

SEARCHING FOR FAME:

The Challenge in Protecting Property in Trademark Dilution Law



SANTA CLARA UNIVERSITY SCHOOL OF LAW
TRADEMARK DILUTION SYMPOSIUM 2007

Professor Xuan-Thao Nguyen
SMU Dedman School of Law

BusinessWeek Global Brands 2007

- Coca-Cola \$65.3B
- Microsoft \$58.7B
- IBM \$57.1B
- GE \$51.6B
- Nokia \$33.7B
- Toyota \$32.1B
- Intel \$31.0B
- 1/3 earnings outside home country

Looking Outwards: Searching for Fame "Universal", Beyond Territoriality

- Paris Convention, *Article 6bis*:
 - well-known trademark, no definition
 - protection against infringement
 - regardless of registration
- TRIPS Agreement, Article 16(2) & (3)
 - well-known, "the knowledge of the trademark in the relevant sector of the public, ... as a result of the promotion of the trademark."
 - Protection of well-known trademarks on non-competing goods or services
 - regardless of registration

Looking Outwards: Searching for Fame WIPO's Joint Recommendation in 1999

- If the Trademark is well-known among relevant consumers in a Member State...
- The Trademark automatically achieves a well-known status in the Member State's entire territory

Looking Outwards: Searching for Fame In Taiwan

- the degree of recognition by relevant enterprises or consumers
- the duration, extent and geographical area of use/promotion
- Registration in other jurisdictions to reflect recognition of the trademark
- the record of successful enforcement of the trademark ... to show that the TM was recognized as well-known by administrative or judicial authorities;
- value associated with the trademark
- other factors to determine a well-known trademark
- <http://www.tipo.gov.tw/eng/howto/procedures-t9.asp>

Looking Outwards: Searching for Fame In China

- Reputation of the mark to the relevant public
- Length of use of the mark
- Time, extent and geographical area of advertisement of the mark,
- Records of protection of the mark as a well-known mark
- other factors to determine a well-known trademark
- Registered Well-known TMs: non-competing goods
- Use Only/Unregistered TMs: No “anti-dilution” protection; Only unfair competition protection
- <http://www.chinaiprlaw.com/english/laws/laws11.htm>

Looking Outwards: Searching for Fame In Brazil

- Resolution 2004– Recordation of Well-Known Trademarks—good for 5 years
- Similar Factors (use, advertisement, sale volume, etc.)
- And...other required factors
- Recognition by the consumer in the niche market, survey evidence
- Economic valuation of the trademark

Looking Outwards: Searching for Fame Australian Report

- May 25, 2004 Report from the Advisory Council of IP, Review of Trademark Infringement
- Difficulty to determine what constitutes a well-known trademark (generally well-known or niche)
- Inconsistency in how well-known marks are protected throughout the world
- Economic & legal benefits of well-known trademark protection?
- http://www.inta.org/membersonly/downloads/ref_Asian.pdf

Looking inwards: Searching for Fame United States



- “widely recognized by the general consuming public”
- House Report accompanying H.R.683: rejected niche fame

Looking inwards: Searching for Fame United States

- (i) The duration, extent, and geographic reach of advertising/publicity of the mark
- (ii) The amount, volume, and geographic extent of sales of goods or services
- (iii) The extent of actual recognition of the mark
- (iv) Whether the mark was registered

Looking inwards: Searching for Fame Advertising/Sales Amount

- *TCPIP Holding Co. v. Haar Communications Inc.*, 244 F.3d 88, 99 (2d Cir.2001).
- Use “The Children Place” for 30 years
- 230 retail stores under its mark in twenty-seven states
- \$280 million Sales in 1998
- Expended “tens of millions of dollars” advertising its mark in the last decade
- Not a famous trademark

Looking inwards: Searching for Fame

Advertising/Sales Amount

- *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868 (9th Cir.1999)
- Seventy years of TM use
- Annual sales of \$3 billion &
- Annual advertising expenditures of \$5 million
- Famousness requires a showing greater than mere distinctiveness; did not demonstrate fame
- No evidence demonstrates that Avery Dennison possesses any degree of recognition among Internet users

Looking inwards: Searching for Fame

Advertising/Sales Amount

- *Advantage Rent-A-Car, Inc. v. Enterprise Rent-A-Car, Co.*, 238 F.3d 378, 381 (5th Cir.2001)
- "We'll Pick You Up"
- \$130M advertising
- Not famous, even within its niche

Searching for Fame Most Important Factor

- The extent of actual recognition of the mark (factor #3)
- Consumer/the Public & Property
- Consumer-Dependent Property
- Not about how much investment...
- But whether Consumer/the Public recognize...

Searching for Fame Surveys?

- Brand recognition surveys?
- *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868 (9th Cir.1999)
- Flawed—niche customer; No good as substitute for consumer survey evidence for “fame”
- Survey – *Teflon*?
 - WINDOWS (83% of business consumer; 73% home consumer)
 - CHICKEN TENDERS (60% of consumer surveyed—recognition as a TM)
 - COKE (76% recognition as a trademark)

Searching for Fame

Harris Poll 2006 – Best Brands

- Harris Poll, July 12, 2006
- 2,351 U.S. adults (representative of U.S. Population; 18 years & older)
- "We would like you to think about brands or names of products and services you know. Considering everything, which three brands do you consider the best?"
- Spontaneous Responses Recorded,
http://www.harrisinteractive.com/harris_poll/index.asp?PID=682

Searching for Fame

Harris Poll 2006 – Best Brands

- Sony; Dell; Coca-Cola
- Toyota; Ford; Honda
- HP; GE; Kraft Food; Apple
- GM & Microsoft: Off the List