5(2) of the Directive. In its maximum recent case on Art. 5(2), the ECJ further kept away from the use of the language of in all likelihood harm, requiring instead that the later sign ought to have the effect that the applicable segment of the majority establishes a hyperlink among the sign and the mark.

It is to be mentioned that ECJ did not kingdom expressly about the difficulty of real detriment or likelihood of detriment, however there may be an implied view of the ECJ in setting up the actual detriment' is favored of protection, that may be inferred from the General Motors case.

The problem may additionally stand up in proving actual detriment, as there's no explicit authority through the ECJ, as to how to reveal real detriment. The high-quality steering as to how actual detriment|| can be confirmed comes from the Advocate General in General Motors.

The taking of unfair advantage or the suffering of detriment want to be properly substantiated, this is to say, nicely established to the pleasure of the country wide courtroom the country wide court need to be satisfied with the aid of evidence of actual detriment, or of unfair advantage. The specific method of adducing such evidence ought to in my opinion be a keep in mind for countrywide guidelines of evidence and technique, as inside the case of setting up chance of bewilderment: see the 10th recital of the preamble.<sup>15</sup>

## **CONCLUSION**

Finally, via the usage of concluding, I could say that neither US, nor UK has followed regulation in a way it come to be supposed via Schechter. It is evolved grade by grade and now it's miles the part of the most of the worldwide locations. By analyzing the policies of US and UK, it may be concluded that each the global places are very intense about the safety of specialty of mark. There is usually a scope for development and consequently above stated idea if covered below the regulation of respective country, that could certainly make laws greater effective and appropriate. There are some similarities and dissimilarities the diverse US and UK, regarding regulation of dilution.

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<sup>15</sup>Case C-375/97, General Motors Corp. v. Yplon, S.A., [1999] E.C.R. I-5421, [1999] E.T.M.R.

If TDRA is amended as recommended, then it can be greater effective and after that any country wants to adopt an powerful law, TDRA might be better manual to the ones countries. I moreover revel in that UK regulation of dilution isn't very comprehensible; consequently UK should look in the path of US regulation for change below the law of dilution underneath respective sections.

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