

Reforming The Anti-Dilution Trade Mark Protection in Jordan

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Abstract

The dilution theory in Jordan is a primitive concept that needs clarification and thorough understanding. This is due to the misinterpretation of the doctrine of dilution among legal practitioners and the wrong implementation of dilution in Jordan. The thesis has provided a critical analysis of how dilution is applied in Jordan, what are the problems found in Jordan, and how it can be solved. In order to find a solution that suits and comply with Jordan's needs, the thesis examined the dilution doctrine from another perspective to learn from their experiences. Therefore, the US and EU are set to be an example for Jordan to learn from their experience in applying and implementing dilution.

These two jurisdictions had been applying the doctrine of dilution long enough to form a better understanding of the concept of dilution. Also, the experience of the two jurisdictions is essential for Jordan to learn and develop its Trade Mark Law. Their experience is believed to enlighten Jordanian legal practitioners on the meaning of dilution and the enforcement of this theory. Moreover, to learn and avoid their mistakes by forming a more efficient legal framework in Jordan.

Ultimately, suggestions and recommendations are provided in order to reform the Jordanian Trade Mark Law, that minimises and limits the drawbacks of excessive application of the dilution theory. The recommendations contributes significant literature to Jordanian legal practitioners that illustrates the meaning of dilution. This is attainable by providing definitions and illustrating the types of dilution, verifying which marks are eligible for anti-dilution protection, suggesting a list of conditions to determine whether a mark is eligible for anti-dilution protection, and most importantly how to determine a likelihood of dilution before granting the eligible mark a protection against dilution. It is believed with the suggested recommendations, Jordan will be able to have a better and comprehensive perspective of the dilution theory that will assist Jordanian legal practitioners in dealing efficiently with the doctrine of dilution.

Table of Contents

Acknowledgements.....	iii
Abstract.....	iv
Chapter One: Introduction.....	1
1.1 Research Incentive Synopsis.....	1
1.2 Background of the Study.....	4
1.2.1 The Legal System in Jordan.....	4
1.2.2 History of the Jordanian Trade Mark Law.....	5
1.2.3 Trade Marks in Jordan.....	6
1.2.4 Protection for Well-Known Marks in Jordan	10
1.2.5 International Obligations for Anti-Dilution Protection.....	12
1.2.6 The Concept of Dilution	22
1.3 Statement of Hypothesis	33
1.4 Statement of the Problem.....	33
1.5 Research Questions.....	39
1.6 Research Objective	40
1.7 Originality.....	40
1.8 Research Methodology	41
1.9 Literature Review	45
1.10 Chapter Structure and Synopsis.....	49
Chapter Two: Eligible Marks for Anti-Dilution Protection Under the Jordanian, US, and EU Law.....	52
2.1 Introduction.....	52
2.2 Pre-Conditions for Anti-Dilution Protection.....	54
2.3 Part I - USA.....	60
2.3.1 Famous Trade Marks	60
2.3.2 The TDRA.....	61
2.3.2.1 Definition of Fame	61
2.4 Part II - EU	75
2.4.1 Marks with Reputation	75
2.4.2 Case Law.....	81
2.5 Part III – Jordan.....	88
2.5.1 Statutory Protection for Well-Known Trade Marks	89
2.5.2 Case Law.....	95
Chapter Three: Trade Mark Dilution in Jordan	103
3.1 Introduction.....	103
3.2 International Agreement	104

3.3 The US-JO Free Trade Area.....	106
3.4 Statutory Law For Conferring Anti-Dilution Protection.....	111
3.4.1 Section 8(12)	114
3.4.2 Section 25(1)(B)	117
3.5 The Application of Dilution in Jordan	120
3.5.1 Case Law	124
3.7 The Impact of Implementing Strong IPRs	134
3.7.1 The Foreseen Harm Caused by the Doctrine of Dilution.....	142
Chapter Four: Trade Mark Dilution in US	149
4.1 Introduction	149
4.2 The Concept of Dilution.....	150
4.2.1 The Uncertainty of the Concept of Dilution.....	156
4.3 Dilution Protection Under US Law.....	165
4.4 Dilution by Blurring.....	167
4.5 Requirements to Assess the Likelihood of Dilution	169
4.6 Dilution by Tarnishment	188
4.7 Defences	191
Chapter Five: Trade Mark Dilution in EU	198
5.1 Introduction	198
5.2 Dilution Protection Under EU Law.....	200
5.2.1 The Concept of Dilution.....	200
5.2.2 The Uncertainty of the Concept of Dilution.....	205
5.3 Article 5(2) of the TMD 2008	214
5.4 The Conditions for Anti-Dilution Protection	220
5.5 Defences	232
Chapter Six: Recommendations and Proposals for Reforming the Jordanian Trade Mark Law	239
6.1 Introduction	239
6.2 Anti-Dilution Protection	242
6.3 Likelihood of Dilution.....	249
6.4 Requirements to Examine the Likelihood of Dilution	252
6.4.1 The Distinctiveness of the Mark	255
6.4.2 The Degree of Recognition	257
6.4.3 Exclusive Use of the Well-Known Mark.....	261
6.4.4 The Degree of Similarity Between the Two Marks	262
6.4.5 Link	266
6.4.6 Change in the Economic Behaviour of the Average Consumer	268
6.4.7 Intention to Create Association	270

6.5 Defences	271
6.6 Eligible Marks	274
6.6.1 Well-Known Trade Marks	274
6.6.2 Factors for Consideration in Determining Whether a Mark is Well-Known in Jordan	277
Chapter Seven: Conclusion.....	289
Bibliography.....	296

Chapter One: Introduction

1.1 Research Incentive Synopsis

The field of trade marks is an engaging one, as it pertains to distinguishing marks that we encounter and deal with daily. We rely on trade marks for making purchasing decisions regarding products or services. As such, they have become essential in everyday life, and they are necessary when customers interact with famous and well-known trade marks. Ultimately, customers interact with trade marks and brands as a way to express information and send out messages about themselves.¹ Trade marks have significant importance not only for customers but also for trade owners. Also, owners of trade marks invest in their marks to increase profits or in an attempt to upgrade their mark from an ordinary to a famous one. As a result, owners of famous trade marks demand a higher level of protection and thus a monopoly in the trade market.²

This type of protection granted to famous marks is known as 'dilution', which is the focus of this thesis. The protection against dilution has been integrated into the US, the EU, and the Jordanian law. However, in the case of Jordan, it is vaguely implemented. Therefore, it is important to thoroughly examine the doctrine of dilution in US and EU, with the ultimate objective to encourage Jordanian practitioners to improve Jordan's legislation by accordingly making the required relevant changes to enhance the concept of dilution. Although the protection against dilution in US and EU is not ideal, both jurisdictions have advantages and disadvantages, and stand as examples: Jordan can adopt the best approaches and learn by avoiding the errors made.

¹ J Swann, 'Dilution Redefined For The Year 2002' (2002) 92 TMR 585, 593-594

² (Case C-252/07) Intel Corp Inc v. CPM United Kingdom Ltd [2009] Bus LR 1079, 1087

The motivation underlying the examination of dilution in Jordan is multifaceted. First, misconceptions surrounding dilution have led the Jordanian legislator to stipulate ambiguous provisions in the Jordanian Trade Mark Law. Second, the implementation of a vague law has led Jordanian courts to examine whether each mark is well-known inadequately. This resulted in several cases of discrimination in favour of foreign marks against Jordanian marks. For this reason, it is important to revisit the Jordanian Trade Mark Law and compare it to the respective US and EU ones, where they have implemented dilution long enough to obtain a better understanding of the doctrine of dilution. The objective of this comparison is to create a fair and balanced legal framework in Jordan that benefits national interests as well as foreign ones. This is derived from the fact that Jordanian courts tend to be biased in favour of foreign marks, due to the vagueness of the local legislation, which, matching the common sentiment among Jordanians, implicitly indicates that foreign marks are *a priori* famous and thus deserve dilution-type protection.

Moreover, there is a gap in the literature about the doctrine of dilution in Jordan and the effects of it on Jordanian trade mark owners. Most scholars, for unknown reasons, have not conducted thorough research on anti-dilution protection in Jordan. Although they seem to be familiar with the notion of 'dilution', their approach is not sufficiently thorough. In addition, the Jordanian legislator adopted a vague and ambiguous conception of the doctrine of dilution. By comparing the Jordanian Trade Mark Law with the US Trademark Dilution Revision Act of 2006 (TDRA), the Trade Mark Directive (TMD) 2008/95/EC,³ and recently the Trade Mark Directive 2015/2436,⁴ one could establish that the Jordanian legislator fails to provide sufficient

³ Directive 2008/95/EC of The European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Codified version) (Text with EEA relevance).

⁴ The main instrument of the European trade mark law is the Directive 2008/95/EC. However, as a result of the reform process, the Directive (EU) 2015/2436 has been introduced recently. The Directive (EU) 2015/2436 to approximate the laws of the Member States relating to trade marks (Recast) entered into force on 15 January 2016 and Member States have three years to implement it. That said, the law for the purpose of this thesis is the Trade Mark Directive 2008/95/EC. The thesis will refer to the Trade Mark Act of 1994 (TMA) and the recast Directive 2015 when needed.

protection to well-known domestic marks. The present study demonstrates the problem lies not only in the lack of knowledge about the notion of well-known marks but also in the scope of protection these marks deserve, i.e. the protection against dilution. The notion of well-known marks is ill-defined, and there is no definite list that courts may take into consideration when assessing whether a mark is well-known or not. In addition, there is no list of conditions to assist courts and legal practitioners in defining whether dilution might occur. As a result, Jordanian courts tend to automatically grant such marks, especially foreign ones, excessive protection. On the other hand, from the wording of the TDRA, it may be argued that the latter is in favour of American businesses because it stipulates that in order for a mark to be famous, it must be recognised among the general consuming public in the US.

This rule narrows down the eligibility scope for marks to be considered famous, and therefore to be granted protection against dilution. If Jordan is forced to provide protection against dilution to foreign trade marks, it is argued that the Jordanian Trade Mark Law must be revisited to –at least– equally provide anti-dilution protection to domestic well-known marks too. The aim should be to create a fair and balanced law between foreign and domestic well-known marks. The paradigm followed in the US and EU proves that courts are cautious in granting anti-dilution protection, unlike what happens in Jordanian courts which do not show similar caution.

The current study aims to address the gap of knowledge and the lack of perspective in the current situation regarding dilution-type protection in Jordan. It is of paramount importance that intellectual property law practitioners thoroughly understand the theory of dilution, to be in a position to deal efficiently with cases that involve anti-dilution protection. This research can benefit Jordanian judges and legal practitioners to better understand the concept of dilution, as well as the application and implementation of the doctrine of dilution. In addition, it aims to draw attention to the drawbacks of excessively granting anti-dilution protection to well-known trade marks, only because they are foreign. Therefore, this study can be a significant literature contribution to Jordanians, intellectual property and legal practitioners, courts, and the Jordanian legislator. Ultimately, it

aims to contribute by providing input for the development and the reform of Jordanian Trade Mark Law. This thesis focuses on Jordan, a country that could present a model to be followed by other developing countries as well.

1.2 Background of the Study

This part of the chapter illustrates the legal system, the history and development of trade mark law in Jordan. Further, it explains how trade marks are defined under Jordanian law, and what constitutes a trade mark. The role trade marks play in Jordan and what is the justification behind trade mark protection in Jordan will also be discussed below. It is important to first examine the legal system in Jordan before addressing the main issues that arise within the legislation and among the courts' decisions. Finally, a look into Jordanian Trade Mark Law history reveals that its origins lie with the British law;⁵ however, the UK trade mark law is more developed than the current Jordanian one.

1.2.1 The Legal System in Jordan

Jordan is a constitutional monarchy based on the constitution adopted in 1952.⁶ A variety of factors has shaped the legal system in Jordan. Initially, the system evolved from codes of law established by the Ottoman Empire (based on the French law).⁷ Jordan follows the codification system, so all legal rules that apply in courts are codified.⁸ The courts' judgments are

⁵ M Naser and Q Mahafzah, 'Dilution of Trademarks in Jordan - An Eighth Legal Wonder!' (2017) IIC 134, 141

⁶ Global Edge, 'The Government of Jordan' (Michigan State University) <<http://globaledge.msu.edu/countries/jordan/government>> accessed 28 November 2014

⁷ The Jordanian civil legal system has its foundations in the Code Napoléon, a French legal code implemented in Egypt in the early 19th century.

⁸ B Isaias and F Jennings, 'Overview of the Hashemite Kingdom of Jordan Legal System and Research' (NYU Law 2013) <http://www.nyulawglobal.org/globalex/Jordan.htm#_edn3> accessed 28 November 2014

based on legislation as the primary source of law.⁹ There is neither any obligation to follow precedent rulings of other courts in similar cases, even if they were issued by a higher court, nor courts are bound by their own previous rulings.¹⁰ This can be cited as the main reason for the contradictions in courts' decisions when determining a well-known trade mark.

According to the Jordanian Constitution, there are three categories of courts in Jordan: civil courts, religious courts, and special courts.¹¹ Jordanian courts are divided into two main categories: civil and criminal.¹² The civil courts include Magistrate Court, Court of First Instance, Court of Appeal, the Court of Cassation, and the High Court of Justice.¹³ It is worth mentioning that infringement cases regarding intellectual property rights in particular trade marks, are heard by civil courts.¹⁴

1.2.2 History of the Jordanian Trade Mark Law

The Hashemite Kingdom of Jordan (hereinafter Jordan) was under the Ottoman Empire until 1918, and during that time trade marks were developed and first applied under the Ottoman legislation in 1879.¹⁵ After the

⁹ The Judicial Council 'The Jordanian Judicial System' (*Judicial Council*) <http://www.jc.jo/types#top> accessed 25 November 2014

¹⁰ N Al-Husban, 'The Jurisprudence of the Jordanian Judiciary in Cases Related to Intellectual Property' (2014) Intellectual Property Conference in Kuwait <http://webcache.googleusercontent.com/search?q=cache:XYuqQeNxj9gJ:www.moci.gov.kw/uploads/Nuhad%2520Alhusban.doc+&cd=1&hl=en&ct=clnk&gl=us> accessed 25 March 2015

¹¹ Article 99 of the Jordanian Constitution 1952

¹² Business Optimization Consultants 'The Judicial Branch' (*King Hussein*) <http://www. kinghussein.gov.jo/government4.html> accessed 25 November 2014

¹³ The Judicial Council (n 9)

¹⁴ Ibid

¹⁵ M El-Said, 'The Evolution of the Jordanian TRIPS-Plus Model: Multilateralism versus Bilateralism and the Implications for the Jordanian IPRs Regime' (2006) International Review of Intellectual Property and Competition Law 501

Ottoman Empire collapsed, Jordan was colonised by the United Kingdom.¹⁶ Consequently, Jordan applied the Trade Marks Law 1930.¹⁷ After the independence of the country in 1946,¹⁸ the Jordanian Parliament in June 1952 approved and issued the first Trade Mark Law.¹⁹ Following this, the law was altered by Law No. 25 of 1957, Law No. 34 of 1999, Law No. 29 of 2007, and Law No. 33 of 2008.²⁰

1.2.3 Trade Marks in Jordan

The term 'trade mark' is defined under Section 2 of the Jordanian Trade Mark Law as 'any visually perceptible sign used or to be used by any person for distinguishing his goods or services from those of others'.²¹ It is noteworthy that protection of trade marks on services was not covered before the amendment of the Jordanian Trade Mark Law in 1999.²² Prior to the amendments, Jordanian law exclusively granted protection to trade marks assigned on goods. It could be argued that this was a major change and a positive development for the Jordanian Trade Mark Law.²³ According to Section 7(1) of the Jordanian Trade Mark Law, the prerequisites for trade

¹⁶ V Irvine, 'Jordan' (*Britannica* 2015) <<http://www.britannica.com/EBchecked/topic/306128/Jordan>> accessed 13 February 2015

¹⁷ S Zain Al-Deen, *Trademarks Nationally and Internationally* (3rd edn, Dar Al-Thaqafa 2015) 29

¹⁸ Ministry of Foreign Affairs, 'A brief on the history of Jordan' (*Ministry of Foreign Affairs*) <<http://www.mfa.gov.jo/ar/tabid/73/Default.aspx>> accessed 1 December 2014

¹⁹ Section 47 of the Jordanian Trade Marks Law No.33 of 1952 (i) The Jordanian Trade Marks Law of 1930 and all its amendments are hereby abrogated.

²⁰ World Intellectual Property Organization, 'Jordan' (*WIPO*) <<http://www.wipo.int/wipolex/en/profile.jsp?code=JO>> accessed 5 November 2014

²¹ Section 2 of the Jordanian Trade Marks Law, No. 33 of 1952, Official Gazette edn, 1110 (1 June 1952) 243, as amended.

²² Ibid

²³ Zain Al-Deen (n 17) 73

mark registration are for a mark to be distinctive²⁴ and visually perceptible.²⁵ Therefore, invisible marks such as smell marks, sound marks or taste marks cannot be registered in Jordan.²⁶ Section 8 of the Jordanian Trade Mark Law stipulates a list where a trade mark cannot be registered excluding, for instance, marks contrary to the public order or morality.²⁷

The role and use of trade marks can be traced in history back to when tribes started marking their own sheep.²⁸ For example, shepherds used to mark their sheep by certain colours or by drawing on them to ensure that other cattle do not get mixed with their own and vice versa.²⁹ If one of their sheep was lost anyone in the village would be able to determine the owner of that sheep due to the colour or drawing marked on the sheep.³⁰ This has formed the shape of trade mark law nowadays in order to facilitate customers' choices and protect them from confusion, deception and fraud when purchasing goods.³¹ The granted protection not only protects the public from deception but also protect trade mark owners.³² Effectively, trade marks function as indications of the source of origin of the goods and services.³³

²⁴ Section 7(2) of the Jordanian Trade Marks Law "Distinctive" shall mean applied in a manner which ensures the distinguishing of the goods of the proprietor of the trade mark from those of other persons.

²⁵ Section 7(1) of the Jordanian Trade Marks Law "A trademark shall be registered if it is distinctive, as to words, letters, numbers, figures, colours, or other signs or any combinations thereof and visually perceptible".

²⁶ R Madi, 'The Legal Framework for Protecting Typeface Designs Under the Jordanian Intellectual Property Law' (2013) Computer and Telecommunications Law Review 73, 80

²⁷ Section 8 of the Jordanian Trade Marks Law No. 33 of 1952

²⁸ Zain Al-Deen (n 17) 24

²⁹ Ibid

³⁰ Ibid

³¹ A Khashroom, *Industrial and Commercial Property* (2nd edn, Dar Wael 2008) 141- 144

³² A Nawafih, 'Development of Intellectual Property Laws and Foreign Direct Investment in Jordan' (2010) 5, Journal of International Commercial Law and Technology 142, 152

³³ Khashroom (n 31). Also, A Khashroom, 'The Right of Compensation as a Mean of the Civil Protection of the Infringement of a Trade Mark' (*Mohamah*, 11 December 2014) <http://www.mohamah.net/answer/21460> accessed 14 April 2015

Therefore, trade marks play an essential role in enabling consumers to distinguish among similar goods and/or services, and eventually facilitate and enhance consumers' decisions.³⁴ As mentioned above, trade marks protect consumers; this is attained when proprietors protect their trade marks by ensuring the clarity of the source and origin of the mark. Consequently, a trust between the owner and customers could be achieved by securing the essential function of trade marks, i.e. the source and origin of the mark and inhibiting any imitation or counterfeiting of the trade mark to which the goods or services are linked. If this is not maintained, it will then affect the trade mark owner, who will be held accountable of infringement and responsible for not preventing such act, for which he might be subject to litigation by injured customers.³⁵

Trade marks provide customers with the necessary amount of information about the corresponding goods/services to allow them develop a distinct experience with a particular product and be in a position to make a decision of whether to repeat that experience or not.³⁶ As a result, trade marks increase the incentive of firms to produce products of desirable qualities,³⁷ and are used by firms to induce and stimulate consumers' purchasing decisions and choices.³⁸ Trade mark protection regulates the trade competition to ensure that only fair competition is allowed,³⁹ which, in turn, is considered one of the crucial factors of successful economic growth. Trade mark protection also defines the rights and obligations of trade mark owners

³⁴ Zain Al-Deen (n 17) 41

³⁵ Khashroom (n 31) 146

³⁶ This reflects on Schechter's views. See, F Schechter, 'The Rational Basis of Trademark Protection' (1927) 40. Harv. LR 813, 819. Also, I Fhima, 'The Fame Standard for Dilution in the United States and European Union Compared' (2008) 18 Journal of Transnational Law and Contemporary Problems 631, 633

³⁷ Khashroom (n 31) 144

³⁸ Zain Al-Deen (n 17) 46. Also, I Fhima, 'Dilution by Blurring - A Conceptual Roadmap' (2010) 44 I.P.Q. 30. Also, Swann (n 1) 592

³⁹ Khashroom (n 31) 146

nationally and internationally.⁴⁰

Moreover, trade mark protection is justified because of advertising, which concerns trade mark owners. Advertising is considered one of the essential methods to announce products, goods or services related to a specific trade mark.⁴¹ This allows for remarkable speed in reaching the minds of the public.⁴² Extensive advertising is the most effective method to allure the public, primarily when used within a variety of mass media, in a way to attract consumers and create brand awareness in them.

As a result, trade marks have emerged as one of the most valuable assets for a company.⁴³ There are plenty of examples in our day and age that illustrate how valuable a trade mark is to a company, such as *Coca Cola*, *Microsoft*, and *Intel*.⁴⁴ This is because consumers value trade marks, their reputation and their image; they associate a set of desired qualities with each mark; and thus they are willing to pay more for a product bearing a trade mark they recognise if it meets their expectations.⁴⁵ Jordan has proven to acknowledge the essentiality of Intellectual Property (IP), the significance it carries, and its influence on our daily lives and on the economy.⁴⁶

It may be argued that this shift of awareness was expressed after the Paris Convention for the Protection of Industrial Property (Paris Convention),⁴⁷ of which Jordan is a member. Also, after Jordan's inclusion in the World Trade Organization (WTO), in which the WTO reconfirmed the protection of well-

⁴⁰ Zain Al-Deen (n 17) 30

⁴¹ Ibid 43

⁴² Ibid 44

⁴³ B. Malkawi, 'Well-known Marks in Jordan: Protection and Enforcement' (2007) Communications Law 119

⁴⁴ Zain Al-Deen (n 17) 51

⁴⁵ Ibid 45

⁴⁶ Ibid 47. Also, Khashroom (n 31) 146

⁴⁷ Jordan is a signatory to the Paris Convention since 1972. World Intellectual Property Organization, 'Treaties and contracting parties' (WIPO) <http://www.wipo.int/treaties/en/remarks.jsp?cnty_id=255C> accessed 21 June 2015

known marks within the Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS). However, it is a matter of controversy whether TRIPS mandates protection against dilution.⁴⁸

1.2.4 Protection for Well-Known Marks in Jordan

In general, the dilution theory exists to provide a special remedy of protection to strong and famous marks.⁴⁹ Strong marks are the ones either termed as famous in the US, or with a reputation in EU, or well-known marks in Jordan. This type of marks deserves extra protection, and if it succeeds in fulfilling the required conditions, accordingly qualifies for anti-dilution protection.⁵⁰ Before 1999, the Jordanian Trade Mark Law did not include any explicit provisions for the protection of well-known trade marks. Therefore, owners had to rely on section 8(10) of the Jordanian Trade Mark Law to obtain the protection of well-known marks.⁵¹ This section conferred only protection regarding similar or identical trade marks, used on similar or identical goods, in which the use of the mark may cause confusion to the public or constitute unfair competition in trade.⁵² Therefore, the gist of the protection referred to in section 8(10) is deception, not dilution as such.

Jordan's interest in economic growth resulted in Jordan becoming a signatory country of the WTO on April 11th, 2000.⁵³ Following this, the Jordanian Trade Mark Law had to adhere to the TRIPS Agreement, and

⁴⁸ See 1.2.5 International Obligations for Anti-Dilution Protection, page 12

⁴⁹ J McCarthy, 'Dilution of a Trademark: European and United States Law Compared' (2004) 94 *The Trademark Reporter* 1163, 1178

⁵⁰ I Fhima, *Trade Mark Dilution in Europe and the United States* (OUP 2011) 2

⁵¹ Article 8 (10) of the Jordanian Trade Marks Law No. 33 of 2008. "A mark identical with one belonging to a different proprietor which is already entered in the register in respect of the same goods or class of goods for which the mark is intended to be registered, or so closely resembling such trademark to the extent that it may lead to deceiving third parties".

See also, Malkawi (n 43) 119

⁵² Ibid

⁵³ World Trade Organization, 'Jordan and the WTO' (WTO) <http://www.wto.org/english/thewto_e/countries_e/jordan_e.htm> accessed 19 June 2015

amended its legislation accordingly, which resulted in protecting well-known marks.⁵⁴ Subsequent to the amendments of the Jordanian Trade Mark Law, the provisions of the law included explicit legal texts protecting well-known trade marks. Section 2 of the Jordanian Trade Mark Law defines a ‘well-known trade mark’.⁵⁵ Also, section 8(12) prohibits the registration of any mark that is identical or similar or constitutes a translation to a well-known mark.⁵⁶ This section of the law refers to a cause of action that opposes registration, to prevent anyone from registering a mark similar to the well-known mark owner. In addition, section 25(1)(b) prevents others from using a well-known mark on similar or dissimilar goods or services.⁵⁷ Whilst section 8(12) provides a cause of action that opposes registration, section 25(1)(b) refers to infringement. It is necessary to discuss these sections of the Jordanian Trade Mark Law thoroughly in forthcoming chapters to properly examine dilution-type protection in Jordan.⁵⁸ Moreover, it is worth exploring the amendments made to the Jordanian Trade Mark Law: for instance, the law added explicit provision of the protection of well-known trade marks, definition of ‘well-known’ trade marks, the special and extra protection

⁵⁴ A report from the WIPO National Symposium on Intellectual Property for faculty members and law students in the University of Jordan, “The Protection of Well-known Trade Marks” 2004 (the proceedings of the WIPO symposium)

⁵⁵ Section 2 of the Jordanian Trade Marks Law No. 33 of 2008 “A mark with international renown whose renown surpassed the country of origin where it has been registered and acquired renown in the relevant sector among the consuming public in Jordan”.

⁵⁶ Section (8)12 of the Jordanian Trade Marks Law No. 33 of 2008

“The following may not be registered as trade marks: the trade mark which is identical or similar to, or constitutes a translation of, a well-known trade mark for use on similar or identical goods to those for which that one is well-known for and whose use would cause confusion with the well-known mark, or for use of different goods in such a way as to prejudice the interests of the owner of the well-known mark and may suggest a connection between the owner of the well-known trademark and these goods ...”.

⁵⁷ Section 25(1)(b) of the Jordanian Trade Marks Law No. 33 of 2008

“If the trade mark is well-known, even if unregistered, its owner may request the competent court to prohibit others from using it on *identical or non-identical* goods or services provided that such use indicates a connection between those goods or services and the well-known mark, and provided that there is a likelihood of prejudice to the interests of the trade mark owner because of such use. A likelihood of confusion shall be assumed if an identical well-known mark is used on identical goods”.

⁵⁸ This is explained in Chapter Three.

offered to well-known trade marks, the protection of service marks, and the protection of marks used on dissimilar goods or services.

1.2.5 International Obligations for Anti-Dilution Protection

Jordan had to make its legislation compatible with the requirements of the TRIPS Agreement upon accession to the WTO,⁵⁹ which is the reason behind the language of the Jordanian Trade Mark Law mirroring the wording of the TRIPS Agreement and the Paris Convention.⁶⁰ It is indisputable that the Paris Convention does not provide protection from dilution *per se*.⁶¹ However, it is a matter of controversy whether dilution is mandated in the TRIPS Agreement.⁶² It is worth noting that the TRIPS Agreement is considered a 'Paris-Plus' provision.⁶³ It is interesting to examine whether Jordan is mandated to implement provisions into the Jordanian Trade Mark Law to provide protection against dilution, as to adhere to international obligations, such as the TRIPS Agreement, especially since the question whether the latter involves such protection remains unclear.

There seems to be no consensus among academics about the extent to which international law mandates protection against dilution. In fact, it is debatable whether the TRIPS Agreement requires protection against dilution or not.⁶⁴ While scholars, such as Correa,⁶⁵ Gervais,⁶⁶ Gielen,⁶⁷ Mostert⁶⁸

⁵⁹ World Trade Organization, 'Report of The Working Party on the Accession of The Hashemite Kingdom of Jordan to the World Trade Organization' (WTO) <https://www.wto.org/english/thewto_e/acc_e/completeacc_e.htm#jor> accessed 13 May 2015. Also, S Haddadin and M Naser, 'The Unnatural of Intellectual Property: An Example from a Developing Country' (2013) European Intellectual Property Review 348

⁶⁰ Malkawi (n 43). Also, M Naser and T Hammouri, 'The Notion of Famous, Well-Known Trade Marks and Marks with Repute Compared' (2014) 9 Journal of Intellectual Property Law & Practice 312

⁶¹ K Whittaker, 'Trademark Dilution in a Global Age' (2006) 27 University of Pennsylvania Journal of International Economic Law 907

⁶² See page 13

⁶³ C Correa, *Trade Related Aspects of Intellectual Property Rights* (OUP 2007) 185

⁶⁴ L Ramsey, 'Free Speech and International Obligations to Protect Trademarks' (2010) 35 YALE J. Int'l L. 405, 432

and Schmidt-Szalewski,⁶⁹ agree that the TRIPS Agreement mandates anti-dilution protection of well-known trade marks, other scholars, such as Dinwoodie⁷⁰ and Dutfield,⁷¹ do not. For instance, among the advocates of the former interpretation, Correa asserts that Article 16(3) of the TRIPS Agreement aims ‘to protect a trademark against “dilution” of its distinguishing merit’.⁷² In the same vein, Schmidt-Szalewski confirms that the TRIPS Agreement has gone beyond the Paris Convention to cover protection of well-known marks from third parties’ goods or services that dilute or damage ‘the reputation or value of the well-known trademark’.⁷³ In addition, Gervais argues that anti-dilution protection is provided under Article 16(3).⁷⁴ Gervais states that ‘likely to damage’⁷⁵ as found in Article 16(3) of the TRIPS Agreement ‘should be interpreted liberally since a simple likelihood of damage is sufficient’.⁷⁶ Moreover, Ramsey asserts that Article 16(3) ‘requires states to provide stronger trademark protection across industries to well-known marks’.⁷⁷ Accordingly, Member States can grant anti-dilution

⁶⁵ Correa (n 63) 192

⁶⁶ D Gervais, *The TRIPS Agreement: Drafting History and Analysis* (4th edn, Thomson Reuters 2012) 333

⁶⁷ C Gielen, ‘Trademark Dilution Under European Law’ (2014) 104 TMR 693, 699

⁶⁸ F Mostert, ‘Well-Known and Famous Marks: Is Harmony Possible In The Global Village?’ (1996) 86 TMR 103, 130-131

⁶⁹ J Schmidt-Szalewski, ‘The International Protection of Trademarks After The TRIPS Agreement’ (1998) 9 Duke Journal Of Comparative International Law 189, 209

⁷⁰ G Dinwoodie, ‘The Integration of International and Domestic Intellectual Property Lawmaking’ (2000) 23 Columbia- VLA Journal of Law. & The Arts 307, 314

⁷¹ G Dutfield and U Suthersanen, *Global Intellectual Property Law* (Edward Elgar Publishing Limited 2008) 151

⁷² Correa (n 63)

⁷³ Schmidt-Szalewski (n 69)

⁷⁴ Gervais (n 66)

⁷⁵ Article 16(3) of the TRIPS Agreement

⁷⁶ Gervais (n 66)

⁷⁷ Ramsey (n 64) 431

protection to well-known trade marks.⁷⁸ Furthermore, as stated in the US House of Representatives Report, the TRIPS Agreement ‘includes a provision designed to provide dilution protection to famous marks’.⁷⁹ Also, Gielen⁸⁰ and Mostert⁸¹ claim that Article 16(3) of the TRIPS Agreement confers anti-dilution protection.⁸²

Conversely, there are other scholars and commentators who disagree with the interpretation that dilution protection is mandated by international law. Dinwoodie and Dreyfuss illustrate that the WIPO JR⁸³ explicitly includes provisions to provide protection to well-known mark against dilution, and that the protection referred in TRIPS Agreement is associated with consumer confusion.⁸⁴ Also, they point out that if the Dispute Resolution Board ‘were called upon to decide whether TRIPS requires dilution protection, adjudicators would have sufficient information to conclude that the Joint Resolution does not shed light on the issue’.⁸⁵ Moreover, Dinwoodie explicitly states that TRIPS does not mandate protection against dilution.⁸⁶ He reasons that by following the legislative history of the Federal Trademark Dilution Act, if dilution is mandated, then that would mean that ‘there should be dilution protection for any type of trademark, whether words or product design’.⁸⁷ Further, Dinwoodie highlights that ‘the legislative history of the

⁷⁸ Ibid 432

⁷⁹ House Report of Representatives 104-374, at 4 (1995)

⁸⁰ Gielen (n 67) 699

⁸¹ F Mostert (68)

⁸² Ibid

⁸³ The General Assembly of the WIPO and the Members of the Assembly of the Paris Union for Industrial Property (Paris Union) adopted the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks 1999 (WIPO JR)

⁸⁴ G Dinwoodie and R Dreyfuss, ‘Designing a Global Intellectual Property System Responsive to Change: The WTO, WIPO and Beyond’ (2009) Houston Law Review 1, 31

⁸⁵ Ibid

⁸⁶ Dinwoodie (n 70) 314

⁸⁷ Ibid

Federal Trademark Dilution Act incorrectly suggested that dilution protection was endorsed or mandated by TRIPS⁸⁸ and that there is ‘a conflict between Congress’s interpretation of TRIPS and constitutional issues’.⁸⁹ Furthermore, Dinwoodie argues that ‘the legislative history of the dilution law overstates the obligations of Article 16(3) and that confusion-based causes of action under U.S. law satisfy Article 16(3)’.⁹⁰ Additionally, Dinwoodie argues that since dilution is mandated in the WIPO JR, it eliminates any ambiguity on whether dilution is found in the TRIPS Agreement.⁹¹ In addition, Dutfield considers the TRIPS provision Articles 16(2) and (3) to be supplementary to the Paris Convention. Dutfield and Suthersanen’s perspective stems from the wording of the TRIPS Agreement: ‘This TRIPS provision supplements the protection for well-known marks required by Article 6^{bis} of the Paris Convention’.⁹² If we accept that anti-dilution protection is part of the TRIPS Agreement, even though there is no consensus, and if dilution is part of TRIPS, dilution would ultimately be an obligation for Jordan too, as Jordan is a signatory of WTO. On the other hand, if one were to take the literal wording of the TRIPS Agreement, i.e. TRIPS arguably is an extension to the Paris Convention, the protection thereby mandated could be said to be a higher form of protection against confusion.

Although dilution is not confirmed to be included in the TRIPS Agreement, there is a significant number of Jordanian scholars⁹³ acknowledging that the Jordanian Trade Mark Law mirrors the provisions in the TRIPS Agreement. Jordanian scholars assert that ‘dilution’ reached Jordan through the TRIPS

⁸⁸ G Dinwoodie, ‘Trademarks and Territory: Detaching Trademark Law from The Nation-State’ (2004) 41 Houston Law Review 885, 923

⁸⁹ Ibid

⁹⁰ Ibid

⁹¹ Ibid 924

⁹² Dutfield and Suthersanen (n 71) 151

⁹³ Including Mohammad Amin Naser, Tariq Hammouri, Suhail Haddadin, and Yasar Al-Hneeti

Agreement.⁹⁴ For instance, Malkawi claims that the TRIPS Agreement strongly influenced Jordan's trade mark law, which marked an essential outset for Jordan's protection of well-known marks.⁹⁵ Additionally, Naser and Hammouri argue that 'TRIPS has introduced protection against dilution', because of the extended protection that covers 'goods or services which are not similar to those in respect of which a trademark is registered'.⁹⁶ They believe this principle mirrors Schechter's views on dilution.⁹⁷

Furthermore, Haddadin and Naser argue that Jordan had to make its legislation compatible with the further requirements of the TRIPS Agreement upon accession to the WTO.⁹⁸ They state that the Jordanian Trade Mark Law of 1952 was modified with 'the introduction of dilution protection for well-known trade marks, which came in the 1999 amendment'.⁹⁹ It is commonly known among Jordanian scholars that the TRIPS Agreement mandates protection against dilution and, through the TRIPS Agreement, dilution has reached Jordan. However, it may be argued that this understanding is inaccurate, as there is no legal basis for this assumption, and there is no conclusive evidence that TRIPS indeed mandates protection against dilution.¹⁰⁰ It may be argued that Jordan received trade mark dilution by the back door as a result of Article 6^{bis} of the Paris Convention, which was shaped by the WTO in the TRIPS Agreement, followed by the WIPO attempting to regain control of developments with the Joint Recommendation. It is believed that this has led a well-known marks provision in the Jordanian Trade Mark Law infused with the theory of dilution

⁹⁴ Naser and Hammouri (n 60) 314

⁹⁵ Malkawi (n 43) 120

⁹⁶ Naser and Hammouri (n 60)

⁹⁷ Schechter (n 36) 825. Fhima (n 38). Also, M Senftleben, 'The Trademark Tower of Babel - Dilution Concepts in International, US and EC Trademark Law' (2009) IIC 42, 52

⁹⁸ Haddadin and Naser (n 59) 348

⁹⁹ Ibid 349

¹⁰⁰ As abovementioned, there is no consensus among academics about the extent to which international law mandates protection against dilution

in mind, without the Jordanian legislature crafting its own trade mark dilution provisions. Arguably, section 8(12) combines an implicit meaning of dilution and Article 6^{bis} of the Paris Convention. The well-known mark theory found its roots in Article 6^{bis} of the Paris Convention; it permits the owner 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 to identical or similar goods.¹⁰¹

A similar wording to this is found in sections 8(12) and 33 of the Jordanian Trade Mark Law.¹⁰² By reading the first part of section 8(12) it refers to Article 6^{bis} ‘the trade mark which is identical or similar to, or constitutes a translation of, a well-known trade mark for use on similar or identical goods to those for which that one is well-known for and whose use would cause confusion with the well-known mark’. The second part of section 8(12) implicitly refers to the meaning of dilution as it states the protection of the well-known mark when used on different goods. The reference to the use of the mark on different goods infers on the meaning of dilution. Mostert illustrates ‘famous marks are considered to have a higher degree of reputation than well-known marks and therefore deserves a broader scope of protection against unauthorised use on non-competing goods or services’.¹⁰³ On the other hand, Article 6^{bis} is applied with respect to other marks filed,

¹⁰¹ Article 6^{bis} of the Paris Convention

¹⁰² Section 33 of the Jordanian Trade Marks Law No. 33 of 2008 reads:

No person shall have the right to file a lawsuit to claim damages for any infringement upon a trademark not registered in the Kingdom. However, he shall have the right to apply for the Registrar to cancel a trademark registered in the Kingdom by a person who doesn't own it after it was registered abroad if the grounds claimed are the ones mentioned in paragraphs 6, 7, 10 & 12 of Article 8 of this law.

¹⁰³ Mostert (n 68) 115

registered or used for identical or similar goods.¹⁰⁴

It is noteworthy that the doctrine of dilution is offered to famous marks, which is a term that is different to the term used by the Paris Convention, i.e. well-known marks. However, the terms whether ‘famous’, ‘highly reputed’, ‘notorious’, or ‘well-known’ has caused a fair amount of confusion.¹⁰⁵ It may be argued that the Jordanian legislator might have also been confused to which term must be adopted to differentiate the term used for well-known doctrine or for the dilution doctrine.

The purpose of Article 6^{bis} is ‘to avoid the registration and use of a trademark, liable to create confusion with another mark already well known in the country of such registration or use, although the latter well-known mark is not, or not yet, protected in that country by a registration which would normally prevent the registration or use of the conflicting mark’.¹⁰⁶ The justification of this Article is that the registration or use of a confusingly similar mark will be deemed an act of unfair competition, and will be considered prejudicial to the interests of those who will be misled.¹⁰⁷ Also, it is noteworthy that dilution doctrine is not concerned about consumer’s confusion. Ultimately, section 8(12) of the Jordanian Trade Mark Law combines both references to Article 6^{bis} and the doctrine of dilution, arguably explains the reason why the understanding of the dilution doctrine in Jordan has been so far blurry.

¹⁰⁴ G.H.C Bodenhausen, ‘Guide To The Application of The Paris Convention For The Protection of Industrial Property’ (1968) United International Bureaux for The Protection of Intellectual Property (BIRPI) 1, 92

¹⁰⁵ Mostert (n 68) 115

¹⁰⁶ G Bodenhausen (n 104) 90

¹⁰⁷ Ibid 91

While there is no assertion that TRIPS mandates dilution,¹⁰⁸ the WIPO JR terminates this perplexity by stating explicitly the protection against dilution to well-known trade marks.¹⁰⁹ Although the WIPO JR is ‘soft-law’, which is non-binding, one needs to consider the agreement between the United States and the Jordan Free Trade Area (US-JO FTA) in 2000.¹¹⁰ This bilateral agreement binds Jordan and the US to adopt the WIPO JR, which accordingly mandates protection against dilution.¹¹¹ As a result, this form is regarded as a TRIPS-Plus. The US-JO FTA gives an effect to Articles 1 to 6 in the WPO Joint Recommendation 1999. The first part of Article 4(1)(b) of the WIPO JR¹¹² mirrors the language of the TRIPS Agreement in Article 16(3). The second part of Article 4(1)(b) explicitly requires protection against dilution.¹¹³ It is worth noting that the WIPO Joint Recommendation sets out non-exhaustive factors that courts may take into account to determine what constitutes a well-known mark, which specifically refers to the protection against ‘dilution’ and ‘unfair advantage’ under specific conditions for a certain group of marks.

¹⁰⁸ Ramsey (n 64)

¹⁰⁹ Article 4(1)(b)(ii) and 4(1)(iii) of the WIPO Joint Recommendation

The WIPO JR makes distinction between two different grounds, one of those grounds is dilution and it is clearly separated from “a connection” which is found in TRIPS

¹¹⁰ Agreement between the United States of America and the Hashemite Kingdom of Jordan on the Establishment of a Free Trade Area 2000. “Article 4(1): Each Party shall, at a minimum, give effect to this Article, including the following provisions: (a) Articles 1 through 6 of the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (1999), adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (“WIPO”). Also, B Malkawi, ‘Lessons from the United States-Jordan Free Trade Agreement’ (2008) *Int. T.L.R.* 26, 28

¹¹¹ Dinwoodie and Dreyfuss (n 84) 28. Also, Ramsey (n 63) 432. See also, A Kur, ‘Not Prior in Time, But Superior In Right - How Trademark Registrations Can Be Affected By Third-Party Interests In A Sign’ (2013) *IIC* 790, 796

¹¹² Article 4(1)(b)(i) “the use of that mark would indicate a connection between the goods and/or services for which the mark is used, is the subject of an application for registration, or is registered, and the owner of the well-known mark, and would be likely to damage his interests”.

¹¹³ Article 4(1)(b)(ii) “the use of that mark is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark; (iii) the use of that mark would take unfair advantage of the distinctive character of the well-known mark”.

It may be argued that if Article 16 of the TRIPS Agreement provided anti-dilution protection, there would be no need for the WIPO Joint Recommendation to refer once more to dilution. The fact that dilution protection is separated from the first ground,¹¹⁴ is an indication that those who drafted the WIPO Joint Recommendation understood that Article 16 of the TRIPS Agreement does not indeed mandate anti-dilution protection. One may question that if the language of Article 16 of the TRIPS Agreement was broad enough to cover dilution and unfair advantage, why would there be an explicit reference to dilution and unfair advantage as additional grounds in the WIPO Joint Recommendation? Additionally, the dilution doctrine is understood to be concerned with protecting the mark itself, whereas by reading Article 16 of the TRIPS Agreement, it refers to the use of the trade marks in relation to goods and services.¹¹⁵ For the reasons mentioned above, it is believed that dilution is not found in TRIPS, as the latter attaches the protection of trade mark to the product, while dilution is believed to be merely about protecting the trade mark *per se* without any reference to the goods or services. Dilution is applied whether a similar mark to that famous mark is used on similar or dissimilar products. Therefore, regardless of the similarity of the products, dilution is about the trade mark *per se*, not the products attached to that trade mark. In addition, the dilution doctrine does not take into consideration consumers' confusion¹¹⁶ as stipulated in the Federal Trademark Dilution Act (FTDA) 1995,¹¹⁷ whereas Article 16 of the TRIPS Agreement specifically refers to confusion.

¹¹⁴ That is Article 4(1)(b)(i) WIPO Joint Recommendation

¹¹⁵ Article 16 of the TRIPS Agreement states Article 6^{bis} of the Paris Convention (1967) "shall apply, *mutatis mutandis*, to 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".

¹¹⁶ Dinwoodie and Dreyfuss (n 84) 31

¹¹⁷ Dilution was first protected in a federal level by the establishment of the Federal Trademark Dilution Act 1995 (FTDA). The FTDA defines dilution as the "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence of - (1) competition between the owner of the famous and other parties, or (2) likelihood of confusion, mistake or deception".

It may be contended that the term ‘dilution’ does not appear verbatim in the Jordanian Trade Mark Law; it is only based on the premise that dilution is implemented through a TRIPS-Plus Agreement. The doctrine of dilution, or at least words to similar effect to the meaning of dilution, may be argued to be recognised under the Jordanian Trade Mark Law, aiming to protect well-known trade marks against dilution. Therefore, it is essential to analyse the WIPO Joint Recommendation’s provisions in order to understand the conception of the doctrine of dilution. It must be noted that the WIPO Joint Recommendation does not mandate automatic protection simply upon satisfaction of the prerequisite for a mark to be well-known, which is the common approach followed by Jordanian courts.¹¹⁸ Prior to a decision that grants anti-dilution protection, there are factors that must be highlighted and analysed in order to enhance the perception of applying dilution among Jordanian courts.

For this reason, it is important to take into consideration the WIPO JR for a variety of reasons: not only it is an explicit and clear form of provisions that stipulate protection against dilution but also, as Jordan is obliged to adhere to it, there is no room for doubt whether Jordan must apply dilution. The WIPO Joint Recommendation provides a guideline and a comprehensive list of factors to assist legal practitioners in determining and identifying which marks are well-known.¹¹⁹

Article 2 of the WIPO JR provides guidance that the competent authority shall take into account the knowledge of the relevant public when determining whether a mark is a well-known mark or not.¹²⁰ However, the WIPO JR gives more flexibility for competent authorities to adopt a narrowed scope by requiring that the mark has to be well known by the public at

¹¹⁸ This is further explained in Chapter Three.

¹¹⁹ Article 2 of the WIPO Joint Recommendation. Provides guidelines on the protection for well-known trade marks and list factors for consideration to assist competent authorities in determining whether a mark is well-known.

¹²⁰ Article 2 (1)(b)(1) of the Joint Recommendation

large.¹²¹ In addition, Article 4(1)(b)(ii) provides that the use in question has to be dilutive in an unfair manner.¹²² The meaning of ‘unfair manner’ implies that a third-party use of a well-known mark, which is not contrary to honest commercial practice (e.g. reference to a well-known mark for review or parody), does not constitute dilution.¹²³ Evidently, this is a safeguard that junior trade marks could rely upon when using a similar mark to the well-known mark. Furthermore, the Explanatory Notes in the WIPO Joint Recommendation define the conditions prior to granting anti-dilution protection, which infers that anti-dilution protection is *not* automatically granted.

Ultimately, in order to clarify the concept of dilution among Jordanian legal practitioners to accordingly modify the Jordanian Trade Mark Law, it is important to examine the concept of dilution. The concept should be analysed from the perspective of the originator of dilution: namely, Schechter, the TDRA, and the TMD.

1.2.6 The Concept of Dilution

Dilution was brought ‘to the attention of the English-speaking world’¹²⁴ by Frank Schechter.¹²⁵ However, Schechter did not mention the word ‘dilution’.¹²⁶ He called for protecting arbitrary, coined or fanciful marks. He added that such strong marks must be granted extended protection as a way

¹²¹ Article 4(1)(c) of the WIPO JR Notwithstanding Article 2(3)(a)(iii), for the purpose of applying paragraph (1)(b)(ii) and (iii), a Member State may require that the well-known mark be well known by the public at large.

¹²² Article 4(1)(b)(ii) the use of that mark is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark

¹²³ Article 4.4 of the Explanatory Notes on Article 4 item (ii)

¹²⁴ Fhima (n 38)

¹²⁵ Schechter (n 36). The theoretical basis for the concept of ‘dilution’ can be traced back to Schechter’s 1927 article.

¹²⁶ Ibid. Also, S Chong, ‘Protection of Famous Trademarks Against Use For Unrelated Goods And Services: A Comparative Analysis Of The Law In The United States, The United Kingdom And Canada And Recommendations For Canadian Law Reform’ (2005) 95 TMR 642, 653-654.

to preserve the trade marks' uniqueness.¹²⁷ Schechter looked at the German *ODOL* case in 1924 in supporting his argument.¹²⁸ According to Schechter, it is the 'selling power' of a trade mark that is worth protecting; a trade mark's selling power depends on the merit of the goods, the uniqueness and singularity of the mark, regardless of its use on either similar or dissimilar products.¹²⁹ Schechter's views were first considered and recognised in the US federally in the FTDA, which was later replaced by the TDRA.¹³⁰ According to the TDRA, protection against dilution is granted to marks where the senior mark is famous.¹³¹ The TDRA has provided a definition of famous marks and explicitly stated two types of dilution,¹³² i.e. dilution by blurring and dilution by tarnishment, including a definition of both types of dilution.¹³³

It is believed that the US and EU experience in dilution theory is necessary for forming the ideal solution and the best approach for Jordan. It is important to note that the US and the EU were initially uncertain about the concept of dilution.¹³⁴ This uncertainty caused confusion among US federal courts, resulting in contradictory rulings.¹³⁵ From this, it can be inferred that

¹²⁷ Schechter (n 36) 831

¹²⁸ Ibid

¹²⁹ Ibid 822

¹³⁰ Fhima (n 50) 8

¹³¹ 15 U.S.C. § 1125(c)(2)

¹³² Senftleben (n 97) 55

¹³³ Sec. 43(c)(2)(B) of the 1946 Trademark Act (15 U.S.C. 1125) Dilution by blurring, is an association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.

Sec. 43(c)(2)(C) of the 1946 Trademark Act (15 U.S.C. 1125) Dilution by tarnishment, is an association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

¹³⁴ In regards to US, it is explained in Chapter Four - 4.2.1 The Uncertainty of Dilution, page 155. In regards to the EU, it is explained in Chapter Five - 5.2.2 The Uncertainty of the Concept of Dilution, page 206

¹³⁵ S Duvall, 'The Trademark Dilution Revision Act of 2006: Balanced Protection For Famous Brands' (2007) 97 TMR 1252, 1256. 'Judges seemed to have difficulty grasping the phenomenon of "dilution" embodied in the FTDA'.

the concept of dilution is a perplexing one and that its interpretation is challenging. It can be argued that the misconceptions around dilution theory, when it was first launched in the US and EU, could be the reason why Jordanians might have adopted a vague concept of dilution.¹³⁶ One example of the uncertainty surrounding the concept of dilution found in the US was the *Victoria's Secret* case,¹³⁷ which was a high-profile litigation where dilution was controversial and led to a split among the circuits courts.¹³⁸ This is precisely the reason why the FTDA was reviewed, resulting in the passing of the TDRA, which overruled the decision in the *Victoria's Secret* case.¹³⁹ It is believed that the TDRA is an improved version of the FTDA; however, it may be argued that the scope of dilution was more narrow in the FTDA, which is arguably the most favourable approach. The reason for this is because the FTDA required 'actual dilution'.¹⁴⁰ According to the TDRA, proving a likelihood of dilution is sufficient; thus, famous marks are afforded a lesser standard of proof, and monopoly is more easily conferred to trade mark owners. One of the reasons why dilution is believed to be a potent legal tool is due to the fact that it neglects the traditional infringement test and hinders entrants to participate within a fair competition.¹⁴¹ It may be argued that accepting that dilution is a potent tool, is perhaps the reason why US courts are more cautious in granting anti-dilution protection. A good example is *Starbucks v. Charbucks*, where the court followed a cautious approach and a

¹³⁶ This is discussed in Chapter Three

¹³⁷ *Moseley v. V Secret Catalogue, INC.* 537 U.S. 418 (2003)

¹³⁸ *McCarthy* (n 49) 1166-1167

¹³⁹ *Ibid.* Also, INTA Bulletin, 'Under TDRA, Famous Victoria's Secret Mark Is Tarnished by Victor's Little Secret' (2010)

<https://www.inta.org/INTABulletin/Pages/UnderTDRA,FamousVICTORIA'SSECRETMarksTarnishedbyVICTOR'SLITTLESECRET.aspx> Accessed 5 December 2019. The TDRA was revised 'to overrule the Supreme Court's requirement of "actual harm" from the *V Secret Catalogue* decision and replace it with a "likelihood of dilution" standard for those marks that could meet new, higher standards of fame'.

¹⁴⁰ *V Secret* (n 137) 'The court attempted to ensure that senior marks owners do not abuse the power of obtaining protection against dilution, which could result in driving away competitors, despite how close or distant the junior's mark is to the claimant's mark might be'.

¹⁴¹ *McCarthy* (n 49) 1180

thorough critical examination in assessing the likelihood of dilution.¹⁴² The second circuit took into consideration *all* factors within the list of conditions specified in the TDRA in determining whether a mark or trade name is likely to cause dilution by blurring.¹⁴³ Four factors out of six weighed in favour of Starbucks; however, the survey evidence did not convince the court to grant anti-dilution protection to *Starbucks*. The court reasoned that the survey lacked essential questions and the percentage of consumer's association between the two marks was low.¹⁴⁴ As a result, *Starbucks* was defeated by *Charbucks* because the court raised the threshold bar. It may be argued that a trade mark such as *Starbucks*, which is popular around the world, was defeated by *Charbucks*, gives the impression that US courts are strict and cautious when dealing with dilution claims. The court's ruling reassured that the aim and core principles of trade mark law are not to prevent any use of a distinctive mark, and anti-dilution protection 'should be applied with care after rigorous evidentiary examination by the courts'.¹⁴⁵ Essentially, in *Starbucks*, the court raised the threshold bar substantially, and its ruling indicates its apprehension to grant such type of protection without comprehensive examination. Most importantly, when analysing the similarity between the two marks, the court clarified that the *Charbucks* mark is used in a different context than the plaintiff's *Starbucks* mark, and, therefore, it 'does not violate any trademark or unfair competition'.¹⁴⁶ This case is an interesting example that needs to be brought to the attention of Jordanian legal practitioners in order to revisit the dilution theory and to be made aware that protection against dilution should not be automatically granted.

As mentioned above, the concept of dilution is perplexing not only among judicial courts in US but also among scholars. Therefore, it could be contended that one should not criticise a developing country, such as

¹⁴² Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 588 F.3d, 114 (2d Cir. 2013)

¹⁴³ Ibid

¹⁴⁴ Ibid

¹⁴⁵ Starbucks Corp v. Wolfe's Borough Coffee, Inc., No. 01 Civ. 5981 (LTS)(THK) (S.D.N.Y. Dec 23, 2011)

¹⁴⁶ Ibid

Jordan, for its misinterpretations around the theory of dilution. For instance, McCarthy¹⁴⁷ and Senftleben¹⁴⁸ have both expressed how complicated 'dilution' is, and have found difficult to explain why the standard infringement test based on consumer confusion when dealing with dilution claims is neglected.¹⁴⁹ Specifically, the danger lies when a stronger form of monopoly is granted without reference to the most reliable test of infringement, i.e. the likelihood of consumer confusion. The reason for this is because 'confusion' is the boundary line to what constitutes fair or unfair competition: if confusion is neglected, dilution can disrupt competition.¹⁵⁰

Furthermore, from a European perspective, the TM Directive¹⁵¹ and the United Kingdom Trade Marks Act 1994 do not use the word 'dilution' per se; instead, the legislation refers to 'detiment'.¹⁵² This term was interpreted and confirmed by the Court of Justice of the European Union (CJEU) as referring to the protection against dilution.¹⁵³ Additionally, the term used by the EU to describe which marks are conferred anti-dilution protection is neither 'well-known' nor 'famous' marks: Article 5(2) of the TMD 2008 and Article 10(2)(c) of the TMD 2015 refer to 'marks with reputation'. The EU acknowledges the two types of harm, blurring and tarnishment, which are found in the TDRA. In addition, extra protection is offered to include protection against 'free riding', which encompasses the unfair advantage of a mark's distinctive character and reputation.¹⁵⁴

¹⁴⁷ McCarthy (n 49) 1163

¹⁴⁸ Senftleben (n 97)

¹⁴⁹ Ibid. Also, McCarthy (n 49) 1172

¹⁵⁰ Fhima (50) 2

¹⁵¹ Directive 2008 (n 3) and Directive 2015 (n 4)

¹⁵² McCarthy (n 49) 1172. Senftleben (n 97) 75. Dinwoodie (n 88) 923. Also, Intel (n 2) 1088

¹⁵³ (Case C-408/01) *Adidas-Salomon AG v. Fitnessworld Trading Ltd.* [2004] F.S.R. 21. 401, 424-425. paras 36-39. Also, W. Cornish, D. Llewelyn, and T Aplin, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (7th edn, Sweet & Maxwell 2010) 791

¹⁵⁴ Fhima (50) 1

It is important to note that EU, unlike the US, extends the scope of dilution to cover protection on the use of a mark on similar goods and services.¹⁵⁵ The CJEU¹⁵⁶ ascertained that protection against dilution was extended to cover similar goods or services regardless of the literal language of Article 5(2) of the TMD.¹⁵⁷ McCarthy contends that triggering ‘dilution’ on similar and competitive goods or services is a *harmful* instrument ‘to the balance of free and fair competition’.¹⁵⁸ If competitive or similar goods or services are protected by applying the traditional infringement test, as stated by Advocate General Jacobs in the case of *Davidoff*,¹⁵⁹ one could question the reason behind the CJEU invoking this extraordinary remedy of protection against dilution on similar goods or services. It may be argued that the EU has adopted a similar approach to that followed in the US, where the scope of dilution is expanded. The US replaced the requirement of proving ‘actual dilution’ to ‘likelihood of dilution’ when introducing the TDRA. Similarly, it could be said that EU neglected the literal wording of the TMD and extended the scope of dilution to be triggered on the use of a similar mark to the mark with a reputation on similar goods or services. It may be argued that the use of a similar mark on similar products was covered and protected under the traditional infringement test, whereas now, dilution is wider to cover such matter. Also, although the TDRA seems to be more lenient than the FTDA, as the latter required ‘actual dilution’, it is worth noting that the US courts, such as in the case in *Starbucks* and *Charbucks*, are strict and raise the threshold high before granting anti-dilution protection.¹⁶⁰

¹⁵⁵ Adidas-Salomon (n 153)

¹⁵⁶ Previously called the European Court of Justice (ECJ)

¹⁵⁷ Adidas-Salomon (n 153) and Case (C-292/00) *Davidoff and Zino Davidoff* [2003]. Also, McCarthy (n 49) 1180

¹⁵⁸ McCarthy (n 49) 1177

¹⁵⁹ *Davidoff* (n 157)

¹⁶⁰ *Starbucks* (n 142)

The EU seems to take a similar position to that in the US. In fact, the TMD limits dilution to uses of a similar mark with a reputation on dissimilar goods or services; however, the courts have expanded the scope to cover instances of uses on similar products. Nevertheless, it can be argued that courts in the EU follow the US approach by taking a strict and cautious approach when granting anti-dilution protection. This is evident in *Intel*, where the court confirmed that a link between the earlier and later mark had to be established.¹⁶¹ The court in *Wolf* followed the steps of the court's decision in *Intel*.¹⁶² It is noteworthy that succeeding in proving a link between the two marks does not indicate a successful claim in dilution. While a link is an important element to be proved, nevertheless there are additional factors that are required before granting anti-dilution protection.¹⁶³ For instance, in *Wolf*, the Opposition Division dismissed the opposition on the grounds that the intervener did not provide sufficient evidence of any detriment to the repute of the earlier marks or any unfair advantage gained from them.¹⁶⁴

Further, the CJEU requests an objective condition, i.e. a likely change in the economic behaviour of the average consumer, which is not found within the TMD but is demanded by courts, thus, courts are strict in granting anti-dilution protection.¹⁶⁵ The court in *Wolf* reconfirmed *Intel*'s ruling by stating that 'without adducing evidence that that condition is met, the detriment or the risk of detriment to the distinctive character of the earlier mark provided for in Article 8(5) of Regulation No 207/2009 cannot be established'.¹⁶⁶ It may be argued that this is an important litigation because the CJEU reaffirmed the condition applied in *Intel* and confirmed that it is necessary to

¹⁶¹ *Intel* (n 2)

¹⁶² (Case T- 570/10) Environmental Manufacturing LLP v. Office for Harmonisation in the Internal Market, (Trade Marks and Designs) (OHIM), Société Elmar Wolf [2012] E.T.M.R. 54. The court in *Wolf* has followed the same stance of *Intel* in requesting a proof of change in the economic behaviour of the average consumer.

¹⁶³ *Intel* (n 2)

¹⁶⁴ Environmental Manufacturing (n 162)

¹⁶⁵ (Case T-570/10) RENV, Environmental Manufacturing v OHIM (Wolf Case) [2015]

¹⁶⁶ *Ibid*

demand a higher standard of proof in order to find detriment, or the risk of detriment, to the distinctive character of the earlier mark.

The cases mentioned above stand as ideal examples that Jordanian courts can learn from; anti-dilution protection is not granted automatically, and most importantly, there is a strict list of conditions that the courts should require evidence on. These conditions must be all satisfied, and if one condition is not met, this should result in an unsuccessful claim of dilution. Ultimately, where a strict approach of the application of dilution is adopted by Jordanian legislator and courts; the risks of dilution and monopoly in the language is minimised.

Nevertheless, proponents of the dilution doctrine believe that a trade mark must be protected even in the absence of consumer confusion.¹⁶⁷ The reason for this, as Breitschaft argues, is that even 'if there is no consumer confusion, the opponent might still diminish the distinctive character and the reputation of the proprietor's mark'.¹⁶⁸ This argument is based on the consideration of protecting the mark's distinctive character in the long run.¹⁶⁹ Proponents also believe that there is a necessity for dilution protection so that brands remain singular, strong, and the communicative clarity of such marks is preserved.¹⁷⁰ On the other hand, opponents of the dilution theory contend that dilution could upset the balance of free and fair competition.¹⁷¹ McCarthy claims that 'if every trademark could invoke the anti-dilution remedy and stop uses of all similar marks in every market and every line of trade, this would upset the traditional balance of fair versus free competition

¹⁶⁷ C Pickering, 'Trade Marks in Theory and Practice' (Hart Publishing 1998) 118

¹⁶⁸ A Breitschaft, 'Intel, Adidas & Co - is the jurisprudence of the European Court of Justice on dilution law in compliance with the underlying rationales and fit for the future?' (2009) E.I.P.R. 497, 498

¹⁶⁹ Ibid

¹⁷⁰ Swann (n 1)

¹⁷¹ McCarthy (n 49) 1180

that is inherent in trademark law'.¹⁷²

Furthermore, risks and effects could emanate from anti-dilution protection by spanning junior uses across all product markets and consequently creating a monopoly and preventing legitimate use.¹⁷³ The prevention encompasses any use of a similar mark to the famous mark, regardless of consumer confusion. Obtaining anti-dilution protection spans junior uses and prevents new entrants from coming closer to the aura of the famous mark.¹⁷⁴ It may be argued that there are evident drawbacks from applying the doctrine of dilution, even though dilution aims at protecting the distinctive character of the mark, which is essential to protect. However, it is believed that the protection granted is overrated and unbalanced, because it neglects the role of consumers, which technically is what trade marks rely on to be considered famous.

The Jordanian legislator seems to take a different stance to that in the US and EU. As a consequence of the vague provisions implemented in the Jordanian Trade Mark Law; Jordanian courts reach a conclusion as to which marks are to be conferred protection against dilution differently from how it is applied in the US and EU. In addition, the US and the EU seem to be cautious and thoroughly examine conditions before conferring anti-dilution protection. However, anti-dilution protection in Jordan is easily conferred to well-known foreign marks. Arguably, Jordanian courts' understanding of the application of the doctrine of dilution is within the confines of a well-known marks provision. Also, it may be argued that Jordanian courts are merely applying the legislation. If the Jordanian legislature stipulates clearer words of the theory of dilution, Jordanian courts would apply the doctrine more effectively.

Furthermore, Jordanian courts must follow the US and the EU in examining thoroughly the factors mandated by the law. For instance, in the Jordanian

¹⁷² Fhima (n 36) 633

¹⁷³ Ibid

¹⁷⁴ Ibid

Trade Mark Law, protection is granted on the grounds that the use of a well-known mark indicates a connection between the junior's mark and the senior's well-known mark, and the interests of the owner are likely to be damaged by such use.¹⁷⁵ The connection between the two marks is not examined by the courts. The common presumption among courts is to provide protection to prevent any damages that might incur in the future due to the use of a similar mark to a well-known mark, without any in-depth examination and merely upon assuming that there is a similarity between the two marks. Also, although without reference to actual damage, the harm is presumed and, accordingly, automatic protection will be granted to a foreign trade mark in Jordan.¹⁷⁶ For instance, Al-Hneeti points out that the reason for protecting well-known marks on dissimilar goods and services is because well-known mark owners have invested money, time and effort into developing their mark from ordinary to well-known mark.¹⁷⁷ She argues that the reason for protecting well-known marks and preventing junior users from registering or using a similar mark to that well-known mark is to protect the latter from causing any detriment to the distinctive character or the reputation of the well-known trade mark.¹⁷⁸ It may be argued that Jordanian courts and scholars are in favour of the dilution theory, focusing on the positive aspects of this theory, without any consideration to the drawbacks of applying dilution or the impact that might arise from this implementation. It may be contended that neglecting the disadvantages of the doctrine of dilution and an arbitrary limit on its scope of application can be extremely problematic.

It is worth noting that the approach adopted by the Jordanian legislator is ambiguous regarding the provisions of protecting well-known trade marks.¹⁷⁹ For instance, the Jordanian Trade Mark law does not specify what is meant

¹⁷⁵ Y Al-Hneeti, *Legal Protection to Well-known Trade Marks* (Dar Wael 2015) 157

¹⁷⁶ Ibid

¹⁷⁷ Ibid

¹⁷⁸ Ibid

¹⁷⁹ Sections 8(12) and 25(1)(B) of the Jordanian Trade Marks Law No. 33 of 2008

by 'a connection' in section 8(12) of the trade mark law. Additionally, the use of the mark in a way to 'prejudice the interests of the owner of a well-known mark' is vague, because it does not determine what precisely is the type of harm that the legislator is referring to.¹⁸⁰ Moreover, this raises the question: how should it be proved? It may be argued that Jordanian courts question whether a mark is well-known without extensive and integral examination, which results in numerous rulings favourable to foreign trade marks,¹⁸¹ which are consequently granted protection. It is believed that Jordanian courts are biased towards foreign trade marks and base their judgment on the fact that a foreign trade mark is already registered in another country than Jordan and, thus, it must be well-known.¹⁸² It may be argued that this condition seems trivial, and the fact that Jordanian courts heavily rely on it for determining a mark as well-known is illogical. As a result, local trade marks are excluded from being considered well-known because, evidently, their marks are most likely to be only registered in Jordan.¹⁸³ Accordingly, upon proving that a mark is foreign and is registered anywhere in the world, apart from Jordan, the mark will be automatically granted anti-dilution protection.

It follows that this is a critical issue that must be resolved to bring fairness and balance to trade mark owners in Jordan. To achieve this, this thesis will examine the legislation and case law in EU and US, in order to raise awareness regarding the current misinterpretations and to assist the Jordanian legislator and courts in better understanding and implementing the dilution theory. It is necessary that the competent authority in Jordan does not confer anti-dilution protection upon trivial conditions or following a trivial examination of the mark before the court, and it is important that Jordanian courts do not underestimate the effects of the dilution doctrine. The dilution doctrine can be a potent legal tool, and this type of protection should be granted with extreme caution and upon a thorough examination.

¹⁸⁰ Ibid

¹⁸¹ This is discussed in Chapter Three

¹⁸² This is discussed in Chapter Three

¹⁸³ This is discussed in Chapter Three

1.3 Statement of Hypothesis

This study builds on the premise that dilution-type protection in Jordan is excessively granted once a mark is considered well-known. Effectively, courts determine whether a mark is well-known based on the registration of the mark anywhere in the world apart from Jordan, and Jordanian courts seem to believe that any foreign mark is a well-known mark. Satisfying this condition is in itself sufficient for the mark to be granted dilution-type protection. Therefore, if the Jordanian legislature is more aware of the impact of this type of protection, then the legislator will be encouraged to reform the law by stipulating conditions and raising the threshold high to what constitutes a well-known trade mark, consequently, striking a balance between foreign and domestic well-known marks. Further, understanding the drawbacks of the excessive application of anti-dilution protection will raise awareness among Jordanian judges to cautiously implement the doctrine of dilution.

1.4 Statement of the Problem

Jordan is a developing country,¹⁸⁴ and lack of resources has led the country to depend on foreign aid from various countries, mainly from the US.¹⁸⁵ It is believed that because Jordan relies on aid from the US, therefore, Jordan had to conform to its demands and conditions. After Jordan joined the WTO, it was bound to reform its intellectual property laws. Accordingly, Jordan was obligated to adhere to and enforce the TRIPS Agreement into the Jordanian Trade Mark Law. A handful of scholars¹⁸⁶ who researched the inclusion of TRIPS into the Jordanian Trade Mark Law argued that intellectual property

¹⁸⁴ R Olwan, 'Intellectual Property and Development: Theory and Practice' (2011) Thesis submitted to Queensland University of Technology in fulfilment of the requirements of the degree of Doctor of Philosophy 25

¹⁸⁵ J Sharp, 'Jordan: 'Background and U.S. Relations' (2017) CRS Report 1, 9

¹⁸⁶ Including Yasar Al-Hneeti, Mohammad Amin Naser, Tariq Hammouri and Suhail Haddadin

rights (IPRs) are only an economic tool of western monopoly.¹⁸⁷ It is believed that dispensing IPRs among countries is unequal, legal transplantation of ‘western’ values and standards, and therefore not effective in helping developing countries evolve. For instance, Maskus states that intellectual property rights ‘may harm development prospects by raising the costs of imitation and permitting monopolistic behavior by owners of IPRs’.¹⁸⁸ For this reason, it may be argued that a ‘one size fits all’ is not the ideal approach for Jordan to adopt, as it would be a ‘copy and paste’ of western values and standards, without a proper examination whether they are convenient or acceptable in the Jordanian culture. Therefore, before rushing into transplanting values and standards from western jurisdictions, these should be scrutinised whether they are suitable for Jordanians. TRIPS provisions are mandatory for Jordan to adopt; however, there is flexibility in the agreement. For instance, TRIPS gives the option for member states to either grant other member states the same rights it confers to its nationals, or provide them with a higher standard of protection than those granted to locals. Therefore, Jordan could benefit from granting the same rights to local trade marks as it grants to foreign ones. It is *not* Jordan’s obligation to favour foreign interests above its national interests.¹⁸⁹

Building on the premises that dilution reached Jordan through the TRIPS Agreement. Several intellectual property practitioners and scholars in Jordan claim that the Paris Convention and the TRIPS Agreement have benefited the development of Jordan’s economy by attracting foreign companies to invest in the country.¹⁹⁰ This might be true to some extent. However, it can

¹⁸⁷ Al-Hneeti (175) 69

¹⁸⁸ K Maskus, ‘Intellectual Property Rights And Economic Development’ (2000) 32 Case W. Res. J. Int’l L. 471, 472

¹⁸⁹ Article 1(1) TRIPS Agreement *Nature and Scope of Obligations* “Members may, *but shall not be obliged to*, implement in their law more extensive protection than is required by this Agreement ...”

Article 3(1) TRIPS Agreement *National Treatment* “Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection (3) of intellectual property ...”

¹⁹⁰ S Zain Al-Deen, *Introduction To The Intellectual Property* (3rd edn, Dar Al-Thawafa 2011) 67. Also, Nawafih (n 32)

be argued that the drawbacks of dilution, and mainly due to the excessive application of dilution among Jordanian courts, outweigh the positive outcomes of applying dilution and increase its adverse effects. Other scholars have argued that joining the WTO was not in 'the best interest of Jordan',¹⁹¹ due to the implementation of strong IPR laws that exist to solely benefit foreign companies, neglecting the interests of well-known domestic marks.¹⁹² One could argue that although strong IP laws may benefit Jordan to attract foreign companies to invest in Jordan, it is hard to conceive how such protection will benefit Jordan's economy, especially when foreign well-known trade marks are neither registered nor used in Jordan. The current conditions under the Jordanian Trade Mark Law allow owners of foreign well-known marks to avoid the registration of their marks in Jordan because such marks are protected and conferred dilution-type protection, even when they are not registered or used in Jordan.¹⁹³ This protection is granted automatically to foreign marks, with minimum effort from the proprietor to meet any other conditions once the mark is considered well-known.¹⁹⁴ It may be argued that the Jordanian legislator and accordingly courts have misinterpreted the theory of dilution, by placing considerable focus on the international renowned condition and registration of the mark, stipulated in section 2 of the Jordanian Trade Mark Law. In addition, as stipulated in sections 8(12) and 25(1)(B) of the Jordanian Trade Mark Law, the use of a similar mark shall indicate a connection between those goods or services and the well-known mark, provided that there is a likelihood of prejudice to the interests of the trade mark owner because of such use. However, courts do not tend to engage in a discussion on how this is established before granting such type of protection.

¹⁹¹ El-Said (n 15)

¹⁹² Haddadin and Naser (n 59) 341

¹⁹³ Section 8(12) of the Jordanian Trade Marks Law. Also, B Melhem, 'Protection of the Translation of Well-known Marks under Jordanian Trademarks Law: Concurrent Actions, Same Litigants, Same Cause of Action, Different Countries and Similar Fining: Case of Contradiction in the Jordanian and Arab Judiciary' (2011) 19 European Journal of Social Sciences 180,186

¹⁹⁴ This is discussed in Chapter Three

For instance, Malkawi argues that the US-JO FTA, which requires Jordan and USA to comply with the WIPO Joint Recommendation, is not an agreement between equals.¹⁹⁵ He adds that it is more likely that the Jordanian legislator will have to correspond with the US demands and not the other way around.¹⁹⁶ Accordingly, one may argue that the drawbacks of the dilution theory might even increase by its extensive application, due to the unbalanced approach found in the legislation and its enforcement by Jordanian courts. This can be observed where dilution affects competition, and where Jordanian courts grant automatic anti-dilution protection to foreign marks without undertaking a thorough analysis. One may argue that Jordanian courts are merely enforcing the law; however, they are in a position to enforce a strict and thorough analysis before deciding that the mark is well-known and, accordingly, before granting dilution-type protection. Furthermore, Jordanian courts must not be irrational when granting powerful protection merely on the basis that the mark is a foreign mark, and thus popular and well-known. It is believed that if the legislator has omitted considering the drawbacks of the dilution doctrine, Jordanian courts are expected to be prudent and take the proper precautionary measures to avert any negative impacts from applying the dilution doctrine, as dilution may disrupt competition and grant a monopoly over a logo.¹⁹⁷ It is believed that dilution is a potent legal tool because it is conferred to strong marks with little consideration for the role of consumers.¹⁹⁸ Additionally, as mentioned earlier, anti-dilution protection spans junior uses and prevents new entrants from coming closer to the aura of the well-known mark;¹⁹⁹ in this way, the dilution doctrine can act as a barrier to entry for new firms, by limiting the options for domestic companies and depriving junior users of their rights of registering

¹⁹⁵ Malkawi (n 110) 38

¹⁹⁶ Ibid

¹⁹⁷ C Greenhalgh and E Webster, 'Have Trademarks Become Deceptive?' (2015) The WIPO Journal 109, 111. Also, Fhima (n 36)

¹⁹⁸ McCarthy (n 49) 1172

¹⁹⁹ Fhima (n 36)

or using a non-confusing mark.²⁰⁰ It may be argued that this deprivation is not based on tangible evidence or reliable justification. For instance, Al-Hneeti contends that the consequences of implementing the TRIPS Agreement and applying for dilution-type protection, is solely a tool used to benefit developed countries, mainly the US.²⁰¹ It is believed that the consequences of favouring foreign marks over national marks have raised issues to domestic firms, such as their incapability to compete with foreign firms, which will subsequently impede the growth of local firms.²⁰²

If one were to accept that the dilution doctrine has a positive effect, the question arises: why anti-dilution protection is not equally granted to local Jordanian trade marks? There is discrimination in treatment in Jordan, which is particularly what TRIPS aims to eliminate.²⁰³ It is necessary to bring to the Jordanian legislator's attention that dilution is a theory that goes beyond the standard of trade mark law. Moreover, when dilution is extensively applied and randomly granted, its drawbacks are concerning. Greenhalgh and Webster suggest that when designing and implementing trade mark law, authorities must be *careful* not to cause anti-competition or divert from the original intentions of the law.²⁰⁴

The issue arises initially in the definition of well-known trade marks, as stipulated in the Jordanian Trade Mark Law, which uses a more generous and broad concept than what is adopted in the US and the EU. It is believed that implementation of Section 2 of the Jordanian Trade Mark Law essentially aims to make it more difficult for domestic marks to fulfil the requirement and pave the way for foreign well-known trade marks to be granted this protection.²⁰⁵ It may be argued that the definition seems to

²⁰⁰ Al-Hneeti (175) 67-69

²⁰¹ Ibid

²⁰² Ibid 69

²⁰³ Article 4(d) TRIPS Agreement

²⁰⁴ Greenhalgh and Webster (n 197) 110

²⁰⁵ Section 2 of the Jordanian Trade Marks Law No. 33 of 2008

preserve the right for foreign well-known trade mark to be registered in Jordan and allows it to be used without any interruption, whenever the owner of a well-known trade mark decides on registering the mark. For example, Naser and Hammouri argue that Jordan ‘ironically considers the interests of foreign trade mark owners, probably those in the USA, while imposing hardship over Jordanian trade marks when being considered as well-known’.²⁰⁶ This is evident in Section 2 of the Jordanian Trade Mark Law, as it stipulates that a mark must enjoy a reputation outside Jordan to be considered well-known.²⁰⁷ On the same issue, Garduno and Pietrucha argue that ‘many developing countries have a negative view of strong intellectual property rights, perceiving them as only a benefit for developed countries’.²⁰⁸ It is considered a new type of economic colonialism, practised by US, European, and Japanese companies for the sake of securing their interests.²⁰⁹ It may be contended that anti-dilution protection in Jordan is problematic in two major ways: first, the law grants protection only to foreign marks, thus creating unbalanced rights between local and foreign marks; second, courts do not undertake a thorough, critical examination of the conditions before granting such protection. Therefore, the legislation must be reformed, and courts in Jordan must enforce a stricter approach in applying dilution. There are no clear inclusive criteria that courts implement in assessing whether a mark is well-known. It is entirely in the court’s discretion to decide whether a mark is well known, based on the proof provided by the parties and upon the relevant circumstances.²¹⁰ Therefore, it is in the judges’ discretion to consider some factors over others, which results in contradictions between courts’ decisions.²¹¹ The reason behind this is that the Jordanian Trade Mark Law did not specify the criteria to be followed

²⁰⁶ M Naser and T Hammouri (n 60) 312

²⁰⁷ Section 2 of the Jordanian Trade Marks Law No. 33 of 2008

²⁰⁸ E Garduno and F Pietrucha, ‘Intellectual Property Rights in the Arab World’ (2003) Georgetown Journal of International Affairs 59

²⁰⁹ Al-Hneeti (175) 67. Also, Maskus (n 188)

²¹⁰ Al-Husban (n 10)

²¹¹ B Melhem (n 193) 185

when determining a well-known trade mark. It may be argued that the WIPO Joint Recommendation contains a list of factors that Jordanian courts could take into consideration when determining a well-known mark; however, the Jordanian courts tend to select some factors over others, resulting in favouring foreign over domestic well-known marks. These factors are often unsophisticated, chosen by the court, and lacking any scrutiny, and result in courts' largely perfunctory decisions. For instance, it would be wiser for the courts to require a consumer survey, which is also stipulated in the WIPO Joint Recommendation, as proof that a mark is well-known, but courts do not tend to be as strict in their examination. Therefore, it is essential that the Jordanian legislator and courts take advantage of all recommendations offered by the WIPO Joint Recommendation.

1.5 Research Questions

- *To what extent the concept of well-known marks has been adequately implemented in Jordan and how different are the rights conferred to well-known mark owners in Jordan with those under the US and the EU law?*
- *To what extent is the doctrine of dilution applied in Jordan?*
- *How can Jordan benefit from the experience of the US in implementing dilution protection, and what lessons can be learned from this jurisdiction? And can these lessons influence the Jordanian legislator on the meaning and policy-based limits of dilution theory?*
- *How can Jordan benefit from the experience of the EU in implementing dilution protection, and what lessons can be learned from this jurisdiction? And can these lessons influence the Jordanian legislator on the meaning and policy-based limits of dilution theory?*

- *What is the proper model of protection for WKMs that Jordan should adopt in the light of the US and EU lessons and experiences? Can this model ensure Jordan's compliance with international obligations and, at the same time, promote the national interest in developing a competitive market for the benefit of all interests at stake, i.e. Jordanian consumers, proprietors and competitors?*

1.6 Research Objective

This research is crucial for the benefit of the legal system in Jordan for a more coherent and consistent trade mark law to serve Jordanians. The purpose of the thesis is, first, to overcome the ambiguity and vagueness of the definition of WKM stipulated in the Jordanian Trade Mark Law by comparing such definition to other jurisdictions, namely the EU and US. Also, to call for a legislative clarification, particularly in the light of Jordan's obligation to abide by the provisions of the WIPO Joint Recommendation. Second, to propose a legal framework to protect Jordanian well-known trade marks and recommend more balanced protection between foreign and domestic well-known marks. Third, to restrict and limit the risks of the doctrine of dilution, especially that Jordan confers dilution-type protection automatically to foreign well-known trade marks upon proof of fame or reputation. Dilution can be a harmful tool, and its risks should be examined, to reform the Jordanian Trade Mark Law. Fourth, to create a fair competition and grant rights equally to well-known trade mark owners.

1.7 Originality

The originality of this thesis comes from four different perspectives. First, although Jordanian scholars described the definition stipulated in the Jordanian Trade Mark Law as vague and irrational, no proposition was made to how and what the proper definition of 'well-known' marks should be. Second, there is recognition among Jordanian scholars and intellectual

property (IP) practitioners that Jordan's Trade Mark Law mirrors the provisions of the Paris Convention and the TRIPS Agreement. However, Jordanian IP scholars specialised in trade mark law have provided limited studies regarding the doctrine of dilution in Jordan. This thesis differs from existing studies in that it critically examines dilution-type protection in Jordan as a form of trade mark protection by analysing the legislation and case law. Also, the thesis involves a comparative study which compares the legal system in Jordan to EU and US, in addition to the implementation and application of dilution among these jurisdictions along with an examination of case law in EU and US. Third, neither Jordanian courts reasoned their decision in regards to the WIPO JR nor academics have critically analysed the WIPO Joint Recommendation in their articles and its importance in relation to dilution in Jordan. Fourth, no solutions had been provided to how the law must be formed or suggestions to how Jordanian courts must examine a dilution claim. As a result, there is a gap in the literature on the concept of dilution, its implementation and enforcement in Jordan and most importantly, the effect of dilution on Jordanians. The findings of this thesis seek to develop and enhance the Jordanian Trade Mark Law in regards to protecting trade marks against dilution.

1.8 Research Methodology

The thesis adopted a doctrinal method, which focused on the Jordanian Trade Mark Law, while reading cases and statutes in regards to the theory of dilution, to develop interpretive and legal reasoning in the Jordanian Trade Mark Law through analysis and scrutiny. Although researchers often combine qualitative and quantitative forms of analysis, a solely qualitative method for this research is more suitable for researching the chosen topic. The reason for this is because the appropriate method to achieve the aim of the thesis and find a solution to the problems is through comparing the legislation and case-law, that is related to the doctrine of dilution, within three jurisdictions, namely the US, EU, and Jordan.

The thesis is a comparative study.²¹² The gist is to develop Jordan's Trade Mark Law by drawing from the experience of the EU and US, where extensive protection in the form of dilution has been available for a long time to a specific category of marks. Based on this comparison, recommendations and suggestions were provided for the benefit of the Jordanian legislative framework to reform the provisions of the Jordanian Trade Mark Law that is related to the doctrine of dilution. A comparative study is justified in terms of the benefits it brings to the national legal system,²¹³ expecting that national law will benefit from the comparison by examining another legal system. Comparing the legal system in Jordan along with the EU and US is essential, as it allowed the researcher to assess and evaluate the implementation of anti-dilution protection in Jordan and examine how such protection is controlled in these three jurisdictions. This approach was useful to offer suggestions and provide warnings of possible difficulties in the legal system of Jordan. A comparison between those jurisdictions, in parallel analysing case law was useful to interrogate the concept of anti-dilution protection and interpret the legislation. The undertaken examination, whether this special extended protection 'dilution' is operating effectively in the US and EU, and through the comparison, has contributed for the benefit of a new and modern Jordanian Trade Mark Law. According to Chevrel, comparison 'is indispensable to the progress of knowledge'.²¹⁴ For this reason, since a legal development process, amendment, and changes to the Jordanian law are required. The comparison is essential for the future development of Jordan, to propose the implementation of the good practices in the EU and the US into the Jordanian legal system.

The incentive to choose the US when examining the doctrine of dilution is to analyse the doctrine of dilution from the jurisdiction it initially emerged. The

²¹² M McConville and W Chui, *Research Methods for Law* (Edinburgh University Press 2012) 87

²¹³ G Wilson 'Comparative Legal Scholarship' In Mike McConville and Wing Hong Chui (eds), *Research Methods for Law* (Edinburgh University Press 2012) 87

²¹⁴ Y Chevrel, *La littérature comparée* (6th edn, University Presses of France 2006). Also, G Samuel, *An Introduction to Comparative Law Theory and Method* (Hart Publishing 2014) 11

concept of trade mark dilution first gained widespread attention in the US following Frank Schechter's 1927 article, 'The Rational Basis of Trade Mark Protection'.²¹⁵ The existence and history of the doctrine of dilution are important to comprehend for the benefit of reforming the Jordanian Trade Mark Law. The reasons for choosing the EU to compare along with Jordan are twofold. First, the provisions for trade marks with reputation enshrined in the Trade Mark Directive along with the interpretations of the CJEU has provided an important source to analyse the doctrine of dilution. Second, the Jordanian Trade Mark Law was initially modelled after the English law and the UK as part of the European Union.²¹⁶ Consequently, the UK applies the Trade Mark Directive 2008/95.²¹⁷

Comparative studies commence at home. It begins with comparing "one's own legal system".²¹⁸ Therefore, the comparison was conducted by examining thoroughly dilution-type protection in Jordan through legislation and case law while identifying the issues found in Jordan. Subsequently, examining the doctrine of dilution in the US and EU, respectively, as those two jurisdictions proved to undertake a stricter approach in applying and implementing the doctrine of dilution. The framework in each chapter of the thesis was carried out through an introduction that consists of the question to be pursued, the main part consisting of the research and analysis, and a conclusion including an answer to the question. This process allowed concluding remarks from the analysis of each chapter, and the findings has been referred to throughout the thesis. This was based on evaluation and useful insights of the US and EU case law in order to interpret and develop the Jordanian Trade Mark Law. This was necessary when suggesting how to

²¹⁵ Fhima (n 50) 4

²¹⁶ Section 47 of the Jordanian Trade Marks Law No.33 of 1952 'the Jordanian Trade Mark Law of 1930 and all its amendments are hereby abrogated'.

²¹⁷ While dilution theory was included in the European trade mark law, thus, as a consequence of European harmonisation the United Kingdom initiated anti-dilution protection by enacting Trade Mark Act 1994. Dilution action is recognised by TMA 1994 under section 10(3).

²¹⁸ Samuel (n 214) 20

reform the Jordanian Trade Mark Law, which arguably reflects positively on courts' decisions.

The thesis also provides case-law analysis²¹⁹ and the reason for this preference is because this method is best used to answer "how" and "why" questions.²²⁰ This was achieved by examining case law beginning with Jordan, the US and EU respectively in separate chapters. Additionally, 'the value of comparative law writing should be measured by its citation in the courts'.²²¹ Therefore, examining case law and courts' decisions in another system, namely the EU and US, was relied on because they provided better understanding of the problems that occurred in Jordan.

In qualitative research, the data are usually collected through three main methods, used singly or in combination: direct observation, in-depth interviews, and analysis of documents.²²² The undertaken approach was a documentary analysis as it provides a wealth of data,²²³ because documents provide legislative intent, understanding of perceived shortcomings or best practice in the legal system, and agenda for change.²²⁴ This methodology was dependent extensively on both primary and secondary sources. Primary sources of law are essential as it is related to a governmental entity, such as cases, legislation, rules and regulations.²²⁵ Secondary sources of law are those related to publications, such as law reviews, books and articles.²²⁶ Such material was relied on within the study, as it provided interpretation and explanation of the law and extensive citations to primary sources.

²¹⁹ L Webley, 'Qualitative Approaches to Empirical Legal Research' in Peter Cane and Herbert M Kritzer (eds), *Oxford Handbook of Empirical Legal Research* (OUP 2010) 939

²²⁰ L Nielsen, 'The need for multi-method approaches in empirical legal research' in Peter Cane and Herbert M Kritzer (eds), *Oxford Handbook of Empirical Legal Research* (OUP 2010) 954.

²²¹ Samuel (n 214) 17

²²² Ibid 928

²²³ Ibid

²²⁴ Ibid 939

²²⁵ R Watt, *Concise Legal Research* (Federation Press 2004) 1-2

²²⁶ Ibid

Visits to various libraries in the UK, for instance, the University of Leeds library was necessary to gather information about the doctrine of dilution in regards to the US and EU. Additionally, visits to libraries in Jordan, such as the library of the University of Jordan and Abdul Hameed Shoman library was vital in order to understand and analyse the doctrine of dilution, its implementation and application in Jordan.²²⁷ Also, a visit to the Ministry of Industry and Trade and Supply in Jordan was needed to collect information in regards to the doctrine. Furthermore, collection and analysis of case law are important for the research therefore, visits to Jordanian Courts was of paramount importance in order to obtain information about case law related to trade marks.

1.9 Literature Review

The research has relied on existing work pertinent to the protection of well-known trade marks and in particular to the protection against dilution. The thesis relied on the literature related to Jordan to gain knowledge on how the protection of well-known trade marks is implemented. Additionally, literature from both the EU and the US assisted in finding the shortcomings of the Jordanian Trade Mark Law. This has formed the basis of the analysis of the dilution doctrine to contribute new insights to the literature and in particular to the Jordanian literature.

The study draws on the proposition that it is necessary to refer to the experiences of the US and EU to thoroughly comprehend the issues of the application of dilution in Jordan. Therefore, the research counts on the works of Dinwoodie,²²⁸ Ramirez-Montes,²²⁹ Dreyfuss,²³⁰ McCarthy,²³¹ Correa²³²

²²⁷ Abdul Hameed Shoman Foundation Library

²²⁸ Dinwoodie (n 70)

²²⁹ C Ramirez-Montes, 'The Extent to which Trade Marks are Protected against Dilution in Mexico and the United States' (2004) Thesis submitted for the degree of Master of Studies in Legal Research at the University of Oxford, faculty of law. Also, C Ramirez-Montes, 'Trade Mark Dilution in Mexico - The Untrodden Path For Mexican Courts' (2007) International Review of Intellectual Property and Competition Law 429

and Gervais²³³ to understand the doctrine of dilution and its impact. This is fundamental to obtain knowledge on the concept of dilution. Moreover, the literature assisted in understanding the position of Jordan on the implementation of dilution and the reason it adopts a different approach compared to the US and EU. Also, the literature enlightened on the drawbacks of applying the doctrine of dilution and encouraging to be cautious in granting anti-dilution protection. The literature related to the US and the EU guided how to penetrate the effect of dilution-type protection in Jordan. The experiences of the US and EU was beneficial for Jordan to learn from in order to reform the legal system.

The literature published by Jordanian scholars such as Naser,²³⁴ Hammouri,²³⁵ Mahafzah,²³⁶ Haddadin,²³⁷ Melhem²³⁸ and Malkawi²³⁹ is of paramount importance to the contribution of the thesis. Naser and Hammouri²⁴⁰ provided knowledge to the Jordanian literature in regards to the notion of well-known trade marks. Additionally, the authors undertook a comparative study that contained Jordan, the UK and US. The paper explored the notion of well-known marks. However, the authors did not critically analyse the reason behind Jordan obtaining and utilising the term 'well-known' trade mark which varies from what is used by the EU and US. Most importantly, no suggestion had been provided to how should the law

²³⁰ R Dreyfuss, 'Expressive Genericity: Trademarks as Language In The Pepsi Generation' (1990) 65 *Notre Dame L. Rev.* 397

²³¹ McCarthy (n 49)

²³² Correa (n 63) 185

²³³ Gervais (n 66) 333

²³⁴ Naser and Hammouri (n 60)

²³⁵ Ibid

²³⁶ Naser and Mahafzah (n 5)

²³⁷ Haddadin and Naser (n 59)

²³⁸ Melhem (n 193)

²³⁹ Malkawi (n 43)

reform the definition. Furthermore, Naser and Haddadin²⁴¹ have shed light on the doctrine of dilution. However the study was very limited and not thoroughly demonstrated.

Melhem has shed light on the protection of well-known marks in Jordan. However, the focus is solely on the protection of the translation of a well-known mark under the Jordanian Trade Mark Law. It is mainly a case study of *Mars Incorporated v. Iraqi Co.* along with a comparative study within Jordan, Saudi Arabia, Lebanon, and Yemen. Most importantly, Melhem mentioned the TRIPS Agreement and the WIPO Joint Recommendation and the relation between these two and the Jordanian Trade Mark Law. Although, Melhem pointed out to Article 16 of the TRIPS Agreement and Article 4 of the WIPO Joint Recommendation, the author did not excessively elucidate the protection of trade marks against dilution. Malkawi²⁴² provides a legislative development of the Jordanian Trade Mark Law in his paper, mainly by analysing the trade mark law before joining the WTO and exploring the changes brought after the amendments made to the law. His work brought insights into the adoption of well-known trade marks. Although dilution protection was mentioned, it was brief and incomprehensive.

A recent study by Naser and Mahafzah has focused on the doctrine of dilution in Jordan, the US, and EU.²⁴³ Although this study involves the protection against dilution, and it is a comparative study that includes three jurisdictions, namely Jordan, the US, and EU, which is similar to this thesis, the article differs from the thesis for various reasons. The article by Naser and Mahafzah is not detailed or thorough; also, it proposes limited suggestions without providing any recommendations on how to develop the Jordanian Trade Mark Law. Both scholars merely address how different the concept of dilution in Jordan is compared to the US, EU and Schechter's

²⁴⁰ Gervais (n 66)

²⁴¹ Naser and Hammouri (n 60)

²⁴² Malkawi (n 43)

²⁴³ Naser and Mahafzah (n 5)

views. This was undertaken through reading the provisions stipulated in the Jordanian legislation without any reference to case law. Furthermore, the focus of the article was on Schechter's views and the *Odol* case which Schechter relied on in his study. The reference to the US and EU was superficially by reading the articles of the TDRA and TMD respectively. Although scholars have argued that Jordan's stance differs than those jurisdictions, which is partially true, they did not thoroughly analyse the reasons behind this and why Jordan has adopted a different stance than that applied in the US and EU. The reason for this is because in analysing the history of the development of the doctrine of dilution, one would certainly find that Jordan resembles the views of the concept of dilution prior to the FTDA and TMD. The difference is that while the US and EU have developed its laws to correspond with our day and age, Jordan, on the other hand, maintained the old version and understanding of dilution. Therefore, the thesis differs from Naser and Mahafzah's article is that the knowledge indulged in the thesis is thorough and it tackles the changes that the concept of dilution has gone through which reflects the position that Jordan is taking today.

It is noteworthy that, in analysing dilution in Jordan, scholars had addressed the concept of dilution briefly reading provisions from the Jordanian Trade Mark Law without comprehensive and critical analysis of the legislation or through the comparison carried out with the EU and US. This reflects on the lack of understanding of dilution in Jordan among Jordanian scholars. For instance, Naser in a previous article has asserted that dilution had been transferred to Jordan through TRIPS.²⁴⁴ However, this view has been corrected in his recent article cooperating with Mahafzah to confirm that dilution is enforced on Jordan through the US-Jo FTA.²⁴⁵ Although, this article referred to the recommendations of the WIPO, the reference is partial and no mention on how to use the WIPO JR for the benefit of Jordan or how valuable or unimportant it is. Also, Naser and Mahafzah criticised the

²⁴⁴ Naser and Hammouri (n 60) 314

²⁴⁵ Naser and Mahafzah (n 5) 147

Jordanian legislator in adopting an ambiguous concept of dilution theory, however, they did not propose any solutions, or inspiration on the experience from the US and EU to improve the law in Jordan. It is worth noting that Naser and Mahafzah concluded that the Jordanian Trade Mark Law does not take into consideration its national interests. However, there was no supporting evidence or explanation on this crucial statement by authors. Instead, this statement was merely asserted without any proof of how Jordanian are affected by the application of dilution in Jordan, what sort of harm is caused to them, and how could this issue be solved. For this reason, the thesis will attempt to overcome the gap in the Jordanian literature and explains the doctrine of dilution in Jordan. The thesis will also explain the effect and impact of implementing such protection along with the adverse effect of its application. The thesis builds upon the literature aiming to explain the protection against dilution in Jordan and suggest solutions to the problems found in Jordan.

1.10 Chapter Structure and Synopsis

The thesis is divided into seven chapters following the order of the research questions in order to provide suggestions and recommendations which is proposed in Chapter Six to reform the Jordanian Trade Mark Law in regards to the doctrine of dilution.

Chapter One provides a background of the study and a general overview of the Jordanian Trade Mark Law regarding dilution-type protection. This chapter clarifies the problem, the research objectives and the research questions. In addition, this chapter declares a justification for undertaking this research study in terms of originality and contribution to knowledge, and it includes an overview of the methodology employed and literature review.

Chapter Two is divided into three parts. The first part focuses on the US law, namely the TDRA, to analyse the definition and the elements required to prove that a mark is famous. An assessment of the legislation and case law was undertaken. The same approach is carried out in part two in regards to

the EU. In this part, the thesis examined the TMD and relied on case law in order to establish the requirements to prove a mark with reputation. Also, the thesis examined how the courts determine whether a mark is with reputation. Analysing the stance in the US and EU provides a better understanding when comparing it to the Jordanian stance in part three within the chapter. Understanding the US and EU positions will pave the way to highlight the issues found in Jordan, namely section 2 of the Jordanian Trade Mark Law, which contains a definition of well-known marks, in addition, examining case law to point out the issues found among Jordanian courts when determining whether a mark is well-known.

Chapter Three examines the dilution doctrine from a Jordanian perspective. Due to the uncertainty of how Jordan came to adopt dilution, hence, the chapter sheds light on the TRIPS Agreement and TRIPS-Plus. Following this, the chapter shifts the focus on the Jordanian legislation. Precisely analysing sections 8(12) and 25(1)(B) of the Jordanian Trade Mark Law and analysing the courts' decisions in applying these two sections in order to scrutinise how the courts deal with dilution claims. Moreover, to assess what criteria does the courts follow when granting anti-dilution protection. Subsequently, the chapter highlights the impact of applying strong IPRs which is enforced through the bilateral agreement between the US and Jordan, i.e. US-Jo FTA. Ultimately, a conclusion and an answer is formed to answer the proposed question.

Chapter Four analysed the legislation and case law in the US in order to develop a solution for Jordan. The US experience in applying the doctrine of dilution is crucial to enhance the Jordanian law and understanding of dilution among Jordanian IP practitioners by comparing the position in Jordan to that in the US. The chapter begins by explaining the concept of dilution, especially that dilution was not introduced and adopted in the US promptly, the theory had to go through changes and developments which shaped the concept of dilution today. Subsequently, the chapter analysed the TDRA, explaining the types of dilution and how each type must be proved. In addition, the chapter examined case law in order to specify the criteria mandated by the law and how courts apply the doctrine. Lastly, this chapter

demonstrated the defences in order to clarify that there are limits to dilution.

Chapter Five focused on the EU, following the same pattern as in Chapter Four. This chapter analysed the concept of dilution and highlighted the uncertainty that arose around the concept of dilution in the EU. Secondly, the chapter carried out an examination of the TMD in regards to the doctrine and the types of dilution. Thirdly, the chapter examined case law and analysed the criteria mandated by the law, also, how courts apply the doctrine. Finally, this chapter demonstrated the defence stated in the law to illustrate the limitation of applying dilution.

Chapter Six proposes suggestions in regards to the application of the dilution doctrine in Jordan. While discarding the application of dilution is not an option due to the obligation on Jordan to apply the doctrine due to the bilateral agreement between the US and Jordan; i.e. US-Jo FTA. Therefore, the chapter provides recommendations to enhance and develop the Jordanian Trade Mark Law to be in line with its national interest. Fair competition is unlikely to occur when Jordan is extensively and automatically granting anti-dilution protection without thoroughly scrutinising what is best and convenient to the needs of Jordanians. Accordingly, by providing suggestions to reform the Jordanian Trade Mark Law in regards to dilution theory, it is believed to have a positive impact as how to deal with dilution efficiently and to create a more balanced approach that benefits Jordanian and foreign trade marks.

Chapter Seven provides a conclusion to the thesis shedding light on the issues found in Jordan in regards to the doctrine of dilution, and the fundamental reason for undertaking this study. This chapter summarises the previous chapters of the thesis highlighting the main factors of each chapter and the issues found in Jordan. Ultimately referring to the recommendations and suggestions which is the gist of undertaking this research study.

Chapter Two: Eligible Marks for Anti-Dilution Protection Under the Jordanian, US, and EU Law

2.1 Introduction

This chapter aims to address the proposed research question regarding *to what extent the concept of well-known marks has been adequately implemented in Jordan and how different are the rights conferred to well-known mark owners in Jordan with those under the US and the EU law?* To answer the question, the chapter examines the types of marks that are worth protection against dilution in the US, the EU, and Jordan. There is a difference in the terminology used in these three jurisdictions. This chapter analyses the terms used by these jurisdictions, ‘famous’ marks, marks ‘with reputation’, and ‘well-known’ marks respectively, as well as the first requirement to obtain anti-dilution protection, i.e. the mark’s renown. This chapter is divided into three parts, one for each jurisdiction, to examine the terms used for marks eligible for anti-dilution protection. The first part analyses the US law: after briefly reviewing the FTDA,²⁴⁶ the focus then shifts to the TDRA²⁴⁷ to evaluate the term used by the US (i.e. ‘famous’ marks) and the definition of fame as provided under the TDRA. The chapter further analyses the concept of famous marks and the factors stipulated in the law. In addition, an assessment will be carried out on how courts take these factors into account when determining a famous mark. The second part analyses the EU approach by evaluating the terminology used –i.e. marks ‘with reputation’– within the Trade Mark Directive 2008/95/EC

²⁴⁶ The Federal Trademark Dilution Act of 1995

²⁴⁷ §1125(c)(2)(A) Trademark Dilution Revision Act of 2006, 109 P.L. 312, § 2, 120 Stat. 1731 (amending 15 U.S.C. § 1125(c))

(TMD),²⁴⁸ along with an examination of case law.²⁴⁹ This analysis on both jurisdictions is deemed beneficial for Jordan in determining which marks are worth protection against dilution, and is believed to enlighten the Jordanian legislator to adopt a clear list of conditions that marks must meet in order to overcome the first threshold before obtaining anti-dilution protection. It is hoped that this analysis will assist in improving the Jordanian courts' process of examination of well-known marks brought before them, eventually enabling them to engage in a thorough analysis.

Lastly, the third part relates particularly to Jordan to analyse section 2 of the Jordanian Trade Mark Law, which defines 'well-known' marks. The chapter examines the requirements of what constitutes a well-known mark under the Jordanian Trade Mark Law. In addition, it analyses how courts determine a well-known mark; this aims to clarify how the Jordanian courts' approach differs substantially from the ones followed by the US and the EU. This comparative study on these three jurisdictions aspires to assist in the reformation and improvement of the Jordanian legislation on trade marks. At the end of this comparison, a conclusion will be formed to address the initially proposed question.

²⁴⁸ Directive 2008/95/EC of The European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Codified version)

²⁴⁹ The same terminology 'marks with reputation' is also used by the Directive 2015

2.2 Pre-Conditions for Anti-Dilution Protection

Anti-dilution protection is only offered to specific trade marks that meet a set of conditions, the first being the requirement to have a certain level of recognition. This level of recognition is associated with a certain type of protection that originates in Schechter's seminal trade mark article 'The Rational Basis of Trademark Protection', published in 1927.²⁵⁰ As discussed in Chapter One,²⁵¹ Schechter observed that names or marks that are arbitrary, coined or fanciful, should be granted extended protection than signs, phrases or words in common use.²⁵² He did not explicitly refer to 'famous' or 'well-known' marks, neither did he refer to dilution *per se*.²⁵³ He illustrated that the real injury is caused to *unique* trade marks.²⁵⁴ 'The more distinctive or unique the mark, the deeper is its impress upon the public consciousness, and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used.'²⁵⁵ He also stressed that 'the preservation of the uniqueness or individuality of the trade mark is of paramount importance to its owner'.²⁵⁶ Schechter explained how strong marks could be injured by providing an example: 'if you allow Rolls Royce restaurants and Rolls Royce cafeterias, and Rolls Royce pants, and Rolls Royce candy, in 10 years you will not have

²⁵⁰ Chapter One on page 21. Also, F Schechter, 'The Rational Basis of Trade Mark Protection' (1927) Harvard LR 813

²⁵¹ Chapter One on page 21

²⁵² Schechter (n 250) 828

²⁵³ I Fhima, 'The Fame Standard for Dilution in the United States and European Union Compared' (2008) 18 Journal of Transnational Law and Contemporary Problems 631, 632. Also, D Welkowitz, 'State Of The State: Is There A Future For State Dilution Laws' (2008) 24 Santa Clara Computer & High Tech L.J. 681, 683

²⁵⁴ Schechter (n 250) 825-826

²⁵⁵ *Ibid* 825

²⁵⁶ *Ibid* 822. Also, S Chong, 'Protection of Famous Trademarks Against Use For Unrelated Goods And Services: A Comparative Analysis Of The Law In The United States, The United Kingdom And Canada And Recommendations For Canadian Law Reform' (2005) 95 TMR 642, 653-654

the Rolls Royce mark any more'.²⁵⁷ Consequently, Schechter aimed at protecting this type of mark that is unique, distinctive and singular, to maintain these characteristics without losing them to a third party. Further to this point, Swann clarified that although Schechter did not define the need for a dilution remedy solely in terms of strength or fame, a direction in which the criteria of the present statute sometimes lead,²⁵⁸ he focused on a brand's singularity.²⁵⁹ Swann also elucidated Schechter's views by providing that if a strong mark is associated with a particular product, such as KODAK, were to be used by a third party on dissimilar goods and reduced to a common mark, like BLUE RIBBON, applied to different types of merchandise,²⁶⁰ then harm would arise, even though no trade was diverted in the process and no consumer confusion was involved.²⁶¹ As a result, Schechter asserted that the only rational basis is for such strong marks to be granted the extended protection, as a way to preserve their uniqueness.²⁶²

While Schechter did not use the term 'famous' or 'well-known', he gave a description of the mark that needs protection and the type of protection aimed for this type of marks – 'the extended protection'. In the implementation of the theory, the US employed a specific terminology, namely 'famous' for the strong marks that need protection against dilution and described the 'extended protection' that Schechter called for as 'anti-dilution' protection. However, it may be argued that the origins of the dilution theory that Schechter called for is much different to the theory of dilution today. Welkowitz observed that 'fame entered the picture in 1987, when the

²⁵⁷ Schechter (n 250) 822. Also, Adidas-Salomon AG v Fitnessworld Trading Ltd, C-408/01 [2004] F.S.R 21 AG37 ("Hearings before the Congressional Committee on Patents, 72nd Congress, 1st Session 15 (1932)"). I Fhima, 'Dilution by Blurring: A Conceptual' (2010) 44 I.P.Q. 30. Also, J.T McCarthy, 'Dilution of a Trademark: European and United States Law Compared' (2004) 94 The Trademark Reporter 1163,1165

²⁵⁸ J Swann, Sr. 'Dilution Redefined For The Year 2002' (2002) 92 TMR 585, 599. Schechter (n 248) 819-825. Also, McCarthy (n 257) 1165

²⁵⁹ Swann (n 258) 599

²⁶⁰ Ibid 585

²⁶¹ Ibid 588

²⁶² Schechter (n 250) 831

United States Trademark Association (as the International Trademark Association was then called) included a provision for federal dilution protection of famous (registered) marks as part of its proposal to amend the Lanham Act.²⁶³ He further explained that International law describes marks that are entitled for the extraordinary protection as 'well-known' marks.²⁶⁴ This is evident in the language of Article 6^{bis} and Article 16 of the TRIPS Agreement. Although the Paris Convention had been in place for a long time before the enactment of the FTDA and, as Welkowitz pointed out, Article 6^{bis} of the Paris Convention was included in 1925, it was the 1987 United States Trademark Association (USTA)²⁶⁵ that provided that 'famous' marks shall be protected against dilution. This clarifies the assumption that the terms 'well-known' and 'famous' for marks do not hold the same meaning.²⁶⁶ Where some jurisdictions do not differentiate between the two concepts and consider them as synonyms, such as Jordan,²⁶⁷ other jurisdictions distinguish between the two, such as the US. In fact, the International Trademark Association (INTA) pointed out that there is a difference between these two terms.²⁶⁸ INTA illustrated that a *famous* mark needs to be registered in at least its home country for protection, whereas *well-known* marks usually are protected without the need for any registration.

It is important to highlight that the legislation explicitly requires a mark to be famous, rather than well-known, which is a distinctly an American stamp on

²⁶³ The United States Trademark Association (as the International Trademark Association was then called). Also, D Welkowitz 'Famous Marks Under the TDRA' (2009) 99 Trademark Reporter 983, 985-986.

²⁶⁴ *Ibid* 993

²⁶⁵ United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors, 77 TMR 375 (1987) (hereinafter "USTA Report").

²⁶⁶ M Luepke, *Taking Unfair Advantage Or Diluting A Famous Mark – A 20/20 Perspective On The Blurred Differences Between U.S. and E.U. Dilution Law* (2008) TMR 789, 820

²⁶⁷ B Malkawi, 'Well-known Marks in Jordan: Protection and Enforcement' (2007) Communications Law 119, 121

²⁶⁸ International Trademark Association, "Famous and well-known marks" (2015) <<http://www.inta.org/TrademarkBasics/FactSheets/Pages/FamousWellKnownMarksFactSheet.aspx>> accessed 17 July 2016.

dilution protection.²⁶⁹ There are examples from the literature that support a distinction between those two terms. For instance, Correa illustrated that a ‘well-known’ mark is protected in the scope of identical or similar goods, whereas a ‘famous’ trade mark is protected against use in any class of goods or services.²⁷⁰ It follows that a famous mark can be seen as superior to a well-known one, and one that is widely known to the general public.²⁷¹ This is not the case in Jordan;²⁷² Section 2 of the Jordanian Trade Mark Law considers a mark well-known if it is registered in its home country, which is evidently contradictory to the explanation provided by INTA. In addition, the difference between the two terms arises where a well-known mark is protected where it has been used by a third party on similar goods or services, whereas famous marks are protected from unauthorised use on non-competing goods and services.²⁷³ While INTA illustrates that ‘famous’ marks are protected when used on dissimilar goods or services, the Jordanian legislation in section 25(1)(b) uses the term ‘well-known’ trade marks to be protected against the use of a similar mark used on dissimilar goods or services. Therefore, it is argued that the Jordanian legislator misinterpreted which marks are eligible for anti-dilution protection, possibly due to the fact that the international law employs the term ‘well-known’ for marks that deserve the extraordinary protection.²⁷⁴

Furthermore, according to Welkowitz, given the long-standing existence of Article 6^{bis} of the Paris Convention, one would predict that INTA have adopted the most commonly used terminology (i.e. ‘well-known’ instead of ‘famous’ marks).²⁷⁵ Using a different term suggests that the two terms have

²⁶⁹ Welkowitz (n 263) 985. Also, A Cook, ‘Do As We Say, Not As We Do: A Study of the Well-Known Marks Doctrine in the United States’ (2009) 8 *The John Marshall Review of Intellectual Property Law* 412, 415.

²⁷⁰ C Correa, *Trade Related Aspects of Intellectual Property Rights* (OUP 2007) 193

²⁷¹ Chong (n 256) 642. Also, Cook (n 270) 415

²⁷² Malkawi (n 267)

²⁷³ Ibid

²⁷⁴ Welkowitz (n 263) 985

²⁷⁵ Ibid 993

a different meaning.²⁷⁶ It is noteworthy that despite using the phrase ‘well-known or famous marks’, the gist behind this description is to narrow the scope of protection that is afforded to certain marks.²⁷⁷ In a similar fashion, Fhima elucidated that legislators in both sides of the Atlantic –the US and the EU– had the desire to restrict the extent of dilution and not have such protection expand to all marks.²⁷⁸ This is because legislators fear that anti-dilution protection is such a potent legal tool, as it creates monopolies in trade marks.²⁷⁹ It should be borne in mind that during the time of Schechter’s article, the need to protect the entire universe of marks was smaller.²⁸⁰ Nowadays, there is a trend of transformation of brands from an agricultural to an industrial economy.²⁸¹ Swann elaborated that trade marks were not much of a concern in the agriculture economy, and thus the need to protect marks of ‘how they might be whittled away’ was little. Moreover, he explained that the distance between a product and its guarantor typically was small; therefore, marks were not required to have reputation.²⁸² It is evident that trade marks played a simpler role in consumers’ lives in an era that used trade marks in agriculture; whereas, in modern age, they play a more sophisticated role: as much as they represent a brand, they have become both valuable and essential. It may be argued that this is the reason why owners of trade marks or brands demand a higher level of protection and accordingly a stronger monopoly.²⁸³ However, this raises the question: is it worth it for an authority to grant such power to solely one party to control the market? And, as it is foreseeable that, in the future, trade marks’ value

²⁷⁶ Ibid. ‘The use of a different term seems to invite a different interpretation of the concept’.

²⁷⁷ Ibid 985. ‘It was evident that the drafters wanted to limit the universe of eligible marks and this was the chosen mechanism’.

²⁷⁸ Fhima (n 253) 651

²⁷⁹ Ibid 633

²⁸⁰ Welkowitz (n 263) 994

²⁸¹ Swann (n 258) 591. Also, C Pickering, ‘Trade Marks in Theory and Practice’ (Hart Publishing 1998) 41

²⁸² Swann (n 258) 586. Also, Pickering (n 281) 41-42

²⁸³ (Case C-252/07) Intel Corp Inc v. CPM United Kingdom Ltd [2009] Bus LR 1079, 1087

would increase, would that suggest that a stronger form of anti-dilution protection should be conferred to their proprietors?

Swann elaborated that 'at the turn of the Twentieth Century, trademark law had not kept pace with cultural and economic changes.'²⁸⁴ Brands became defenceless against third-party use on dissimilar products.²⁸⁵ Consequently, anti-dilution protection is limited to strong and singular brands, and the reason for that is twofold, as Swann indicated: first, a strong and singular mark will be called to mind if another party utilises it;²⁸⁶ and second, strong marks shall be able to preserve their communicative clarity for consumers.²⁸⁷ In a similar fashion, McCarthy pointed out that the concept of dilution theory exists to provide a special remedy for the protection of strong and famous marks.²⁸⁸ US courts acknowledge that the main objective of the TDRA is to limit dilution causes of action to marks that are truly famous.²⁸⁹ This conforms with McCarthy's argument that 'the concept of an anti-dilution law was specifically created to create *more* protection in the form of a special and extraordinary remedy for strong and famous marks'.²⁹⁰ Accordingly, strong marks, whether termed as 'famous' in the US, 'reputed' in the EU,²⁹¹ or 'well-known' in Jordan, are considered eligible for anti-dilution protection.

In short, this section demonstrated that anti-dilution protection should be reserved to a specific type of trade marks. The first threshold to overcome before examining dilution claims, is fame. Subsequently, the chapter will

²⁸⁴ Swann (n 258) 587

²⁸⁵ Ibid 587- 588. Also, A Weissberger, 'Is Fame Alone Sufficient To Create Proprietary Rights: An International Perspective On The Viability Of The Famous/ Well-Known Marks Doctrine' (2007) 24 Cardozo Arts & Ent. L.J. 739,740

²⁸⁶ Swann (n 258) 601- 604.

²⁸⁷ Ibid

²⁸⁸ McCarthy (n 257) 1178

²⁸⁹ *The Board of Regents, the University of Texas System v. KST Electric. Ltd.* [550 F.Supp.2d 657] (2008). Also, *Vuitton Malletier v. Haute Diggity*, [507 F.3d 252] (4th Cir. 2007) 264.

²⁹⁰ McCarthy (n 257) 1178

²⁹¹ I Fhima, *Trade Mark Dilution in Europe and the United States* (OUP 2011) 2

assess the specifics of fame requirement in the US, the EU, and Jordan respectively.

2.3 Part I - USA

2.3.1 Famous Trade Marks

Initially, anti-dilution protection made its way into the US legal system in 1947, when Massachusetts adopted the first dilution statute.²⁹² Subsequent to Schechter's article,²⁹³ protection against dilution in the USA was mandated at the federal level in 1995, with the enactment of the Federal Trademark Dilution Act.²⁹⁴ Although the FTDA was short-lived, it continues to exert an influence on the US.²⁹⁵ For the very first time, based on the legislation, the statute grants protection against dilution to famous trade marks.²⁹⁶ The wording of the Act aims to protect famous marks against dilution.²⁹⁷

The FTDA provided a non-exhaustive list of factors on the basis of the standard of fame required, which the courts may or may not consider.²⁹⁸ Fame is explicitly required by the US (at the federal level) and is a way to limit 'the exceptional remedy of dilution to a select group of marks'.²⁹⁹ Therefore, if the owner of a mark is incapable of proving that their mark has the requisite level of fame, the owner of the mark will not be protected in the

²⁹² Ibid 7. Also, Chong (n 256) 642

²⁹³ Schechter (n 250)

²⁹⁴ McCarthy (n 257) 1166

²⁹⁵ Fhima (n 291) 8

²⁹⁶ Ibid

²⁹⁷ Chong (n 256) 642. Also, Lanham Act § 45, 15 U.S.C. § 1127

²⁹⁸ Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c)

²⁹⁹ Fhima (n 253) 641

US.³⁰⁰ It is noteworthy that the *Victoria's secret v. Moseley* (VS) case was the reason behind revisiting the FTDA and consequently the enactment of the Trademark Dilution Revision Act of 2006 (hereinafter TDRA).³⁰¹ The International Trademark Association (INTA) Select Committee decided that a strong workable dilution statute must limit the number of marks that could qualify for protection.³⁰² The next subsection examines the TDRA and the conditions it stipulates that courts require when determining whether a mark is famous. Ultimately, this is to influence Jordan to adopt a clear list of factors to facilitate the assessment for courts to follow when determining whether a mark has reached a certain level of recognition.

2.3.2 The TDRA

2.3.2.1 Definition of Fame

The TDRA introduces a definition of 'fame',³⁰³ which is described by Fhima as a stricter fame standard – in other words, the legislation makes it more difficult for trade marks to qualify for anti-dilution protection.³⁰⁴ Under the TDRA, 'fame' is defined as:

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.

³⁰⁰ Ibid

³⁰¹ *Moseley v. Secret Catalogue, INC*, 537 U.S. 418 (2003). Also, Trademark Dilution Revision Act of 2006, 109 P.L. 312, § 2, 120 Stat. 1731 (amending 15 U.S.C. § 1125(c))

³⁰² S Duvall 'The Trademark Dilution Revision Act of 2006: Balanced Protection for Famous Brands' (2007) 97 Trademark Reporter 1252, 1261–1262

³⁰³ TDRA (n 301)

³⁰⁴ Fhima (n 253) 632

- (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.³⁰⁵

2.3.2.2 The Test for Famous Marks

The TDRA states only four non-exclusive factors, and the courts remain free to take into account 'all relevant factors'.³⁰⁶ In analysing the notion of fame under the TDRA, the legislation explicitly stipulates that the mark's fame should be among 'the general consuming public'; therefore, fame must be across the entire US consuming public.³⁰⁷ As a result, this excludes the possibility of fame in one group of the public being sufficient.³⁰⁸ Gerhardt pointed out that the TDRA is stricter than the old version of law, illustrating that marks such as BARBRI and PMBR are less likely to be recognised by the general consuming public but could be recognised by the legal market.³⁰⁹ Although under the FTDA, these marks' niche fame would be sufficient for a successful dilution claim, under the TDRA, that would hardly be the case.³¹⁰ This is a significant change to the FTDA and an important one, because the aim of the TDRA is to increase the required level of knowledge amongst consumers to qualify for dilution protection,³¹¹ which is arguably the most favourable approach. This is evident in *McDonalds v. McSweet*, where the plaintiff claimed that the defendant diluted the famous 'Mc' family of marks by blurring.³¹² The question arising here is whether the

³⁰⁵ 15 U.S.C. § 1125(c)(2)

³⁰⁶ Welkowitz (n 263) 990

³⁰⁷ 15 U.S.C. § 1125(c)(2)(A) (2006). '... widely recognized by the general public of the United States as a designation of source of the goods or services of the mark's owner...'.

³⁰⁸ Ibid 989

³⁰⁹ D Gerhardt, 'The 2006 Trademark Dilution Revision Act Rolls Out A Luxury Claim And A Parody Exemption' (2007) 8 N.C. J. L. & TECH. 205, 219. Also, Fhima (n 291) 25

³¹⁰ Ibid

³¹¹ Fhima (n 253) 641

³¹² McDonald's Corp. v. McSweet, LLC, Opposition (T.T.A.B. April 9, 2009). Also, Knobbe Martens Olson & Bear LLP, Trademark Review - Philips Electric Toothbrush and McSweet

prefix 'Mc' are widely recognised among the American consuming public. This is the first threshold that the mark must overcome, which is a crucial test to be undertaken before analysing dilution. The Trademark Trial and Appeal Board (TTAB) found that the family of 'Mc' marks is recognised by *the general consuming public* as a designation of source of McDonald's goods and services. It may be argued that this is a favourable approach because the test requires the recognition of the mark among a wide sector of the public instead of a specific sector of consumers. Therefore, the bar is set high which demonstrates that only highly reputed marks deserve an extraordinary protection. It is inconceivable to protect marks against dilution, and confer them a strong monopoly, on the grounds of the mark's recognition only in a small sector of the public. As Gerhardt points out, TDRA's definition of fame is a 'significant gate-keeping device' that ensures that only marks that achieve a high level of fame are eligible for protection against dilution.³¹³ Furthermore, Fhima explained that TDRA's 'widely recognised' fame condition 'suggests quite a high level of recognition, almost certainly more than 50%.'³¹⁴ This could be proved through advertising the mark within the US.³¹⁵

Advertising is the first condition on the list of determining whether a mark is famous.³¹⁶ The courts should assess a mark's degree of publicity, including advertising. This is important because it is through advertising and marketing trade marks it reach consumers and are implanted in their consciousness.³¹⁷ Accordingly, consumers will be familiar with an advertised mark and the products it is associated to. The advertising factor is tested by examining the

(2014)<<http://www.jdsupra.com/legalnews/trademark-review-philips-electric-toot-78978/>> accessed 10 August 2016

³¹³ Gerhardt (n 309) 219. '... the TDRA enacted a significant gate-keeping device that is likely to reduce the number of marks that are strong enough to meet this new definition of "fame".'

³¹⁴ Fhima (n 253) 650-651

³¹⁵ Welkowitz (n 263) 990

³¹⁶ 15 U.S.C. § 1125(c)(2)(i)

³¹⁷ Fhima (n 253) 653

duration, extent and geographical reach of each advertisement. It may be argued that if the mark is advertised and how widely it is advertised is an indication of the group of consumers that are familiar with the mark. In addition, the duration of each advertising campaign for the mark reflects on the knowledge of consumers of the mark.³¹⁸ For instance, if a mark has been advertised for two years, consumers would not be as familiar with it as with a mark that has been advertised for ten years, targeting several age groups of consumers. Although the geographical reach and duration of advertising the mark are reasonable prerequisites, they are a quantitative rather than qualitative approach. It may be argued that although a quantitative approach is significant, as Jordanian courts largely rely on it, it is important to shift their attention on a qualitative examination of the conditions.³¹⁹ Most importantly, the TDRA targets the American consumer and the domestic knowledge of the mark. Therefore, it may be contended that the US is concerned with its own consumers and citizens, putting them ahead of others.

The second factor examined by courts is an analysis of the amount, volume, and geographical extent of sales of goods or services offered under the mark. It may be argued that this condition implicitly refers to the use of the mark, but in an indirect way, by requiring the amount and volume of sales of the goods. Fhima pointed out that unlike the FTDA, where the use of the mark is directly required, the TDRA perhaps intends to limit the scope of dilution to those marks that are used in sales.³²⁰ Therefore, the TDRA examines the geographical extent not only of the publicity of a mark but also of the sales of goods or services associated with said mark.

The third factor is the extent of the actual recognition of the mark. The breadth of recognition is a fundamental reformation of the dilution law, according to which the mark should be famous nationwide and among

³¹⁸ Ibid 654- 655

³¹⁹ Jordan is discussed in part III

³²⁰ Fhima (n 253) 653- 655

consumers generally.³²¹ Therefore, it is insufficient if a mark is famous only within a specific group of consumers, nor is it enough for a mark be famous in a few states in the USA; the TDRA confirms that the mark needs to be famous throughout the USA.³²² Gerhardt points out that 'consumer recognition of the mark is no longer one factor in determining fame. It is a requirement.'³²³ It may be argued that the recognition of the mark is an essential and crucial element, as it is one of the pillars of dilution theory. Without recognition of the mark, fame cannot be established, and dilution cannot be triggered. It may be contended that recognition of the mark does not directly or clearly indicate actual usage of the mark, but the consumers' familiarity with the mark. Regarding this distinction, Welkowitz³²⁴ provided an interesting example:

The relevant population is broader than the actual consumers of the particular product or service. A mark used on a product aimed at a specific segment of the population can still be famous—VIAGRA may be a valid example. It is not use by the general consuming public that is crucial; it is recognition as a trademark that the statute requires.³²⁵

It is believed that marks such as VIAGRA present a convincing argument to be worth protection against dilution. The registration of the mark is the final factor to be considered by US courts. It is noteworthy that this factor also aims to limit and narrow which marks are eligible for dilution protection; however, it does not indicate that there is a direct link between registration and fame.³²⁶ It may be argued that if registration were not relevant, why should it be a requirement. It is logical that registration of a mark is not directly associated with dilution theory, as dilution aims to protect the fame

³²¹ Duvall (n 302) 1262

³²² Fhima (n 291) 37

³²³ Gerhardt (n 309) 220

³²⁴ Welkowitz (n 263) 990

³²⁵ Ibid

³²⁶ Fhima (n 253) 661

and distinctiveness of the mark, not its registration status. Therefore, as it may be contended that trade mark registration does not infer that the mark is widely recognised or famous, it is believed that registration is an irrelevant factor. As important as it is to analyse the list of fame conditions in the TDRA, it is paramount to also examine case law in the US. This will provide useful examples for the Jordanian legislator when reforming the Jordanian Trade Mark Law as to which factors should be stipulated for courts to examine. In addition, it is believed that the lessons from the experience of US courts in analysing dilution claims, can assist Jordanian courts in determining whether a mark holds a certain level of recognition.

2.3.2.3 Case Law

The first condition a trade mark owner must prove in a dilution claim is found in the TDRA within the definition of famous mark.³²⁷ As mentioned above, the TDRA mandates wide recognition of the mark among the general consuming public in the US.³²⁸ For instance, in *University of Texas*, the court declared that the University of Texas Longhorn logo was not famous,³²⁹ as the plaintiff failed to fulfil this first condition – the mark was found to be famous merely within sports fans. Furthermore, the court in *Malletier v. Dooney Bourke*,³³⁰ declared that ‘the degree of fame required for protection must exist in the general marketplace, not in a niche market. Thus, fame limited to a particular channel of trade, segment of industry or service, or geographic region is not sufficient to meet that standard.’³³¹ In both cases the courts confirmed that niche fame is not sufficient and the mark’s fame must reach a broad segment of the population to be granted anti-dilution protection.³³² This is compatible with third condition of the list of determining

³²⁷ 15 U.S.C. § 1125(c)(2)(a)

³²⁸ 15 U.S.C. § 1125(c)(2)

³²⁹ The University of Texas System (n 289)

³³⁰ *Malletier v. Dooney Bourke, inc.* 561 F. Supp.2d 368 (S.D.N.Y. 2008)

³³¹ *Ibid*

³³² Luepke (n 266) 789, 797

whether the mark is famous. The third condition, i.e. the extent of actual recognition of the mark, mirrors the definition of famous marks in the TDRA, which mandates the mark to be widely recognised by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner.

Furthermore, the second condition mandated by the TDRA is the amount, volume, and geographic extent of sales of goods or services offered under the mark. This condition reflects on the use of the mark, which is arguably problematic particularly regarding foreign trade marks. It is questionable whether the US recognises priority rights, even if foreign marks have not been used in commerce in the US. There is a split between federal circuits in the US on whether or not s.44(b) and (h) of the Lanham Act³³³ represent a congressional intent to give effect to America's international obligations under the Paris Convention (and by implication, TRIPS as per Article 16) by introducing the well-known mark doctrine.³³⁴ Legal commentators have suggested that the US is shirking their obligation to protect foreign well-known trade marks.³³⁵ In principle, trade marks and trade mark law are territorial.³³⁶ However, as the Paris Convention was built around the principle of national treatment, signatory states were obliged to offer protection to nationals of other signatory states that matched the protection afforded to its own nationals.³³⁷ In the US, an exception of the principle of territoriality is not applied when dealing with non-American trade marks.³³⁸ An example of a case where the US neglected its international obligations is *Grupo*

³³³ § 44 (15 U.S.C. §1126(b)) and (15 U.S.C. §1126(h))

³³⁴ A LaLonde, 'Don't I Know You From Somewhere? Protection In The United States Of Foreign Trademarks That Are Well Known But Not Used There' (2008) TMR 1379, 1380

³³⁵ L Grinvald, 'A Tale of Two Theories of Well-Known Marks' (2010) 13 Vanderbilt Journal of Entertainment and Technology Law 1, 36

³³⁶ G Dinwoodie, 'Trademarks and Territory: Detaching Trademark Law From The Nation-State' (2004) Houston Law Review 885, 887

³³⁷ Ibid 891

³³⁸ ITC, Ltd. v. Punchgini, Inc., 482 F.3d 135,155 (2d Cir. 2007). Also, Dinwoodie (n 336) 893

Gigante,³³⁹ which involved a mark of a large Mexican grocery store, famous in a particular area of the US, against an American trade mark owner that was using a similar sign to the plaintiff's mark.³⁴⁰ The court acknowledged that the plaintiff's mark *Gigante* was used in commerce decades before the defendant used their mark, in a region where consumers were familiar with the Mexican mark.³⁴¹ The plaintiff's mark had been in use; consumers were familiar with it; it was registered with the state of California; and it opened its first US store in 1999. However, the plaintiff's claim was unsuccessful. *Grupo Gigante* had neither been registered nor had it used its mark in the United States before *Gigante* Market opened in San Diego.³⁴² As the use of the plaintiff's mark was confined to Mexico, not in the United States, the court stated that 'the foreign trademark owner who does not use a mark in the United States must show more than the level of recognition that is necessary in a domestic trademark infringement case'. In addition, the court elaborated that 'priority of trademark rights in the United States depends solely upon priority of use in the United States, not on priority of use anywhere in the world.'³⁴³ Further, the court affirmed that if the mark has not been used before in the American market, the court must be satisfied by a preponderance of the evidence that a *substantial* percentage of consumers in the relevant American market is familiar with the foreign mark.³⁴⁴ This could be achieved by providing evidence, such as consumer surveys.³⁴⁵

It may be argued that the foundation of trade mark law is to protect consumers from confusion. However, in this case it is most likely that consumers might be led to believe that *Gigante* Market is somehow

³³⁹ *Grupo Gigante SA de CV v Dallo & Co. Inc.* 391 F.3d 1088, 1092 (9th Cir. 2004). 'The 'territoriality principle' under which "use of a mark in another country generally does not serve to give the user trademark rights in the United States'.

³⁴⁰ *Ibid*

³⁴¹ *Ibid*

³⁴² *Ibid*

³⁴³ *Ibid*

³⁴⁴ *Ibid*

³⁴⁵ *Ibid*

connected or affiliated with *Grupo Gigante*'s store. Furthermore, the court in *ITC*,³⁴⁶ provided a strong argument that marks in a similar situation to the *Grupo Gigante* case seem an unfair approach in dealing with foreign trade marks. The court declared that 'there can be no justification for using trademark law to fool immigrants into thinking that they are buying from the store they liked back home'.³⁴⁷ Moreover, in evidence of the harsh approach which US courts follow, Kur argues that regardless of the registration or use of the mark, *Grupo Gigante* succeeded to attain the same level of public awareness that is considered as furnishing sufficient evidence for the existence of vested interests in a sign worthy of protection.³⁴⁸ Nevertheless, the Mexican mark received less protection than national marks would receive.³⁴⁹ In support of the argument that foreign marks must be protected in the US providing same protection to local trade marks, who has reached the same level of recognition among the general consuming public of the US. The Second Circuit, in the *Grupo Gigante* case, rejected the decision of the Ninth Circuit, which ruled that the well-known marks doctrine is an exception to the territoriality principle.³⁵⁰ The Ninth Circuit explicitly recognised the well-known marks exception and ruled in favour of the plaintiff: '[W]hen foreign use of a mark achieves a certain level of fame for that mark within the United States, the territoriality principle no longer serves to deny priority to the earlier foreign user'.³⁵¹ As the US courts seem to be in controversy about the well-known marks doctrine, the question arises: on what grounds did the Ninth Circuit rely on for its decision? Although there is no mention of an exception to the territoriality principle in the US federal

³⁴⁶ ITC (n 338) *160

³⁴⁷ Ibid

³⁴⁸ A Kur, 'USA: Lanham Act, Sec.44 (15 U.S.C. 1126(b)); Paris Convention, Arts.6^{bis}, 10^{bis} - *Grupo Gigante v. Dallo*' (2005) IIC 726

³⁴⁹ Ibid

³⁵⁰ LaLonde (n 334) 1383 - 1384

³⁵¹ Ibid

statute that governs trade marks, i.e. the Lanham Act,³⁵² it is evident that the US had an obligation to comply with the Paris Convention, as a signatory member, and according to it, each contracting state must refuse registration to and forbid the use of marks that are liable to create confusion with marks that are well-known in that state.³⁵³ This case is important as it highlights the contradiction among the Circuits courts in the US providing that some of them acknowledge the need to protect foreign trade marks, while others neglect this obligation leading to unbalanced approach where other Member States of the Paris Convention are obliged to protect American trade marks, but not the way around.

Another important case in which a US court acknowledged the territoriality principle restrictively in relation to marks that has been registered or used solely in the US, thus, avoiding to protect a mark known and used outside its borders,³⁵⁴ was *ITC, Ltd. v. Punchgini, Inc.*³⁵⁵ The Second Circuit denied the evidence provided by the plaintiff that their mark is well-known, based on which it should be protected under the well-known doctrine. The Second Circuit flatly held that renown in the United States based solely on use of the mark in another country cannot be a valid basis for asserting trade mark rights in the US.³⁵⁶ The plaintiff had their mark registered in several countries' cities such as New Delhi, Singapore, Kathmandu, and Ajman.³⁵⁷ Although the defendant admittedly copied the plaintiff's mark,³⁵⁸ the court did not entitle the plaintiff the right to stop others from using a similar mark on similar goods or services. It may be argued that the Second Circuit ignored

³⁵² Ibid 1384

³⁵³ Ibid 1390

³⁵⁴ Ibid 1382 and 1396 - 1397

³⁵⁵ ITC (n 338)

³⁵⁶ LaLonde (n 334) 1385

³⁵⁷ Ibid

³⁵⁸ Ibid

that the US has an international obligation.³⁵⁹ Effectively, the court in *ITC*³⁶⁰ denied the US international obligation, illustrating that although Article 6^{bis} of the Paris Convention and Article 16(2) of TRIPs Agreement 'do recognize the doctrine; these international agreements are not self-executing and have not been implemented in the United States.'³⁶¹ Lolandé highlighted one commentator's statement that American courts tend to display an obviously unfair stance, where 'trademark rights do not transcend national boundaries'.³⁶²

It is noteworthy that the Lanham Act nowhere incorporates the well-known or famous marks doctrine as exception to the territoriality principle. It is believed that the foundation of the Paris Convention is the exception of the territoriality principle.³⁶³ Also, the TRIPs Agreement extends this principle to cover not only goods but also services.³⁶⁴ Despite the fact that the US is signatory country to both the Paris Convention and the TRIPs Agreement, the examples of courts' rulings show that the US goes against the obligations that derive from these agreements. Therefore, it may be argued that since the US is not complying with its international obligation towards other signatory states, Jordan should not be obliged to adhere to the TRIPs Agreement or provide protection to foreign trade marks above national interests. It may be contended that Jordan must treat US the same way US treats Jordan, by giving priority to domestic trade marks rights over foreign ones.³⁶⁵ However, it is foreseeable that if Jordan neglected to adhere to the Paris convention and the TRIPs Agreement, it would find itself in jeopardy and in breach of the Agreement, especially since Jordan is a developing country that relies on foreign resources, and mainly from the US. It may be

³⁵⁹ Ibid 1380

³⁶⁰ ITC (n 338)

³⁶¹ LaLonde (n 334) 1385

³⁶² Ibid 1387

³⁶³ Ibid 1390

³⁶⁴ Article 16 TRIPs Agreement

³⁶⁵ ITC (n 338) *165

argued that Jordan is morally obligated to give priority to US trade marks due to the financial support and aid that US grants Jordan.

It seems that a foreign trade mark is unlikely to be protected in the US, and it is questionable whether the owner of a foreign mark could establish priority in the US, thereby successfully opposing the registration (or if registered, pursuing the cancellation) or preventing the use of an unregistered well-known mark. The Lanham Act requires use of a mark 'in commerce' to acquire US trade mark rights, whether to obtain a federal registration or to assert a claim based upon unregistered rights under § 43(a). In the US, trade mark rights are acquired by and dependent upon the use of the mark.³⁶⁶ It is evident that since US courts deny applying an exception to the territoriality principle, this poses issues, as the use of a mark in other countries creates no rights in the US.³⁶⁷ Therefore, the question may arise as to whether the 'use' of the mark is crucial to the geographic scope of trade mark rights.³⁶⁸ In principle, only 'use in commerce' in the territory can ever entitle a party to claim protection against another US national.³⁶⁹ Lalonde also seems to question whether a trade mark can be enforced in the United States when it has never been used in the country.³⁷⁰ Dinwoodie highlighted that courts took the position that 'use of a foreign trademark in connection with goods and services sold only in a foreign country by a foreign entity does not constitute "use of the mark" in United States commerce sufficient to merit protection under the Lanham Act'.³⁷¹ It is evident that the US does not treat its national trade marks the same way it treats other non-American trade marks.³⁷² This begs the question whether

³⁶⁶ Ibid 9

³⁶⁷ Dinwoodie (n 336) 909

³⁶⁸ Ibid 896

³⁶⁹ Dinwoodie (n 336) 888

³⁷⁰ LaLonde (n 334) 1379

³⁷¹ Dinwoodie (n 336) 910

³⁷² This contradicts with Jordan's stance. Jordanian courts consider whether the mark is registered; if it is not, the question is whether the mark has been used in order to regulate the rights of trade mark owners. See R Al-Dmour, 'The Civilian Protection of the Well-known

Jordanian courts should follow the US example and require from foreign, e.g. American, trade marks ‘use in commerce in Jordan’ to claim protection rights in Jordan. Lalonde explained that if a foreign company uses its mark in a foreign country, and advertises and sells its goods or services under that mark only in said country, ‘it normally would have no trademark rights in the United States’.³⁷³ Another suitable example that demonstrates the court’s rejection to grant rights to foreign trade marks is *De Beers LV Trademark Ltd. v. DeBeers Diamond Syndicate, Inc.*³⁷⁴ The plaintiff had filed an action alleging, among others, trade mark dilution, but the court denied granting the plaintiff an injunction relief. The defendant argued that the plaintiff had never used the mark *DE BEERS* in commerce within the US, thus, no rights should be conferred on the plaintiff.³⁷⁵ It may be argued that under the ‘famous marks’ doctrine the trade mark owner’s rights must be protected; nevertheless, the plaintiff contended that he had conducted business abroad under the mark.³⁷⁶ As a result, the court rejected this and found that the plaintiff is not entitled to an injunction relief, forbidding the plaintiff to avail themselves of the ‘famous marks’ doctrine, as proof of domestic use was not established.³⁷⁷

Although courts in the US acknowledge the Paris Convention and the TRIPs Agreement, they seem to ignore the US obligation to adhere to these international agreements. As mentioned earlier, in *ITC*, it is explained that ‘TRIPs and other GATT agreements are not self-executing and thus their legal effect in the United States is governed by implementing legislation’. While the Congress has amended numerous federal statutes to implement specific provisions of the TRIPs agreement, it appears to have enacted no

Trade Mark - Study in the Jordanian Legislative System and the Decisions of the High Court of Justice’ (2005) 53 paper presented for obtaining a masters degree.

³⁷³ LaLonde (n 334) 1382

³⁷⁴ *De Beers LV Trademark Ltd. v. DeBeers Diamond Syndicate, Inc.* 440 F. Supp.2d 249 (S.D.N.Y. 2006)

³⁷⁵ Ibid

³⁷⁶ Weissberger (n 285) 760

³⁷⁷ *De Beers* (n 374) *266

legislation aimed directly at Article 16(2).³⁷⁸ On the same note, the court in *International Café v. Hard Rock Café Intern*³⁷⁹ stated: ‘we agree that Section 44 of the Lanham Act incorporated, to some degree, the Paris Convention. But we disagree that the Paris Convention creates substantive rights beyond those independently provided in the Lanham Act.’³⁸⁰ In addition, other courts of appeals have noted that the rights articulated in the Paris Convention do not exceed the rights conferred by the Lanham Act. Illustrating that the Paris Convention, as incorporated by the Lanham Act, only requires ‘national treatment’.³⁸¹ Arguably, US courts acknowledge the obligation to international treaties; however, due to the lack of explicit reference of this obligation in the Lanham Act, they neglect to take it into consideration. Similarly, Weissberger pointed out that the Lanham Act cannot be read to provide substantive rights to signatories of the Paris Convention and TRIPS beyond that of national treatment, because the ‘famous marks’ exception is nowhere mentioned in the Lanham Act.³⁸²

It may be argued that despite the controversy whether US must apply and obey to international agreements or not, the US approach undertake a thorough examination of the first element that is required for anti-dilution protection, i.e. the recognition of the mark. For instance, the Trademark Trial and Appeal Board (TTAB) conducted a thorough analysis of the mark CHANEL³⁸³ and found that CHANEL is famous upon numerous reasons: Chanel’s commercial success, extremely high sales of its goods, substantial advertising expenditures, social media campaigns, celebrity endorsements,

³⁷⁸ ITC (n 338) *162

³⁷⁹ *International Café v. Hard Rock Café Intern* 252 F.3d 1274, 1277 (11th Cir. 2001) ‘...although the Lanham Act implements the Paris Convention, see 15 U.S.C. §§ 1126(b), (h) (i), the Lanham Act and Paris Convention create no additional substantive rights for parties and confers no additional jurisdiction on the courts’.

³⁸⁰ *Ibid* *1278

³⁸¹ *Ibid*

³⁸² Weissberger (n 285) 767

³⁸³ Knobbe Martens Olson & Bear LLP (n 312). Also, *Chanel, Inc. v. Jerzy Makarczyk, Opp.* (T.T.A.B. May 27, 2014). Also, *Chanel v. Chanel’s salon, LLC and Chanel Jones Case No. 2:14-cv-00304*

survey evidence and rankings as one of the most recognised designer brands. It may be argued that CHANEL is a mark that is widely recognised, but that did not prevent the TTAB from considering various evidence provided by the plaintiff to prove that the mark has indeed acquired recognition among the general consuming public. In addition, although CHANEL is not inherently distinctive, as it derives from founder Coco Chanel's name, the Board found that the evidence submitted by Chanel established that the mark has acquired distinctiveness.³⁸⁴ Another noteworthy example was the examination undertaken by the TTAB in Nike's trade mark: it examined a list of conditions before concluding that the mark is famous. The TTAB accepted that Nike is famous for dilution purposes upon the evidence provided by Nike. The latter proved that (i) its 'JUST DO IT' mark was widely recognised by the public; (ii) it extensively advertised the trade mark and spent a substantial sum in such advertising; (iii) it sold numerous products bearing the trade mark; and (iv) it held incontestable federal registration for the trade mark.³⁸⁵

Following the analysis of the US position regarding this first element, it is important to shift the focus to the EU perspective on the conditions examined in establishing whether a mark is with reputation.

2.4 Part II - EU

2.4.1 Marks with Reputation

The notion adopted by the European Union differs to the one used in the US and Jordan. The Trade Mark Directive 2008/95/EC³⁸⁶ (TMD) and the recast Directive 2015 do not use the term 'fame' or 'well-known' to describe marks;

³⁸⁴ Chanel v. Chanel's salon, LLC and Chanel Jones

³⁸⁵ Nike, Inc. v. Maher, 100 U.S.P.Q.2d 1018, 1030 (T.T.A.B. 2011). Also, H Lovells, "Nike v. Maher - a case study on dilution by blurring after the TDRA" (2011) <<http://www.lexology.com/library/detail.aspx?g=af486617-a148-4498-816e-85a113f3732e>> accessed 20 July 2016

³⁸⁶ Directive 2008/95/EC of The European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Codified version)

instead, the term for eligible candidates for dilution protection is marks ‘with reputation’.³⁸⁷ The Article 5(2) of the TMD 2008 reads:

Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.³⁸⁸

This article gives a greater scope of protection to, at least, well-known—if not famous—marks that are registered.³⁸⁹ It is worth noting that section 10(3) of the UK Trade Mark Act 1994 (hereinafter TMA) corresponds with Article 5(2) of the TMD and is equivalent to Article 9(1)(c) of the Community Trade Mark Regulation 207/2009 (CTMR).³⁹⁰ The TMA, the CTMR and the TMD use the same terminology: marks ‘with reputation’. The European Trade Mark Law comprises two systems running side by side: the TMD and the CTMR (now the EUTMs) coexist and were drafted in parallel. Therefore, any reference either to the TMD or CMTR is sufficient, as many of their substantive provisions are similar and the interpretation of one is often transposable to the other.³⁹¹ On the one hand, there is a system of Community trade marks, valid throughout the Community and governed by the Community Trade Mark Regulation, as introduced by Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark. On the other hand, there are separate systems of national trade marks, each limited to the Member State concerned, but to a very large extent harmonised by

³⁸⁷ Chong (n 256) 665. Also, Fhima (n 291) 28-29

³⁸⁸ McCarthy (n 257) 1164

³⁸⁹ Chong (n 256) 666

³⁹⁰ Intel (n 283)

Due to the reformation process, it is now called the EU Trade Marks Regulation 2015/2424 (EUTMs) which entered into force on 23 March 2016.

³⁹¹ Intel (n 283) 1084

the Trade Marks Directive.³⁹² Moreover, the CTMR has binding force throughout every Member State and entered into force on a set date in all the Member States. The CTMR rests on the principle of uniformity; accordingly, once a proprietor obtains a Community trade mark, the trade mark is to produce effects throughout the entire area of the European Union (barring certain exceptions listed in the Regulation).³⁹³ Although the TMD laid the groundwork of objectives that must be achieved, each Member State is free to decide how to transpose this into national laws.³⁹⁴ It is worth noting that Article 5(2) 2008 of the Directive is permissive rather than mandatory, which derives from the wording of Article 5(2) which states that 'any Member State *may* ...' Article 5(2) and Section 10(3) (which is the UK legislature's enactment under the liberty granted in Article 5(2)) are intended to grant an even wider measure of protection to individual trade mark owners who can show the required reputation.³⁹⁵

It is questionable whether the Directive distinguishes between the terms 'well-known' marks and marks 'with reputation'. The reason for this is because the Directive refers in Article 5(2)(d)³⁹⁶ to 'well-known' trade marks, as used in Article 6^{bis}, whereas elsewhere the legislation refers to marks 'with reputation'. In *General Motors v Yplon*,³⁹⁷ it emerges that under the Paris Convention and TRIPS, the protection of well-known marks is an exceptional type of protection granted also to unregistered marks.³⁹⁸ AG Jacobs elaborated that 'although the concept of a well-known mark is itself

³⁹² Ibid 1083

³⁹³ Article 3 of the CTMR. Also, *Iron & Smith Kft v Unilever NV* Case C-125/14 [2015] para 19.

³⁹⁴ United States Department of Agriculture (2014) <http://www.usda-eu.org/eu-basics-questions/difference-between-a-regulation-directive-and-decision/> accessed 13 August 2016

³⁹⁵ *Pfizer Ltd and Pfizer Incorporated v Eurofood Link (United Kingdom) Ltd* [2000] ETMR 896

³⁹⁶ *General Motors Corporation v Yplon SA* (C-375/97) [1999] E.C.R I-5421 para [30] *427, 434

³⁹⁷ Ibid

³⁹⁸ Ibid para [33] *435

not clearly defined, a mark with a “reputation” needs not be as well known as a well-known mark.³⁹⁹ The well-known mark might impose a relatively high standard for a mark to benefit from such exceptional protection.⁴⁰⁰ However, it remains debatable whether there is an actual difference between the two terms.⁴⁰¹ In the same case, the court marked the two terms’ difference by referring to dictionary definitions: ‘the Concise Oxford Dictionary defined “well-known” as “known to many”, suggesting that this term carries a quantitative connotation. Whereas the term “reputation” in Article 4(4)(a) and Article 5(2) might arguably involve qualitative criteria.⁴⁰² Further, the court explained that ‘the Concise Dictionary defines reputation as “(2) the state of being well thought of; distinction; respectability; ... (3) credit, fame, or notoriety”.⁴⁰³

On the same issue, in *Nuno v Franquet*, the Court of Justice held that Article 4(2)(d) of the Directive 89/104 is to be understood that a mark must be well-known within a substantial part of the Member State or throughout the territory where it is registered.⁴⁰⁴ However, the court in *General Motors*⁴⁰⁵ explained that due to the lack of definition in the Community provision, ‘a trade mark certainly cannot be required to be well known “throughout” the territory of the Member State and it is sufficient for it to be well known in a substantial part of it’.⁴⁰⁶ The European Court of Justice (ECJ) addressed the issue of well-known trade marks in the context of Article 4(2)(d) TMD, holding that the requirement is for the mark to be well known in a substantial

³⁹⁹ Ibid para [37] *436

⁴⁰⁰ Ibid

⁴⁰¹ V Marsland, ‘famous and well-known trademarks in EU law’ (world trademark review 2008) <<http://www.worldtrademarkreview.com/Magazine/Issue/11/Country-correspondents/United-Kingdom-Clifford-Chance-LLP>> Accessed 25 July 2016

⁴⁰² General Motors (n 396) para [36] *427, 436

⁴⁰³ Ibid para [36]

⁴⁰⁴ *Nieto Nuno v Monlleo Franquet* (C-328/06) [2008] E.T.M.R. 12, para [17] 222, 240

⁴⁰⁵ General Motors (n 396) at [28].

⁴⁰⁶ *Nieto Nuno* (n 404)

part of the territory. Mere local reputation is not enough, but the mark does not need to be well known throughout the territory.⁴⁰⁷

It may be argued that it is also important to consider the WIPO Joint Recommendation (WIPO JR),⁴⁰⁸ although signatory states of the WTO are not obliged to implement it. However, European courts have considered the WIPO JR as guidance in establishing whether a mark is well-known in cases, such as the *General Motors*,⁴⁰⁹ *Coyote Ugly*,⁴¹⁰ and *El Corte*.⁴¹¹ For instance, in *Coyote Ugly*, the court referred to the WIPO JR in determining whether a mark is well-known within the meaning of the Paris Convention.⁴¹² A list of factors included in the WIPO JR were considered; nevertheless, the Board of Appeal was not convinced by the evidence provided that the applicant's business was widely associated with the film by the relevant public at the date the mark applied for was filed.⁴¹³ The Board of Appeal explained that the applicant did not establish the existence of a well-known mark and that 'none of the evidence adduced — which included *inter alia* the searches carried out on a search engine to which the applicant draws the Court's attention — is such as to establish that a substantial part of the relevant public of the European Union associated the film with the bar of the same name located in New York'.⁴¹⁴ Accordingly, the court agreed with the Board of Appeal's decision stating that the evidence provided by the applicant 'did not show that the sign COYOTE UGLY was well known in connection to the goods and services concerned in the European Union or in

⁴⁰⁷ Marsland (n 401)

⁴⁰⁸ The General Assembly of the WIPO and the Members of the Assembly of the Paris Union for Industrial Property (Paris Union) adopted the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks 1999 (WIPO JR)

⁴⁰⁹ General Motors (n 396) at [31] *434

⁴¹⁰ *Ugly, Inc. v. OHIM T-778/14* (judgment of the General Court (Sixth Chamber) 3 March 2016

⁴¹¹ *El Corte Inglés, SA v. OHIM (T- 420/03)*

⁴¹² *Ugly, Inc. (n 410)* at para 80

⁴¹³ *Ibid* para 61

⁴¹⁴ *Ibid* para 72

one of its Member States'.⁴¹⁵

As dilution protects only marks with reputation, it follows that 'reputation' is the preliminary requirement for marks before they are considered for this extraordinary protection,⁴¹⁶ and before examining whether dilution might occur.⁴¹⁷ It might be argued that this is the reason why the reputation standard is set up high for marks that make dilution claims. Dilution theory aims to protect reputed marks that have reached that knowledge threshold to maintain their reputation and distinctiveness; accordingly, where association is created in the mind of consumers, dilution is more likely to be triggered.⁴¹⁸ Therefore, as dilution goes hand in hand with reputation, the reputation element must be thoroughly examined before promptly considering a mark with reputation. This reflects on the courts' analysis in which the evidence provided must be strong enough to establish about the mark's reputation. Accordingly, it is only when there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non-similar products or services,⁴¹⁹ that the earlier trade mark may consequently be damaged.⁴²⁰ It is important to point out that applying dilution is not without limits. There is a defence that could allow a third party to come close to the aura of the mark with reputation based on one condition stipulated in Article 5(2) of the Directive 2008, namely that the use by a third party is without due cause.⁴²¹ Unlike US law, the TMD does not define a mark with reputation. Therefore, due to the lack of explicit provision or definition of what constitutes a mark 'with reputation', it is essential to

⁴¹⁵ Ibid para 63-64

⁴¹⁶ Fhima (n 291) 23

⁴¹⁷ Pfizer Ltd (n 395) 896

⁴¹⁸ Fhima (n 253) 636 *Also*, Swann (n 258) 599

⁴¹⁹ Intel (n 283) 1085. General Motors (n 396). *Also*, Pfizer Ltd (n 395) 896

⁴²⁰ Ibid

⁴²¹ M Senftleben, 'Keyword Advertising In Europe - How The Internet Challenges Recent Expansions of EU Trademark Protection' (2011) 27 Conn. J. Int'l L. 39, 47

examine case law and to analyse the interpretation of the CJEU to understand the courts' assessments in this issue.

2.4.2 Case Law

The European courts have established a list of conditions to assist in the examination of marks with reputation.⁴²² The assessment whether a mark has a reputation is dependent upon a number of different criteria.⁴²³ In *General Motors Corporation v. Yplon*,⁴²⁴ a case that was concerned with the reputation of a mark, the court listed a non-exhaustive list of factors to take into consideration:⁴²⁵ (i) the degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark;⁴²⁶ (ii) the market share occupied by goods or services sold under the mark;⁴²⁷ (iii) the CJEU also mentions intensity of use of the mark, that is, sales volume (number of units sold) and turnover (total value of all sales);⁴²⁸ (iv) the geographic extent of use of the mark,⁴²⁹ and the duration of use of the mark;⁴³⁰ and (v) the size of the investment made by the undertaking in promoting and advertising the mark.⁴³¹ This list is an indication to how senior users shall prove that their marks have a reputation. The court required that 'reputation' involved some kind of knowledge

⁴²² General Motors (n 396) 427. Also, Unilever NV (n 393) para 17

⁴²³ McCarthy (n 257) 1173

⁴²⁴ General Motors (n 396) para 52

⁴²⁵ C Gielen, 'Trademark Dilution Under European Law' (2014) 104 TMR 693, 706

⁴²⁶ McCarthy (n 257) 1173

⁴²⁷ Ibid. Intel (n 283) 1085. Also, Gielen (n 425) 706

⁴²⁸ Gielen (n 425) 706

⁴²⁹ McCarthy (n 257) 1173. Also, Gielen (n 425) 706

⁴³⁰ Gielen (n 425) 706

⁴³¹ McCarthy (n 257) 1173. Also, Gielen (n 425) 706. Also, L Bently and B Sherman, *Intellectual Property Law* (3rd edn, OUP 2009) 878

threshold;⁴³² according to the provision, a mark would have a reputation where it was known by a significant part of the public concerned by the products or services covered by the trade mark.⁴³³ Accordingly, the reputation of a trade mark must be assessed in relation to the relevant section of the public in connection with the goods or services for which that mark was registered. That may be either the public at large or a more specialised public.⁴³⁴ This infers that the approach undertaken by EU is that of niche fame.⁴³⁵ The court in *General Motors* declared the possibility of having 'niche fame', by stating that 'it was necessary only for a mark to have a reputation in a substantial part of a Member State rather than throughout its territory'.⁴³⁶ Accordingly, a trade mark is not required to show that a mark has a 'reputation' throughout the Member States; instead, it is sufficient if the mark exists in a substantial part of it. A 'substantial part', as illustrated by the court, exists only in one Member State where a Community trade mark enjoys reputation composing that territory.⁴³⁷ As a result, anti-dilution protection is conferred to marks that are known in a specific sector of the public. It may be argued that this approach does not limit dilution but instead makes it easier for owners to obtain it. Senftleben argues that the criterion of having a niche reputation is a low standard, which consequently keeps the door to anti-dilution rights wide open instead of employing the reputation requirement to keep trade mark protection within reasonable limits.⁴³⁸ It may be argued that the test for marks with reputation is primarily quantitative, by virtue that the mark must be known based on a significant number of consumers who are familiar with the mark. However, the court declined to set a percentage for the required level of recognition by the relevant

⁴³² Gielen (n 425) 702

⁴³³ General Motors (n 396) para 31

⁴³⁴ Intel (n 283) para 47. Also, General Motors (n 396) para 24

⁴³⁵ McCarthy (n 257) 1173

⁴³⁶ Ibid. General Motors (n 396) at 428. Also, Fhima (n 253) 656

⁴³⁷ General Motors (n 396) paras 28 – 31. Also, Iron & Smith (n 393) para 22 Also, Pago International GmbH v Tirolmilch Registrierte Genossenschaft mbH C-301/07 [2010] E.T.M.R. 5. 80

⁴³⁸ Senftleben (n 421) 52

public.⁴³⁹ This grants courts in Member States the flexibility to respond to individual situations. In *General Motors*, which is a case related to a mark's reputation in the context of national trade marks (in that instance, Benelux trade marks),⁴⁴⁰ Similarly, the *Unilever* case was relevant for 'reputation in the Member State', where the trade mark was known by a significant part of the public concerned in a substantial part of that territory; consequently, this was deemed sufficient to determine that the mark was with reputation.⁴⁴¹ It is noteworthy that 'a substantial part of the territory' in that case could also consist of only a part of one of the countries composing that territory.⁴⁴² On the same issue, Fhima explained that Article 5(2) TMD 2008 does not require reputation 'in a Member State' to mean the entirety of a Member State; it indicates that knowledge shall be extended to a 'substantial' part of the state.⁴⁴³

In *Unilever*, the mark in concern is related to the reputation of the mark within the Community. The owner had sold large quantities of and publicised the goods designated by its Community word mark IMPULSE in the United Kingdom and Italy.⁴⁴⁴ The mark enjoyed a 5% market share in the United Kingdom and a 0.2% market share in Italy.⁴⁴⁵ Accordingly, the Hungarian Office found that the reputation of the Community mark had been proved in a substantial part of the European Union.⁴⁴⁶ It is questionable in determining whether a mark that is used in the UK and Italy only should be deemed sufficient to fulfil that the mark has renown within the Community; in other words, whether a reputation only in one Member State or two is sufficient for

⁴³⁹ *General Motors* (n 396) para 25 at 443. *McCarthy* (n 257) 1173. *Unilever NV* (n 393) para 18. Also, *Fhima* (n 291) 57

⁴⁴⁰ Judgment in *General Motors* (n 396) 408

⁴⁴¹ *Unilever NV* (n 393) para 14

⁴⁴² *Ibid*. Also, *General Motors* (n 396)

⁴⁴³ *Fhima* (n 253) 661

⁴⁴⁴ *Unilever NV* (n 393) para 22

⁴⁴⁵ *Ibid*

⁴⁴⁶ *Ibid*

the mark to be deemed with reputation among the Community. Also, this begs the question whether and how the renown of the mark in one entire country (Member State) or part of that country is considered equivalent, thus satisfying the reputation condition. One may wonder how a mark's reputation in London, for instance, is sufficient for indicating reputation in the whole country. Another question emerging is regarding the 'substantial part' condition that is sufficient for one Member State: whether, for instance, a small country such as Slovenia, when compared to another Member State as large as Ukraine, could also satisfy this condition. Fhima argued that a single city and its surrounding area was not substantial for these purposes and so, it should follow, would not be substantial for the purposes for Article 5(2).⁴⁴⁷

In *Pago*, the court dealt with a Community trade mark where it examined whether the mark's reputation in one Member State is sufficient.⁴⁴⁸ The CJEU found that where a mark is known by a significant part of the public and where the mark's reputation is established in a substantial part of the territory of the European Community, that is sufficient to meet the requirement of Article 9(1)(c).⁴⁴⁹ The court held that 'in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community'.⁴⁵⁰ Furthermore, the AG in *Unilever* stated that 'while in my view the territory of a Member State (large or small alike) may indeed, as the case may be, constitute a substantial part of the European Union, the analysis leading to that conclusion must nevertheless be conducted without consideration of geographical borders'.⁴⁵¹ The same stance was taken by the court in *Pago*: 'the Commission considers that art.9(1)(c) affords protection where the trade mark is known to a significant proportion of the

⁴⁴⁷ Fhima (n 291) 31

⁴⁴⁸ *Pago* (n 437) AG19 at 87

⁴⁴⁹ *Ibid* para H8 at 81

⁴⁵⁰ *Ibid*

⁴⁵¹ *Unilever NV* (n 393) para 18

relevant public. The relevant public should be identified within the Community territory without reference to national borders, not by looking at the public in only one Member State.⁴⁵² It may be argued that if anti-dilution is afforded to situations where the mark is known in a specific sector of the public, and if it is sufficient for that mark to be recognised in either a large or small territory, without reference to national borders, the door is kept wide open for owners to easily succeed in fulfilling the reputation factor.

Furthermore, in determining a mark with reputation, the court in *General Motors* also examined the following conditions:⁴⁵³ the market share held by the senior mark;⁴⁵⁴ the intensity,⁴⁵⁵ geographical extent, duration of the mark's use;⁴⁵⁶ and the size of the investment made by the undertaking in promoting it.⁴⁵⁷ On the face of it, the request of the use of the mark in relation to goods and services seems to be essential, as the court explicitly demanded the use of the mark relating to three aspects (i.e. its intensity, territory, and duration).⁴⁵⁸ The intensity of use of the mark refers to a sign that is used in the course of trade, where that use occurs in the context of commercial activity with a view to economic advantage and not as a private matter.⁴⁵⁹ It may be argued that 'the use of the mark' is an essential element for a variety reasons. First, the use of the mark is a tool for the owner to familiarise and introduce the mark to consumers. Therefore, the trade mark will reach out to consumers through using the mark that is attached to products and services. Accordingly, when the courts are testing the intensity of the use of the mark, it will evidently reflect on how well known the mark is

⁴⁵² Pago (n 437) AG23

⁴⁵³ General Motors (n 396). Also, Unilever NV (n 393) para 17

⁴⁵⁴ Gielen (n 425) 706. Also, Intel (n 283) 1085

⁴⁵⁵ Gielen (n 425) 706

⁴⁵⁶ Ibid

⁴⁵⁷ Ibid. Fhima (n 253) 655. Bently and Sherman (431) 878. Also, Unilever NV (n 393) para 17

⁴⁵⁸ Fhima (n 253) 658

⁴⁵⁹ Ugly, Inc. (n 410) para 28

among consumers. Second, the duration of the mark's use reflects on the length of using that mark, which subsequently will be triggered in the mind of consumers.⁴⁶⁰ The period and the length of the mark's use will implant the mark in the mind of consumers. Consequently, where the mark is used by a third party on dissimilar products, it is most likely that this will be brought to the attention of consumers and accordingly establish a link. The third aspect which the court considered was the territory of the mark's use. It may be argued that this is a favourable approach, due to the fact that the use of the mark reflects on the mark's reputation, and thus it is convincing in assessing whether the mark is with reputation.

Evidently, the mark's reputation is essential to have the relevant consumer call the registered mark to mind and thereby it is one of the elements to demonstrate that dilution may occur.⁴⁶¹ In *Intel*, the referring court found that 'Intel' has a 'huge reputation' as a trade mark; it is 'an invented word with no meaning or significance beyond the products which it identifies', and 'unique' in that it has not been used by anyone for any goods or services other than *Intel*'s own.⁴⁶² Also, the Board of Appeal in *Wolf* followed the steps in *Intel* and examined whether a 'link' can be established in assessing whether the mark had reputation.⁴⁶³ Also, it analysed whether the mark obtains high reputation and whether the earlier mark has a distinctive character.

As mentioned earlier, the court in *General Motors* also assessed the market share.⁴⁶⁴ Fhima explained that this factor might be tested by comparing the mark to other marks in the same product field.⁴⁶⁵ She added that 'one would expect that a mark that dominates the sales on even a very narrow market would be recognized by consumers on that market. However, it would be

⁴⁶⁰ Fhima (n 291) 50

⁴⁶¹ Intel (n 283) 1091

⁴⁶² Ibid 1086

⁴⁶³ (Case T- 570/10) Environmental Manufacturing LLP v. Office for Harmonisation in the Internal Market, (Trade Marks and Designs) (OHIM), Société Elmar Wolf [2012] E.T.M.R. 54

⁴⁶⁴ General Motors (n 396). Also, Unilever NV (n 393) para 17

⁴⁶⁵ Fhima (n 253) 659

misguided automatically to assume that a high market share irrefutably will lead to consumer recognition.⁴⁶⁶ It may be argued that since EU is in favour of niche fame, this could ease the way for cases where the narrower the product market, the fewer and more specialised consumers it will encompass. In such cases, it is believed that the mark will be known to a significant proportion of the relevant public.⁴⁶⁷ This is evident when dealing with luxurious brands, where senior users tend to increase the price of the product and thus the sales remain low; however, the mark is known among a significant part of the relevant public. In other words, such marks are associated with goods that many may know, but few can buy.⁴⁶⁸

Geographical extent of the mark's use is another element that the court in *General Motors* considered when analysing the mark's reputation. Although it might be more convincing to find a trade mark whose reputation has crossed national borders rather than a mark whose reputation is limited to a single city,⁴⁶⁹ that does not suggest that a mark's use in a single country would not indicate a mark's reputation; it would depend on a case-by-case basis. The gist of this factor is to examine the extent of the region a mark has reached to establish reputation.

In addition, the court examines the size of the investment made to promote the mark.⁴⁷⁰ It is assumed that if a mark were promoted and marketed efficiently, it would likely come to the attention of a wide range of consumers. However, it must be borne in mind that the gist of this factor is not to reward the owner of the mark for spending the most on marketing his mark,⁴⁷¹ but to examine that the mark has indeed established reputation within a geographic extent. In *Pfizer*, the owner promoted the mark VIAGRA and the team leader provided 14 lever-arch files of newspaper clippings and media

⁴⁶⁶ Ibid

⁴⁶⁷ Fhima (n 291) 48

⁴⁶⁸ Ibid. Also, *Pfizer* (n 395)

⁴⁶⁹ Fhima (n 291) 50

⁴⁷⁰ *General Motors* (n 396) para [27]

⁴⁷¹ Fhima (n 253) 655

summaries concerning VIAGRA for the period April 1998 to April 1999, exhibiting a number of examples, not only from the UK but also from other Member States of the European union.⁴⁷² It is logical that the more consumers are exposed to the promoted mark, the more likely it is to be implanted in their minds, and thus the mark effectively acquires reputation among consumers.⁴⁷³ Media advertising is considered an important source of marketing the product's mark, and that could, for instance, include in-store promotions, co-branding, use of the mark on promotional items, as well as more conventional types of promotion, such as print, radio, television, billboard advertising.⁴⁷⁴

This chapter has so far examined the trade mark legislation in the US and the EU and how courts have implemented them in determining whether a mark is famous or with reputation. Subsequently, the focus will shift on Jordan to compare it with these two jurisdictions. It is believed that this juxtaposition will provide better insight to the issues found in Jordan, and will allow for relevant recommendations to emerge on how to adopt a clear approach and how to examine a mark with renown. This shall be beneficial to the Jordanian legislator, courts and/or legal practitioners in understanding what dilution aims to protect.

2.5 Part III – Jordan

After analysing the legislation and the case law for the US and the EU, it is important to steer the focus now on Jordan. This section will launch by examining the Jordanian Trade Mark Law, and then an analysis of courts decisions will be carried out.

⁴⁷² Pfizer (n 395)

⁴⁷³ Fhima (n 291) 54

⁴⁷⁴ Ibid 55

2.5.1 Statutory Protection for Well-Known Trade Marks

Before the 1990s, Jordan was put on a Special 301 Watch List⁴⁷⁵ by the United States Trade Representative Office (USTR), because it was considered a weak enforcer of intellectual property laws, impeding its participation in international trade.⁴⁷⁶ Prior to Jordan joining the World Trade Organization (WTO), the Jordanian legislation did not explicitly state a provision on protecting well-known trade marks, and owners of well-known marks relied on Section 8(10) for protection.⁴⁷⁷ Therefore, the reformation of the Jordanian Trade Mark Law in 1999 was fundamental for ensuring compliance with the Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS).⁴⁷⁸ Following this amendment, Jordan qualified to join the TRIPS Agreement in 2000 and succeeded to be un-listed from the US Watch List, before acceding to the WTO.⁴⁷⁹ Upon the accession to the WTO, Jordan's legislation was compatible with the requirements of the TRIPS Agreement,⁴⁸⁰ which is the reason behind the language of the Jordanian Trade Mark law mirroring the wording of the TRIPS Agreement and the Paris Convention.⁴⁸¹ It is noteworthy that although the Paris

⁴⁷⁵ R Olwan, 'Intellectual Property and Development: Theory and Practice' (2011) Thesis submitted to Queensland University of Technology in fulfilment of the requirements of the degree of Doctor of Philosophy 1, 62

⁴⁷⁶ A Nawafih, 'Development of Intellectual Property Laws and Foreign Direct Investment in Jordan' (2010) 5, *Journal of International Commercial Law and Technology* 142, 144

⁴⁷⁷ B Melhem, 'Protection of the Translation of Well-known Marks under Jordanian Trademarks Law: Concurrent Actions, Same Litigants, Same Cause of Action, Different Countries and Similar Fining: Case of Contradiction in the Jordanian and Arab Judiciary' (2011) 19 *European Journal of Social Sciences* 180, 188. Also, B Malkawi, 'Well-known Marks in Jordan: Protection and Enforcement' (2007) *Communications Law* 119

⁴⁷⁸ The WIPO National Symposium on Intellectual Property for faculty members and law students in the University of Jordan, "The Protection of Well-known Trade Marks" 2004 (the proceedings of the WIPO symposium). Also, A Younis, *The Legal System for Trade Marks* (2007) paper submitted in accordance with the requirements for the degree of masters.

⁴⁷⁹ Malkawi (n 477) 120-121

⁴⁸⁰ World Trade Organization, 'Report of The Working Party on the Accession of The Hashemite Kingdom of Jordan to the World Trade Organization' (WTO) <https://www.wto.org/english/thewto_e/acc_e/completeacc_e.htm#jor> accessed 13 May 2015. Also, S Haddadin and M Naser, 'The Unnatural of Intellectual Property: An Example from a Developing Country' (2013) *E.I.P.R.* 341, 348

⁴⁸¹ Malkawi (n 477) 121. Also Chapter One, 1.2.5 International Obligations for Anti-Dilution Protection, page 12

Convention does not protect marks against dilution, it provides protection to well-known marks against reproduction, on top of the traditional protection against imitation liable to create confusion.⁴⁸² Protection for well-known, unregistered marks under the Paris Convention is usually limited to goods and services that are identical or similar to those goods or services with which the trade mark is associated and in situations where use is likely to cause confusion.⁴⁸³ Under the TRIPS Agreement, protection is extended to dissimilar goods or services if the use suggests a connection to the owner of a well-known registered mark and the owner's interest is likely to be damaged by such use.⁴⁸⁴ Accordingly, Article 16 of the TRIPS Agreement is considered a 'Paris-Plus' provision.⁴⁸⁵ The protection of well-known trade marks is endorsed by TRIPS, as it confers on the owner of a well-known mark exclusive rights to protect that mark, and requires Article 6^{bis} of the Paris Convention to apply to Member States of the TRIPS Agreement.⁴⁸⁶

As mentioned earlier, it is debatable whether the TRIPS Agreement incorporates anti-dilution protection.⁴⁸⁷ However, the WIPO Joint Recommendation explicitly includes protection against dilution and due to the bilateral agreement between Jordan and the US,⁴⁸⁸ it becomes binding for Jordan.⁴⁸⁹ As a result, the US-JO FTA gives an effect to Articles 1 to 6 in

⁴⁸² K Whittaker, 'Trademark Dilution in a Global Age' (2006) 27 University of Pennsylvania Journal of International Economic Law 907

⁴⁸³ M Naser and T Hammouri, 'The Notion of Famous, Well-Known Trade Marks and Marks with Repute Compared' (2014) 9 Journal of Intellectual Property & Practice 312, 313

⁴⁸⁴ Article 16(2) TRIPS

⁴⁸⁵ Correa (n 270) 185

⁴⁸⁶ Cook (n 269) 414

⁴⁸⁷ Chapter One, 1.2.5 International Obligations for Anti-Dilution Protection, page 12

⁴⁸⁸ The United States-Jordan Free Trade Agreement (US-JO FTA) in 2000. Agreement between the United States of America and the Hashemite Kingdom of Jordan on the Establishment of a Free Trade Area 2000. See also, B Malkawi, 'Lessons from the United States-Jordan Free Trade Agreement' (2008) Int. T.L.R. 26, 28

⁴⁸⁹ G Dinwoodie and R Dreyfuss, 'Designing a Global Intellectual Property System Responsive to Change: The WTO, WIPO and Beyond' (2009) Houston Law Review 1, 28. See also, L Ramsey, 'Free Speech and International Obligations To Protect Trademarks' (2010) 35 The Yale Journal of International Law 406, 433

the WIPO Joint Recommendation 1999.⁴⁹⁰ The provisions of the WIPO Joint Recommendation thus become mandatory in Jordan in the form of a TRIPS-Plus trade agreement.⁴⁹¹ Although, the term ‘dilution’ does not appear in the Jordanian Trade Mark Law, based on the premises that it is implemented through TRIPS-Plus, dilution –or at least words to similar effect– may be argued to also be recognised under the Jordanian Trade Mark Law for the protection of well-known marks.

To begin with, the Paris Convention and the TRIPS Agreement do not provide a definition of ‘well-known’ mark, which arguably gives plenty of leeway to the Jordanian legislator to interpret it freely. It may be also argued that this could be the reason why the Jordanian Trade Mark Law under Section 2 suffers from various shortcomings. To demonstrate these shortcomings, it is important to analyse the definition of well-known trade marks.

Section 2 of the Jordanian Trade Mark Law defines a ‘well-known’ trade mark as follows:

A mark with international renown whose renown surpassed the country of origin where it has been registered and acquired renown in the relevant sector among the consuming public in the Hashemite Kingdom of Jordan.⁴⁹²

In analysing this definition, one could establish that a mark shall be considered ‘well-known’ when:

- i. The mark has a reputation that surpasses the country of origin where it has been registered. This means that the law considers a mark well-known if it enjoys a reputation in countries other than Jordan. According to the Jordanian Trade Mark Law, the renown of a well-known mark should exceed the country of its origin, rendering the mark famous in more than one

⁴⁹⁰ Article 4(1)(a) of the Agreement Between the United States of America and The Hashemite Kingdom of Jordan on the Establishment of A Free Trade Area.

⁴⁹¹ A Kur, ‘Not Prior in Time, But Superior In Right - How Trademark Registrations Can Be Affected By Third-Party Interests In A Sign’ (2013) IIC 790, 796

⁴⁹² Section 2 of the Jordanian Trade Marks Law No.33 of 1952

country.⁴⁹³ Further, the definition explicitly requires registration of the trade mark. Therefore, a mark cannot be considered well-known if it is not registered.

- ii. The law states that reputation can be acquired within a specific sector of the public in Jordan. This means that the law does not request a mark to be known to the majority of the general consuming public. Therefore, the law only requires niche fame.

This definition of well-known trade marks has been met with criticism by several scholars,⁴⁹⁴ who described it as imperfect⁴⁹⁵ or vague.⁴⁹⁶ For instance, Melhem argues that the definition is imperfect because it lacks any transparency and does not specify the meaning of 'international renown'.⁴⁹⁷ One may question whether the term 'international renown' implies that where the trade mark is registered in two countries is sufficient or there should be a certain number of countries for a mark to be considered as having international renown. It may be argued that the Jordanian legislator requires a quantitative approach. Al-Dmour pointed out that the standard of fame that the court requires in their decision depends on the number of countries where the trade mark has been registered.⁴⁹⁸ In addition, the definition of well-known marks does not clarify when a mark becomes famous and how the reputation of a mark surpasses the country of origin.⁴⁹⁹ It may be contended that the well-known definition is ambiguous, because the wording is more likely to confuse rather than to clarify the term it aims to define. Abu

⁴⁹³ Y Al-Hneeti, *Legal Protection to Well-known Trade Marks* (Dar Wael 2015) 41

⁴⁹⁴ M Naser, T Hammouri, B Melhem and S Abu Ghazaleh,

⁴⁹⁵ Melhem (n 477) 185

⁴⁹⁶ Malkawi (n 477) 121

⁴⁹⁷ Melhem (n 477) 185

⁴⁹⁸ Al-Dmour (n 372) 178

⁴⁹⁹ S Abu Ghazaleh, 'jo ccTLD domains protection' (2011) C.T.L.R. 126, 128

Ghazaleh concurs that the definition is inaccurate.⁵⁰⁰ In addition, the definition does not specify what segment of the relevant public should be aware of the allegedly well-known mark. Should this proportion of the public be related to traders, customers or potential customers? Regarding this issue, Malkawi argues that the definition is fundamentally vague because it is unclear whether the term 'relevant public' is attributed to 'an urban population in a specific income class or a wider audience such as those persons involved in channels of distribution of the type of goods to which the mark applies'.⁵⁰¹ In addition, Al-Dmour argues that if a mark is truly well-known, then it would be known to the general consuming public, not merely to a specific group of people.⁵⁰² It is conceivable that marks with broader reputation are truly well-known and thus worthy of protection against dilution. For instance, a mark such as *Coca-Cola* is known to two large segments of the public: those familiar with the mark but make no purchase, and those who are consumers and make purchases. Therefore, it is a mark where its fame has reached out to a broad segment of the public.

After considering the definition of well-known trade marks under Article 2 of the Jordanian Trade Mark Law, it is important to examine the statutory provision in depth in order to tackle the issue. The definition explicitly requires registration, international renown, and niche fame. Therefore, a trade mark is regarded as 'well-known' upon fulfilling these three elements: the mark must be registered in the country of origin, it must be known by a specific sector of the public in Jordan, and its renown must have exceeded the country of origin to reach out to consumers in other countries. However, it may be contended that the definition constitutes a hurdle and deprives well-known Jordanian marks from benefiting of the extra protection (i.e. anti-dilution protection). The primary reason for this is that few domestic marks might have been registered outside Jordan – Jordanian trade marks are mostly used and registered only in Jordan. Consequently, according to the

⁵⁰⁰ Ibid

⁵⁰¹ Malkawi (n 477) 121

⁵⁰² Al-Dmour (n 372) at 51

Jordanian Trade Mark Law, if a mark has been registered in Jordan and has obtained renown among Jordanians, but its renown has not exceeded the national borders, it will not be regarded as well-known. This begs the question: why did the legislator request such a high-threshold condition (i.e. international renown) on Jordanian trade mark owners as to be compelled to register their mark's in any other country, in addition to Jordan, in order to be considered a well-known mark? Most importantly, while scholars might argue that strong IPRs are important for the economy and development of Jordan,⁵⁰³ how does excluding Jordanian trade marks' rights from eligibility for anti-dilution protection benefit the economy of Jordan? As Jordanian trade marks will probably not obtain reputation beyond the national borders, such a high-threshold requirement is more likely to hinder Jordanian trade mark proprietors from achieving the 'well-known' status for their marks, and ultimately from benefiting from anti-dilution protection.

Moreover, according to the definition stipulated in the Jordanian Trade Mark Law, if a mark is not registered –although other conditions may be fulfilled– it does not qualify as a well-known mark. Naser and Hammouri explained that if a mark is not registered in Jordan or elsewhere, the trade mark will not be considered to have an international renown and thus no protection will be granted to it.⁵⁰⁴ Although several Jordanian scholars have pointed out the shortcomings of the definition of 'well-known' trade marks, it may be argued that there have been no suggestions towards reforming it, in order to enhance and develop the law so as it also protects well-known Jordanian trade marks.

After analysing this definition and its wording, it is necessary to evaluate how Jordanian courts examine well-known marks to demonstrate the impact of the ambiguity of the law on Jordanian courts' decisions. The combined examination of the law and its application will provide better insight and will

⁵⁰³ S Zain Al-Deen, *Introduction To The Intellectual Property* (3rd edn, Dar Al-Thaqafa 2011) 67. Also, E Garduno and F Pietrucha 'Intellectual Property Rights in the Arab World' (2003) Georgetown Journal of International Affairs 59. Also, Al-Hneeti (n 493). Also, K Maskus, 'Intellectual Property Rights And Economic Development' (2000) 32 Case W. Res. J. Int'l L. 471, 472

⁵⁰⁴ Naser and Hammouri (n 483) 320

lead to relevant recommendations for the improvement of the Jordanian Trade Mark Law.

2.5.2 Case Law

It has been established that the definition of the ‘well-known’ trade marks under Section 2 of the Jordanian Trade Mark Law is ambiguous in its wording. In addition, there are no specific criteria for determining when a mark can be considered well-known.⁵⁰⁵ Reference to case law will demonstrate how the courts in Jordan have determined the ‘well-known’ status of mark. Most importantly, by analysing case law, one can evaluate the specific approach adopted by Jordanian courts in this matter.

The *Jumeirah Beach Resort ‘Burj Al Arab’*⁵⁰⁶ is a case where the High Court of Justice (hereinafter HCJ) examined whether the trade mark ‘Burj Al Arab’ was considered well-known according to Section 2 of the Jordanian Trade Mark Law. The mark’s registration was the first factor that Jordanian courts considered. Upon the evidence provided, the court found that the trade mark ‘Burj Al Arab’ had been registered in Dubai, UAE since 2000, and was successively registered in Germany, Australia, Switzerland, the UK, USA, Oman, Qatar, Kuwait, and Saudi Arabia. Accordingly, the court concluded that the first element was fulfilled, i.e. renown surpassed the country of origin where it had been registered. From this, it follows that courts understand registration of the mark to be associated with renown. Therefore, a mark’s registration in several countries is an indication to Jordanian courts that the mark is well-known. Arguably, the first issue that emerges from this analysis is associating ‘registration’ with fame. It may be contended that registering a mark does not indicate the use or renown of the mark; it merely proves the right to the owner of that mark. It can be further argued that usage and promotion are more suitable indicators that the mark has reached a large number of consumers, thus increasing the chances that consumers will be familiar with it. This is an important element that courts should examine.

⁵⁰⁵ Al-Dmour (n 372) 58

⁵⁰⁶ Jordanian HCJ Case number 436/2007 (28 November 2007)

It is believed that Jordanian courts favour a quantitative approach neglecting the importance of a more thorough, qualitative approach. The reason for this is because Jordanian courts place particular focus upon the number of countries where a mark has been registered in. According to the court's analysis carried out when examining whether a mark is well-known, the mark '*Burj Al Arab*' had already fulfilled most of the prerequisites for acquiring the 'well-known' status: not only the mark had been registered in various countries, satisfying the first condition, but also, in the eyes of Jordanian courts, it is presumed that such a mark, due to its multiple registrations in various countries, enjoys an international renown.

Regarding the third condition, i.e. having acquired renown in the relevant sector among the consuming public in Jordan, the court was satisfied by the evidence provided, which consisted of advertisements and check-in documents of Jordanians residing in *Burj Al Arab* hotel in Dubai.⁵⁰⁷ It may be argued that the court did not examine how the owner advertised the mark '*Burj Al Arab*', nor did it analyse the extent, the duration and the geographical area of the promotional effort. More importantly, the targeted consumers of the jurisdiction in question are Jordanians; it may be argued that advertising the mark should have been examined in Jordan, as the specific condition requires that a mark is deemed as well-known if it acquires renown in the relevant sector among the consuming public *in Jordan*. It can be argued that the court did not examine this condition efficiently: as '*Burj Al Arab*' was advertised anywhere in the world apart from Jordan, how could Jordanians be familiar with the mark, and, therefore, how could the mark have renown in Jordan?

Without any further analysis, the court ruled that the mark had obtained renown among Jordanian consumers through advertisement. It is believed that the court erred in its decision to entirely rely on one condition, i.e. registration, and assume that all other factors are related to it. In addition, the court accepted a modest evidence to prove the renown of the mark, which only consisted of the hotel's check-in documents without a thorough

⁵⁰⁷ Naser and Hammouri (n 483) 320

examination. It may be argued that this is an illogical and insensible approach undertaken by the courts based on the idea that registration of a mark and its renown are interconnected.

The US and the EU approaches in determining a ‘famous’ mark or a ‘mark with reputation’ respectively are clearly more thorough, and analysis of their case law showed that courts tend to examine all the relevant factors for each case. Conversely, in *Burj Al Arab*, one or two factors were superficially examined and the courts decided that the requirements for considering the mark ‘well-known’ were met. In addition, since Jordan is obliged to apply the WIPO JR due to its bilateral agreement with the US, namely the US-JO FTA, Jordanian courts should have followed the trade mark reputation factors stipulated by the WIPO JR. The latter offers clear provisions that explicitly mention dilution, along with recommendations on how to determine a well-known mark.⁵⁰⁸ For this reason it is important to steer the attention of Jordanian legal practitioners on this piece of law, which is Jordan’s obligation to comply with.⁵⁰⁹ Jordanian scholars⁵¹⁰ have repeatedly acknowledged the necessity to refer to the reputation criteria mentioned in the WIPO JR, because of the lack of any guidance in the Jordanian Trade Mark Law on how to determine whether a mark is well-known, and because the Paris Convention and the TRIPS Agreement do not provide such a list of factors.⁵¹¹ Therefore, the WIPO JR can be useful in providing factors that courts may assess in examining whether a mark is well-known.

By closely examining the case of *Burj Al Arab*, one could establish that the Jordanian court examined some factors that are indeed listed in the WIPO JR. For instance, the WIPO JR lists ‘registration’ as a factor when determining whether a mark is well-known; however, it should not be the only condition that the Jordanian competent authority examines. Most

⁵⁰⁸ Article 2 of the WIPO JR, Determination of Whether a Mark is a Well-Known Mark in a Member State.

⁵⁰⁹ Malkawi (n 477) 28

⁵¹⁰ S Zain Al-Deen, *Trademarks Nationally and Internationally* (3rd edn, Dar Al-Thaqafa 2015). Also Melhem (n 477) 185

⁵¹¹ Article 6^{bis} of the Paris Convention and Article 16 of the TRIPS Agreement

importantly, the WIPO JR does not refer to 'registration' in general, but explicitly states registration of the mark to reflect on the use or recognition of the mark.⁵¹² Following the assessment of the registration condition in *Burj Al Arab*, the court considered promoting and advertising of the mark, as undertaken by its owner. It is believed that the courts relied on the WIPO JR in reference to promoting and advertising the mark, as these two conditions are not stipulated in Section 2 of the Jordanian Trade Mark Law in the definition of 'well-known' marks. It can be argued that Jordanian courts did not pay enough attention to it. The WIPO JR demands a proof of duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation of the goods or services to which the mark applies,⁵¹³ whereas Jordanian courts merely accepted check-in documents and advertisements without any further explanation of what sort of campaign this was. Without an in-depth analysis, the court decided that the mark was well-known. A question that could emerge in this context is whether the advertisement claimed by the owner was indeed directed to reach and familiarise Jordanians with the mark. Fhima illustrated that if a mark's promotional efforts have been carried out within a single or a small number of geographical areas, it is difficult to prove that the recognition of the mark generated by that advertising is widespread.⁵¹⁴

Furthermore, the Jordanian court paid little attention to the Explanatory Notes found in the WIPO JR.⁵¹⁵ For instance, in determining whether a mark is well-known, the court may require the degree of knowledge or recognition of the mark by providing consumer surveys and opinion polls.⁵¹⁶ The degree to which the mark is recognised by relevant consumers would be crucial in this assessment. It can be argued that requiring consumer surveys, which

⁵¹² Article 2(1)(b)(4) of the WIPO JR and the explanatory notes 2.7. Also, Article 2(3)(i)(ii) states that Member states shall not require, ...that the mark has been registered or that an application for registration of the mark has been filed.

⁵¹³ Article 2(1)(b)(3) of the WIPO JR

⁵¹⁴ Fhima (n 253) 654

⁵¹⁵ Article 2.3 of the Explanatory Notes of the WIPO Joint Recommendation

⁵¹⁶ Explanatory Notes on Article 2 of the WIPO Joint Recommendation (2.3 No. 1.)

would be tangible evidence on the Jordanian population's familiarity with the mark, infers the importance of the role of consumers in deciding that a mark is indeed well-known. This association can never rise without the role of consumers. On this issue specifically, Johnson has stated that without the investment of consumers in the mark, marks will not obtain relative utility.⁵¹⁷ Therefore, consumers play an important role in upgrading the trade mark from ordinary to a well-known one.⁵¹⁸ However, in this case, the Jordanian court examined registration without attributing it to whether it reflects on the recognition of the relevant public with the mark. As a consequence, the owner of *Burj Al Arab* succeeded in proving that their mark is well-known.

Although the WIPO JR is an important piece of law that is necessary that Jordan follows, it may be argued that it could cause confusion. For instance, 'registration' is one of the elements found in Article 2 of the WIPO as requirements when assessing whether a mark is well-known. However, the explanatory notes state that a Member State shall *not require* 'registration' or 'use' of the mark as a condition for determining whether a mark is well-known.⁵¹⁹ It may be argued that the WIPO recognises 'registering a mark' as an element that courts may consider, but at the same time, it regards it as an element that must not be required. Arguably, it is difficult to understand whether the 'registration' condition is essential or not. While the mark's registration shall *not* be required, if proved, it becomes valuable as evidence. It may be argued that the WIPO JR should have been more precise and clearer on the elements it mandates instead of creating a more complex situation to whether 'registration' is important or not in determining whether a mark is well-known.

Dumbo is another case that proves that Jordanian courts associate registration of the mark with its renown.⁵²⁰ The HCJ examined whether the

⁵¹⁷ M Johnson, 'The Waning Consumer Protection Rationale Of Trademark Law: Overprotective Courts and The Path To Stifling Post-Sale Consumer Use' (2012) 101 Trademark Reporter 1320, 1329

⁵¹⁸ Ibid

⁵¹⁹ Article 2(3)(a)(i) and (ii) of the WIPO Joint Recommendation

⁵²⁰ Jordanian HCJ Case number 228/ 2000, Journal of the Jordanian Bar Association, 106-112 (2005)

trade mark '*Dumbo*' qualifies as a well-known mark in accordance with the Jordanian Trade Mark Law. Based on the evidence provided by the trade mark owner of *Dumbo*, the court found that the mark was registered in the US, Canada, Japan, and France, and thus presumed that the mark is widely popular.⁵²¹ According to the definition of the 'well-known' mark, the court concluded that the mark has fulfilled the element of obtaining 'international renown' because the mark is registered in several countries.⁵²² As mentioned earlier, the Jordanian courts appear to consider a mark well-known according to the number of countries it is registered in. It may be argued that this threshold creates an immense burden on Jordanian trade mark owners, who are compelled to register their marks in other countries than Jordan in order to satisfy this requirement and be considered 'well-known' in front of Jordanian courts.

It is evident from the Jordanian Trade Mark Law's provisions and the analysis undertaken on Jordanian case law, that there is a tendency to automatically consider a foreign trade mark as well-known. This affects Jordanian trade mark owners in two ways: First, their marks will never be considered well-known as long as they are not registered in several other countries, as the previous cases showed; and second, the Jordanian trade mark owners are forced to pursue registration of their marks in other countries if they want their marks to be regarded as well-known, and therefore eligible for the extra protection, within the borders of their own country, Jordan. This situation has a tremendous impact on the Jordanian trade mark owners' required investment in time, effort and resources.

⁵²¹ Ibid

⁵²² Al-Dmour (n 372) 171

Conclusion

This chapter outlined how the legal system works in three jurisdictions regarding the eligibility of trade marks for anti-dilution protection. It analysed the US approach by examining the definition of famous marks, along with the factors that courts consider when determining whether a mark is famous. A similar analysis was undertaken in examining the EU approach, which differs to the US one, as the TMD does not provide a definition of marks with reputation. The analysis and examination of the provisions found in the US and EU legislations assisted in clarifying the issues found in Jordan.

The overarching argument that logically emerges as an answer to the proposed question is that the concept of well-known marks in Jordan is ambiguous. The main reason for this is because while the legislation requires 'registration', in a similar way to the US and EU approaches, Jordanian courts place particular focus on the number of countries where the mark has been registered in. While in the US and the EU it is established that registration within the country or any country in Europe is sufficient, whereas in Jordan, domestic courts tend to demand registration in any country apart from the one of their jurisdiction. Jordanian courts are keen on finding any registration in any country of the world as convincing for regarding a mark as well-known. Furthermore, Jordanian Trade Mark Law requires that marks have reputation among the relevant sector in Jordan, i.e. niche fame, which is an approach similar to the EU one but different to the US one. However, the analysis of the chapter showed that Jordanian courts do not carry out any thorough examination to test whether the mark is indeed known among its domestic population, whereas the EU and US courts follow a comprehensive list of factors in assessing whether a mark is 'with reputation' or 'famous' respectively.

Jordanian courts are keen on considering any foreign mark as well-known, evidently, neglecting domestic trade marks and preventing them from being regarded as well-known. This perspective of Jordanian courts and the legislator derives from the misconception that only foreign marks are popular and only foreign marks represent fame and renown. This has a devastating impact on the rights conferred to domestic trade mark owners, because this

interpretation of the concept of 'well-known' marks significantly raises the threshold for Jordanians to succeed in fulfilling the requirements, while it eases the way to foreign proprietors to obtain the 'well-known' status for their marks. Neither the US nor the EU demand that marks need to have international renown to be regarded as 'famous' or 'marks with reputation' respectively in their own jurisdiction. As a result, Jordanians are prevented from claiming the extra protection provided to well-known trade marks, which can be argued that is a form of discrimination in treatment.

Furthermore, while the US and the EU undertake a thorough examination when determining whether a mark is 'famous' or 'with reputation' respectively, Jordanian courts only briefly examine marks before they determine whether they are well-known. Based on the analysis provided, Jordanian courts tend to be lenient in accepting the evidence provided, without a thorough examination or strong evidence that proves that a mark is indeed well-known. Once a mark is registered in various countries, it is adequate for the court to be convinced that the mark is foreign and popular, hence, 'well-known'. The US and the EU tend to narrow the scope of marks that qualify as 'famous' or 'with reputation' respectively by requiring a list of conditions that has to be fulfilled to satisfy the first element assessed in dilution claims. Evidently, there is a lack of fundamental elements in the Jordanian legislation to effectively assist courts in determining when a mark is well-known. A clear, explicit list of conditions in the Jordanian Trade Mark Law will provide appropriate guidance to Jordanian courts to pursue a cautious examination rather than rushing to consider any foreign mark as well-known. The gist is to analyse and examine the mark before the court thoroughly and fairly before regarding it as well-known. While the US and the EU undertake a strict approach, Jordan has so far been superficial and trivial in this type of examination. It is argued that the lessons from the experience of both the US and the EU will be beneficial for Jordan in the reformation and improvement of the Jordanian Trade Mark Law, in a way that assists legal practitioners and especially courts in undertaking a thorough examination before considering a mark well-known.

Chapter Three: Trade Mark Dilution in Jordan

3.1 Introduction

Dilution is offered to marks that have a certain level of recognition among the general consuming public or among a more specific sector of the public. In Jordan, a dilution-type protection is granted to marks that are internationally known. The Jordanian Trade Mark Law describes this type of marks as well-known. Therefore, the first hurdle the owner of a mark has to overcome is to prove that the mark has a wide reputation. This element was examined in Chapter Two. This chapter evaluates this extra protection conferred under the current Jordanian Trade Mark Law to this type of marks, and addresses the question: *to what extent is the doctrine of dilution applied in Jordan?*

To answer the proposed question, this chapter will first analyse international agreements, namely the TRIPS Agreement and the Paris Convention, which are important in the evaluation whether Jordan is in line or whether it exceeds what is required under these two agreements. Second, the focus will shift to examining the Jordanian Trade Mark Law regarding dilution-type protection. Although dilution is not explicitly found in the legislation, due to the bilateral agreement between the US and Jordan, the latter is obliged to apply the dilution theory. Third, the chapter examines how dilution-type protection has been enforced by Jordanian courts, which will allow exploring any harm that might be caused to domestic trade mark owners due to the application of dilution in the country.

3.2 International Agreement

As mentioned in Chapter One, Jordan is one of the countries that had to adjust their legislation in order to be admitted to the WTO.⁵²³ Accordingly, Jordan is in adherence to the provisions of the TRIPS Agreement and this is the reason why the provisions of the Jordanian Trade Mark Law mirror Article 16 of the TRIPS Agreement.⁵²⁴ Khashroom concurs that it was not a choice for Jordan to amend its legislation; instead, it was obligated to do so.⁵²⁵ However, as Al-Hneeti explains, developing countries have recently come to realise the consequences that might occur and the risks involved with implementing the TRIPS Agreement.⁵²⁶ She argues that such agreement hinders the progress of the country's economy.⁵²⁷ Al-Hneeti reasons that this agreement exists mainly to benefit the US and EU: as they demand maximum protection for intellectual property law, developing countries must accordingly amend their legislation to comply with the TRIPS Agreement.⁵²⁸ In addition, she illustrates that the US and the EU attain power through this agreement, to control the developing countries' economies.⁵²⁹ It may be argued that Al-Hneeti's argument is true to some extent. Strong IPRs do have a negative effect on domestic trade mark owners. It is logical that any excessive use of power leads to negative consequences. Arguably, this power remains in the hands of developed countries, namely the US and the EU, which offers a potent legal tool, namely anti-dilution protection, to protect their own trade marks. It can be claimed that developed countries do not introduce anti-dilution protection to be triggered against their own trade marks, but to be used by their own trade marks against others in developing countries. Specifically, the US has

⁵²³ Chapter One, Protection for Well-Known Marks in Jordan, pages 10-11

⁵²⁴ Chapter One, International obligations for anti-dilution protection, page 12

⁵²⁵ A Khashroom, *Industrial and Commercial Property* (2nd edn, Dar Wael 2008) 59

⁵²⁶ Y Al-Hneeti, *Legal Protection to Well-known Trade Marks* (Dar Wael 2015) 68

⁵²⁷ Ibid 69

⁵²⁸ Ibid 68

⁵²⁹ Ibid 68

traditionally relied on bilateral agreements to ensure that developing countries enforce and apply stronger IPRs.⁵³⁰

While the US enforces anti-dilution protection on Jordan, it may be argued that due to the misunderstanding of the concept of dilution in Jordan, the latter applies the doctrine excessively. Therefore, it is important to take into consideration the principles of the Paris Convention and the TRIPS Agreement to clarify that Jordan is not compelled to grant more protection to foreign trade marks than that granted to domestic ones. Article 2 of the Paris Convention and Article 3 of the TRIPS Agreement refer to national treatment. Article 3(1) of TRIPS reads: 'Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property...'. From the wording of this article, it is established that Jordan is obliged to provide the *same* protection to foreigners as that provided to its own nationals. But Jordan is not forced to grant *more* protection to foreigners than that provided to its own nationals. On the same issue, Al-Hneeti explains that the national treatment principle incorporated in the TRIPS Agreement and the Paris Convention aims to establish that the treatment between nationals and foreigners shall be the same and equal among those countries who are Member States of the WTO.⁵³¹ In addition, she explains that the TRIPS Agreement allows Member States to grant rights that exceed those rights that are conferred to nationals.⁵³² It is important to emphasise on the wording of Article 3(1) of TRIPS, which explicitly states that regarding protection of intellectual property 'each Member shall accord to the nationals of other Members treatment *no less favourable* than that it accords to its own nationals'. This suggests that it is in each Member State's discretion to be more favourable to foreign IPR owners; however, it is not an official obligation.

⁵³⁰ L Ramsey, 'Free Speech and International Obligations To Protect Trademarks' (2010) 35 The Yale Journal of International Law 406, 434

⁵³¹ Al-Hneeti (n 526) 70

⁵³² Ibid 70-71

As mentioned earlier, there is no consensus as to whether TRIPS mandates anti-dilution protection.⁵³³ Nevertheless, even if one accepts that the TRIPS Agreement provides protection against dilution, arguably Jordan has the choice of granting anti-dilution protection equally to foreigners as well as to Jordanians, based on the national treatment principle. However, as a consequence of this favourable treatment to foreigners, they are conferred protection which is denied to Jordanians.

It is noteworthy that under the definition of well-known marks in Jordan, the legislator is in favour of considering a foreign mark as well-known, excluding Jordanian trade marks. Consequently, Jordan provides more protection to foreigners than to its own nationals, which is an approach that goes beyond what is required under the TRIPS Agreement. This chapter will further explain this imbalance in treatment and its repercussions.

3.3 The US-JO Free Trade Area

Despite the uncertainty whether dilution protection is mandated by international law, the bilateral agreement between the US and Jordan, namely the US-JO Free Trade Area, confirms the implementation of dilution theory in Jordan.⁵³⁴ The General Assembly of the WIPO and the Members of the Assembly of the Paris Union for Industrial Property (Paris Union) adopted the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (1999) (hereinafter WIPO JR), and Articles 1 to 6 constitute a form of a TRIPS-Plus Agreement.⁵³⁵ As a result, Jordan is compelled to apply the WIPO JR, which is a broad interpretation of the TRIPS Article 16(3) that stipulates anti-dilution protection.⁵³⁶ Olwan elaborates that the US and

⁵³³ Chapter One, 1.2.5 International Obligations for Anti-Dilution Protection, page 12

⁵³⁴ Agreement between the United States of America and the Hashemite Kingdom of Jordan on the Establishment of a Free Trade Area 2000 (hereinafter US-Jo FTA)

⁵³⁵ All Costs, No Benefits: How TRIPS-Plus Intellectual Property Rules in the US-Jordan FTA Affect Access to Medicines (Oxfam briefing paper 2007) <<https://www.oxfam.org/sites/www.oxfam.org/files/all%20costs,%20no%20benefits.pdf>> accessed 28 August 2016

⁵³⁶ Ramsey (n 530) 433

the EU were dissatisfied with the level of IP protection described in multilateral agreements, and hence pushed for extra protection to be established through bilateral agreements with developing countries, thereby adding a significant burden on these countries to comply.⁵³⁷ Furthermore, Olwan explains that these bilateral agreements 'extend patents' protection to new subject matters, eliminate certain exceptions, increase copyright requirements, and require developing countries to accede to particular international conventions that they are not required to do under the TRIPS Agreement'.⁵³⁸ It may be argued that although Olwan explicitly refers to patents and copyright, as trade marks are also part of intellectual property rights, they are also affected by the application of strong protection, which is evidently found in the form of dilution.

It is believed that 'dilution' is a relatively new concept among Jordanian academics and legal practitioners. Nevertheless, a handful of Jordanian scholars familiar with the theory of dilution have come to realise that the stronger protection enforced onto developing countries exists to serve certain beneficiary parties. El-Said indicates that protection against dilution is a powerful tool that is granted to the proprietor of a 'well-known mark', which TRIPS-plus introduced.⁵³⁹ Non-Jordanian scholars have also highlighted that it is common for the US to enter into a series of bilateral trade agreements, which consequently raise the level of IP protection, going beyond the requirements mandated in the TRIPS Agreement.⁵⁴⁰

A TRIPS-plus rule creates a new system of *monopoly power*,⁵⁴¹ and demands neglecting a country's national interests and needs, institutional

⁵³⁷ R Olwan, 'Intellectual Property and Development: Theory and Practice' (2011) Thesis submitted to Queensland University of Technology in fulfilment of the requirements of the degree of Doctor of Philosophy 1, 89

⁵³⁸ Ibid. Also, P Drahos, 'Four Lessons For Developing Countries From The Trade Negotiations Over Access To Medicines' (2007) Liverpool Law Review 11,13. Also, M El-Said, 'The Evolution of the Jordanian TRIPS-plus model: Multilateralism Versus Bilateralism and the Implications for the Jordanian IPRs Regime' (2006) IIC 501, 515

⁵³⁹ El-Said (n 538) 515

⁵⁴⁰ G Dinwoodie and R Dreyfuss, 'Designing a Global Intellectual Property System Responsive to Change: The WTO, WIPO and Beyond' (2009) Houston Law Review 1, 28

⁵⁴¹ Oxfam Briefing Paper (n 535)

capacities, technological capabilities, and public health conditions.⁵⁴² Moreover, El-Said explains that TRIPS-Plus places more obligations on member's shoulders, and specifically on developing countries.⁵⁴³ He adds that these agreements have not had Jordan's best interests in mind.⁵⁴⁴ Accordingly, trade mark owners are granted the right to prevent any user from coming close to their well-known marks.⁵⁴⁵ El-Said argues that there is a negative impact in applying the dilution doctrine,⁵⁴⁶ because it poses a risk to 'the freedom of speech of consumer and commercial competitors', consequently eroding civil and human liberties'.⁵⁴⁷ Therefore, it is widely established that dilution is a potent legal tool, which has its drawbacks. It follows that these drawbacks are more prominent in a developing country such as Jordan, thus, inducing a negative impact on Jordanian trade mark owners. This is intensified due to the Jordanian courts' extreme approach and their analysis when dealing with dilution-type claims. Jordanian courts are quick to offer anti-dilution protection to foreign trade marks, which will presumably increase the undesirable consequences of implementing dilution theory in Jordan.

Dilution is a highly debatable topic that has been strongly advocated but it has also been met with valid criticism.⁵⁴⁸ Proponents of the doctrine argue that the mark owner has invested money, time and effort into making his/her mark strong.⁵⁴⁹ Therefore, to honour this investment, the mark should be

⁵⁴² P Yu, 'The Objectives and Principles of the TRIPS Agreement' (2009) Houston Law Review 979, 980

⁵⁴³ El-Said (n 538) 508. Also, P Drahos, 'BITs and BIPs: Bilateralism in Intellectual Property' (2001) 4 The Journal of World Intellectual property 791. Also, B Malkawi, 'The United States-Jordan FTA: Defogging the Myth' (2004) Bilaterals Blog <<http://www.bilaterals.org/?the-us-jordan-fa-defogging-the>> accessed 12 September 2016. 'The US-Jo FTA is TRIPs-Plus'.

⁵⁴⁴ El-Said (n 538) 508

⁵⁴⁵ Ibid 515

⁵⁴⁶ Ibid 516

⁵⁴⁷ Ibid

⁵⁴⁸ Chapter One, 1.2.6 The Notion of Dilution, pages 27-28

⁵⁴⁹ Al-Hneeti (n 526) 147

granted a special protection in the form of anti-dilution protection.⁵⁵⁰ The media plays a crucial role in introducing a brand or a mark globally. Accordingly, the mark's fame and recognition are easier to achieve: with the correct use of creative marketing, advertising and widespread dissemination by the media, a trade mark will be able to gain wide renown. For this reason, it is understood that this mark deserves extra protection as reimbursement for the investment made by its owner to upgrade his/her mark from ordinary to famous.⁵⁵¹ However, it may be argued that dilution is seen here as a reward for expenses incurred by the owners.

Arguably, there is a serious difficulty in applying dilution theory. It is believed that the downsides of dilution are more severe particularly when applied in a developing country like Jordan. As mentioned earlier, Al-Hneeti illustrates that there is a pressure by developed countries on developing countries to adhere to the TRIPS Agreement.⁵⁵² She argues that this pressure is a burden, as it allows developed countries to have control over the domestic policies of developing countries, consequently, impeding the countries' economic development.⁵⁵³ This is evident because after the accession to the WTO in 11 April 2000, Jordan promptly commenced negotiations for a bilateral agreement with the US (the US-Jo FTA) on 24 October 2000.⁵⁵⁴ After having been removed from the Watch List, one may wonder why Jordan felt it had to go well beyond its TRIPS obligation. Malkawi criticises the Jordanian stance stating that Jordan signed the bilateral agreement in a record time.⁵⁵⁵ Arguably, Jordan did not thoroughly assess whether this bilateral agreement was beneficial for its own national interests. Most

⁵⁵⁰ D Franklyn, 'Debunking Dilution Doctrine: Toward a Coherent Theory of the Anti-Free-Rider Principle in American Trademark Law' (2005) 56 Hastings L.J. 117,123

⁵⁵¹ A Sorenson, 'What Constitutes "Well Known Or Famous" Under Minnesota's New Dilution Statute' (1996) William Mitchell Law Review 1079, 1082

⁵⁵² Al-Hneeti (n 526) 69

⁵⁵³ Ibid

⁵⁵⁴ The US-Jo FTA was formally enacted on 17 December 2001

⁵⁵⁵ B Malkawi, 'Jordan and the World Trading System: A Case Study for Arab Countries' (2006) submitted to the Faculty of the Washington College of Law of American University in partial fulfilment of the requirements for the degree of Doctor of Juridical Science 239

importantly, Jordan did not take sufficient time to assess and enforce the TRIPS Agreement before getting involved in a TRIPS-Plus. It is important to note that the US-Jo FTA contains stricter and more extensive protection standards for IPRs than those required by the WTO.⁵⁵⁶ One explanation why Jordan engaged in a bilateral agreement with the US is perhaps the pressure enforced on developing countries by US to accept TRIPS-plus rules.⁵⁵⁷ Thomas highlights that 'enhanced levels of intellectual property protection around the world may also serve other goals of the United States... FTAs may provide a more effective mechanism for advancing the intellectual property interests of the United States.'⁵⁵⁸

Moreover, as a developing country, Jordan has a shortage of resources, which has led it to depend on foreign aid, coming mostly from the US.⁵⁵⁹ Sharp explains that the country's small size and the lack of major economic resources have made it dependent on aid from Western and friendly Arab sources.⁵⁶⁰ US support, in particular, has helped Jordan address serious shortcomings, both internal and external.⁵⁶¹ For these reasons, it is believed that Jordan has no choice but to conform to US commands to continue receiving its support. Apart from the influence wielded over Jordan through this aid, the US uses a variety of unilateral pressures to push for higher IP protection, including trade sanctions, reduction in foreign assistance,

⁵⁵⁶ Drahos (n 538) 13. Also, El-Said (n 538) 515

⁵⁵⁷ Al-Hneeti (n 526) 69. Also, K Maskus, 'Intellectual Property Rights And Economic Development' (2000) 32 Case W. Res. J. Int'l L. 471, 477. Also, Oxfam briefing paper (n 535) 'The USA has pressured some developing countries to accept TRIPS-plus rules as part of the concessions required of countries newly acceding to the WTO'.

⁵⁵⁸ J Thomas, 'Intellectual Property and the Free Trade Agreements: Innovation Policy Issues' (2005) Congressional Research Service 1, 17

⁵⁵⁹ Olwan (n 537) 25. Also, International Crisis Group, 'The Challenge of Political Reform: Jordanian Democratisation and Regional Instability' (ICG Middle East Briefing 2003) <<https://www.ciaonet.org/attachments/4132/uploads>> accessed 7 September 2016.

⁵⁶⁰ J Sharp, 'Jordan: Background and U.S. Relations' (2014) Congressional Research Service 1, 9

⁵⁶¹ Ibid

withdrawal of trade preferences, and the use of technical assistance programmes.⁵⁶²

3.4 Statutory Law For Conferring Anti-Dilution Protection

As mentioned in Chapter One, the term 'dilution' is absent from the Jordanian Trade Mark Law.⁵⁶³ However, the concept of dilution or at least words to similar effect are envisaged in Sections 8(12) and 25(1)(b) of the Jordanian Trade Mark Law. Although it may be argued that dilution-type protection exists in Jordan, Jordanian legal practitioners are not familiar with the concept of 'dilution'. Also, Jordanian scholars erroneously attribute the appearance of dilution in Jordanian Trade Mark Law to the TRIPS Agreement, Article 16.⁵⁶⁴ Jordanian legal practitioners justify the protection to well-known marks against dilution with the emergence of the globalised markets,⁵⁶⁵ due to the crucial role that the media and the Internet play in our day and age, as they allow marks to be widely known and easily reaching various regions.⁵⁶⁶ As a result, Jordanian legal practitioners have the idea that this type of marks, although not registered or used in Jordan, is worth protection.⁵⁶⁷

It is noteworthy that two exceptions emerge regarding trade marks: the principle of territoriality and the principle of speciality. The reason for these exceptions is to protect marks that rapidly reached many territories, where the mark has built a reputation attached to the mark. Traditionally, protection

⁵⁶² El-Said (n 538) 517

⁵⁶³ Chapter One, 1.2.5 International Obligations for Anti-Dilution Protection, page 18

⁵⁶⁴ Including Mohammad Amin Naser, Tariq Hammouri, Suhail Haddadin, and Yasar Al-Hneeti. Chapter One, 1.2.5 International Obligations for Anti-Dilution Protection, page 15

⁵⁶⁵ D Friedmann, 'The Uniqueness of the Trade Mark: A Critical Analysis of the Specificity and Territoriality Principles' (2016) European Intellectual Property Review 677, 678

⁵⁶⁶ Chapter Two, 2.4.2 Case Law, page 86. Also, abovementioned on page 108, 3.3 The US-JO Free Trade Area.

⁵⁶⁷ Chapter One, 1.4 Statement of the Problem, page 32. Also, B Melhem, 'Protection of the Translation of Well-known Marks under Jordanian Trademarks Law: Concurrent Actions, Same Litigants, Same Cause of Action, Different Countries and Similar Fining: Case of Contradiction in the Jordanian and Arab Judiciary' (2011) 19 European Journal of Social Sciences 180, 186

of an ordinary trade mark is governed by domestic law of the region where the mark has been used or registered, and in relation to specific goods or services (the principles of territoriality and speciality, respectively).⁵⁶⁸ Dilution theory is understood as an exception to both these principles, which creates uncertainty regarding its limits and generates concern among scholars and courts that this 'cause of action would unduly expand the ability of trademark owners to monopolize language and inhibit free competition'.⁵⁶⁹ While the US denies its obligation to provide protection to foreign trade marks on the grounds of the principle of territoriality has been met with scepticism,⁵⁷⁰ Jordan, on the other hand, grants and applies anti-dilution protection to foreign trade marks as an exception to the principles of territoriality and speciality. Al-Hneeti explains that this exception is due to the effort invested on the mark to obtain renown and become famous.⁵⁷¹ As this famous mark might be used by others in another territory, taking advantage that it has not been registered or used in that territory, where goods and services are different from the ones associated with the famous mark, according to Al-Hneeti, the senior mark must be protected despite the principles of territoriality and speciality.⁵⁷²

Furthermore, where these principles of trade mark law and the protection of trade mark is associated with consumer's confusion, Al-Dmour points out that the test of consumer's confusion is not the main objective when protecting well-known marks against dilution.⁵⁷³ She elaborates that well-known marks deserve protection not only because the use of the same mark on dissimilar goods or services would generate confusion among its

⁵⁶⁸ G Dinwoodie, 'Trademarks and Territory: Detaching Trademark Law from The Nation-State' (2004) 41 Houston Law Review 885, 892

⁵⁶⁹ W Barber, 'The Trademark Dilution Revision Act of 2005: Breathing Life Back into the Federal Dilution Statute' (2006) 16 Fordham Intell. Prop. Media & Ent. L.J. 1113, 1114-1115

⁵⁷⁰ Chapter Two, 2.3.2.3 Case Law, page 66-67

⁵⁷¹ Al-Hneeti (n 526) 153

⁵⁷² Ibid 148 and 153

⁵⁷³ R Al-Dmour, 'The Civilian Protection of the Well-known Trade Mark - Study in the Jordanian Legislative System and the Decisions of the High Court of Justice' (2005) paper submitted in accordance with the requirements for the degree of masters at 17

consumers but also because it will evidently cause harm to the owner of the mark; the gist is to protect the mark itself.⁵⁷⁴ If third parties take advantage of a well-known mark's reputation on non-competing goods or services, this illegitimate use would tarnish the senior mark's reputation and/or weaken its ability to be distinguished from other products.⁵⁷⁵ And this is mainly the reasoning behind protecting well-known marks in Jordan as well, according to Al-Dmour. However, she does not clarify what kind of protection should be conferred to the mark nor does she explain the consequences and the harm that could be caused to the mark because of such use without this protection. There is no explicit reference to dilution in the Jordanian statutory law; nevertheless, there are words to a similar effect, which might be why Jordanian scholars refer implicitly to dilution. According to Al-Dmour, well-known or famous marks are widely known, they bring –perhaps even financial– benefits to a country, and therefore deserve an extra protection to maintain their position as strong marks.⁵⁷⁶ Although Al-Dmour advocates the protection of famous or well-known marks, she does not explore the idea that local famous marks or Jordanian well-known trade marks can also be valuable for the country. The focus remains on the benefits of foreign marks, disregarding the role of domestic well-known marks. Although domestic trade marks could be known among all consumers throughout Jordan, which could arguably bring benefits to the country, such marks are deprived from this special protection.

⁵⁷⁴ Ibid

⁵⁷⁵ Ibid

⁵⁷⁶ Ibid 27

3.4.1 Section 8(12)

Section 8(12)⁵⁷⁷ of the Jordanian Trade Mark Law provides that;

The following may not be registered as trade marks: the trade mark which is identical or similar to, or constitutes a translation of, a well-known trade mark for use on similar or identical goods to those for which that one is well-known for and whose use would cause confusion with the well-known mark, or for use of different goods in such a way as to prejudice the interests of the owner of the well-known mark and may suggest a connection between the owner of the well-known trademark and these goods ...'

In order to understand this section, it is important to analyse its two parts. The first part prevents registration of marks that are identical or similar when used on *similar or identical products* where confusion will arise. The second part extends the provision that prevents registration of marks that are similar or identical, even when they are used on *dissimilar products*. To identify the key points of the Article, the focus will be on the second part that does not refer to confusion. From the outset, it can be established first that this provision is a relative ground for refusing or opposing registration, while the second part of the provision stipulates an exception to the principle of speciality, which protects, when the trade mark is registered, against marks attached to dissimilar goods and services with the ones the senior mark is attached to. For well-known marks, the law provides an exception to the principle of speciality, according to which the well-known trade mark shall be protected even when it is used on dissimilar goods or services. Also, it is important to point out that the legislation differentiates between protecting a well-known trade mark from confusion –‘use of the mark on similar or identical goods ... would cause confusion’– and the use of the mark on dissimilar products in a way to ‘prejudice the interests of the owner of the well-known mark’. This distinction gives the impression that the Jordanian law intends to provide dilution-type protection without clearly or explicitly stating it. The reason for this is because confusion is typically grounds for protection against a third party that uses a mark similar or identical to the

⁵⁷⁷ Article 8(12) of the Jordanian Trade Marks Law No. 33 of 2008

senior one on similar or identical products. Conversely, consumer's confusion is irrelevant when protecting a similar or identical mark on *dissimilar products*. Following this, the focus shifted on the damages that arise when a third party uses the mark on dissimilar goods or services. Therefore, Section 8(12) reveals that if the mark has been used on similar or identical goods, registration is rejected on the grounds of confusion, whereas when used on dissimilar products, it is because the interests of the owner will be harmed. It is important to bear in mind here that the focus of Schechter's article was on 'unrelated, noncompeting uses of distinctive, famous trademarks or trade names'.⁵⁷⁸ Therefore, the Jordanian legislator might have interpreted this as that anti-dilution protection prevents a junior mark's registration when the mark is used on dissimilar goods, because, as a consequence of that use, harm will be caused to the owner of the famous mark. Finally, the section requires that a connection must be established between the senior's mark and the junior's goods, leading consumers to assume that there is sort of a *link* between the two. It is worth noting that mental association is an essential factor that courts rely on in assessments within the US and EU when determining whether dilution occurred.⁵⁷⁹ A proof of this condition does not indicate that dilution will definitely arise, but constitutes an important element in the examination.

It is believed that although the term 'dilution' does not appear in the Jordanian legislation, the legislation implicitly refers to the concept and the effect of dilution. Mahfzah and Numan assert that Section 8(12) is a privilege for foreign well-known trade marks, as it confers protection to *well-known foreign trade marks solely*, whether registered in Jordan or not.⁵⁸⁰ The authors observe that the Section clearly favours foreign trade marks, eliminating national trade marks from an important feature.⁵⁸¹ Moreover, they illustrate that the law intends to protect the interests of the proprietors of

⁵⁷⁸ Sorenson (n 551) 1081

⁵⁷⁹ This is explained in Chapter Four and Five respectively.

⁵⁸⁰ Q Mahafzah and B Numan, 'The Legal Consequences of Protecting Unregistered Well-known Foreign Trademarks under Jordanian Legislation' (2016) Arab Law Quarterly 1,7

⁵⁸¹ Ibid

foreign well-known trade marks and invalidate any suggestion of a relation between the original proprietor and other products.⁵⁸² As a consequence of this discrimination, where Jordanians' rights and interests are neglected, Jordanian trade mark owners are forced to invest in, develop, and advertise their trade marks internationally, if they wish to obtain same rights as those granted to a foreign trade mark.⁵⁸³ Naser and Mahfazah also highlight this oddness of the Jordanian legislation that provides protection solely to foreign marks while ignoring national marks.⁵⁸⁴

It may be predicted that local trade mark owners will evidently hesitate to invest in their trademarks, since the Jordanian legislation is not providing sufficient protection to national trade marks. It can be argued that the main purpose of having a trade mark law is to protect the rights of its national trade marks.⁵⁸⁵ However, the Jordanian legislation disregards this obligation, while, in stark contrast, it prioritises foreign rights above national rights. Mahafzah and Numan explain that Article 6^{bis} of the Paris Convention is concerned with Member States granting *equal rights* to foreigners as well as nationals.⁵⁸⁶ The objective is to eliminate any differences that may occur where a Member State may confer more rights to local trade mark proprietors than to foreign trade marks owners.⁵⁸⁷ One may criticise the Jordanian legislator for being more concerned with the protection of foreign trade marks, hence providing extra protection to them, while refusing the same protection to local trade marks and disregarding its own national interests. Despite the fact that Jordanian trade marks could still rely on the traditional infringement test by testing consumers' confusion, why should

⁵⁸² Ibid

⁵⁸³ Ibid

⁵⁸⁴ M Naser and Q Mahafzah, 'Dilution of Trademarks in Jordan - An Eighth Legal Wonder?' (2017) IIC 134, 137

⁵⁸⁵ S Zain Al-Deen, *Trademarks Nationally and Internationally* (3rd edn, Dar Al-Thaqafa 2015) 30

⁵⁸⁶ Mahafzah and Numan (n 580) 7

⁵⁸⁷ Ibid

Jordanians have to settle with a lesser form of monopoly than that granted to foreign trade marks?

3.4.2 Section 25(1)(B)

Section 25(1)(b)⁵⁸⁸ of the Jordanian Trade Mark Law reads as:

If the trade mark is well-known, even if unregistered, its owner may request the competent court to prohibit others from using it on identical or non-identical goods or services provided that such use indicates a connection between those goods or services and the well-known mark, and provided that there is a likelihood of prejudice to the interests of the trade mark owner because of such use. A likelihood of confusion shall be assumed if an identical well-known mark is used on identical goods.

This section provides an infringement ground. Some parts of this section seem to mirror the provision of Section 8(12), which infers that the Jordanian law recognises that there is an exception to the principle of speciality when protecting a well-known trade mark. Therefore, It is argued that this provision covers both instances; the well-known trade mark owner is granted a right to protect his/ her trade mark from being utilised by others, whether on goods or services similar to the one that the mark is attached to or when used on dissimilar goods or services. By analysing closely this provision, one could establish that a second user is not allowed to use a similar mark to the senior mark's without the authorisation from the trade mark owner. However, Naser and Mahafzah argue that 'the scope of application of the law only covers identical marks, ... the infringing mark should be identical'. ⁵⁸⁹ They reason that if the legislator had wished to apply this provision on similar marks, the legislator would have stated that 'if the trademark is well known, even if unregistered, its owner may request the competent court to prohibit others

⁵⁸⁸ Article 25(1)(B) of the Jordanian Trademarks Law No. 33 of 2008

⁵⁸⁹ Naser and Mahafzah (n 584) 144-145

from using it or a mark similar to it'.⁵⁹⁰ This might be true to some extent; by carefully reading those provisions, it is established that the legislator has already been so far ambiguous, starting with a vague definition of well-known marks under Section 2. Further, the ambiguity continues throughout the legislation regarding the application of dilution theory. For this reason, it is more likely to predict that the Jordanian legislator erred in stipulating such a provision under Section 25(1)(b). Moreover, the provision states that the owner of a well-known mark has the power to prohibit others from 'using it': the law explicitly states preventing others from the 'use' of a well-known mark. It may be argued that the statement 'using it' might encompass both *similar* and *identical* marks to that well-known mark. Naser and Mahafzah fail to observe this. It may be presumed that the legislator intended on having the scope of protection wide open to cover uses of the mark regardless of how similar or identical the marks are. Additionally, in reading the full provision, the last sentence of Section 25(1)(b) states: 'a likelihood of confusion shall be assumed if an identical well-known mark is used on identical goods'. It is understood that the first part of Section 25(1)(b) implicitly refers to the similarity of the marks, which explains why identical marks were mentioned last in the provision.

Ultimately, by closely reading Section 25(1)(b), it is understood that the owner of a well-known mark is granted an exclusive right to prohibit others from using his/her trade mark whether on similar or dissimilar goods or services. Furthermore, this right is conferred if the owner of a well-known trade mark satisfies three conditions. Mahafzah, Numan,⁵⁹¹ and Al-Hneeti⁵⁹² concur that Section 25(1)(b) requires a list of conditions to be fulfilled in order to be granted the protection, which is derived from Article 16(3) TRIPS. The conditions that must be fulfilled to prevent others from using a well-known mark on dissimilar goods or services are:

⁵⁹⁰ Ibid 145

⁵⁹¹ Mahafzah and Numan (n 580) 13

⁵⁹² Al-Hneeti (n 526) 152

- i. The mark must have renown. This is a threshold requirement in order to acquire monopoly to stop others from using a similar mark to that well-known. The Jordanian legislator discarded the registration requirement on the basis that protection will be granted if the mark is with renown.
- ii. The use of the well-known trade mark indicates a connection between those goods and services and the owner of the registered trade mark. Therefore, confusion is not required; instead, a link shall be established in the minds of the consumers leading them to believe that there is a connection between the owner mark's and the junior's products. If there is no 'connection', no protection will be granted.
- iii. The possibility of damaging the interests of the owner of the well-known foreign trade mark.

It is noteworthy regarding the second condition stated above, it appears that the Jordanian legislator misinterpreted the meaning of dilution.⁵⁹³ The reason for this is due to the fact that 'dilution' is mainly about the trade mark per se. The theory of dilution protects the owner's *mark* when used by a third party: it is the connection between the senior's well-known mark and the junior's mark. Conversely, by reading Section 25(1)(b), the connection referred to is to be established between *the goods of a third party* and *the well-known mark*, which suggests conventional confusion concerns. Naser and Mahafzah also elaborate on this point that 'the presumption of confusion means that the legislature mixes confusion as the burden of proof in classic cases of trademark infringement on the one hand, and establishing a connection and the likelihood of damage as the burden of proof in dilution cases on the other'.⁵⁹⁴

Furthermore, Al-Hneeti asserts that this provision is understood to give the Trade Mark Registry authorisation in Jordan *not to* register a sign that is similar to the well-known trade mark's owner, even if the sign is intended to

⁵⁹³ Naser and Mahafzah (n 584) 148

⁵⁹⁴ Ibid

be registered on dissimilar goods or services because the earlier mark is deemed to be well-known.⁵⁹⁵ For this reason, the well-known mark should be distinguished from an ordinary mark by granting the owner a *monopoly* which allows the owner to prevent any use of his mark by others without testing consumer's confusion.⁵⁹⁶ Additionally, Mahafzah and Numan declare that Section 25(1)(b) also favours foreigners, as the section entitles 'proprietors of well-known foreign trade marks, which are not registered in Jordan, to ask a competent court to prevent others from using his/her mark on products or services similar or dissimilar to his/her products or services'.⁵⁹⁷ Moreover, Al-Dmour elaborates on the exception to the principle of speciality, where a third party might use a mark that is widely known when used on a particular product, thinking it might escape responsibility by using a similar mark to the famous mark on dissimilar goods or services.⁵⁹⁸ The Jordanian legislator calls for the likelihood of damage; thus, actual damage is not required. However, it does not define or determine what sort of damage the Jordanian legislator is referring to, nor it is clear how this damage could be proved. If the widely held view amongst Jordanian commentators is accepted, this is arguably deeply problematic, as this broad dilution-type protection is offered without apparent limits or defences.

3.5 The Application of Dilution in Jordan

As mentioned earlier,⁵⁹⁹ the legislation provides more protection to foreign marks than to Jordanian well-known marks, which is described by Jordanian scholars as an awkward standard.⁶⁰⁰ Al-Hneeti offers two contradicting

⁵⁹⁵ Al-Hneeti (n 526) 152

⁵⁹⁶ Ibid. Also, El-Said (n 538) 517

⁵⁹⁷ Mahafzah and Numan (n 580) 13. Also Al-Dmour (n 573) 78

⁵⁹⁸ Al-Dmour (n 573) 78

⁵⁹⁹ Chapter One, 1.4 Statement of the Problem, page 33

⁶⁰⁰ M Naser and T Hammouri, 'The Notion of Famous, Well-Known Trade Marks and Marks with Repute Compared' (2014) 9 Journal of Intellectual Property & Practice 312, 320. Also, Mahafzah and Numan (n 580) 7

perspectives: on the one hand she argues that the TRIPS Agreement may cause *negative effect* on developing countries, particularly in the case of Jordan that adjusted its legislation to comply with the Agreement without taking into consideration its own interests.⁶⁰¹ This is aligned with Mahafzah and Numan, who proclaim that Sections 2, 8(12), and 25(1)(b) incorporated in the legislation are beneficial solely to foreign well-known marks.⁶⁰² On the other hand, Al-Hneeti asserts protecting foreign trade marks is crucial due to the wide reputation of a foreign trade mark, even if it is not registered or used in Jordan, the mark should be available for the owner to register it in the future in Jordan.⁶⁰³ She explains that the foreign marks' wide recognition and fame should grant them the power to stop anyone from using similar marks to their own, well-known ones.⁶⁰⁴ She reasoned that if a third party were allowed to use a similar mark to that foreign mark, this would affect the owner of the well-known trade mark by hindering his ability and limiting his rights to utilise the mark to its fullest.⁶⁰⁵

Moreover, Al-Hneeti reasoned that a well-known trade mark is granted protection that is an exception to the principle of speciality because the well-known trade mark must *remain singular and unique*.⁶⁰⁶ Evidently, preserving the singularity and uniqueness of a well-known mark is the very foundation of the doctrine of dilution.⁶⁰⁷ Al-Hneeti advocates that owners of such marks should be offered the right to prohibit anyone from taking any opportunity to hinder them from utilising their mark optimally. Also, she does not specify what marks should qualify for this protection; Al-Hneeti seems to argue that any foreign mark must be protected in Jordan. *She argues that it is not*

⁶⁰¹ Al-Hneeti (n 526) 68-69

⁶⁰² Mahafzah and Numan (n 580) 6-7, 12

⁶⁰³ Al-Hneeti (n 526) 43

⁶⁰⁴ Ibid 147-148

⁶⁰⁵ Ibid 157- 158

⁶⁰⁶ Ibid 152

⁶⁰⁷ S Dogan, 'What is Dilution, Anyway?' (2006) Michigan Law Review First Impressions 103, 104

*necessary for a foreign mark to be known in Jordan in order to be protected.*⁶⁰⁸ It may be argued that this perspective supports evidence of discrimination against Jordanian trade mark owners. Therefore, it is crucial to adopt a balanced approach where nationals' and foreigners' rights are protected. Clearly scholars such as Al-Hneeti maintain that Jordan benefits from strong intellectual property rights by arguing that strong protection increases growth and promotes Jordan's economy.⁶⁰⁹ It is a common perception among Jordanian scholars that having tougher levels of IPRs will attract foreigners to invest in Jordan, as it is a sign of stability of the prosperity of a country.⁶¹⁰ It is understood that a foreign trade mark will bring benefits to Jordan by pursuing registration in the country, and, therefore, they must be protected.⁶¹¹ However, it is doubtful that there are certain benefits or profitable sources in the registration application of foreign trade mark, because the protection is conferred to foreigners despite whether the mark has been used/registered in Jordan or not. One may question the domestic reluctance to protect national trade mark owners' rights and invest in their own country, Jordan, for the prosperity of the economy.

It may be argued that it is debatable whether IPRs promote or inhibit economic development. Maskus illustrated that firms are less willing to invest in countries where IPRs are weak, as it indicates 'a negative dynamic externality'.⁶¹² This is true to some extent, as stronger systems for protecting intellectual property could either enhance or limit economic growth.⁶¹³ Strong IPRs could be beneficial if the law is structured in a manner that promotes effective and dynamic competition. Therefore, it may be argued that foreign investment in Jordan does not automatically mean that it will benefit

⁶⁰⁸ Al-Hneeti (n 526) 43. Emphasis added.

⁶⁰⁹ Ibid

⁶¹⁰ Zain Al-Deen (n 585) 67. Also, A Nawafleh, 'Development of Intellectual Property Laws and Foreign Direct Investment in Jordan' (2010) *Journal of International Commercial Law and Technology* 143

⁶¹¹ Khashroom (n 525) 50

⁶¹² Maskus (n 557) 473

⁶¹³ Ibid 474

domestic economy; instead, it is the effectiveness and dynamic competition which matters the most.⁶¹⁴

Advocates of the same view as Al-Hneeti appear to treat marks that become well-known as property rights, without offering compelling arguments other than the marketing and investment efforts of the owner.⁶¹⁵ One could question how this is considered fair competition. If a mark is not used or registered in Jordan and yet it has the power to stop anyone from coming close to the mark. Although Jordan has to adjust its national laws to adhere to international obligations, including provisions that protect foreign trade marks, the international agreements, such as the Paris Convention and TRIPS, do not mandate that a Member State provides more protection to foreigners at the expense of national interests, but to create a balance between foreign and domestic rights. After all, such treatment arguably goes against the principle reason for having a domestic legislation that governs trade marks, i.e. to protect and regulate domestic rights and interests.⁶¹⁶ In addition, the main objective of protecting trade marks is to protect consumers and foster free and fair competition in the market.⁶¹⁷ It seems redundant to have a legislation that does not promote these objectives, but rather hinders them. Most importantly, when Jordanian courts examine whether a trade mark is well-known, they must comply with Section 2, which requires that the mark must be known among the relevant sector of the public. However, Jordanian courts neglect testing this condition.⁶¹⁸

⁶¹⁴ Maskus (n 557) 472

⁶¹⁵ Al-Hneeti (n 526) 149. Al-Hneeti explains that the mark upon registration grants the owner a property right.

⁶¹⁶ The Recitals to the EU Directive 2015 '(11) This Directive should not deprive the Member States of the right to continue to protect trade marks acquired through use but should take them into account only with regard to their relationship with trade marks acquired by registration.' Also, S Levine, 'The Origins of the Lanham Act (2004)' (2010) *The Journal of Contemporary Legal Issues* 22, 26

⁶¹⁷ Al-Hneeti (n 526) 20. Al-Hneeti explains that trade marks have become one of intellectual properties rights that plays a crucial role in our day and age. Trade mark promotes fair competition, and for this reason it must be protected. Furthermore, by protecting trade marks consequently this ensures fair competition in the market, and thus fair competition must be secured for traders to practice. Also, Zain Al-Deen (n 585) 41-46

⁶¹⁸ Al-Hneeti (n 526) 42. This will be further explained in this chapter.

Understanding of dilution in Jordan is clouded, which explains why the Jordanian legislator adopted an approach that is 'not based on clear, sound or logical considerations'.⁶¹⁹ Naser and Mahafzah express their criticism against the Jordanian legislator's policy and suggest that Jordan must consider its national interests whilst meeting its international obligations.⁶²⁰ It is believed that Naser and Mahafzah's suggestion is of crucial significance. The misconceptions surrounding dilution theory in Jordan affect its implementation among Jordanian courts, which leads to an extreme application of dilution. As a consequence, only foreign trade marks are conferred anti-dilution protection. For this reason, if an unbalanced approach is adopted in Jordan, it is believed that no benefit will arise from implementing strong IPRs. Maskus explains that endorsing stronger IPRs in developing countries is justified based on the fact that this reform attracts 'significant new inward flows of technology, a blossoming of local innovation and cultural industries, and a foster closing of the technology gap between themselves and developed countries'.⁶²¹ He further illustrates that 'the policy approach most conducive to expanding development is to implement an integrated system of both IPRS and corollary policies that strike a balance of incentives in favor of rigorous but fair dynamic competition'.⁶²²

3.5.1 Case Law

The Registrar has the authority to refuse or accept the application for registering a trade mark in Jordan according to Sections 11(2) and (3) of the Jordanian Trade Mark Law.⁶²³ A rejection by the Registrar shall be subject to

⁶¹⁹ Naser and Mahafzah (n 584) 142

⁶²⁰ Ibid 149

⁶²¹ Maskus (n 557) 473

⁶²² Ibid

⁶²³ Section 11(ii) of the Jordanian Trade Marks Law 'Subject to the provisions of this law, the registrar may refuse such application or may accept it absolutely or subject to conditions, amendments or modifications as to the mode or place of use of the trademark or as to other aspects. (iii) A rejection by the registrar to register a trademark shall be subject to appeal to the high court of justice'.

appeal to the Jordanian High Court of Justice (hereinafter HCJ). Evidently, the Registrar follows the legislation and by virtue of the authority given to the Registrar, the latter rejected the registration of the trade mark AMANA on the grounds of protecting the well-known trade mark ADIDAS from dilution. The AMANA case⁶²⁴ is a lawsuit between Amana Contracting and Steel Building and Adidas. The plaintiff, AMANA, claimed its mark is not similar to the ADIDAS mark. However, ADIDAS disputed this claim and explained how the AMANA logo resembles the ADIDAS one. The owner of AMANA alleged that since the ADIDAS mark, i.e. the word and the logo, is not used separately, it is inconceivable to think that AMANA's mark is similar to it. Also, the plaintiff claimed that the AMANA word and the trade mark as a whole is distinctive and distinguished from the well-known mark ADIDAS, and that the Registrar should have focused on that, because the essence of the mark is the word 'AMANA'.

Additionally, the plaintiff claimed that the trade mark AMANA is not similar to the mark ADIDAS, as the former is used in a different category to the one ADIDAS is used. The plaintiff explained that the mark is used in steel building, whereas the ADIDAS mark is used in sports clothes, a specific type of goods that is completely different than that used by AMANA, and therefore consumers cannot overlap. For this reason, the plaintiff argued that a link cannot be established, as consumers of the mark ADIDAS are different than those of AMANA. The Registrar refused these claims and accepted the ADIDAS opposition on the grounds that its mark is well-known according to the WIPO JR and the Jordanian Trade Mark Law. The Registrar reasoned that a mark is recognised among the relevant consumers in Jordan based on the registrations of the mark and sales volume. Therefore, the Registrar recognised ADIDAS as a well-known mark and ruled that it is entitled to 'a special type of protection'.⁶²⁵ It is debatable whether the Registrar was referring to dilution-type protection in this ambiguous wording. Further, the Registrar did not specify what sort of 'special protection' should be granted to

⁶²⁴ Jordanian HCJ No. 477/2010 (31 January 2011)

⁶²⁵ Ibid

the well-known mark. The Registrar ruled that although the two marks are used on non-competing goods and services, the applicant should not be permitted to register the mark, and confirmed that the ADIDAS trade mark is well-known and deserves protection even when it is used on dissimilar goods or services. As a result, the plaintiff was enjoined from using the trade mark logo that was deemed to be similar to the well-known mark's ADIDAS. The Registrar required AMANA's sign to be removed in order to proceed with the registration. Regarding this excessive protection, the plaintiff contended that even though the legislation stipulates the protection of well-known marks, as this thesis argues, such protection is neither unconditional nor unlimited.

In the same case, the Registrar stated that the marks are similar to the point that could cause consumers' confusion according to Section 8(12) of the Jordanian Trade Mark Law. However, Section 8(12) covers similar marks that are used on dissimilar goods or services, *but does not require confusion*; thus, the Registrar erred in its decision to consider likelihood of confusion. It may be argued that the provision mainly requires two conditions: first, connection between the senior's *mark* and the junior's *goods*; and second, prejudice of interests of the well-known mark's owner. Arguably, there is no requirement for likelihood of confusion if the mark is used in regards to dissimilar products. It is believed that the Registrar and Jordanian courts tend to habitually reason their decisions upon consumers' confusion without acknowledging that it is not required. The AMANA case and, specifically, the Registrar's stance demonstrates that a similar effect to the concept of dilution theory is applicable in Jordan. The first step when applying for trade mark registration is to obtain the Registrar's approval. The Registrar bases its decisions on the law, the main legal source when accepting or refusing such application. However, the ambiguity of the relevant provisions causes complications and confusion among Jordanian legal practitioners. AMANA's registration rejection by the Registrar is a prime example of a ruling based on the ambiguity of the law and a poor understanding of dilution theory.

Ultimately, the AMANA case is a crucial one, due to the Registrar's vague statements, the hints to dilution-type protection, and the strong intention to protect a foreign trade mark. It is argued that if a second user utilises a similar mark to a foreign mark, the Registrar or the court must consider the

mark as a whole, without focusing on one part and ignoring the other. The AMANA case demonstrates that there is clear intent to inhibit second users from coming close to the aura of a famous or well-known mark. It is evident that AMANA, as a mark name, and ADIDAS are different; however, the Registrar placed its focus solely on the logo used by AMANA and the one used by ADIDAS. The Registrar did not examine the marks as a whole, and did not assess any other factors that could support its decision as to the reason protection should be granted to the ADIDAS mark and inhibit the AMANA mark from registration.

According to this case, it may be contended that dilution-type protection is evident in Jordan for a number of reasons: first, the Registrar showed intent to provide protection to a foreign mark; second, this foreign mark was deemed to be famous; third, the two marks, AMANA and ADIDAS, do differ as a whole; fourth, the Registrar protected the distinctive character of the ADIDAS mark by preventing a third party from coming close to its aura. Eventually, the Jordanian trade mark AMANA was refused registration because part of its mark resembles the foreign 'famous' mark ADIDAS, while used on non-competing products. It may be contended that this clearly demonstrates a misconception of dilution, as well as a clear intent of applying dilution-type protection. The AMANA mark is used on dissimilar goods, and although the mark might –to some extent– resemble the ADIDAS one, one should examine the mark as a whole before making a decision. As the Registrar's focus in refusing registration was AMANA's minor resemblance to the ADIDAS mark, it can be argued that the prevention of any second user from coming close to the aura of a senior mark limits and hinders the opportunity for junior users to freely and fairly compete with traders. Further, narrowing the chances for using marks and logos as trade marks, arguably instead of having this right ensured for Jordanians, it is rather taken away from them for the simple reason that the senior mark is famous and without providing a tangible reason why this famous mark should be protected against dilution.

The *7-Eleven Inc.* case⁶²⁶ is also important in assessing how courts deal with dilution-type protection. The Jordanian court dealt with a mark in which it considered the plaintiff's mark well-known because it was registered in various countries, such as the USA, Denmark, France, and Spain. The court added that there were more than 22,800 stores obtained by the plaintiff, in which the trade mark is used. The defendant claimed that his mark is not similar to the defendant's mark and is used on dissimilar goods; for this reason, the defendant argued that he has the right to register the trade mark.⁶²⁷ The court reinforced the Registrar's decision in refusing the defendant's mark registration. In an attempt to critically analyse this case, one should evaluate the court's decision and the reason for its conclusion. As illustrated previously in Chapter Two, the analysis undertaken by courts in examining whether a mark is well-known has been largely superficial, favouring a quantitative approach and neglecting major conditions in the process. As a result, courts tend to grant dilution-type protection automatically. For instance, in the case discussed, the court did not examine whether the relevant sector of the public was familiar with the plaintiff's mark. In addition, although the court based its decision on Section 8(12), there are two conditions that the court neglected: namely, a connection between the goods and services and the well-known mark, and a likelihood of prejudice to the well-known trade mark's owner's interests. The court decided that registration of the plaintiff's mark in Jordan also means renown in Jordan, neglecting to take into account main features that the court should have considered. The question that arises here is how the court concluded that the relevant public is familiar with the mark upon registration. It may be argued that if a mark has been recently registered without any preference to its use or advertise, the public's familiarity with it cannot be established yet. It is illogical for the courts to assume that a mark obtains renown solely upon registration. Further, although the court habitually relies on consumers'

⁶²⁶ Jordanian HCJ Case number 442/2007 (11 December 2007)

⁶²⁷ The defendant's mark is ٧١١Q٧١١

The second half of the mark which is ٧١١ is equivalent to the numbers of 711 in Arabic.

confusion as a justification for protecting a foreign mark, it did not analyse whether consumers could be actually confused or not.

It may be argued that courts do not differentiate between ‘consumers’ confusion’ and establishing a ‘link’ in the mind of consumers. Presumably, they consider the two conditions as equivalent, judging that a mere mental association with the senior mark upon viewing the junior one leads to confusion.⁶²⁸ However, association or a link is not the same as confusion.⁶²⁹ A ‘mental link’ means that consumers are reminded of the senior’s mark upon viewing the junior one, whereas confusion is when consumers are confused to the origin and source of the product. When US and UK courts deal with dilution claims, the essential factor examined is where an association or a link has been established in consumers’ minds. Furthermore, regarding registration, it might be argued that if Jordanian courts rely on the mark’s registration to grant protection, then it is important to note that the plaintiff’s mark *7-Eleven* was registered after the defendant had applied for registering allegedly a similar mark to that of the plaintiff’s. The plaintiff did not intend on registering the trade mark until the defendant brought it to his attention. Furthermore, the court stated that, based on Section 8(12), the well-known mark’s owner, whose mark is registered outside Jordan, and since the mark is known and used in Jordan, even though not registered in Jordan, shall prevent others from registering a mark that is similar to the well-known mark’s owner. The court added that since such use of a well-known mark on dissimilar products would cause a likelihood of prejudice to the interests of the well-known mark’s owner, the plaintiff had to be granted a monopoly to prevent others from using a similar mark to his. Although the court relied for this decision on Section 8(12), it did not thoroughly analyse this legal text. First, the court considered the plaintiff’s mark as ‘well-known’ based on two sources of evidence:

⁶²⁸ (Case C-251/95) *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] E.T.M.R. 1 para 18. ‘There exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark. It follows from that wording that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope’. Also, (Case C-39/97) *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] E.T.M.R. 1 paras 15, 16

⁶²⁹ (Case C-425/98) *Marca Mode CV v Adidas AG and Another* [2000] 2 C.M.L.R. 1061

registration of the mark and number of stores under the mark. Following this, the court assessed whether the plaintiff has the right to obtain protection under Section 8(12). This was briefly examined, by stating that the mark is registered and used in Jordan. However, no supporting evidence was provided by the plaintiff to show that the mark had been used in Jordan and that the relevant sector of the public was familiar with the mark, according to the requirement under Section 2 of the Jordanian Trade Mark Law.

One may question whether this strategy adopted by the courts to justify granting dilution-type protection based on consumers' confusion is followed by courts to avoid cultural conflict. As dilution is a relatively new form of protection introduced to courts and legal practitioners in Jordan, it is believed that a type of protection that neglects the principles of trade marks and the traditional notion of consumers' confusion could be regarded as a brutal tool of monopoly, which could be culturally unacceptable among Jordanians. Hence the reason why Jordanian courts might be relying on consumer's confusion as an alibi to grant such protection solely to foreign well-known marks. Presumably, the courts show apprehension in providing protection that is solely related to the trade mark *per se* without referring to consumers' confusion, which might explain why courts combine consumer's confusion justification with granting anti-dilution protection. It may be argued that courts presume granting the foreign trade mark protection against dilution is about ensuring consumer's protection against confusion, and in the process protecting the owner's well-known trade mark against any harm. Hence the reason why the legislation requires harm to the owner of the mark by stipulating that 'a likelihood of prejudice to the interests of the trade mark owner' may be caused because of such use. This resembles the actions of the state court judges in the US, who, as they were reluctant to enforce the acts literally, they often required plaintiffs to show a likelihood of consumer confusion or competitive injury.⁶³⁰ Since dilution is related to protecting the mark itself, whether by protecting its distinctive character or reputation or by stopping third parties from using the mark in an unfair advantage of the distinctiveness and reputation of the mark, it could be contended that legal

⁶³⁰ Franklyn (n 550) 126

practitioners find it hard to accept that the law is shifting from protecting consumers to protecting the mark *per se*, hence ignoring the essential factor of considering consumers. Therefore, it is believed that the misunderstanding on the meaning of 'consumers' confusion' and 'association' is common among Jordanian legal practitioners in believing that the two terms give the same meaning.

Another important case is *PAZO*.⁶³¹ The court ruled in favour of the plaintiff and granted the well-known trade mark owner injunctive relief to prevent the defendant from using and registering his mark. It was established that the two marks are similar and the products are similar in one class (i.e. class 29), and accordingly the court detected confusion.⁶³² However, the second part of the lawsuit is related to the use of the mark on dissimilar goods: namely, the defendant's mark in class 30, and the claimant's mark in class 29. The court, in assessing the use of the mark on dissimilar goods, focused on the second part of Section 8(12), which states that the use of the mark on different goods 'in such a way as to prejudice the interests of the owner of the well-known mark and may suggest a connection between the owner of the well-known trademark and these goods ...'. In this matter, the claimant argued that his mark TAZO had been registered in most countries of the world and, therefore, legal protection had to be conferred. The court in assessing Section 8(12) analysed first whether the mark is deemed well-known, according to Section 2 of the Jordanian Trade Mark Law. Without an in-depth examination, the court accepted that the claimant's mark is well-known and proceeded with Section 8(12). The court ruled that 'the defendant's mark is similar to that of the well-known mark and therefore this might cause harm to the claimant's company...'. For this reason the court conferred an injunctive relief to stop and prevent the defendant from using the mark. Without any clarification or solid explanation, the court decided that the use of a similar to the well-known mark will cause harm to the claimant's company. One may wonder what sort of harm the court referred to, and how it was demonstrated other than by a finding of similarity between the marks.

⁶³¹ Jordanian HCJ No. 372/2003 (20 November 2003)

⁶³² Claimant's mark: TAZO. Defendant's mark: PAZO

Arguably the court did not request a proof of actual harm but decided that harm was likely to occur to the claimant.

Presumably, due to the court's lack of familiarity with dilution theory, the reference to 'the harm that may be caused to the claimant's company...' was interpreted as requiring protection against dilution. It may be argued that the court might have understood dilution as the ultimate effect or harm to be caused to the owner, assuming that if the mark is not protected against dilution, the mark will thus lose its selling power, and consequently that will affect and harm the owner of that famous mark. In other words, the owner of the famous mark will be injured as a result of harm that is caused to the famous mark because of dilution. It is important to note this is a similar approach to Schechter's views, who, much like the Jordanian Trade Mark Law, did not explicitly refer to the word 'dilution'. Also, the Jordanian Trade Mark Law aims to protect the owner and his assets, which resembles Schechter's opinion on protecting strong marks. Franklyn explains that Schechter aimed to prevent injuries to a *trade mark owner*.⁶³³ Schechter posits that mark owners could be *harmed* in ways beyond the traditional harm of losing one's customers *due to the use of one's mark by a competitor*.⁶³⁴ For this reason, one may argue that the Jordanian court perhaps implicitly intended to protect the mark against dilution by protecting the trade mark owner who might eventually be injured if his/her mark was allowed to be used by a second user. Also, it may be contended that the Jordanian court understood that the harm caused to the company or to the trade mark owner was because the junior user could have tarnished or blurred the distinctive character of the senior's mark, which might in turn result in loss of its selling power. Consequently, this would affect the trade mark owner's business. In addition, the court's statement that 'the harm that might be caused to the claimant's company' could be understood to refer to the gradual fading of the commercial magnetism of a mark if others were

⁶³³ Franklyn (n 550) 124

⁶³⁴ *Ibid*

allowed to freely copy it in a variety of non-competing products.⁶³⁵ Another possible explanation is that the court wished to prevent *free-riding*, which resembles the EU approach. Arguably, free-riding, which requires an extensive type of protection, granted to marks with reputation, which is different from ‘dilution’ or ‘detiment’. ‘Dilution’ and ‘detiment’, in the US or the EU respectively, describe types of harm caused to a mark’s distinctive character or reputation. On the other hand, free-riding occurs when a third party without authorisation takes advantage of that distinctive character or reputation of the famous or reputed mark.⁶³⁶ Dogan explains that in free-riding, a junior user somehow profits by using the senior’s mark and hence evoking the famous mark in the minds of the public.⁶³⁷ It is a commercial gain that the third party obtains by exploiting a famous mark.⁶³⁸

It would be legitimate to criticise the Jordanian court for being brief and superficial with its examination, and for not clarifying its reasoning for this decision. The court should have explained the reasons for its judgment and requested evidence of ‘the harm that might be caused to the claimant’s company’ which the court referred to. On this topic, Dogan illustrates:

As Professor McCarthy has argued in his treatise, judges applying a likelihood of dilution standard should demand persuasive evidence that dilution is likely to occur... Even the probability of dilution should be proven by evidence, not just by theoretical assumptions about what possibly could occur or might happen.⁶³⁹

⁶³⁵ Ibid

⁶³⁶ (Case C-252/07) Intel Corp v CPM United Kingdom Ltd (ECJ) [2009] Bus LR 1079, 1093 para 62. ‘The concept of “unfair advantage” focuses on benefit to the later mark rather than harm to the earlier mark. What must be established is some sort of boost given to the later mark by its link with the earlier mark’.

⁶³⁷ Dogan (n 607) 104. ‘The inquiry in dilution cases is not whether a defendant’s use destroys a mark’s uniqueness, but whether the defendant has somehow profited by evoking the famous mark in the minds of the public’.

⁶³⁸ Franklyn (n 550) 139. ‘The anti-free-rider cause of action in trademark law finds its strongest justification in a blended rationale that focuses on the respective rights and interests of the famous mark creator and the party who wishes to knowingly exploit that mark for clear commercial gain’.

⁶³⁹ Dogan (n 607) 107

In case No. (429/2000),⁶⁴⁰ the High Court of Justice in Jordan banned the registration of the Jordanian applicant to register the mark ‘Lionging’ on the ground that this mark is similar to the mark ‘Lionking’ with a difference in one letter. The latter mark is registered in the US and various countries, such as the UK, Germany, Canada, etc. The court followed the customary quantitative approach and without an in-depth examination, upon proof that the mark ‘Lionking’ is registered in various countries, decided that it is well-known, therefore, deserving protection despite not being registered or used in Jordan. Again, the court added that the reason for providing protection was not only *to protect the well-known trade mark itself* but also to protect consumers from fraud, deception, and confusion. Following this, the High Court of Justice in Jordan in case No. (492/99)⁶⁴¹ upheld the decision of the court in the *Lionging* case. The court also stated that the protection granted to the well-known trade mark owner was aimed at protecting not only *the mark itself* but also *consumers from being confused*. One may argue that these decisions support the existence of a dilution remedy; however, the courts justify them with detecting likelihood of confusion. As demonstrated above, Jordanian courts have a clouded understanding of the terms ‘confusion’ and ‘association’, apparently using them as synonymous.

3.7 The Impact of Implementing Strong IPRs

One may question why courts in Jordan avoid the implementation of a strict examination in determining whether a mark is well-known or before conferring protection against dilution-type. Is there any kind of pressure on them to follow a superficial approach? As mentioned earlier,⁶⁴² some Jordanian legal commentators assert that increased levels of IPRs protection are applied for the benefit of developed countries and are considered a financial imperialism of the West.⁶⁴³ El-Said states that joining the WTO was

⁶⁴⁰ Jordanian HCJ No. 492/2000 (21 February 2001)

⁶⁴¹ Al-Dmour (n 573)

⁶⁴² Chapter Three, 3.3 The US-JO Free Trade Area, pages 108-109

⁶⁴³ Al-Hneeti (n 526) 69

not in ‘the best interest of Jordan’,⁶⁴⁴ and Haddadin and Naser observe that strong IPRs exist to benefit solely foreign companies, neglecting the interests of domestic well-known marks.⁶⁴⁵ It could be argued that dispensing intellectual property laws without taking into consideration various factors,⁶⁴⁶ such as the particularities of the local culture and/or economy, and whether it is convenient to have strong IP laws, could cause economic losses to many Jordanian companies.⁶⁴⁷ It can be argued that an adoption of Western values is inefficient and does not assist developing countries to evolve,⁶⁴⁸ as there are significant economic, cultural, and legal differences. Therefore, it is important that developing countries such as Jordan consider their own interests before implementing ‘Western’ standards.⁶⁴⁹

As mentioned earlier, a one-size-fits-all approach cannot be applied here.⁶⁵⁰ Maskus explains that ‘intellectual property rights may harm development prospects by raising the costs of imitation and permitting monopolistic behavior by owners of IPRs’.⁶⁵¹ This begs the question why Jordan needs protection against dilution. How can anti-dilution protection benefit Jordanian trade marks? Is Jordan deemed to be a strong country economically, such as the US, in order to necessitate the doctrine of dilution? The Jordanian legislator requires that a mark must be registered outside Jordan to be deemed well-known; however, it is *not* common among Jordanians to register their marks and spread their renown outside their country. Arguably, there is a very limited number of Jordanian trade marks that are registered and used abroad. In general, Jordanian owners do not use their marks abroad, and, therefore, the need for such a condition is questionable. It

⁶⁴⁴ El-Said (n 538). Also, ICG Middle East Briefing 2003 (n 559)

⁶⁴⁵ S Haddadin and M Naser, ‘The Unnatural of Intellectual Property: An Example From A Developing Country’ (2013) European Intellectual Property Review 341

⁶⁴⁶ Maskus (n 557) 495

⁶⁴⁷ P Drahos, ‘Bilateralism in Intellectual Property’ (2001) A Paper Prepared for Oxfam 1, 2

⁶⁴⁸ Chapter One, 1.4 Statement of the Problem, page 31-32

⁶⁴⁹ El-Said (n 538) 517

⁶⁵⁰ Chapter One, 1.4 Statement of the Problem, page 31

⁶⁵¹ Maskus (n 557)

seems unreasonable having it, as it was incorporated in the law to benefit foreign trade marks, not Jordanians. It could be further argued that since dilution-type protection is not offered to domestic trade marks and does not serve Jordanians, there is no reason for applying the doctrine in the country. Dilution protection is evidently applicable and implemented into the Jordanian Trade Mark Law with one clear purpose: to protect foreign interests. The main parties benefitting from entering multilateral and bilateral agreements are the US, the EU, and Japan.⁶⁵²

After establishing that dilution in Jordan exists to serve foreign trade marks excluding protection to domestic ones, it also follows that the negative aspects of dilution are intensified due to the biased implementation of the doctrine in Jordan. The dilution doctrine can act as a barrier to entry for new firms, by conferring a quasi-property right over marks and thereby reducing the freedom of junior users to use or register a mark that is merely allusive to a foreign famous mark, accordingly, depriving junior users from their freedom of choice. Al-Hneeti points out that while countries are amending their legislation to comply with the TRIPS Agreement, those countries must first take into consideration their own economic and social interests.⁶⁵³ Furthermore, Al-Hneeti reasons that modifying the law will have a negative impact on the country if the country's interests are not taken into consideration and if the modified provisions incorporated in the law are not thoroughly examined.⁶⁵⁴ She explains the adoption of another country's law might be suitable and in the interest of developed countries but not necessary for the interest of developing countries. Moreover, Drahos states that countries, such as the US and others, use the WTO and the TRIPS Agreement as tools to enforce extensive protection on developing countries, and observes that developing countries, such as Jordan, are 'being drawn

⁶⁵² Drahos (n 538)

⁶⁵³ Al-Hneeti (n 526) 67

⁶⁵⁴ *Ibid*

into a highly complex multilateral/bilateral web of intellectual property standards over which they have little control'.⁶⁵⁵

It is noteworthy that the Oxfam Report published in 2007 (hereinafter OXFAM) extensively elaborates on how a TRIPS-Plus actually affects Jordan.⁶⁵⁶ Although the paper refers to the impact of having strong patent protection in Jordan, it could be said that the essence of the article is also applicable for trade marks. It is anticipated that the effect of strong IPRs on patents in Jordan is similar to the effects of a similar approach with trade mark legislation. In the briefing paper, OXFAM demonstrates that as developing countries had to alter their national intellectual property laws to fully implement TRIPS-Plus,⁶⁵⁷ multinational pharmaceutical companies relied on these rules, and particularly on data exclusivity, to restrict generic competition for many medicines in Jordan since 2001.⁶⁵⁸ The entry of generic pharmaceuticals in the market reportedly offers more choice of drugs in the market, lowers drug prices to the benefit of health consumers, and sustains innovation in the pharmaceutical sector.⁶⁵⁹

Indeed, as a consequence of incorporating strong IPRs in the domestic legislation, Jordan is undoubtedly affected. The data exclusivity rule, enforced by TRIPS-Plus, is abused by multinational pharmaceutical companies in order to avoid the patent offices, which impose rigorous standards and safeguards to preserve monopolies for truly innovative medicines, and easily obtain market monopolies, simply by submitting clinical trial data. And the increase of monopolies inhibits rather than facilitates competition.⁶⁶⁰ Moreover, the Oxfam paper clarifies that Article 4 of the US-Jordan FTA requires Jordan's drug regulatory authority to provide

⁶⁵⁵ Drahos (n 538) 803

⁶⁵⁶ Oxfam briefing paper (n 535)

⁶⁵⁷ Ibid

⁶⁵⁸ Ibid

⁶⁵⁹ OECD, "Generic pharmaceuticals and competition" (2014) <<http://www.oecd.org/competition/generic-pharmaceuticals-competition.htm>> Accessed 30 August 2016. Also, Oxfam briefing paper (n 535)

⁶⁶⁰ Oxfam briefing paper (n 535)

three additional years of data exclusivity when a drug manufacturer discovers a new use for a previously known chemical entity.⁶⁶¹ As a result, medication in Jordan has become more expensive since the country started applying the TRIPS-Plus rules.⁶⁶² Consequently, it is preventing Jordanians from affording medication – particularly *people living in poverty*,⁶⁶³ a sector of the population whose needs should be a priority.⁶⁶⁴

Nawafleh argues that incorporating international standards in the Jordanian legislation will benefit Jordan through an increase in Foreign Direct Investment (FDI) and investments in the country.⁶⁶⁵ However, the OXFAM paper proves how strong IPRs have a negative impact on Jordanians. Arguably, strong IPRs may have advantages but the harm caused by the implementation of strong IPRs is substantially more severe. The Oxfam briefing paper elaborates how the strong IPRs implemented and enforced in Jordan significantly affect people living in poverty, who are, in fact, a large population group in Jordan.⁶⁶⁶ This is also supported by the report of the Committee on Government Reform in the United States House of Representatives, which, after examining a number of FTAs, concludes that 'U.S. trade negotiators have repeatedly used the trade agreements to restrict

⁶⁶¹ Example: a higher dosage of an existing medicine would qualify as a 'new use'.

⁶⁶² Oxfam briefing paper (n 535). 'Medicine prices in Jordan increased by 20 per cent since the country entered into an FTA in 2001.'

⁶⁶⁴ Oxfam briefing paper (n 535) 'Jordanians without health insurance, higher medicine prices ... disproportionately harm the poorest.' Also, on how the US-Jo FTA is affecting Jordanians see Malkawi (547) 'The FTA requires Jordan to accede to the International Convention for the Protection of New Varieties of Plants which would limit poor farmers rights to trade seeds without permission.'

665 Nawafleh (n 601) 153

⁶⁶⁶ ICG Middle East Briefing 2003 (n 559). Also, Obeidat (n 663)

the ability of developing nations to acquire medicines at affordable prices'.⁶⁶⁷ It is noteworthy that Egypt, a country that offers less intellectual property rights than Jordan but has not introduced TRIPS-Plus rules, enjoys a large number of investments from the multinational industry.⁶⁶⁸ Conversely, from 1995 until the issue of the Oxfam paper discussed (2007), Jordan has received no investments in pharmaceutical manufacturing, whereas Egypt has received \$223m, 39 per cent of which came from foreign multinationals.⁶⁶⁹ Jordan is left with not many options while the US-Jo FTA is in place.⁶⁷⁰

Evidently, the consequences of applying TRIPS-Plus rules in Jordan have not been comprehensively examined. The OXFAM paper's analysis is invaluable for the literature on how strong IPRs applied in developing countries, such as Jordan, where monopolies are offered to foreign companies, have a negative impact on Jordanians. This is clear in the patent sector,⁶⁷¹ and it is arguable that trade mark monopolies will have similar effects on Jordanians by applying dilution, especially since the doctrine is such a powerful legal tool.

Strong IPRs have a negative impact on Jordan, whether on patents, copyrights or trade marks. El-Said asserts that the TRIPS-Plus trade agreement has introduced new elements and rules onto the Jordanian IP framework, *threatening the freedom of speech of consumers and commercial competitors, and thus eroding civil and human liberties*.⁶⁷² Further, regarding the copyright sector, El-said points out that the TRIPS-Plus agreement

Does not differentiate between commercial and non-commercial

⁶⁶⁷ Drahos (n 538) 13

⁶⁶⁸ Oxfam briefing paper (n 535) 'While Jordan has received nearly no FDI, it must endure higher medicine prices. On the contrary, Egypt continues to attract robust FDI without introducing TRIPS-plus rules, and also has lower medicine prices'.

⁶⁶⁹ Ibid

⁶⁷⁰ Ibid

⁶⁷¹ Maskus (n 557) 492

⁶⁷² El-Said (n 538) 516

copying or reproduction of products, which has an effect resulting in criminalising and modifying certain options awarded for member states under TRIPS such as non-commercial and educational reproduction and copying of copyrighted materials.⁶⁷³

Drawing on the negative consequences that strong IPRs have on copyrights and patents, it is not surprising to also find them in relation to trade marks. Indeed, the Jordanian Trade Mark Law is explicit in determining which marks are deemed well-known: the tendency is to accept foreign marks as well-known rather than Jordanian ones.⁶⁷⁴ Accordingly, extra protection and more monopoly is granted to foreign well-known trade marks and not domestic ones. Hammouri and Naser state that the Jordanian legislator has gone beyond what is required by the TRIPS Agreement regarding the definition of 'well-known marks'.⁶⁷⁵ In a rather valuable statement, the authors argue that

Stipulating that the reputation of the mark has to surpass the country of origin where it has been registered is a view that lacks wisdom, to say the least. This condition has clearly gone beyond the minimum required by the TRIPS, and indeed exceeds what the Americans and Europeans require.

However, one may contend that the authors did not illustrate how Jordan exceeded the TRIPS requirement. The TRIPS Agreement in Article 1 provides that 'Members shall give effect to the provisions of this Agreement. Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement...'⁶⁷⁶ Therefore, if TRIPS does not require protection against dilution, Jordan is not compelled

⁶⁷³ Ibid

⁶⁷⁴ Section 2 of the Jordanian Trade Marks Law, Chapter Two, 2.5.2 Case Law, page 93

⁶⁷⁵ Naser and Hammouri, (n 600) 320. Also Drahos (n 538) 13 'The US had been on this parallel negotiating track since the 1980s, but beginning with Jordan in 2000 it began to insert into regional trade agreements (more commonly referred to as free trade agreements (FTAs)) comprehensive chapters on intellectual property standards. Many of these standards go beyond what is required under TRIPS or create new obligations altogether'.

⁶⁷⁶ Article 1 of the TRIPS Agreement – nature and scope of obligations

to grant extended protection, beyond what is required by TRIPS to Member States. Also, Article 16(2) of TRIPS does not mandate its Member States to require worldwide renown; it specifically states 'Members shall take account of the knowledge of the trademark in the relevant sector of the public'. The question that arises in this context is why Jordan demands a higher threshold on national trade marks. If the legislator wishes to set the bar high to qualify for protection, it is important to ensure unbiased and impartial treatment. In fact, although Article 3 of the TRIPS Agreement aims to prevent discrimination by providing that 'each member shall accord to the nationals of other Members treatment no less favourable than that it accords to its nationals about the protection of intellectual property',⁶⁷⁷ Article 2 of the Jordanian Trade Mark Law still mandates the requirement of international renown, which is evidently highly unlikely to be met by Jordanian trade marks. For instance, a Jordanian trade mark that is believed to have an international renown, due to the service it provides, is the Royal Jordanian Airlines – but how common is for a domestic trade mark to enjoy such a reputation?

Ultimately, the US-Jo FTA imposes restrictions on a Jordan's freedom resulting in adverse consequences on a poor and export-orientated developing country.⁶⁷⁸ Furthermore, it might be argued that TRIPS-Plus has an impact on the functions of trade marks. For instance, one of the main functions of trade marks is to facilitate consumers' identification of the source and origin of the product.⁶⁷⁹ While one should keep in mind the foundation of trade mark legislation, dilution theory is concerned with protecting the mark itself, disregarding the presence or absence of actual or likely confusion, of competition, or of actual economic injury.⁶⁸⁰ This is one of the reasons why courts should be cautious before offering anti-dilution protection, as it

⁶⁷⁷ Article 3 of the TRIPS Agreement – national treatment

⁶⁷⁸ El-Said (n 538) 516

⁶⁷⁹ M Naser, 'Re-examining the Functions of Trademark Law' (2008) 8 Chi.-Kent J. Intell. Prop. 99, 102. Also, M Handler, "What Can Harm The Reputation of A Trademark? A Critical Re-Evaluation of Dilution By Tarnishment" (2016) 106 TMR 639, 640

⁶⁸⁰ 15 U.S.C § 1125 (c)(1)

empowers one party to monopolise a mark or a word. Also although Jordan cannot neglect its obligation to apply dilution, Jordanian courts could avoid offering protection against dilution randomly; in other words, they could apply the dilution doctrine cautiously to facilitate fair competition. In fact, Greenhalgh and Webster concur that when designing and implementing trade mark law, authorities must be careful not to cause anti-competition or divert from the original intentions of the law.⁶⁸¹

3.7.1 The Foreseen Harm Caused by the Doctrine of Dilution

It is necessary to acknowledge the harm that might be caused to Jordanian trade mark owners, who may lose their marks to foreign trade mark owners because of dilution. For instance, although a local trade mark owner may have been actively engaged in the Jordanian market, where the trade mark will have been registered, used, and known to the general consuming public, he/she could be inhibited from continuing to use it effectively due to dilution, if it is similar to a foreign mark. Thus, the power that is granted to a foreign mark by the Jordanian legislation, and accordingly courts, shall disrupt the free use of the mark by the Jordanian owner. As a consequence, the local trade mark owner will be deprived from all rights, and most likely will have to launch a new mark, registering and marketing it again, to familiarise the public with the new trade mark, which incurs a significant investment in resources, time, and effort. Unfortunately, the attention of courts is commonly directed towards protecting foreign well-known trade marks over local well-known ones, without any consideration of the harm that might be caused to the local mark because of this outcome. Mahafzah and Numan clarify the privileges given to foreign well-known marks, and explain that although the Jordanian Unfair Competition and Trade Secrets (UCTS) law is not applicable to trade marks, the Jordanian Cassation Court has stated that this piece of legislation is applicable to trade marks.⁶⁸² Further, they

⁶⁸¹ C Greenhalgh and E Webster, 'Have Trademarks Become Deceptive?' (2015) The WIPO Journal 109, 110

⁶⁸² Mahafzah and Numan (n 580) 14

elaborate that 'the Jordanian UCTS Law provides protection to unregistered well-known foreign trademarks under Article 2 as follows: A. Any competition contradictory to the honest practices in the commercial and industrial activities shall be deemed one of the unfair competition acts ...'.⁶⁸³ Jordanian trade marks could rely on this section but, as Mahafzah and Numan point out, it is offered to unregistered foreign well-known marks. Therefore, Jordanian trade marks cannot rely on it.

To provide another example of the harm caused to Jordanians, one may consider a hypothetical trade mark owner A and his mark 'Momtaze'. 'Momtaze' is a registered trade mark of a local store in Jordan that people visit for fixing and repairing clothes, shoes, bags, etc. Although the store may be widely known in Jordan, it will not be considered a well-known mark unless its renown has crossed the Jordanian borders.⁶⁸⁴ Meanwhile, Z is the owner of the mark 'Mumtaz', which is an Indian restaurant located in the UK, registered and used in the UK, and also registered in Ireland. The Jordanian court will consider the mark 'Mumtaz' a well-known mark and grant the owner an injunction to prevent others from using a similar mark to that well-known mark even when used on dissimilar goods or services. This is effectively a quasi-monopoly granted to the well-known mark owner over the word of trade mark. Presumably, if the 'Mumtaz' restaurant acquires an interest in the Jordanian market, it most likely will file a lawsuit against the Jordanian trade mark owner of 'Momtaze' to stop the latter from using a mark that is similar to the restaurant's trade mark. According to the legislation, the 'Mumtaz' trade mark will be deemed well-known, since it is registered in a country other than Jordan. On the other hand, the Jordanian mark 'Momtaze' has been registered and used only in Jordan, and although it is this mark that the general consuming public in Jordan will be familiar with, it will not be deemed well-known according to the legislation. As a consequence, the use of the Jordanian trade mark by its owner will come to

⁶⁸³ Ibid

⁶⁸⁴ Mahafzah and Numan (n 580) 7. 'Article 8(12), is clearly a privilege for well-known foreign trademarks, and, together with Article 2, would not apply to well-known national trademarks. This awkward situation fails to encourage Jordanian merchants to invest in, develop and advertise their trademarks'.

an end, and the owner will have lost, apart from the lawsuit, a significant investment in effort and time to build the mark's reputation, along with the trust of consumers. Evidently, the Jordanian Trade Mark Law fails to protect Jordanian well-known marks.

Although supporters of strong IPRs may contend that changing or obtaining a new mark is an easy process, filing for trade mark registration is costly, and marketing and advertising the mark to obtain recognition from consumers is a long process. It is argued that if the owner is forced to abandon a trade mark, the interests of the owner are harmed.⁶⁸⁵ Further, by using a new trade mark, which consumers are not familiar with, the Jordanian trade mark owner will suffer financial losses. Consumers will be more likely to search for an alternative provider for the same services and products as the ones under the mark they used to trust. Also, the trade mark owner will lose everything attached to the mark and any investments made towards building the reputation and the strength, i.e. the singularity of the local well-known trade mark. Robison illustrates that 'changing a corporate name can take a year and cost tens of millions of dollars.'⁶⁸⁶ That is because trade marks are valuable. Also, Al-Dmour refers to a Jordanian scholar to explain her point of view: 'Hamdan explained that there is an economic value in trade marks and hence there must be a law that provides sufficient protection to marks in order for that mark to maintain valuable economically, strong and protected'.⁶⁸⁷ Moreover, Grinvald clarifies that 'while changing the trademarks under which the guitars are sold, either globally or in individual countries, is an obvious option, such changes would be quite costly'.⁶⁸⁸ Therefore, it may be argued that the Jordanian legislation provides

⁶⁸⁵ Maskus (n 557) 480. 'The establishment of brand recognition requires costly investments in marketing and distribution channels.'

⁶⁸⁶ P Robison, 'Time warner, Broadwing, Change names After Losses' (Igor Naming Guide 2003) <<https://www.igorinternational.com/press/bloomberg-corporate-business-name.php>> accessed 13 August 2016

⁶⁸⁷ Al-Dmour (n 573) 11

⁶⁸⁸ L Grinvald, 'A Tale of Two Theories of Well-Known Marks' (2010) 13 Vanderbilt Journal of Entertainment and Technology Law 2-3

insufficient protection to Jordanian trade marks, especially since it forces owners to abandon their trade marks in such cases.

Furthermore, Maskus points out that employment is affected by the implementation of strong IPRs,⁶⁸⁹ suggesting how dilution-type protection also affects employers and employees in Jordan. For instance, there are evidently negative consequences when a Jordanian trade mark owner is deprived from his rights and prohibited to use his trade mark that is similar to a foreign mark. Also, if the Jordanian trade mark owner was obliged to bring his company to an end, it follows that his employees will be affected by this. Maskus illustrates how strong IPRs have a negative effect on a developing country's culture:

In most developing economies there are significant amounts of labor employed in copying unauthorized goods. As these nations upgrade their laws and enforcement activities, these workers must find alternative employment. This displacement problem should pose the initial challenge for policymakers in introducing stronger IPRS.⁶⁹⁰

Another hypothetical example that illustrates the harm that may be caused to Jordanian trade mark owners considers a mark that is well-known, ZARA, which is one of the most valuable brands of 2016 according to the Brand Directory.⁶⁹¹ Meanwhile, ZAZA is widely known among Jordanians but evidently *not* according to the Jordanian legislation. Over the years, ZAZA has evolved and obtained more branches within the capital of Jordan, Amman.⁶⁹² If the trade mark owner of ZARA decided to enjoin the Jordanian owner from using the mark ZAZA, it is presumed that ZARA would be capable to do so particularly since the Jordanian Trade Mark Law provides no defences or safeguards such as the ones found in the TMD and TDRA, to

⁶⁸⁹ Maskus (n 557) 490

⁶⁹⁰ Ibid 489

⁶⁹¹ Brand Finance, The most valuable brands of 2016 (Brand Directory 2016) <http://brandirectory.com/league_tables/table/global-500-2016> accessed 25 August 2016.

⁶⁹² This hypothetical example which reflect real two shops running simultaneously in Jordan and this example is very close to the case mentioned above "the *Lionking* case" Jordanian HCJ No. 492/2000 (21 February 2001)

allow dilution to be triggered.⁶⁹³ Under the TMD and TDRA, the law limits the application of dilution, whereas in Jordan, the trade mark law allows the extensive application of anti-dilution protection. As a result, in this example, ZAZA's owner will be prohibited from continuing to use his mark, which will damage his interests. Nawafleh points out that 'national legislation of any country primarily protects its own citizens and those who are on an equal footing with them'.⁶⁹⁴ It may be argued that Jordan does not align with this standard. Moreover, Maskus explains that 'the scope of IPRs is limited in order to promote access, dissemination, and competition. Attempts by right holders to extend their use of IPRs beyond permitted limits are abuses of the competitive system.'⁶⁹⁵

⁶⁹³ Defences in the US and EU will be examined in Chapter Four and Five respectively

⁶⁹⁴ Nawafleh (n 610) 144

⁶⁹⁵ Maskus (n 557) 499

Conclusion

In investigating the extent to which the doctrine of dilution is applied in Jordan, the present chapter searched for the origins of dilution in the country, starting with the TRIPS Agreement. Although there is no consensus among academics about whether protection against dilution is incorporated in the TRIPS Agreement, the TRIPS-Plus clearly mandates protection against dilution. This is due to the bilateral agreement between Jordan and the US, the US- Jo FTA, according to which Jordan is obligated to grant protection against dilution. After establishing the point of origin of dilution, the chapter analysed the Jordanian Trade Mark Law, and especially Sections 8(12) and 25(1)(B). Subsequently, the chapter examined how Jordanian courts enforce dilution-type protection, by conferring anti-dilution protection extensively and automatically to foreign marks, which demonstrates that there are no limitations to dilution theory in Jordan. The courts tend to justify conferring protection to foreign marks by considering them 'well-known' because they enjoy a reputation outside Jordan. Neither the Jordanian legislation nor the courts specify a clear list to follow when determining whether a mark is well-known.

Evidently, Jordanian courts seem to adopt Grinvald's '*passive perception theory*',⁶⁹⁶ which heavily relies on consumers' recognition of the foreign trade mark *outside* of the Member nation. It may be argued that this is precisely what the Jordanian legislator demands by requiring international renown from marks in order to be considered well-known. Further, the Jordanian courts habitually rely on whether the mark is registered in several countries other than Jordan, i.e. focusing on a quantitative approach and excluding a qualitative examination. When owners provide evidence of registration in multiple countries, the courts promptly conclude that the relevant consuming public is familiar with the trade mark, and thus grant dilution-type protection accordingly. It is argued that Jordanian courts err in their decision because they superficially examine the case before them.

⁶⁹⁶ Grinvald (n 688) 33

Therefore, Jordanian courts must not rush to decide that the examined mark is well-known based on insubstantial evidence. Instead, there should be a careful examination of the evidence provided, and courts should require clear proof before concluding that a mark is well-known. Registrations of the mark in several countries and the fact that the mark is foreign should not be deemed sufficient for ruling that the mark is well-known and deserves extra protection. Although the Jordanian legislation requires recognition of the mark from the relevant sector of the public, courts neglect assessment of this condition. It is noteworthy that the degree of a mark's renown is crucial, because it facilitates establishing a link or an association with the mark in consumers' minds. Therefore, if reputation is not that wide to allow such association, there is no need to assess whether dilution might take effect, since harm is not likely to occur.

The subsequent chapters will examine how more experienced jurisdictions than Jordan, namely the US and EU, apply the doctrine of dilution. The analysis that follows will offer necessary insight to Jordan, in improving its trade mark legislation, and to courts, in enforcing it with caution when dealing with dilution claims.

Chapter Four: Trade Mark Dilution in US

4.1 Introduction

After discussing dilution in Jordan, it is essential now to focus on the US to assess how the doctrine is implemented and how courts deal with it in practice. This chapter will address the following questions: *how can Jordan benefit from the experience of the US in implementing dilution protection and what lessons can be learned from this jurisdiction? And can these lessons influence the Jordanian legislator on the meaning and policy-based limits of dilution theory?* The US experience will serve as an example among judges and legislators in Jordan to take a more cautious approach to applying dilution. This chapter proves how the US takes the doctrine very seriously and does not offer anti-dilution protection automatically. Instead, most US courts make a thorough examination before granting the extra protection, which is in stark contrast to the situation in Jordan.

In order to answer these questions, the chapter will analyse the doctrine from a US perspective by demonstrating the concept of dilution and the different shapes and meanings it takes. This will be seen through the courts' interpretations before and after the TDRA. Further, differences in the concept of dilution are also noticeable from one jurisdiction to another, such as the US and EU, where dilution is defined differently.⁶⁹⁷ The lessons from these jurisdictions are necessary to develop the interpretation and the conception of dilution theory in Jordan. Moreover, this chapter will examine Section 1125(c) to analyse the definition of types of dilution and the conditions that must be met for a successful dilution claim.⁶⁹⁸ Following this, the chapter will investigate how the courts in the US deal with dilution claims and grant anti-dilution protection. Subsequently, the chapter will explore the defences and

⁶⁹⁷ EU will be discussed further in Chapter Five

⁶⁹⁸ E Staffin, 'The Dilution Doctrine: Towards A Reconciliation with the Lanham Act' (1995) *Fordham Intellectual Property, Media and Entertainment Law Journal* 105, 106

safeguards against dilution, which are essential to demonstrate that dilution has its limits and that it is not as expansive as the Jordanians might interpret it to be. Ultimately, examining dilution in US shall assist Jordanians to explore the consequences of applying an open-ended monopoly without any restrictions, as Jordanians legal practitioners underestimate how powerful dilution can be and how threatening it could be if applied excessively.

4.2 The Concept of Dilution

As explained previously,⁶⁹⁹ the concept of dilution was initially articulated by Schechter's article in 1927.⁷⁰⁰ Schechter defined dilution as the 'gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods'.⁷⁰¹ In Schechter's opinion, the only 'rational basis' for protecting trade marks was the preservation of their uniqueness.⁷⁰² Schechter called for protecting fanciful, coined and arbitrary marks when another party use the same mark on a non-competing product.⁷⁰³ The reason why famous marks are protected now is because they generate selling power.

The concept of dilution is a controversial topic that has attracted opponents and proponents.⁷⁰⁴ The advantages and disadvantages of the doctrine will help to demonstrate how powerful the protection against dilution is and how different it is from the traditional notion of trade mark infringement. The doctrine of trade mark dilution grants proprietors of famous marks protection against second users of their marks not only on related goods but also on

⁶⁹⁹ Chapter One, 1.2.6 The Notion of Dilution, page 20-21. Also, Chapter Two, 2.2 Pre-Conditions for Anti-Dilution Protection, page 52

⁷⁰⁰ F Schechter, 'The Rational Basis of Trademark Protection' (1927) 40. Harv. LR 813

⁷⁰¹ Ibid 825

⁷⁰² A Kennedy, 'From Delusion to Dilution: Proposals to Improve Problematic Aspects of The Federal Trademark Dilution Act' (2006) 9 N.Y.U. J. Legis. & Pub. Pol'y 399, 403

⁷⁰³ S Dogan, 'What is dilution, anyway?' 2006 at 103. Also, Schechter (n 700) 828

⁷⁰⁴ M Handler, 'What Can Harm The Reputation of A Trademark? A Critical Re-Evaluation of Dilution By Tarnishment' (2016) 106 TMR 639, 649. Also, Chapter One, 1.2.6 The Notion of Dilution, page 27

unrelated goods. Dogan elaborates that 'dilution is a more powerful right than trademark infringement, and should be applied carefully and with an eye to the costs of overreaching protection'.⁷⁰⁵ Indeed, going beyond trade mark infringement and disregarding consumers' confusion, anti-dilution protection is an exceptional right that should be reserved only for extraordinary marks.⁷⁰⁶ These special marks were described by Schechter as fanciful or coined, and he justified their protection in situations where another party adopts the same mark on a non-competing product.⁷⁰⁷ These two limitations make sense in light of the harm that Schechter was concerned about: when a mark starts out with a unique meaning, its strength and singularity undoubtedly suffer through the use of the same mark by unrelated vendors.⁷⁰⁸ Proponents of the dilution theory argue that the proprietor of a famous mark deserves extra protection due to the resources invested in upgrading the mark financially, time, and effort.⁷⁰⁹ They further believe that the owner of the famous mark deserves a reward for the investment made to upgrade the mark's publicity,⁷¹⁰ which will motivate the proprietor to maintain the quality of the goods and services which the mark is attached to.⁷¹¹ Arguably, from this perspective, dilution is identified as a reward for the financial expenses incurred by the owner of the mark. Conversely, Fhima claims that anti-dilution protection should not rely on the amount of money spent by the owner investing in his trade mark.⁷¹² It may be argued that since dilution is a strong monopoly granted to famous marks, the reward shall

⁷⁰⁵ S Dogan and M Lemley, 'The Trademark Use Requirement in Dilution Cases' (2008) 24 Santa Clara High Technology Law Journal 541, 557

⁷⁰⁶ B Beebe, 'A Defense of the New Federal Trademark Antidilution Law' (2006) 1143, 1158

⁷⁰⁷ Chapter One, 1.2.6 The Notion of Dilution, page 21-28

⁷⁰⁸ Dogan (n 703) 104. Also, J McCarthy, 'Dilution of a Trademark: European and United States Law Compared' (2004) 94 The Trademark Reporter 1163, 1165

⁷⁰⁹ A Breitschaft, 'Intel, Adidas & Co - Is the jurisprudence of the European Court of Justice on dilution law in compliance with the underlying rationales and fit for the future?' (2009) E.I.P.R. 497, 499

⁷¹⁰ Ibid 502

⁷¹¹ Ibid 498

⁷¹² I Fhima, 'The Fame Standard for Dilution in the United States and European Union Compared' (2008) 18 Journal of Transnational Law and Contemporary Problems 631, 655

relate to the established fame. Ironically, although consumers play a crucial role in determining the fame and reputation of the mark, according to the dilution theory, their role is largely disregarded as stipulated in the TDRA. It is believed that without consumers' acknowledgment, a mark would not be considered famous, also, without the owner's investment in the mark it is inconceivable that consumers will be familiar with the mark. Therefore, it may be argued that these two elements compete each other. The owner might have made a considerable investment to make the mark famous but consumers should have the final say. However, according to the doctrine, protection against dilution is conferred with little consideration of consumer's interests. According to the TDRA, dilution is not concerned with consumers' confusion, competition, or actual injury,⁷¹³ and protection against dilution is applicable when a third party uses a similar mark to the famous mark in similar or dissimilar products. It is understood that dilution theory aims to protect the famous mark by preventing its use by third parties and new entrants to the market, as this would lessen the famous mark's distinctiveness and/or tarnish its goodwill. Therefore, dilution advocates are in favour of granting protection against dilution to famous marks, in order to maintain the positive aura of the famous mark and preserve their exclusivity. For instance, the court in *Louis Vuitton* confirmed that the purpose of Section 1125(c)(1) is to grant protection to famous mark owners from the kind of dilution that is permitted by the trade mark laws in situations where a third party uses the same mark in an unrelated area of commerce.⁷¹⁴

In other words, the objective is to 'prevent the prestigious images of luxury brands from being diluted into brands accessible to the mass public', an effect that would gradually whittle away the prestige of the famous mark.⁷¹⁵ However, it may be argued that dilution functions as a barrier around the mark to stop anyone from coming close to the aura of the famous mark's

⁷¹³ 15 U.S.C. § 1125(c)(1)

⁷¹⁴ *Louis Vuitton Malletier, S.A. v. Hyundai Motor America* 10 Civ. 1611 (S.D.N.Y. Apr 27, 2012)

⁷¹⁵ H Sun, 'Reforming Anti-Dilution Protection In The Globalization of Luxury Brands' (2014) Georgetown Journal of International Law 783, 791

distinctiveness. As a result, it grants full power to the famous mark owner to control the market. One may question whether trade mark law was initially established to provide this type of monopoly and exclusivity to one party.

On the other hand, opponents of the dilution theory argue that the monopoly granted to owners of the famous mark reveals a negative impact as it causes risks and harmful effects.⁷¹⁶ This criticism is largely based on the fact that the doctrine has surpassed the traditional test of infringement, consumers' confusion is no longer considered,⁷¹⁷ and competition and actual economic injury are neglected. This has led to fears that dilution creates property rights in trade marks and only benefits the trade mark owner.⁷¹⁸ It could be said that this is the main reason why some scholars stand against dilution: the doctrine ignores consumers' protection against misinformation and focuses on the protection of the value of the trade mark.⁷¹⁹ In addition, the doctrine of dilution seems to divert from the original objectives of granting IPRs. The main justification behind legally protecting trade marks is the ability of those marks to provide information that reduces both the pecuniary and psychological search costs for consumers.⁷²⁰ However, it may be argued that dilution is not concerned with consumers' search costs, consumers' confusion, or competition, but instead the doctrine is solely interested in protecting the value of famous trade marks.⁷²¹ Long also maintains that the theory of dilution is generally concerned with protecting the famous mark *per se*.⁷²² She adds, some scholars such as Dogan and Lemley, have argued that harm to consumers is the only appropriate measure of harm for dilution law.⁷²³ Long refers to Dogan and Lemley who assert that dilution is not only

⁷¹⁶ Fhima (n 712) 633

⁷¹⁷ J Tarawneh, 'A New Classification for Trade Mark Functions' (2016) IPQ 352, 364

⁷¹⁸ M Lemley, 'The Modern Lanham Act and the Death of Common Sense' (1999) 108 Yale L.J. 1687, 1697

⁷¹⁹ Tarawneh (n 717) 364

⁷²⁰ Ibid

⁷²¹ Tarawneh (n 717) 359

⁷²² C Long, 'Dilution' (2006) Colombia Law Review 1029, 1059

⁷²³ Ibid

about protecting the mark itself, but it is also about protecting consumers.⁷²⁴ Long elucidates that 'dilution law is geared toward protecting consumers because diminution of a famous mark's ability to identify a product increases consumers' search costs.'⁷²⁵ For instance, if the famous mark TIFFANY is used by a second user for a restaurant, consumers would have to devote more mental energy to distinguishing the jewellery store's original use of TIFFANY.⁷²⁶ Accordingly, where the use of the same mark by another party on unrelated goods increases consumers' search costs, and there is some empirical evidence that blurring does increase search costs in some cases, harm may be demonstrable from a consumer's perspective.⁷²⁷ It could be argued whether this harm in the form of raising consumers' search costs is sufficient to justify granting protection against dilution.

It is noteworthy that regarding the types of harm, Dinwoodie explains that dilution is limited to blurring and tarnishment.⁷²⁸ However, prior to the TDRA, the concept of dilution arguably encompassed misappropriation. The US cause of action might, for example, simply be another mechanism for reducing search costs, thus, serving the same objectives as the classic infringement cause of action in instances involving different goods.⁷²⁹ Furthermore, Whittaker points out that the FTDA was originally established to comply with international agreements, such as TRIPS.⁷³⁰ This could be the reason why courts often apply the 'likelihood of confusion' test to trade mark dilution. Whittaker clarifies that prior to the TDRA, courts in the US, the EU and Canada struggled in differentiating between the traditional trade

⁷²⁴ Ibid 1035

⁷²⁵ Ibid. Citing S Dogan see fn38. S Dogan and M Lemley, 'The Merchandising Right: Fragile Theory or Fait Accompli?' (2005) 54 Emory L.J. 461, 493

⁷²⁶ Ibid 1058

⁷²⁷ Ibid

⁷²⁸ G Dinwoodie, 'Dilution as Unfair Competition: European Echoes' (2014) Intellectual Property at the Edge: Oxford Legal Studies Research Paper 9

⁷²⁹ Ibid

⁷³⁰ K Whittaker, 'Trademark Dilution in a Global Age' (2006) 27 U. Pa. J. Int'l Econ. L. 907, 933

mark infringement, which requires consumer's confusion, from trade mark dilution which does not.⁷³¹ Whittaker explains that US courts tend to rely on the standard they are more comfortable with, i.e. the likelihood of confusion, when dealing with dilution claims.⁷³²

It is worth mentioning that trade mark law in principle was not originally conceived as a way to confer exclusive rights to marks; it was aimed at protecting the clarity of information in the marketplace.⁷³³ If the use of a mark does not impair that clarity, there is no concrete social benefit to forbid the use.⁷³⁴ The doctrine of dilution goes way beyond the traditional trade mark infringement test, it is believed that the doctrine of dilution is a potent legal tool, and that several risks and harmful effects would emerge from applying it, i.e. granting the right to the famous mark owner to control the market. According to Fhima, anti-dilution protection 'spans junior uses across all product markets, could chill competition throughout the market, prevent legitimate use, and create monopolies in trademarks'.⁷³⁵ Furthermore, Tarawneh elaborates with reference to Dawson's explanation that dilution action is 'a potential prohibition of uses where no verifiable damage occurs at all, forming a quasi-copyright action' which is seen as a method 'to undermine the utility of registering trade marks within a class according to actual use'.⁷³⁶ In addition, Assaf provides an important contribution in explaining how the trade mark law neglected the protection of consumers to focus on protecting brand names, which is an unpleasant approach;

The protection of commercial magnetism takes trademark law far away from the goal of preventing consumer confusion, turning it into a

⁷³¹ Ibid

⁷³² Ibid

⁷³³ Breitschaft (n 709) 498

⁷³⁴ Dogan (n 703) 106

⁷³⁵ Fhima (712) 633

⁷³⁶ N Dawson, 'Famous and Well-Known Trade Marks: Usurping A Corner of The Giant's Robe' (1998) I.P.Q. 350, 376 (as cited in J Tarawneh, 'A New Classification for Trade Mark Functions' (2016) IPQ 352, 364).

tool of protecting advantages gained by exploitation of the tendency toward irrational, magical thinking. Protecting commercial magnetism, trademark law ultimately makes the investment in magical advertising more profitable and thus provides corporations with an additional incentive to employ it; this outcome is undesirable.⁷³⁷

Moreover, Tarawneh explains that according to Gerhardt by offering anti-dilution protection to trade mark owners, 'courts will be overlooking the significant investments consumers make in brands'.⁷³⁸ The dilution debate, pre- and post-TDRA, reveals the overall uncertainty regarding its meaning. For instance, what does dilution protect? Does dilution exist to protect famous marks from unfair competition? Does dilution protect famous marks from free-riding? Or does it aim to protect famous marks from the whittling away of their singularity and uniqueness? It is believed that this uncertainty is why Jordan has adopted a different version of dilution from the one implemented under US law. Analysis of the US perspective of dilution, before and after the TDRA, will provide insight into the source and origins of the Jordanian definition and understanding of dilution.

4.2.1 The Uncertainty of the Concept of Dilution

The complexity of the concept of dilution has perhaps left courts divided, justifying granting anti-dilution protection based on different standards. Occasionally, US courts would grant anti-dilution protection to protect a mark's singularity and uniqueness, and in other cases to prevent instances of unfair competition. It may be argued that the difference between courts' decisions and reasoning for granting anti-dilution protection, is because the US, when dilution was first adopted, mirrored Schechter's views on protecting strong marks against dilution. However, the legislation was subsequently broadened to include more extensive protection of dilution from

⁷³⁷ K Assaf, 'Magical Thinking in Trademark Law' (2012) 37 Law & Social Inquiry 597, 610

⁷³⁸ Tarawneh (n 717) 364

that provided by Schechter.⁷³⁹

Prior to the TDRA, for instance, in *Mead Data*, the court placed its attention on protecting the mark from the ‘diminution of uniqueness’ and the preservation of its singularity by preventing the whittling down of its distinctiveness.⁷⁴⁰ The court clarified that the distinctiveness of the mark is equated to the mark’s strength, uniqueness, or secondary meaning.⁷⁴¹ This is seen in *Mead Data*, where the plaintiff used LEXIS as a trade mark for computer-assisted legal research services.⁷⁴² The plaintiffs sued Toyota, alleging that its LEXUS brand diluted the plaintiff’s mark in the LEXIS. The District Court found that under the New York’s anti-dilution statute, Toyota’s use of LEXUS is likely to dilute the distinctive quality of LEXIS.⁷⁴³ The court suggested that LEXIS is distinctive and that the proper inquiry with respect to distinctiveness is whether the mark can distinguish its product from others and is uniquely associated with the source of that product. The provision of the New York anti-dilution statute is designed to prevent ‘the whittling away of an established trademark’s selling power and value through its unauthorized use by others upon dissimilar products’.⁷⁴⁴ The court emphasised that the statute protects the trade mark’s ‘selling power’; specifically, it stated that ‘[t]he interest protected by § 368-d is . . . the selling power that a distinctive mark or name with favorable associations has engendered for a product in the mind of the consuming public’.⁷⁴⁵ Additionally, in *Tiffany*, the court explained that the real injury in such cases that involves protection against dilution of dissimilar goods is

⁷³⁹ D Franklyn, ‘Debunking Dilution Doctrine: Toward a Coherent Theory of the Anti-Free-Rider Principle in American Trademark Law’ (2005) 56 Hastings L.J. 117,125

⁷⁴⁰ M Taviss, ‘In Search Of A Consistent Trademark Dilution Test’ (1990) 58 U. Cin. L. Rev. 1449, 1461

⁷⁴¹ Ibid 1467

⁷⁴² *Mead Data Central, Inc., v. Toyota Motor Sales, USA Inc.*, 875 F.2d 1026 (2d Cir. 1989)

⁷⁴³ Ibid

⁷⁴⁴ Ibid

⁷⁴⁵ Ibid

The gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods. The more distinctive or unique the mark the deeper is its impress upon the public consciousness and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used.⁷⁴⁶

On the other hand, courts frequently adopt a different approach when granting protection against dilution.⁷⁴⁷ The focus in these cases shifts from preserving the famous mark's singularity to protecting it against unfair competition. In *Victoria's Secret*, the court, in analysing the selling power of the famous mark, examined 'how that loss of power and economic value could be proved'.⁷⁴⁸ According to the court's analysis, they found with regards to the statutory dilution concept that the requisite harm could only be shown by evidence of some form of product-diverting consumer confusion.⁷⁴⁹ It may be argued that the court's interpretation is focused on 'unfair competition' presuming that harm will emanate where consumers shift to another source bearing the same mark on dissimilar product. Thus, there is sort of an association or affiliation in the reasonable buyer's mind between the two parties' uses of the mark.⁷⁵⁰ Additionally, in *Prozac v Herbrozac*,⁷⁵¹ the court referred to *Ringling Brothers*,⁷⁵² where the court clarified that the definition of dilution under the Lanham Act, 'the lessening of the capacity of a

⁷⁴⁶ *Tiffany Co. v. Tiffany productions, Inc.*, Supreme Court, New York County 147 Misc. 679 (N.Y. Misc. 1932)

⁷⁴⁷ Long (n 722) 1036

⁷⁴⁸ *Victoria's Secret Catalogue v. Moseley Victor's little Secret*, United States Court of Appeals, Sixth Circuit. 259 F.3d 464 (6th Cir. 2001). This decision was appealed to the Supreme Court - *V Secret Catalogue v. Moseley Victor's little Secret*, U.S. Supreme Court 537 U.S. 418 (2003). Subsequently, it returned to the Circuit Court - *V Secret Catalogue v. Moseley*, 605 F.3d 382 (6th Cir. 2010)

⁷⁴⁹ *Victoria's Secret Catalogue v. Moseley Victor's little Secret*, United States Court of Appeals, Sixth Circuit. 259 F.3d 464 (6th Cir. 2001)

⁷⁵⁰ Mead Data (n 742)

⁷⁵¹ *Eli Lilly Co. v. Natural Answers, Inc.* 233 F.3d 456 (7th Cir. 2000)

⁷⁵² *Ringling Bros-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*, 170 F.3d 449, 461 (4th Cir. 1999)

famous mark to identify and distinguish goods or services', is as follows: 'the end harm at which [the Act] is aimed is a mark's selling power, not its "distinctiveness" as such'.⁷⁵³

Furthermore, Dogan clarifies that Schechter's theory is compatible with the theoretical model described by Landes and Posner,⁷⁵⁴ according to which trade mark protection exists in order to reduce consumer search costs; which is the classical trade mark economic theory.⁷⁵⁵ Therefore, if unique marks are not protected against dilution, consumers who once associated the mark with its owner will have to look further for more information about the product, thus increasing consumer search costs. However, the doctrine has not remained the same, as it has developed to include protection against dilution by free-riding. Dogan elaborates that under this view, the inquiry in dilution cases is not whether a defendant's use destroys a mark's uniqueness, but whether the defendant has somehow profited by evoking the famous mark in the minds of the public.⁷⁵⁶ It is argued that pre-FTDA, some US courts would appear to endorse a broader version of dilution than Schechter's formulation. Furthermore, Dogan illustrates that prior to the TDRA, courts acknowledged granting protection where the defendant attempted to trade on the fame of the protected mark, and observes that

The Ninth Circuit described Congress's goal in passing the FTDA as preventing "out-of-market free riding". Even when they did not explicitly mention free-riding, courts often presumed dilution based solely upon a "mental association" between a defendant's mark and the plaintiff's.⁷⁵⁷

⁷⁵³ Eli Lilly Co. (n 751)

⁷⁵⁴ W Landes and R Posner, 'Trademark Law: An Economic Perspective' (1987) 30 Journal of Law and Economics 265 <<https://cyber.harvard.edu/IPCoop/87land1.html>> Accessed 27 November 2018

⁷⁵⁵ Dogan (n 703) 104

⁷⁵⁶ Ibid

⁷⁵⁷ Ibid

Schechter's perception of dilution was to protect the singularity of the mark. However, the uncertainty of the concept of dilution is notable among courts, as to whether dilution encompasses protection against free-riding on the coattails of the famous mark and its goodwill.⁷⁵⁸ At times, courts have been influenced to find liability by the perceived unfairness of a defendant's free-riding on the mark owner's goodwill.⁷⁵⁹ In *TY Inc. v. Perryman*,⁷⁶⁰ the court assumed that the doctrine of dilution is applied in situations where someone is free-riding on the trade mark and the investment made by the trade mark owner.⁷⁶¹ However, it has never been fully agreed that dilution extends to prevent others from free-riding on the mark's goodwill. Bone explains that the theory of dilution including protection against free-riding, 'has never been expressly recognized in dilution law and is not included explicitly in Section 43(c).'⁷⁶² Dilution protection is not explicitly provided against free-riding; however, the court in *TY Inc v. Perryman* ruled that dilution against free-riding should be granted. Although this decision; the protection against free-riding as a form of dilution protection, was later overruled, the gist of referring to this case is to highlight that dilution theory encompassed free-riding, which occurred prior to the TDRA. The conception and implementation of dilution has arguably evolved throughout the years.

Although the TDRA excludes free-riding as a form of dilution protection, scholars such as Franklyn⁷⁶³ and Long⁷⁶⁴ claim that free-riding is a third type of dilution. Protection against dilution is a valuable property right that is recognised to preserve the mark's uniqueness or singularity.⁷⁶⁵ Furthermore,

⁷⁵⁸ R Bone, 'A Skeptical View of the Trademark Dilution Revision Act' (2007) 11 Int. Prop. L. Bull. 187,189

⁷⁵⁹ Ibid 188

⁷⁶⁰ *TY Inc. v. Perryman* 306 F.3d 509 (7th Cir. 2002)

⁷⁶¹ Ibid 511

⁷⁶² Bone (n 758) 189

⁷⁶³ Franklyn (n 739)

⁷⁶⁴ Long (n 722) 1059

⁷⁶⁵ Ibid 1060

there was an urge to request from the Congress to treat dilution as a form of trespass on property, because the owner of the famous mark has spent time and investment needed to build up the goodwill in these marks.⁷⁶⁶ Long argues that 'the FTDA created a trademark entitlement that allowed holders to control a broad range of uses of the mark, the violation of which would be similar to trespass'.⁷⁶⁷ It seems that free-riding is another type of dilution, as it aims to protect the famous trade mark from any use by another third party from coming close to the aura of that famous mark. This type, if not prohibited, it would give a competitive boost to a second user from using a famous mark.⁷⁶⁸ In fact, Franklyn argues that although the US dilution law is supposed to prevent dilutive harm, it really is about preventing free-riding on famous marks.⁷⁶⁹ He clarifies that there is a contradiction between dilution's stated objective and its hidden goal. Free-riding on a famous mark is deemed to be unethical, unfair and economically undesirable, because there is a basic conviction that 'one should not reap where one has not sown'.⁷⁷⁰ However, it is not explicitly stated that anti-free-riding protection shall be granted, and it is not an instrument that judges should be entitled to use. Franklyn elaborates on the risk of applying anti-free-riding that 'there may be a fear that a cause of action which prohibits free-riding without any proof of harm would be far too broad'.⁷⁷¹ It is dangerous to grant anti-free-riding protection as it might trample on other important interests of persons and companies that are searching for new trade marks.⁷⁷²

⁷⁶⁶ Long (n 722) 1060

⁷⁶⁷ Ibid 1059

⁷⁶⁸ Ibid 1061

⁷⁶⁹ Franklyn (n 739) 117

⁷⁷⁰ Ibid 118-119

⁷⁷¹ Ibid 119

⁷⁷² Ibid

Also, it is important to note that among US courts there is misunderstanding regarding the existence of a dilution remedy, as seen in *Mead Data*⁷⁷³ and *Tiffany*,⁷⁷⁴ as illustrated by Taviss.⁷⁷⁵ However, their decisions appeared to rely on finding confusion or an intent to confuse for their holdings, which dilution theory is not concerned of finding consumer's confusion.⁷⁷⁶ Beebe has provided a compelling explanation that the real meaning of dilution lies behind misappropriation.⁷⁷⁷ He illustrated that dilution theory has managed over the years to 'mean many different things to many different people'.⁷⁷⁸ Beebe points out that the concept of dilution remains an enigma, and although the impact of Schechter's *Rational Basis* has been profound, it has also been scattered and confused.⁷⁷⁹ He argues that at the time Schechter was writing his article, the *Odol* case to which he referred to,⁷⁸⁰ was understood back then by German courts and commentators as a misappropriation case.⁷⁸¹ Beebe argues that Schechter knew that his thinking –much like the *Odol* decision– was synced with the commercial realities of his time but strangely out of sync with its legal thought.⁷⁸² Beebe analyses the *Odol* case along with Schechter's article, and points out that Schechter made an effort to avoid referring to the doctrine of misappropriation.⁷⁸³ Furthermore, Beebe clarifies that the *Odol* court decided

⁷⁷³ *Mead Data* (n 742)

⁷⁷⁴ *Tiffany & Co.* (n 746)

⁷⁷⁵ Taviss (n 740) 1457

⁷⁷⁶ *Ibid*

⁷⁷⁷ B Beebe, 'The Suppressed Misappropriation Origins of Trademark Antidilution Law: the Landgericht Elberfeld's *Odol* Opinion and Frank Schechter's *The Rational Basis of Trademark Protection*' (2013) in *Intellectual Property at the Edge: The Contested Contours of IP* 59 (Rochelle Cooper Dreyfuss and Jane C. Ginsburg, eds., Cambridge University Press, 2014) 4

⁷⁷⁸ *Ibid*

⁷⁷⁹ *Ibid* 3

⁷⁸⁰ *Ibid*

⁷⁸¹ *Ibid* 11

⁷⁸² *Ibid* 4

⁷⁸³ Beebe (n 777) 13

that 'it is opposed to good morals to appropriate thus the fruits of another's labor in the consciousness that that other will or may thereby be damaged', which explains that what is important is not whether the public will be misled, but whether the work of another is subject to unfair exploitation through the copying of one of the most well-known marks in the entire German marketplace.

In addition to the abovementioned differences of perspectives among scholars of the concept of dilution, it may be argued that dilution has taken a different approach today from what Schechter called for. Schechter called for protecting the singularity and the uniqueness of the mark, where the mark is fanciful and coined and which obtains a selling power that must be preserved and protected. However, dilution under the TDRA is targeted to protect marks with whether inherent or acquired distinctiveness.⁷⁸⁴ Also, Schechter's views were specific to marks in situations where another party adopts the same mark on a non-competing product. It may be argued that this is a stricter and more narrowed approach than the TDRA. Furthermore, the uncertainty of the concept of dilution arises where the use of the famous mark in commerce by another party without explicitly stating within the TDRA how similar the marks should be. In some instances, courts have required nearly identical similarities, and other courts have mandated little similarities between the two marks to suffice the 'similarity' condition mandated under the TDRA.⁷⁸⁵ Nevertheless, the TDRA has gone far from Schechter's views which called for protecting 'the same mark' on dissimilar goods, whereas the TDRA solely refers to 'similarity'. Another observation on the development of dilution is by reference to the FTDA, where the law mandated an actual

⁷⁸⁴ 15 U.S. Code § 1125(c)(1). It is noteworthy that the requirement of a fanciful and coined marks is not a requirement under the statutory law which speaks of distinctiveness whether inherent or 'acquired through use'. This means that even descriptive marks like American Airlines may be eligible for dilution protection, contrary to Schechter's thinking. This would therefore support the argument that dilution laws had never been about implementing Schechter's theory.

⁷⁸⁵ This is further explained in this Chapter, 4.3.1 Requirements to Assess Likelihood of Dilution, 173. Also mentioned earlier in Chapter Two, 2.2 Pre-Conditions for Anti-Dilution Protection, 55

dilution, whereas today the TDRA requires likelihood of dilution.⁷⁸⁶ It may be argued that the legislation now requires a simpler proof than what was previously required by the FTDA. It seems that Schechter's views were more narrowed in comparison to the TDRA.

It is believed that the reason for amending the FTDA was to secure more protection for famous marks by providing protection where dilution is likely to occur. Arguably, by stipulating more lenient conditions and requirements to ease the process for famous mark owners to obtain monopoly. Generally speaking, famous mark owners tend to argue that their marks must be strongly protected, as owners allege that any third party coming close to the aura of their mark, whether the use of a similar mark to that famous mark is trivial or not, is deemed harmful.⁷⁸⁷ One may suggest that the harm the owners are referring to is difficult to prove, as the law requires likelihood of dilution instead of actual dilution. It may be argued that the doctrine of dilution, which is largely considered a property right, contains a prevention of any sort of unauthorised commercial use of the mark, regardless of an actual economic injury. The TDRA provides protection to famous marks despite competition, consumers' confusion, and economic harm.⁷⁸⁸ Arguably, the dilution theory has evolved and changed throughout the years: it is moving away from a stricter approach to a more lenient one. It might be presumed that the future of dilution and the scope of this theory might become even wider in order to prevent any sort of action undertaken by third parties that intend to come close to the aura of the famous trade mark.

Evidently, the TDRA defines dilution by blurring as an impairment to the distinctiveness of the famous mark.⁷⁸⁹ In addition, dilution by tarnishment is defined within the TDRA as harm caused to the famous mark's reputation if

⁷⁸⁶ *Moseley v. V Secret Catalogue, INC.* 537 U.S. 418 (2003). Also, mentioned earlier in Chapter One, 1.2.6 The Notion of Dilution, page 22

⁷⁸⁷ (Case C-252/07) *Intel Corp Inc v. CPM United Kingdom Ltd* [2009] Bus LR 1079, 1087. 'Owners of famous marks have a particular interest in creating as wide an exclusion zone as possible around their marks'.

⁷⁸⁸ 15 U.S. Code § 1125(c)(1)

⁷⁸⁹ 15 U.S. Code § 1125(c)(2)(b)

used by another.⁷⁹⁰ Accordingly, the owner of a famous mark is granted an injunctive relief without the need to prove an actual economic harm to his/her businesses as far as proof is provided where the distinctiveness of the famous mark is likely to be impaired or the reputation of the famous mark is likely to be harmed. The requirements and conditions that should be proved to succeed in a dilution claim, along with the types of dilution, will be discussed below. It is believed that the analysis of the types of dilution under the TDRA will enhance the conception of the dilution theory among Jordanian legal practitioners. Accordingly, this will assist Jordanian courts in dealing with dilution claims, to take all necessary precautions and limit any excessive use of dilution.

4.3 Dilution Protection Under US Law

Section 1125(c)(1) of the Trademark Dilution Revision Act of 2006 (the 'TDRA') states:

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.⁷⁹¹

Accordingly, federal dilution is actionable in two situations: dilution by blurring, and dilution by tarnishment, arguably to remove any conception of dilution as a remedy against free-riding, unfair competition or misappropriation.⁷⁹² The burden of proof is on the plaintiff to establish that association between the plaintiff's mark and the second user's mark is likely

⁷⁹⁰ 15 U.S. Code § 1125(c)(2)(c)

⁷⁹¹ 15 U.S.C §1125 (c)(1)

⁷⁹² 15 U.S.C § 1125 (c)(1). Also, *Starbucks v Wolfe's Borough*, 588 F.3d 97 (2d Cir. 2009). Also, G Dinwoodie and M Janis, 'Dilution's (Still) Uncertain Future' (2006) Michigan Law Review First Impressions 98

to blur or tarnish the meaning of the plaintiff's mark in the minds of the public.⁷⁹³ Also, the TDRA provides a definition of what constitutes dilution by blurring and dilution by tarnishment.⁷⁹⁴ It also sets non-exclusive factors for the court to take into consideration when examining a case that involves dilution by blurring.⁷⁹⁵ The provision confers protection against dilution to the owner of a famous mark where the owner is entitled to injunctive relief against others to stop acts that would blur the mark's distinctive character or tarnish the reputation of that mark.⁷⁹⁶ Protection from dilution is much broader than traditional trade mark protection, as the latter relates to marks on products in the same market that could cause confusion.⁷⁹⁷ On the other hand, protection against dilution is granted even though confusion among consumers, competition, or actual economic harm may not exist.⁷⁹⁸ The central inquiry is whether the junior use of the mark reduces the ability of the mark to 'serve as a unique identifier of [the senior user's] products and services'.⁷⁹⁹ For instance, the court in *Levi v Abercrombie*⁸⁰⁰ explained that dilution and likelihood of confusion tests are directed at different actions. While dilution is formed to protect the mark itself, the traditional infringement test is aimed at protecting consumers from confusion.⁸⁰¹ As the concept of dilution is controversial,⁸⁰² it is important to consider the meaning of dilution in US in order to enlighten Jordanians on the concept of dilution.

⁷⁹³ Dogan (N 703) 107

⁷⁹⁴ 15 U.S.C § 1125 (c)(2)(b) and (c)(2)(c)

⁷⁹⁵ 15 U.S.C § 1125 (c)(2)(b)

⁷⁹⁶ Foundation v. Modernica, Inc., 12 F.Supp.3d 635, 647 (S.D.N.Y. 2014). Also, Long (n 722) 1037

⁷⁹⁷ Foundation v. Modernica (n 796)

⁷⁹⁸ 15 U.S.C. § 1125(c)(1)

⁷⁹⁹ Foundation v. Modernica (n 796)

⁸⁰⁰ Levi Strauss Co. v. Abercrombie Fitch 633 F.3d 1158 (9th Cir. 2011)

⁸⁰¹ Ibid

⁸⁰² Handler (n 704) 639

4.4 Dilution by Blurring

Dilution by blurring is defined under the TDRA as 'the association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark'.⁸⁰³ Franklyn draws on McCarthy's explanation of dilution by blurring, illustrating that when a famous mark's commercial magnetism becomes blurred, it becomes less capable of functioning as a strong brand identifier when other companies are allowed to use the same or similar mark to sell a variety of unrelated goods.⁸⁰⁴ In *Visa*,⁸⁰⁵ the court illustrated that dilution by blurring occurs when a mark previously associated with one product also becomes associated with a second.⁸⁰⁶ Therefore, the mark's singularity vanishes when used by another party and, as a consequence of using the famous mark, it weakens its ability to evoke the first product in the mind of consumers.⁸⁰⁷ Furthermore, in *Starbucks*, the court gave classic examples of blurring, 'hypothetical anomalies as Dupont shoes, Buick aspirin tablets, Schlitz varnish, Kodak pianos, Bulova gowns,' etc.⁸⁰⁸ The primary concern in blurring actions is to prevent 'the whittling away of an established trademark's selling power through its unauthorized use by others'.⁸⁰⁹ The injury addressed by anti-dilution law, in fact, occurs when marks are placed in new and different contexts, thereby weakening the mark's ability to bring to mind the plaintiff's goods or services.⁸¹⁰ Beebe explains:

⁸⁰³ 15 U.S.C. § 1125 (c)(2)(B)

⁸⁰⁴ Franklyn (n 739) 119

⁸⁰⁵ Visa Inter. Ser. Ass'n v. JSL Corp 610 F.3d 1088 (9th Cir.2010)

⁸⁰⁶ Levi Strauss v. Abercrombie Fitch (n 800)

⁸⁰⁷ Visa Inter. (n 805) 1090

⁸⁰⁸ *Starbucks v Wolfe's Borough* (n 792). Also, *Louis Vuitton Malletier* (n 714). *Foundation v. Modernica* (n 796) 648. Also, *Tiffany (NJ) Inc. v. eBay Inc*, 600 F.3d 93 (2d Cir. 2010) *at 111

⁸⁰⁹ *Starbucks v Wolfe's Borough*, 736 F.3d 198 (2d Cir. 2013)

⁸¹⁰ Visa Inter. (n 805) 1092

While two identical marks coexisting in the same marketplace will by definition negate each other's uniqueness, they need not blur each other, i.e., they need not increase consumer search costs or otherwise require consumers to "think for a moment" before recognizing the respective sources of the marks. This is especially the case when one of the marks is very strong.⁸¹¹

This is arguably logical if a distinctive or famous mark, such as Apple, that is used for electronics, will be used on cars, restaurants or as a trade mark for a coffee shop. The outcome is that the Apple mark, where it was associated to one type of products, will now be associated with various products, whether on related or unrelated goods. Although 'Apple' is a generic designation of a type of fruit, it is a trade mark that has acquired a secondary meaning. According to the TDRA, a mark that is inherently distinctive or has acquired distinctiveness is included within the definition of a 'famous' mark.⁸¹² Therefore, 'Apple' may also succeed in being considered a famous mark if it meets other conditions as well. The distinctiveness factor is covered by acquired distinctiveness. In this example, if the mark 'Apple' is considered a famous mark, and if it is used by another third party on similar or dissimilar products, the distinctiveness of the mark will be impaired. It is understood that dilution theory is today applied where the famous mark initially was single and unique in the marketplace, but now another user is competing with that famous mark in a way that it is causing it to be less distinctive. Therefore, dilution is applicable in situations where another user is affecting the distinctiveness of that famous mark. The TDRA does not specify how similar the marks must be to satisfy the first factor of dilution, as a result courts' decisions varies when examining the degree of similarity between the marks. It could be contended that this is a significant difference between the dilution theory and the traditional infringement test, where the latter considers consumers' confusion when testing the similarity of the marks. However, in dilution claims, no test of consumers' confusion is

⁸¹¹ Beebe (n 706) 1149. Also, Franklyn (n 739) 119

⁸¹² 15 U.S.C. § 1125 (c)(1)

undertaken; instead, the question that arises is whether the two marks are similar for consumers to associate the two marks.

In addition, the TDRA abandoned the condition of proving 'actual dilution' that was mandated in the FTDA in favour of 'likelihood of dilution'. It may be argued that due to the broad scope of dilution, it is important to set the threshold bar high in order to prove that the mark is actually famous and therefore meets the condition that makes it eligible for protection against dilution. Accordingly, Beebe suggests that a proof of survey evidence or testimony from actual consumers should be provided by the plaintiff, rather than focusing more on proving just the formal similarities between the famous mark and the second user's mark, as a proof of dilution by blurring.⁸¹³ Therefore, it is important to follow the steps of the court in *Louis Vuitton*, and undertake a cautious and gradual approach when analysing a dilution claim.⁸¹⁴ Subsequently, it is essential to analyse the list of conditions under the TDRA, as well as the ones the courts tend to examine when dealing with dilution claims in order to enhance the legal system in Jordan.

4.5 Requirements to Assess the Likelihood of Dilution

The Jordanian legislation lacks a detailed and explicit list of conditions to assist courts in examining dilution. As a consequence, Jordanian courts tend to believe that once it is established that a mark is well-known, anti-dilution protection is automatically granted without examining whether dilution is likely to occur. Anti-dilution protection is not an automatic relief once a mark's renown or fame is established; dilution remedy comes with significant cumulative conditions attached. The TDRA list factors to be considered in a federal trade mark dilution claim under Section 43(c) of the Lanham Act: (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

⁸¹³ Beebe (n 706) 1149. Also, Franklyn (n 739) 119

⁸¹⁴ *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 266 (4th Cir. 2007) at *18

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; and (vi) any actual association between the mark or trade name and the famous mark.⁸¹⁵

Upon proving that the mark is famous, the first factor to examine whether there is a likelihood of dilution is ‘association’. The latter is expressly stated in the definition of both dilution by blurring and dilution by tarnishment in the Trademark Dilution Revision Act 2006; i.e. the association arising from the similarity between a mark or trade name and a famous mark.⁸¹⁶ It is the similarity between the senior and junior mark that establishes the association which is referred to as the ‘bridge’.⁸¹⁷ It is important to note that ‘association’ like ‘fame’ serves as a threshold condition which must be proved.⁸¹⁸ Unless there is some sort of mental association, dilution is unlikely to ensue. The District Court in *Starbucks* found that the first factor, the similarity of the marks, was in favour of Black Bear, because the marks were only minimally similar when presented in commerce.⁸¹⁹ This is evident where Charbucks marks are viewed on the packaging, which include the phrases ‘Charbucks Blend’ or ‘Mister Charbucks’.⁸²⁰ However, the Second Circuit concluded that ‘the District Court erred to the extent it required “substantial” similarity between the marks’.⁸²¹ It may be argued that the District Court’s approach is most favourable because it limits dilution; hence, suggesting that minimal similarity does not trigger dilution. If dilution is envisaged as a negative impact on the market, accepting minimal similarity will increase the drawbacks of applying the dilution theory. Another important element that

⁸¹⁵ 15 U.S.C. § 1125(c)(2)(b)

⁸¹⁶ Lanham Act 1946, §43 (c)(2)(B). § 1125(c)(1)(b). Also, *Levi Strauss v. Abercrombie Fitch* (n 800)

⁸¹⁷ I Fhima, *Trade Mark Dilution in Europe and the United States* (OUP 2011) 65 and 76

⁸¹⁸ D Welkowitz, ‘Famous Marks Under The TDRA’ (2009) TMR 891, 996

⁸¹⁹ *Starbucks* (n 809)

⁸²⁰ *Ibid* at *11

⁸²¹ *Ibid* at *9

Jordanian courts should bear in mind in such examination is that the two marks should be considered as a whole, without focusing solely on the part that is similar to the famous senior mark.

The gist of this first condition is to assess the degree of similarity between the subject marks, i.e. how likely is it that the later sign will call to mind the earlier mark. The similarity between the two marks is the key for consumers to associate the two marks, and thus establish 'association'.⁸²² It may be argued that 'association' is an important element because it is mentioned several times within the law. It is first incorporated in the definition of both forms of dilution and is later listed again as one of the conditions under Section 43(c) of the Lanham Act.⁸²³ However, it is noteworthy that satisfying a mental association must not lead courts to establish that dilution may occur, as this condition is not sufficient on its own to succeed in dilution claims.⁸²⁴ It is essential that courts take into consideration all the relevant factors when assessing dilution. Indeed, although mental association is the first factor, US courts do not stop at this conclusion but examine a series of conditions before conferring anti-dilution protection. Therefore, association is not the only factor that the courts base their decisions upon. For instance, in *Victoria's Secret*, the Supreme Court declared that 'the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution'.⁸²⁵ For the purposes of establishing 'association', the similarity of the marks is analysed as one of the six factors when determining whether a mark or trade name is likely to cause dilution by blurring rather than a preliminary association stage or a separate analysis.⁸²⁶

⁸²² Ibid at *10. Also, 15 U.S.C §1125(c)(2)(B)

⁸²³ (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.

⁸²⁴ Franklyn (n 739) 150

⁸²⁵ *V Secret v. Moseley* (n 777) at 433

⁸²⁶ Fhima (n 817) 73 and 77. Also, *Levi Strauss v. Abercrombie Fitch* (n 800)

Apart from proving association, there are five more non-exhaustive factors to overcome in order to succeed in a dilution claim, which are listed in Section 1125(c)(2)(b).⁸²⁷ The Court of Appeal in *Louis Vuitton Malletier v. Haute Diggity Dog* criticised the District Court for analysing every factor and explained that the factors are there to direct the court, therefore, the court shall adopt the conditions that are relevant to the lawsuit.⁸²⁸ Moreover, the court elaborated that not every blurring claim will require extensive discussion of the factors, and it suggested that the trial court must provide a sufficient indication of the factors that the court has found to be persuasive, and thus illustrated the reason why those elements are persuasive. It is important to note that this accords with the language of Section 1125(c)(2)(b), providing that 'the court may consider all relevant factors, including the following...' This indicates that the law offers flexibility in two respects. Firstly, the court may or may not look into all factors of the provision. Secondly, the court, outside the statutory factors, may consider other relevant factors in the light of the specific circumstances of the dispute. It may be contended that while the *Louis Vuitton* court's reasoning is compatible with the legislation, it seems that the law allows judges a great deal of leeway if needed. Also, it may be argued that the language of the law indicates that dilution is not as strict as it should be. However, the stance of the court in *Starbucks*⁸²⁹ is different from that adopted by the court in *LVM*.⁸³⁰ The court in *Starbucks* undertook a thorough analysis of the conditions, one by one, and demanded that all conditions must be fulfilled to win a dilution claim. It may be argued that the reason for this could be that courts realise that a dilution analysis is subtle and highly fact-specific. Therefore, dilution protection is granted only if the famous mark owners demonstrate they deserve this special protection in the light of the wording

⁸²⁷ 15 U.S.C. § 1125 (c)(2)(B) (i)-(vi)

⁸²⁸ While the court of Appeal in *Louis Vuitton Malletier v. Haute Diggity Dog* criticised the District Court for analysing every factor. The Court of Appeal explained that the factors are there to direct the court, thus, the court shall take solely what is relevant.

⁸²⁹ *Starbucks v Wolfe's Borough* (n 792)

⁸³⁰ *Louis Vuitton Malletier v. Haute Diggity Dog* (n 814)

and spirit of the legislation. Moreover, it may be argued that if a mark is famous and strong it should be capable of fulfilling all the requirements to succeed in a dilution claim.

In analysing the conditions, the court in *Starbucks*⁸³¹ commenced the examination by looking first at 'the degree of similarity between the parties' marks'. The Second Circuit found that the analysis of the District Court was accurate in its decision, where the court decided that there is minimum similarity between Charbucks and Starbucks.⁸³² It is important to note that the Second Circuit in *Starbucks*⁸³³ undertook a comprehensive discussion of the TDRA,⁸³⁴ and this thesis argues this is an important feature that Jordanian courts should follow and adopt before reaching a favourable decision. The court elaborated on the 'similarity' element clarifying that 'although "Ch"arbucks is similar to "St"arbucks in sound and spelling, it is evident from the record that Charbucks marks as they are presented to consumers are minimally similar to the Starbucks marks'.⁸³⁵ Furthermore, the Court added that 'the Charbucks line of products are presented as either "Mister Charbucks" or "Charbucks Blend" in packaging that displays the "Black Bear" name in no subtle manner'.⁸³⁶ Moreover, in *Pfizer*,⁸³⁷ the court, when analysing similarity between the marks, examined the pronunciation and appearance of each mark and the manner in which they are presented to consumers. It is worth noting that even if the two marks are similar, this is not enough to succeed in a dilution claim as a plaintiff must still submit evidence regarding 'all relevant factors in determining the presence of

⁸³¹ *Starbucks v Wolfe's Borough* (n 792)

⁸³² *Ibid* at 106

⁸³³ In the Starbucks case; the coffee retailer Starbucks brought dilution claims against a company that marketed and sold a coffee branded "Charbucks Blend" and "Mister Charbucks." The District Court and subsequently the Second Circuit found that the Charbucks logo did not resemble the Starbucks marks.

⁸³⁴ *Louis Vuitton Malletier* (n 714)

⁸³⁵ *Levi Strauss v. Abercrombie Fitch* (n 800). Also, *Tiffany v. eBay* (n 808) at *111

⁸³⁶ *Starbucks v. Wolfe's Borough* (n 792) at 106

⁸³⁷ *Pfizer, Inc. v. Y2K Shipping Trading, Inc.*, No. 00 Civ. 5304, 2004 WL 896952, at *2 (E.D.N.Y. Mar. 26, 2004)

dilution by blurring'.⁸³⁸ Based on the factors set forth in Section 1125(c)(2)(B), a plaintiff must prove, including the degree of similarity, that a junior mark is likely to impair the distinctiveness of the famous mark.⁸³⁹

The standard undertaken by the US courts requires the owner to fulfil all the elements listed in Section 1125(c)(2)(B) to succeed in a dilution claim. This is a preferable approach as it limits the scope of dilution. However, it may be argued that the 'similarity' condition is more lenient than what Schechter originally called for, as it covered protecting the same mark when used by another party. Arguably, the courts have distanced themselves from requiring 'substantial' similarity, 'identity' or 'near identity' of the two marks.⁸⁴⁰ The court in *Levis* did not adopt this rule, explaining that the legislation requires merely 'similarity'.⁸⁴¹ However, since the legislation does not require minimal or substantial similarity,⁸⁴² McCarthy explains that 'the marks must at least be similar enough that a significant segment of the two target groups of customers sees the two marks as essentially the same'.⁸⁴³ It is believed that if US courts accept minimal similarity between the marks, more marks will be capable of satisfying the 'similarity' condition. Accordingly, a lenient condition will attract more marks to succeed in establishing similarity,⁸⁴⁴ as they will not need to be too similar to the senior mark but some degree of similarity would be sufficient.

⁸³⁸ *Starbucks v. Wolfe's Borough* (n 792) at 107. Also, *Foundation v. Modernica* (n 796) 644 'The threshold finding of distinctiveness ... is a necessary, but not sufficient, element of fame'.

⁸³⁹ *Starbucks v. Wolfe's Borough* (n 792) at 109

⁸⁴⁰ *Levi Strauss v. Abercrombie Fitch* (n 800). Also, *Starbucks v. Wolfe's Borough* (n 792) at 108

⁸⁴¹ *Levi Strauss v. Abercrombie Fitch* (n 800)

⁸⁴² §1125(c)(2)(B)

The language of 15 U.S.C § 1125(c) does *not require* that a plaintiff establish that the junior mark is identical, nearly identical or substantially similar to the senior mark in order to obtain injunctive relief.

⁸⁴³ *Levi Strauss v. Abercrombie Fitch* (n 800)

⁸⁴⁴ *Ibid.* Also, *Tiffany v. eBay* (n 808) at *111

The second factor listed when assessing dilution claims is the degree of inherent or acquired distinctiveness of the famous mark. This element is crucial because it pertains to the essence of dilution, and specifically dilution by blurring. For a junior mark to induce detriment to the distinctive character of the senior's mark, the senior mark must be distinctive, whether inherently or not. It is explicitly provided that non-inherently distinctive marks might also qualify for anti-dilution protection.⁸⁴⁵ This is referred to as acquired distinctiveness, which indicates the mark's actual ability to trigger in consumers' mind a link between a product or service and its source.⁸⁴⁶ A mark has secondary meaning when, in the minds of the public, the primary significance of a mark is to identify the source of the product rather than the product itself.⁸⁴⁷ Secondary meaning has two functions. First, it serves to determine whether certain marks are distinctive enough to warrant protection. Some marks those that are arbitrary,⁸⁴⁸ fanciful,⁸⁴⁹ or suggestive⁸⁵⁰ are deemed inherently distinctive,⁸⁵¹ and by their intrinsic nature serve to identify the particular source of the product or service.⁸⁵² Second, it defines the geographic area in which a user has priority, regardless of who uses the mark first.⁸⁵³ Conversely, descriptive marks are marks that denote a characteristic or quality of an article or service, such as its colour, odour, function, dimensions, or ingredients.⁸⁵⁴ A mark that is

⁸⁴⁵ Beebe (n 706) 1157

⁸⁴⁶ Grupo Gigante SA de CV v Dallo & Co. Inc. 391 F.3d 1088, 1092 (9th Cir. 2004)

⁸⁴⁷ Test Masters educ. Servs., Inc. v. Robin Singh educ. Servs., Inc. No. 13-20250 (5th Cir. Aug 21, 2015) *6. Also, Foundation v. Modernica (n 796). Also, Louis Vuitton Malletier v. Dooney & Bourke, Inc., 454 F.3d 108, 116 (2d Cir.2006)

⁸⁴⁸ B Beebe, 'The Semiotic Analysis of Trademark Law' (2004) 51 UCLA L. REV. 621, 671

⁸⁴⁹ Ibid

⁸⁵⁰ Ibid

⁸⁵¹ Grupo Gigante (n 846) 1092. Also, Test Masters (n 839).

⁸⁵² Test Masters (n 847). Also, I Fhima, 'Dilutive Trade Mark Applications: Trading on Reputations or Just Playing Games?' (2004) EIPR 67, 71. Also, New York City Triathlon, LLC v. NYC Triathlon Club (S.D.N.Y. 5-4-2010), 10 Civ. 1464 (CM). (S.D.N.Y. May 04, 2010) *6

⁸⁵³ Grupo Gigante (n 846) 1092

⁸⁵⁴ Test Masters (n 847)

merely descriptive of a product is not inherently distinctive and therefore merits protection only once it has acquired 'secondary meaning'.⁸⁵⁵ There are two conditions that determine acquired distinctiveness: if the mark has acquired secondary meaning, and if a substantial percentage of consumers within that area are familiar with the mark.⁸⁵⁶ To determine whether a mark has acquired secondary meaning, the court in *Test Masters*⁸⁵⁷ conducted a thorough analysis of the following seven-factor test: (i) length and manner of use of the mark or trade dress, (ii) volume of sales, (iii) amount and manner of advertising, (iv) nature of use of the mark or trade dress in newspapers and magazines, (v) consumer-survey evidence, (vi) direct consumer testimony, and (vii) the defendant's intent in copying the [mark].⁸⁵⁸

Moreover, the degree of distinctiveness of the senior mark has a considerable bearing on the question whether a junior use will have a diluting effect. The doctrine of dilution, particularly dilution by blurring, pertains to the detriment of the distinctive character of the mark; therefore, the distinctiveness of the senior's mark must be examined to decide whether such a mark with a distinctive character might be harmed.⁸⁵⁹ Hence, the distinctiveness of the mark plays an essential role, 'the more distinctiveness the mark possesses, the greater the interest to be protected'⁸⁶⁰ and, correspondingly, the less distinctive it is, the less dilution protection it will receive.⁸⁶¹ Beebe illustrate that trade mark law traditionally assumes that

⁸⁵⁵ New York City Triathlon (n 852) *5

⁸⁵⁶ ITC, Ltd. v. Punchgini, Inc., 482 F.3d 135 (2d Cir. 2007) *167-168. Also, A Kur, 'USA: Lanham Act, Sec.44 (15 U.S.C. 1126(b)); Paris Convention, Arts.6bis, 10bis - "Grupo Gigante v Dallo" '(2005) International Review of Intellectual Property and Competition Law 726, 727. Also, Grupo Gigante (n 846) 1092

⁸⁵⁷ *Test Masters* (n 847)

⁸⁵⁸ *Ibid* at 7

⁸⁵⁹ *Foundation v. Modernica* (n 796) 647. 'Harm from dilution is caused when a mark loses its advertising value, because its distinctiveness in the minds of consumers is undermined'.

⁸⁶⁰ *Starbucks v Wolfe's Borough* (n 809). In this lawsuit, the court referred to the Nabisco case; *Nabisco, Inc. v. PF Brands, Inc* 191 F.3d 208 (2d Cir. 1999) at 217. Also, *Louis Vuitton Malletier* (n 714)

⁸⁶¹ *Miss Universe v. Virgelia B. Villegas and Virgellia, Productions, Inc.* 672 F.Supp.2d 575 (S.D.N.Y. 2009) at 24

“the more “distinctive” a mark is, the more likely it is the consumers will be aware of it and thus the more likely they are to mistake other marks for it”.⁸⁶² Furthermore, Beebe elaborate that trade mark distinctiveness may consist of two forms: ‘source distinctiveness, which describes the trademark’s distinctiveness of source, and differential distinctiveness, which describes the trademark’s distinctiveness from other trademarks’.⁸⁶³ He further explains that ‘trademark infringement involves the infringement of source distinctiveness, whereas trademark dilution involves the dilution of differential distinctiveness’.⁸⁶⁴ He further argues that

If protection from trademark infringement prohibits synonyms (two different signifiers pointing to the same signified), protection from trademark dilution prohibits homonyms (two closely similar signifiers pointing each to its own signified). Antidilution protection ultimately seeks to protect exclusive rights in the expression, not the idea.⁸⁶⁵

Ultimately, Beebe explains that any trade mark must possess source distinctiveness to be eligible for anti-infringement or anti-dilution protection. However, the anti-dilution protection exceeds from the anti-infringement is that ‘the scope of its protection will be determined by the extent of its differential distinctiveness, be it inherent or acquired’.⁸⁶⁶ It is important to note that US courts approach dilution cautiously, this appears in the *Starbucks* case,⁸⁶⁷ also in another stance where the court in *Nola Spice Designs* was not convinced to grant anti-dilution protection to a mark that has been used for ten years as the mark did not prove to have obtained a secondary meaning.⁸⁶⁸ Also, even if the owner of a trade mark had spent

⁸⁶² Beebe (n 848) 672

⁸⁶³ Ibid 621

⁸⁶⁴ Ibid 676

⁸⁶⁵ Ibid

⁸⁶⁶ Ibid 674

⁸⁶⁷ *Starbucks v Wolfe’s Borough* (n 809) at 26

⁸⁶⁸ *Nola Spice Designs, LLC. v. Haydel Enters., Inc.* 783 F.3d 527 (5th Cir. 2015)

\$725,000 on advertising the mark, that itself did not convince the court that the mark had acquired a secondary meaning either.⁸⁶⁹ Although the Starbucks mark was found to be distinctive, it did not succeed in claiming dilution protection. It is argued that the US courts do not rush to grant anti-dilution protection upon proof of one element of the list of conditions. A lesson that must be brought to the attention of Jordanian legal practitioners;⁸⁷⁰ the senior mark owner must provide evidence beyond the mere fact that the senior and junior marks' are 'similar' which arises from the 'association' in order to show that the junior mark 'impairs the distinctiveness' of the senior's mark.⁸⁷¹ Mere formal reasoning along the lines of "if similarity, then association, and if association, then impairment of distinctiveness" will not suffice.⁸⁷²

The third factor is 'the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark'. This condition was considered by the District Court in *Miss Universe*, where the court took into account stating that 'the defendants do not question that Miss Universe maintains substantially exclusive use of the "Miss USA" mark'.⁸⁷³ In addition, the court in Starbucks⁸⁷⁴ followed this approach by examining this condition with reference to the *Lundberg's* case⁸⁷⁵ where the two marks 'Sambuck's' and 'Starbucks' are extensively similar and the court concluded that dilution

⁸⁶⁹ *Provident Precious Metals, LLC v. Nw. Territorial Mint, LLC*, 117 F. Supp 3d 879 (N.D Tex. 2015). 'Finding no secondary meaning as a matter of law despite \$725,000 in advertising expenditures'.

⁸⁷⁰ Even though the mark owner might have spent huge amount in promoting his/her mark, US court could not be easily convinced that this is sufficient to grant protection against dilution. Unlike the situation in Jordan, the courts intend to believe that such a simple fact suffices to consider a mark famous and accordingly disregards examining any further conditions, consequently granting that mark protection against dilution.

⁸⁷¹ *Beebe* (n 706) 1169

⁸⁷² *Ibid*

⁸⁷³ *Miss Universe* (n 861)

⁸⁷⁴ *Starbucks Corp. v. Wolfe's Borough Coffee, INC.*, (S.D.N.Y. Dec 23, 2011) at 6

⁸⁷⁵ *Starbucks Corp. v. Lundberg*. No. Civ. 02-948-HA, 2005 WL 3183858 (D. Or. Nov. 29, 2005)

occurred where the junior mark was used on its own, without contextual features distinguishing the junior mark from the senior one.⁸⁷⁶ However, the court in *Starbucks* elaborated that the marks in *Lundberg's* were different from the current case against Charbucks: 'the Charbucks marks are used exclusively with terms "Mister," "Mr." or "Blend" and in contexts dissimilar from the contexts in which the Starbucks marks are used'.⁸⁷⁷ Consequently, the District Court in Starbucks found that the Starbucks mark is in substantially exclusive use.⁸⁷⁸ Furthermore, the fourth factor requires proof of 'the degree of recognition of the famous mark'. This factor is a crucial requirement in determining whether a mark is a famous mark.⁸⁷⁹ Additionally, the recognition of the mark is mandated when testing the likelihood of dilution. It could be argued that repetition of the recognition condition seems unnecessary.⁸⁸⁰ However, it establishes that the foundation of dilution lies with proving whether the mark has obtained sufficient recognition to be considered 'famous'; without proving this condition, harm could not arise, and dilution by blurring does not occur. A crucial condition could be repeated to infer the importance of proving that condition which reflects on whether marks are truly recognisable to be worthy of anti-dilution protection. For instance, in *Starbucks*, the plaintiff provided a survey which showed that 79 percent of the respondents were familiar with the *Starbucks* mark.⁸⁸¹ Evidently, this is a crucial condition that is examined to establish whether a mark is famous, but in this instance, this condition is necessary to prove that there might be harm to the mark in a way that it affects the public, i.e. consumers who associate the later mark with the famous mark. In addition, it emerges from the definition of dilution by blurring, '... that impairs the distinctiveness of the mark', that distinctiveness depends on the public that

⁸⁷⁶ *Starbucks* (n 874) at 6

⁸⁷⁷ *Ibid* at 7

⁸⁷⁸ *Ibid* at 26

⁸⁷⁹ This factor 'recognition of the mark' has been already discussed in Chapter Two, 2.4.2 Case Law, page 80

⁸⁸⁰ Chapter Two, 2.4.2 Case Law, page 80. Also, *Fhima* (n 712) 631

⁸⁸¹ *Starbucks v Wolfe's Borough* (n 809) at 26

recognises the mark as famous and distinctive. Therefore, this condition is essential in the examination, as it addresses the ultimate question of whether dilution harm is likely to arise or not depending whether the mark meets the first barrier of proving recognition of the mark among the consuming public.

Regarding the fifth factor, ‘whether the user of the mark or trade name intended to create an association with the famous mark’, the determination of ‘intent to associate’ does not require the additional consideration of whether bad faith corresponded with that intent. The plain language of Section 1125(c) requires only the consideration of ‘[w]hether the user of the mark or trade name intended to create an association with the famous mark’.⁸⁸² For instance, the court ruled in favour of Starbucks, explaining that the allegedly diluting mark was created with an intent to associate with the famous mark; accordingly, this factor favours a finding of a likelihood of dilution. It may be argued that although Charbucks could have possibly intended to associate its mark with Starbucks, that itself must not infer that there is a likelihood of dilution. This is an important lesson for Jordanian legal practitioners to consider. The two marks differ, as the Charbucks mark, as a whole, is presented to the public in a different way to the Starbucks mark. Also, this intention of having a similar mark in sound to Starbucks is to refer to the quality of coffee that Starbucks is selling, and not necessarily to the mark itself.⁸⁸³ It could be argued that this condition is a double edged sword. On the one hand, it could assist courts in determining the purpose of the defendant’s intention to associate the mark with a famous brand, this could serve to reveal that the defendant’s intention could be relevant for the purposes of defences or permitted uses; i.e. referential use, comparative advertising, fair use, or parody. On the other hand, it could limit the freedom of choice for second users. For instance, if the court disapproves the defendant’s intention to associate the mark with a famous brand in instances where the defendant attaches its products to other famous brands in order to send out a message to consumers that its products are as luxurious as other

⁸⁸² Starbucks v Wolfe’s Borough (n 792) at 109

⁸⁸³ Ibid at 111

brands are, owners' options are becoming narrowed and limited.

Although it might be argued that utilising a famous mark is a way for second users to boost their profits, the counterargument is that this is one way of free-riding on the coattails of famous marks, where harm is not caused to the famous mark but it is more likely that a third party is taking an advantage by utilising a famous mark. Especially if free-riding is not conceived as a third type of dilution, since dilution is about the harm caused to the trade mark, whereas free-riding is when a third party takes unfair advantage of the famous mark without causing harm to the famous mark. It is believed that a second user could prove that this action undertaken is related to free speech more than to free-riding, by showing perhaps that the second user's profits did not increase by the reference to a famous mark. In addition, it could be contended that if the second user's profits did increase, this could be related to various reasons, such as advertising, promoting, and marketing the mark attached to the product, which is an essential element in attracting consumers and familiarising them with a mark. Therefore, it is arguable that dilution prevents traders from competing freely and fairly. However, if it is shown that a defendant is seeking to compete unfairly, it must be proved by the claimant that there is harm caused to the senior mark or by providing evidence that the claimant is free-riding on the coattails of the famous mark to trigger anti-dilution protection. In other instances, if dilution is not conferred, the claimant can always resort to the traditional infringement test, i.e. consumers' confusion.

The sixth factor examines 'any actual association between the parties' marks'. This factor is essential in the examination because the theory of dilution explicitly states in the definitions of blurring and tarnishment that they arise due to the association between the junior and the senior mark.⁸⁸⁴ In order to prove actual association, the plaintiff needs to establish that the defendant's mark 'conjures up an association with the senior [mark]', thereby 'lessen[ing] the distinctiveness of the senior mark'.⁸⁸⁵ This is an important

⁸⁸⁴ 15 U.S. Code § 1125(c)(2)(b) and 15 U.S. Code § 1125(c)(2)(c)

⁸⁸⁵ LVM v. Hyundai Motor (n 714)

evidentiary requirement in the examination that Jordan should learn from, as the US courts tend to request survey evidence to establish whether consumers upon seeing the junior mark associate it with the senior one. The survey evidence is examined when assessing association and similarity of the two marks.⁸⁸⁶ In *Louis Vuitton v Hyundai*, the defendant confirmed that the reason of imitating a similar mark to the plaintiff's mark was because the latter represents luxury and the message was to attach the car manufactured by *Hyundai* with luxurious use. The court ruled in favour of *Louis Vuitton*, as the main purpose was for *Hyundai* to create association with the famous mark. It might be argued that the intent was for *Hyundai* to attach a luxurious quality at the image of its mark by using a luxurious mark such as *Louis Vuitton*. One may also argue that *Hyundai* could have conveyed a similar message without using the *Louis Vuitton* mark. Although this could be true, it is argued that trade mark is, at its core, about protecting against consumer confusion and 'palming off'.⁸⁸⁷ While dilution is not concerned with consumers' confusion, the purpose of trade mark law is to allow competitors to compete without restrictions as long as its traders are competing fairly. If *Hyundai* is not allowed to use this method of expressing its message, this evidently means that dilution is limiting the traders' freedom and more monopoly is granted to owners of famous marks to rule the market and stop anyone from coming close to their marks. It may also be contended that by giving such a power to one party, this ultimately will confer rights to the owner of a famous mark to decide which acts undertaken by competitors are allowed. Accordingly, one party obtains more power and more control above anyone else. Preventing *Hyundai* from expressing freely, without causing any harm to the famous mark, evidently shows that dilution is nothing but a powerful tool that is granted to one party to control the market.

Regarding survey evidence, it is important to note that the US courts do not accept *any* evidence; it must be compelling evidence. For instance, in *Starbucks*, the court initially accepted a survey as a proof of evidence of

⁸⁸⁶ Fhima (n 817) 105

⁸⁸⁷ ITC v. Punchgini (n 856) at 160

actual association. However, it was discounted by the court because it tested association only with the isolated word 'Charbucks' and failed to present the Charbucks marks in full context.⁸⁸⁸ The Second Circuit supported the District Court's decision for other reasons, most importantly because the survey undertaken by Starbucks was administered by telephone and did not present the term 'Charbucks' in the context in which Black Bear used it.⁸⁸⁹ Also, the court's conclusion comports with prior precedents and other cases unrelated to Starbucks. In *Playtex Products*,⁸⁹⁰ the court interpreted the pre-revision FTDA stating that the results of a consumer survey showing an association between the marks 'Moist-Ones' and 'Wet Ones' were inadmissible as evidence of actual dilution because the defendant's product was 'presented and packaged' as 'Quilted Northern Moist-Ones'.⁸⁹¹

Actual association is highly relevant to likelihood of dilution, as the court confirmed in the *Starbucks* case.⁸⁹² In addition, 'similarity' is relevant to establishing likelihood of dilution. Moreover, the court illustrated that where there is minimal similarity between the marks, likelihood of dilution could be established. However, in *Starbucks*, the court explained that minimal similarity strongly suggests a relatively low likelihood of an association that may dilute the senior mark. The statute emphasises on finding the similarity of the two marks: 'similarity' is an integral element in the definition of 'blurring' under the TDRA and thus, without it, there could be no dilution by blurring.⁸⁹³

Another important lawsuit that clarifies the 'actual association' element is *Tiffany v. eBay*.⁸⁹⁴ Here the defendant is an online marketplace, that allows those who register with it to purchase goods from and sell goods to one

⁸⁸⁸ *Starbucks v Wolfe's Borough* (n 809) at 11

⁸⁸⁹ *LVM v. Hyundai Motor* (n 714)

⁸⁹⁰ *Playtex Products, Inc. v. Georgia-Pacific Corp.*, 390 F.3d 158 (2d Cir. 2004)

⁸⁹¹ *Starbucks v Wolfe's Borough* (n 809) at 22 and 24

⁸⁹² *Ibid* at 28

⁸⁹³ *Ibid* at 26

⁸⁹⁴ *Tiffany v. eBay* (n 808) at 112

another.⁸⁹⁵ The plaintiff is a world-famous purveyor of, among other things, branded jewellery. Tiffany's goods were sold on eBay's website but eBay only provides the venue for the sale of Tiffany's goods and support for the transaction, but it does not itself sell the items. The claimant brought an action against the defendant based on dilution by blurring and tarnishment. However, the District Court confirmed that eBay did not intend to use the TIFFANY mark in a way to create an association with its own product, but, instead, used the mark directly to advertise and identify the availability of authentic Tiffany merchandise on its website. Furthermore, the District Court referred to the Starbucks case in the light of the TDRA,⁸⁹⁶ where it found that the record was:

Insufficient to demonstrate the requisite likelihood that the association arising from the similarity of the core terms is likely to impair the distinctiveness of Starbucks' mark, and thus Starbucks is not entitled to injunctive relief under that statute.⁸⁹⁷

Ultimately, US courts undertake a thorough examination and a strict approach when dealing with dilution claims.⁸⁹⁸ Even when a mark is widely recognised, such as Starbucks, there is a list of conditions that the mark owner must overcome to be granted protection against dilution. It is never sufficient for a mark to be granted automatic protection against dilution upon proving its fame.⁸⁹⁹ A lesson for Jordan to learn from when dealing with dilution claims. Clearly, US courts show extreme caution in granting anti-dilution protection to American trade marks because they perceive dilution as

⁸⁹⁵ Ibid at 97

⁸⁹⁶ Starbucks v Wolfe's Borough (n 809) at 8. Also Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 559 F. Supp. 2d 472, 475-79 (S.D.N.Y. 2008)

⁸⁹⁷ Starbucks v Wolfe's Borough (n 809) at 9

⁸⁹⁸ Unlike Jordanian courts, US courts take a thorough examination when dealing with a dilution claim. This is essential for Jordanian courts to learn from.

⁸⁹⁹ This is completely different from what is applicable in Jordan, as Jordanian courts tend to grant dilution protection automatically to foreign marks on the basis that any foreign mark is deemed famous and well-known.

a potent legal tool. Although Jordanian courts in applying the law tend to protect foreign well-known marks, US courts adopt a different approach, which is in favour of protecting American famous marks over foreign famous marks. Although the *ITC* case examined the applicability of the well-known mark doctrine in regards to unfair competition under federal and state law,⁹⁰⁰ the gist of referring to this case is to reveal that US courts are hesitant to grant priority rights to foreign famous marks if the marks are not registered or used in the US. Conversely, Jordanian courts grant priority rights automatically to foreign famous marks regardless of whether they have been registered or used in Jordan. The question that arises in this context is how the US expects other nations to protect American marks when it does not provide a similar protection to foreign marks in the US.⁹⁰¹ The *ITC* contended that 'the United States cannot expect other nations to protect famous American trademarks if United States courts decline to afford reciprocal protection to famous foreign marks'.⁹⁰² The issue arises where few US courts argue that the 'TRIPs and other GATT agreements are not self-executing and thus their legal effect in the United States is governed by implementing legislation'.⁹⁰³ This argument derives from the fact that the Congress has modified federal statutes to implement specific provisions of the TRIPS agreement; Article 16(3), which contemplates the extension of anti-dilution protection to certain famous marks.⁹⁰⁴ However, the Congress did not directly formulate any legislation in regards to Article 16(2).⁹⁰⁵ Nevertheless, the *ITC* proposed that the Lanham Act Sections 44(b) and (h) effectively incorporate the protections afforded to famous marks by the Paris Convention and TRIPS.⁹⁰⁶ On this topic, the *ITC* referred to McCarthy's

⁹⁰⁰ *ITC v. Punchgini* (n 856) at 142

⁹⁰¹ Chapter Two, 2.3.2.3 Case Law, page 65

⁹⁰² *ITC v. Punchgini* (n 856) 165

⁹⁰³ *Ibid* 162

⁹⁰⁴ *Ibid* 162

⁹⁰⁵ *ITC v. Punchgini* (n 856) 162

⁹⁰⁶ *Ibid*. Also, Chapter Two, 2.3.2.3 Case Law, page 65

explanation; the US is required to recognise rights in famous foreign marks due to the Paris Convention's Article 6^{bis} and the TRIPS Agreement, even when a mark is not registered or used in the US.⁹⁰⁷ In addition, the court in *ITC* referred to the conclusion made by the court in *International Bancorp*,⁹⁰⁸ to clarify that US trade mark rights can be acquired with a combination of domestic advertising and rendering of services abroad to American customers. Thus, without use of the mark in the US, a foreign mark holder generally may not assert priority rights under federal law, even if a US competitor has knowingly appropriated that mark for his/her own use. In fact, it was explained that 'foreign use is not sufficient to establish priority rights even over a United States competitor who took mark in bad faith'.⁹⁰⁹ While the US may avoid adhering to the TRIPS agreement, developing countries cannot afford to follow the US example. If a developing country does not comply with the obligations of an international agreement, i.e. WTO, the country is more likely to face a complaint, which will subsequently have to go through the Dispute Settlement Understanding (hereinafter DSU). On the other hand, developing countries are less likely to file complaints against developed countries for various reasons, mainly because developing countries cannot afford the legal costs.⁹¹⁰ Shaffer points out that no country from Africa and the Middle East has ever been a complainant before the WTO.⁹¹¹ Therefore, if a developing country were to file a complaint against the US due to non-compliance with the obligation of an international agreement, it would incur significant legal costs.⁹¹² For instance, one would expect that according to the bilateral agreement between Singapore and US,

⁹⁰⁷ *ITC v. Punchgini* (n 856) 163

⁹⁰⁸ *International Bancorp, LLC v. Societe des Bains de Mer et du Cercle des Etrangers a Monaco*, 329 F.3d 359, 381 (4th Cir.2003)

⁹⁰⁹ *ITC v. Punchgini* (n 856) 159

⁹¹⁰ G Shaffer, 'Developing Country Use of the WTO Dispute Settlement System: Why it Matters, the Barriers Posed' (2008) Minnesota Legal Studies Research Paper 167, 183

⁹¹¹ *Ibid* 175 and 177

⁹¹² *Ibid*

both parties would have to comply with the agreement.⁹¹³ The Agreement requires both parties to treat all WIPO Recommendations as binding, and to carry out the legislative acts necessary for implementing the provisions into each national legislation. This is similar to the US and Jordan situation, where both parties are engaged in a bilateral agreement that requires both parties to comply with the recommendations of the WIPO. While both parties are accountable to the agreement, although Singapore has amended its trade mark law accordingly, no steps in that direction have been taken by the US.⁹¹⁴ It is noteworthy that the US is also bound to offer most-favoured-nation treatment based on Article 4 of the TRIPS Agreement. If the US denies and fails its obligation towards Singapore, it is highly likely that it will also deny and fail its obligation towards any other member of the WTO.⁹¹⁵ Kur explains a crucial matter regarding the US, illustrating that American courts are hesitant in conferring protection to foreigners, commenting:

It is not easily comprehensible why *foreign marks* must necessarily receive less protection than national marks in a situation where, in spite of not being registered or even used in a particular country, they have nevertheless managed to attain the same level of public awareness that is regularly considered as furnishing sufficient evidence for the existence of vested interests in a sign that are worthy of protection.⁹¹⁶

Ultimately, the gist of this section of the chapter was to prove to Jordanian legal practitioners that US courts undertake a thorough analysis of a list of conditions before offering protection against dilution, which is the heart of the issue found in Jordan. Subsequently, the focus will shift on the second type of dilution, dilution by tarnishment, which is also granted to famous marks.

⁹¹³ Kur (n 856) 730

⁹¹⁴ Ibid

⁹¹⁵ This is important because there is a bilateral agreement between US and Jordan, which means if US is treating Singapore in this way it is not surprising the way US treats Jordan. Although it is a bilateral agreement, it seems more like an obligation on one party of the agreement, i.e. Jordan, while US restrain to fulfil its side of the obligation.

⁹¹⁶ Kur (n 856) 729

4.6 Dilution by Tarnishment

There is another form of the dilution doctrine that exists in the US Trade Mark Law (Lanham Act) as a cause of action: dilution by tarnishment. It is defined as an ‘association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark’.⁹¹⁷ Unlike dilution by blurring, there is no standard test for dilution by tarnishment; in other words, there is no defined scope for courts to follow when determining dilution by tarnishment.⁹¹⁸ Dilution by tarnishment could arise generally ‘when the plaintiff’s trademark is linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context likely to evoke unflattering thoughts about the owner’s product’.⁹¹⁹ Long explains on the harm side of the social welfare equation, the relationship between unauthorised third-party use and the mark’s loss in value to the trade mark holder is the strongest and most direct under a tarnishment theory of dilution.⁹²⁰ Ultimately, the protection against dilution by tarnishment is to prevent any damages to the positive associations attached to the mark.⁹²¹ Handler elaborates that the very few cases in which dilution by tarnishment has been established have tended to involve ‘unsavory’ uses of famous marks.⁹²²

It is noteworthy that tarnishment under the TDRA focuses on the defendant’s ‘mark or trade name’, and whether it is likely to harm the reputation of the plaintiff’s mark.⁹²³ An example of the unsavoury context likely to evoke unflattering thoughts about the famous mark is where Victoria’s Secret trade

⁹¹⁷ 15 U.S.C. § 1125(c)(2)(c)

⁹¹⁸ Fhima (n 817) 175. Also, Sun (n 715)

⁹¹⁹ Tiffany v. eBay (n 808). Also, Dinwoodie and Janis (n 792) 99

⁹²⁰ Long (n 722) 1057

⁹²¹ S Burstein, ‘Dilution By Tarnishment: The New Cause of Action’ (2008) 98 TMR 1189,1191. Also, A Olson, ‘Dilution By Tarnishment: An Unworkable Cause of Action in Cases of Artistic Expression’ (2012) 53 B.C. L. Rev. 693, 694

⁹²² Handler (n 704) 640. Also, Burstein (n 921) 1190

⁹²³ Burstein (n 921) 1190. ‘Prior to the TDRA, tarnishment case law focused on offensive uses of the *plaintiff’s* mark’. Also 15 U.S.C. §§ 1125(c)(1) and 1125(c)(2)(c)

mark was used by a second user in connection with sex toys.⁹²⁴ Also, one of the earliest cases –at least up to the 1970s– discussing trade mark parody and tarnishment was the Coca Cola case where the defendant's posters read 'Enjoy Cocaine' which was intended to be 'a spoof, satirical, and funny'.⁹²⁵ In another example, the court in the Dallas Cheerleaders case⁹²⁶ found that pornographic depiction of a Dallas Cowboys Cheerleader-style cheerleader in an adult film tarnished the professional mark of the Dallas Cowboys Cheerleaders. More recently, the court in *TY Inc. v. Perryman* explained the concept of dilution by tarnishment as follows:

Suppose an upscale restaurant calls itself 'Tiffany' and suppose that it adopts the name in a striptease joint. Consumers will not think the striptease joint under common ownership with the jewelry store. But because of the inveterate tendency of the human mind to proceed by association, every time they think of the word 'Tiffany' their image of the fancy jewelry store will be tarnished by the association of the word with the strip joint.⁹²⁷

In *Starbucks*,⁹²⁸ the claimant relied on the association created by the two marks 'Starbucks' and 'Charbucks' and the survey was carried out by Starbucks to prove dilution by tarnishment. *Starbucks* argued that their consumers have a *negative impression* of a coffee named 'Charbucks',⁹²⁹ including images of a bitter, over-roasted coffee.⁹³⁰ This argument was

⁹²⁴ *V Secret v. Moseley* (n 748) 477

⁹²⁵ *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972). Also, Handler (n 794) 656

⁹²⁶ *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979). This case and the *Coca-Cola* case shows that courts have shifted from considering confusion when examining a dilution by tarnishment. See Handler (n 696)

⁹²⁷ *TY. v. Perryman* (n 760) at 511

⁹²⁸ *Starbucks v Wolf's Borough* (n 792) at 110

⁹²⁹ Starbucks reasons that it has shown dilution by tarnishment because, pursuant to its survey, (1) 30.5% of persons surveyed "immediately associated 'Charbucks' with 'Starbucks'", and (2) 62% of those surveyed who associated "Charbucks" with "Starbucks" "indicated that they would have a negative impression" of a "coffee named 'Charbucks.'"

⁹³⁰ P Stibbe, 'Pushing the Boundaries of the Trademark Dilution by Tarnishment Claim: The Tarnishment Claim in an Ever-Expanding Keyword Search Market' (2013) 17 Va. J.L. & Tech. 244, 266

unconvincing to the court, as it held for establishing dilution by tarnishment, the relevant question would have been how a hypothetical coffee named either 'Mister Charbucks' or 'Charbucks Blend' would affect the positive impressions about the coffee sold by Starbucks.⁹³¹ Moreover, the court stated: 'we will not assume that a purportedly negative-sounding junior mark will likely harm the reputation of the famous mark by mere association'.⁹³² Jordan could benefit from this experience of the US by following a cautious approach where dilution by tarnishment is not established by the similarity of the two marks, and the senior mark is not automatically granted anti-dilution protection. This is not the case even when the junior user is using a similar mark to the senior's famous mark in a market similar or identical to that of the famous mark, which is deemed to be a product of good quality. Indeed, the Charbucks line of coffee is marketed as a product of 'very high quality'. It is noteworthy that Black Bear promotes 'Charbucks' without referring to it in a way as to harm the reputation of Starbucks' coffees.⁹³³ In addition, in *Louis Vuitton v. Hyundai*,⁹³⁴ the survey showed that participants when seeing the basketball with a similar print to *Louis Vuitton* did not make them think less favourably of *Louis Vuitton*, and only two percent of respondents in the test group believed that *Hyundai* and *Louis Vuitton* were affiliated.⁹³⁵ It is believed that surveys are crucial in such cases to precisely define whether dilution by tarnishment is likely to occur.

As mentioned above, there is no list of conditions that a plaintiff can follow in order to succeed in a dilution by tarnishment claim. However, Stibbe illustrates that the decision of the *Starbucks* case offered valuable insights for future dilution by tarnishment claims.⁹³⁶ Stibbe points out that 'a plaintiff trying to prove tarnishment would need to present evidence, not just that the

⁹³¹ *Starbucks v Wolf's Borough* (n 792) at 110

⁹³² *Ibid*

⁹³³ *Starbucks v Wolf's Borough* (n 792) at 111

⁹³⁴ *LVM v. Hyundai Motor* (n 814)

⁹³⁵ *Ibid*

⁹³⁶ *Stibbe* (n 930) 267

junior mark is unsavory, but that the positive impressions of its own senior product have been diminished by the association'.⁹³⁷ Submission of survey results is considered robust evidence. In the *Starbucks* case, the court explained that the Charbucks' line of coffee was not of an inherently unwholesome, unsavoury, or poor product line, but was more similar to the high-quality of coffee Starbucks offers; therefore, Starbucks's claim for tarnishment was undercut.⁹³⁸ Similarly, when Jordanian courts deal with dilution claims, it is crucial that their decisions rely on strong, convincing evidence such as surveys.

After discussing dilution by blurring and dilution by tarnishment, as well as the approach followed by courts in the examination before they grant anti-dilution protection, the chapter will discuss the scope of dilution and its limits. It is argued that it is necessary for Jordanian legal practitioners to recognise that dilution has its limitations, and that not all uses of famous marks are assumed to result in the senior mark being diluted.

4.7 Defences

The American legislation explicitly specifies certain uses exempted from the scope of dilution under Section 1125(c)(3).⁹³⁹ The TDRA creates three defences based on the defendant's (1) 'fair use' (with exceptions); (2) 'news reporting and news commentary'; and (3) 'noncommercial use'.⁹⁴⁰ These defences are essential in order to protect defendants from a broad application of the dilution laws.⁹⁴¹ The reason for listing these defences is to create a balance between free speech and trade mark rights.⁹⁴² Ultimately, such a potent legal tool must not be granted randomly to any famous mark,

⁹³⁷ *Ibid* 267. Also, *Starbucks v Wolf's Borough* (n 792) at 110

⁹³⁸ *Stibbe* (n 930) 267

⁹³⁹ *Fhima* (n 817) 14. Also, 15 U.S.C. § 1125(c)(3)

⁹⁴⁰ *LVM v. Haute Diggity Dog* (n 814)

⁹⁴¹ Hearing before the subcommittee on Courts, the Internet, and Intellectual Property of the Committee on the Judiciary House of Representatives. H.R. 683. Serial No. 109-2. Page 15

⁹⁴² *Ibid* 7

but only to marks that truly deserve anti-dilution protection. As dilution is offered by neglecting important factors that the traditional infringement test considers, i.e. consumers' confusion, competition, or actual economic injury, it is necessary to restrict such a powerful weapon; otherwise, dilution would arguably interfere with the rights of others. A reckless use of dilution, according to Long, is likely to prevent 'honest discussions and criticism of famous trade marks by others', as well as 'create a social cost in the form of diminished truthful speech'.⁹⁴³

It is important to refer to case law and the legislation to clarify the importance of including defences and safeguards to dilution. The TDRA Section 1125(c)(3) lists out exclusions from the reach of dilution. The first exception where dilution by blurring or dilution by tarnishment is not actionable is fair use, 'including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person...'. The Supreme Court has confirmed that descriptive fair use is an affirmative defence.⁹⁴⁴ Further, nominative use is a 'use of another's trademark to identify the plaintiff's goods or services. It is called 'nominative' because it 'names' the real owners of the mark'.⁹⁴⁵ In *Tiffany* the defendant used the TIFFANY mark not in an effort to create association with its own product, but instead, the mark was used directly to advertise and identify the availability of authentic TIFFANY merchandise on eBay's website.⁹⁴⁶ The District Court in *Tiffany* rejected Tiffany's argument that eBay infringed the mark Tiffany by using it on eBay's website and by purchasing sponsored links containing the mark on Google and Yahoo! Further, it explained that 'the doctrine of nominative fair use allows a defendant to use a plaintiff's trademark to identify the plaintiff's goods so long as there is no likelihood of confusion about the source of the defendant's product or the mark-holder's sponsorship or affiliation'.⁹⁴⁷ This

⁹⁴³ Long (n 722) 1066

⁹⁴⁴ International Information Systems Security Certification Consortium, Inc. v. Security University, LLC, 823 F.3d 153 (2d Cir. 2016) *165

⁹⁴⁵ Ibid

⁹⁴⁶ *Tiffany v. eBay* (n 808) 112

⁹⁴⁷ Ibid102

approach was also approved by the Second Circuit in *Security University*.⁹⁴⁸ The court stated:

When considering a likelihood of confusion in nominative fair use cases, in addition to discussing each of the Polaroid factors, courts are to consider: (1) whether the use of the plaintiff's mark is necessary to describe both the plaintiff's product or service and the defendant's product or service, that is, whether the product or service is not readily identifiable without use of the mark; (2) whether the defendant uses only so much of the plaintiff's mark as is necessary to identify the product or service; and (3) whether the defendant did anything that would, in conjunction with the mark, suggest sponsorship or endorsement by the plaintiff holder, that is, whether the defendant's conduct or language reflects the true or accurate relationship between plaintiff's and defendant's products or services.⁹⁴⁹

Another example of fair use is advertising or promotion that permits consumers to compare goods or services.⁹⁵⁰ Comparative advertising highlights the link between the senior's mark and the junior's goods; however, the purpose is to express that the junior's goods are better.⁹⁵¹ Moreover, the law states that protection against dilution does not cover 'any non-commercial use of a mark'.⁹⁵² This clarifies that any conduct or uses of the famous mark or the trade name is permitted as long as this conduct is related to non-commercial uses. Accordingly, only when defendants use a term as a mark or trade name will they be faced with potential liability for dilution.⁹⁵³ The gist behind this is to prevent dilution law from being used as a tool against newspapers, artists, dictionaries, and people who use trade

⁹⁴⁸ *International Information. v. Security University* (n 944)

⁹⁴⁹ *Ibid* at 168

⁹⁵⁰ 15 U.S.C. § 1125(C)(3)(A)(i)

⁹⁵¹ *Fhima* (n 817) 232

⁹⁵² 15 U.S.C § 1125(c)(3)(c)

⁹⁵³ *Dogan and Lemley* (n 705) 554

marks as part of their mode of expression.⁹⁵⁴ It may be argued that parody should be allowed even when it is related to commercial uses.

In *Louis Vuitton Malletier v. Haute Diggity Dog*,⁹⁵⁵ the defendant claimed that his product was a mimic of the famous mark LVM. Haute Diggity Dog manufactures plush toys on which dogs can chew, which are small imitations of handbags that are labelled 'Chewy Vuiton'. LVM contended that any use that imitates its famous marks by a third party would dilute the famous mark as a matter of law.⁹⁵⁶ The court rejected LVM's claims, stating that unauthorised use that does not cause likelihood of dilution or impairment to the famous mark's distinctiveness, is not actionable.⁹⁵⁷ This is convincing because the more famous and distinctive the senior mark is, 'the less likely it is that a parody will impair its distinctiveness'.⁹⁵⁸ Proponents of dilution theory might argue that such decisions deprive famous marks of protection and leave owners 'wondering whether they are "punished" for the fact that their marks have such a great reputation. It also seems to suggest to junior users that they are more likely to get away with their mimicking of brands.'⁹⁵⁹ However, it may be argued that the foundation of trade mark law is to protect the rights of trade marks, but it is not meant to grant property right to trade marks; the aim is to protect the integrity of the marketplace. For instance, in copyrights, which are considered property rights, there are defences that allow users to copy without being held responsible for infringement. Accordingly, even copyrights have limitations; if dilution treats trade marks, which are also IPRs, as property rights, it follows that it should be limited too. The reason behind protecting owners' rights is to balance rights among all traders and facilitate fair competition. The gist is to prevent famous mark

⁹⁵⁴ Ibid 555

⁹⁵⁵ LVM v. Haute Diggity Dog (n 814)

⁹⁵⁶ Ibid

⁹⁵⁷ Ibid

⁹⁵⁸ M Luepke, 'Taking Unfair Advantage Or Diluting A Famous Mark – A 20/20 Perspective On The Blurred Differences Between U.S. and E.U. Dilution Law' (2008) TMR 789, 804

⁹⁵⁹ Ibid

proprietors, who are granted strong veto power, from controlling the market. Otherwise, it is predictable that owners will excessively use this tool to stop anyone from coming close to the aura of their famous marks. Granting such power to owners of famous marks, destroys competition, and hinders the market's efficiency. Arguably, if famous mark owners are conferred full control of dilution, it is presumed that actions such as parody, which is frankly aimed to amuse, joke, and satirise, will be forbidden.⁹⁶⁰ The court in LVM elucidated that a parody is a simple form of entertainment conveyed by 'juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner'.⁹⁶¹ Furthermore, the court clarified that the TDRA provides that fair use is a complete defence and allows parody to be considered fair use, but it does not extend the fair use defence to parodies used as a trade mark.⁹⁶² Therefore, the *Haute Diggity Dog* mimicking the LVM mark did not count as a fair use. The court reasoned that the parody did not fall within the statutory 'fair use' exception, because the defendant had used the parody as a designation of source.⁹⁶³ Ultimately, parodying and commenting is permissible as long as it does not designate the source or origin.

⁹⁶⁰ M Naser, 'Trademarks and freedom of expression' (2009) IIC 188, 195

⁹⁶¹ *LVM v. Haute Diggity Dog* (n 814). For a parody to be exempted from the reach of dilution, it must convey two simultaneous and contradictory messages: that it is the original, but also that it is *not* the original and is instead a parody. This second message must not only differentiate the alleged parody from the original but must also communicate some articulable element of satire, ridicule, joking, or amusement.

⁹⁶² *Ibid*

⁹⁶³ Dogan and Lemley (n 705) 556. The law stipulates in Section 1125(c)(3)(a) that the defences are any fair use other than a designation of source in connection with (i) advertising or promotion, (ii) parodying, criticizing, commenting, in Section 1125(c)(3)(b), all forms of news reporting, and any non-commercial uses in Section 1125(c)(3)(c). Also, Louis Vuitton Malletier, S.A., v. My Other Bag Inc., 18-293-cv (2nd Cir. 2019) the Court continue to adhere to this opinion.

Conclusion

This chapter addressed the following research questions: *how can Jordan benefit from the experience of the US in implementing dilution protection and what lessons can be learned from such jurisdiction? And can these lessons influence the Jordanian legislator on the meaning and policy-based limits of dilution theory?* To answer these questions, the chapter outlined the legal system in US, particularly in the way courts operate when examining a dilution claim. It is important to note that while the legislation prior to the TDRA was more stringent than the current one, US courts still appear to proceed with caution when dealing with dilution claims. The US has demonstrated a desire to limit the reach of this powerful cause of action. This limitation is conceived as a high threshold for users requiring dilution protection. It is argued that the reason is an intention to lessen the high risk of awarding a monopoly that excludes others from using a mark similar to a senior one, even when used on non-competing goods and services, unless famous marks meet the stringent statutory conditions and thereby prove they truly deserve such protection. For example, the court in *Starbucks*⁹⁶⁴ analysed every factor in its examination. Admittedly, Starbucks is a truly famous mark; yet, it was not granted protection against dilution, although the junior user's mark Charbucks was allegedly similar to the famous mark and used in similar goods. This is a prime example that Jordanian courts should learn from. It is crucial to bring to the attention of Jordanian legal practitioners that dilution is not an automatic protection triggered randomly, but a powerful legal tool that must be cautiously conferred. Starbucks, a trade mark that is worldwide known, was not found automatically worthy of anti-dilution protection by the US courts. Therefore, Jordanian courts should follow the US approach in carefully examining and undertaking a thorough analysis before conferring anti-dilution protection.

To summarise, there are three significant lessons from the US experience: First, although the legislation specifies that the court may consider any of the

⁹⁶⁴ *Starbucks v. Wolfe's Borough* (n 809)

relevant factors in deciding whether there is a likelihood of dilution, US courts tend to examine all of the factors listed within the legislation. Second, as mentioned above, courts intend to take a thorough examination when assessing dilution claims; fulfilling one condition does not lead courts to automatically conclude that a famous mark is worthy of dilution protection. Third, US courts tend to rely on compelling evidence in meeting the requirements listed in the TDRA. Dogan, among other scholars, clarifies that 'dilution' is a more powerful right than trade mark infringement. For this reason, it must be applied carefully and with an eye to the costs of overreaching protection.⁹⁶⁵ The reason for this is because dilution can have serious drawbacks; therefore, it must be only granted to truly famous marks that deserve such a powerful tool.

Furthermore, the chapter clarified major points that can offer to Jordanian legal practitioners valuable insight into the dilution theory. The experience of the US and the knowledge on the concept of dilution shall assist the Jordanian legislator and courts in better understanding the concept of dilution, how to deal with dilution, and how to determine which marks deserve dilution. Most importantly, the chapter aspires to encourage Jordanian legal practitioners to take a thorough examination and avoid automatically granting protection against dilution when dealing with a mark known worldwide. It is important to bear in mind that the US legislation has not been described in this chapter as ideal. Rather the overarching goal is to significantly improve the Jordanian legislation, and the US experience serves as an example of mistakes that can be avoided and cautious approaches that can be adopted. The US has come a long way to realise how dangerous triggering anti-dilution protection and its negative effects can be, and this is demonstrated by its courts' cautious approach when dealing with dilution claims. It is strongly argued that Jordan should follow a similar approach: a better understanding of dilution will encourage an improvement of its legislation and will allow courts to follow clearer and more efficient criteria when dealing with dilution claims.

⁹⁶⁵ Dogan and Lemley (n 705) 557

Chapter Five: Trade Mark Dilution in EU

5.1 Introduction

This chapter examines the dilution doctrine from an EU perspective. In a similar fashion to Chapter Four, it is hoped that by analysing a more measured and cautious approach followed by a jurisdiction with more experience in the doctrine, the Jordanian legislator will gain necessary insight into the meaning of the concept of dilution and the multifarious issues that surround this potent legal tool. The analysis of EU law and courts' decisions aims to encourage Jordanian courts to approach also dilution with caution and for good reasons, ultimately, creating a balance in granting rights among trade mark owners in Jordan.

Specifically, the chapter will tackle the following questions: *how can Jordan benefit from the experience of the EU in implementing dilution protection and what lessons could be learned from this jurisdiction? And can these lessons influence the Jordanian legislator on the meaning and policy-based limits of dilution theory?* To address these questions, this chapter will begin by analysing the concept of dilution from an EU perspective and examining the forms of dilution. In doing so, reference will be made to UK decisions, as the UK Trade Mark Law is the source of the Jordanian law and Jordanian scholars generally look to the UK for guidance.⁹⁶⁶ Neither the EU Trade Mark Directive nor the UK Trade Mark Law explicitly mention the term 'dilution', and there is no specific definition of its meaning. However, the Court of Justice of the European Union (CJEU) has confirmed the application of dilution within EU.⁹⁶⁷

⁹⁶⁶ M Naser and T Hammouri, 'The Notion of Famous, Well-Known Trade Marks and Marks With Repute Compared' (2014) 9 Journal of Intellectual Property & Practice 314. Also, M Naser and Q Mahafzah, 'Dilution of Trademarks in Jordan - An Eighth Legal Wonder!' (2017) IIC 134

⁹⁶⁷ (Case C-408/01) Adidas-Salomon AG v. Fitnessworld Trading Ltd. [2004] paras 36-39. Also, (Case C-252/07) Intel Corp v CPM UK Ltd (ECJ) [2009] Bus LR 1079

Analysis of the concept of dilution from an EU perspective will illustrate the differences from the US implementation of the doctrine, and will help demonstrate why Jordan is argued to have gone too far by adopting a much broader interpretation and implementation. Further, the chapter will examine Article 5(2) of the Trade Mark Directive 2008/95/EC⁹⁶⁸ (TMD) as well as Article 10(2)(c) TMD 2015 of the TMD (EU) 2015/2436⁹⁶⁹ to analyse the meaning of dilution and its different types. Subsequently, the analysis of case law will demonstrate how EU courts apply anti-dilution protection and what are the conditions and requirements considered in dilution claims. It will be explained that the TMD is not as clear as the US law when it comes to the conditions that should be assessed by the court. This is because while the US legislator has explicitly provided for dilution guidance in the legislation, the definition of dilution and the relevant factors for its determination have been articulated in the case law of the CJEU. Also, where the US legislation contains a definition of dilution and its types, EU law makes no reference on the matter.

Following this, the chapter will discuss the 'due cause' defence stipulated in Article 5(2) of the TMD. Eventually, the EU discussion will contribute to the literature of intellectual property law in Jordan and will enhance the conception of dilution, which will ultimately assist in developing the Jordanian Trade Mark Law and provide insight to Jordanian courts into dealing with dilution claims.

⁹⁶⁸ First Council Directive 89/104/EEC of 21 December 1988 to Approximate the Laws of the Member States Relating to Trade Marks, 1990 O.J. (L 40) 1, consolidated and replaced by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008, 2008 O.J. (L 299) 25.

⁹⁶⁹ The Directive (EU) 2015/2436 to approximate the laws of the Member States relating to trade marks (Recast) entered into force on 15 January 2016 and Member States have three years to implement it. That said, the law for the purpose of this thesis is the Trade Mark Directive 2008/95/EC.

5.2 Dilution Protection Under EU Law

5.2.1 The Concept of Dilution

This section will analyse dilution from an EU perspective to examine how Jordan could benefit from the manner this concept has been shaped and developed by EU courts. Jordan has a historical connection with the UK; as a result of the British colonisation, the Jordanian legislation originally mirrored English law.⁹⁷⁰ However, it can be argued that currently UK law is more developed to the Jordanian one. Therefore, it is deemed beneficial for the overall analysis to examine the doctrine of dilution from an EU –including the UK– perspective, which are considered more developed in comparison with Jordan, to seek answers to the questions regarding the type of harm relevant for dilution protection and the required evidence to establish it.

The EU dilution law is found in two legal sources, namely the Trade Mark Directive⁹⁷¹ and the Community Trade Mark Regulation,⁹⁷² which is now referred to European Union Trade Mark Regulation (EUTMR).⁹⁷³ Due to the European Trade Mark Directive, the statutory dilution law within the EU is harmonised.⁹⁷⁴ Therefore, referring solely to the TMD shall be sufficient. The wording of both laws is the same;⁹⁷⁵ the only difference is that regarding the

⁹⁷⁰ Chapter One, 1.2.2 History of Jordanian Trade Mark Law, page 6

⁹⁷¹ TMD (n 960) and TMD (n 961)

⁹⁷² Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark. (Mar. 24, 2009), replacing Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, O.J. L 11/1 (Jan. 14, 1994).

The focus of the thesis will be on the TMD, however, a reference to the UK Trade Mark Act and to the Trade Mark Regulation is indispensable.

Also G Dinwoodie, 'Dilution as Unfair Competition: European Echoes' in R Dreyfuss and J Ginsburg (eds), Cambridge University Press, 2014; Oxford Legal Studies Research Paper No. 37/2013.

⁹⁷³ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (codification) (Text with EEA relevance) replacing Council Regulation (EC) No 207/2009.

⁹⁷⁴ J McCarthy, 'Dilution of a Trademark: European and United States Law Compared' (2004) TMR 1163

⁹⁷⁵ Adidas-Salomon v. Fitnessworld (n 967) 301 para 52

Regulation, the candidate mark has to have reputation among the Community, whereas under the TMD the mark has to have reputation within the Member State. The court in *Intel* clarified that the Directive – including the optional provisions in Articles 4(4)(a) and 5(2) – has been ‘implemented in the United Kingdom by the Trade Marks Act 1994’⁹⁷⁶ and that the Directive and the Regulation ‘were drafted in parallel, and many of their substantive provisions are similar, so that interpretation of one is often transposable to the other’.⁹⁷⁷ Therefore, Article 5(2) of the Directive is equivalent to Article 9(1)(c) of the Community Trade Mark Regulation 207/2009 (CTMR). These two legislations were replaced by the TMD 2015 and EUTMR 2017; accordingly, the equivalent articles within the law is Article 10(2)(c) and 9(2)(c) respectively. The changes made to both articles compared to the new law are minimal.⁹⁷⁸

The term ‘dilution’ does not appear in the EU legislation,⁹⁷⁹ nor in the UK Trade Mark Act;⁹⁸⁰ however, the question whether dilution is envisaged under EU trade mark law was resolved in Europe is illustrated by the CJEU in the *Adidas* case.⁹⁸¹ The TMD and the UK Trade Mark Act refer to ‘detriment’. Article 5(2) of the TMD 2008/95/EC applies where a third-party uses a mark with reputation without due cause that takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade

⁹⁷⁶ Intel (n 967) 1084

⁹⁷⁷ Ibid

⁹⁷⁸ The differences of Articles 10(2)(c) TMD 2015 and 5(2) TMD 2008 will be highlighted throughout the chapter.

⁹⁷⁹ K Whittaker, ‘Trademark Dilution in a Global Age’ (2006) 27 U. Pa. J. Int’l Econ. L. 907, 929

⁹⁸⁰ McCarthy (n 974) 1172. Also, M Senglben, ‘The Trademark Tower of Babel - Dilution Concepts in International, US and EC Trademark Law’ (2009) IIC Vol. 40, 75. Also, G Dinwoodie, ‘Trademarks and Territory: Detaching Trademark Law from The Nation-State’ (2004) 41 Houston Law Review 925. Also, Intel (n 967) para 33

⁹⁸¹ Adidas-Salomon (n 967) paras 36-39. Also, W Cornish, D Llewelyn, and T Aplin, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (7th edn, Sweet & Maxwell 2010) 791. Also, Whittaker (n 979) 930

mark.⁹⁸² It is also important to refer to the recast of the TMD (EU) 2015/2436, which refers to the same terminology, ‘detiment’, found in Article 5(2) of TMD 2008/95/EC.⁹⁸³ Article 10(2)(c) of the TMD (EU) 2015/2436 provides against the registration of a junior mark where the sign is identical with, or similar to the senior mark used for identical, similar or dissimilar products when the use by the junior trade mark ‘without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark’. Therefore, the EU maintains the same terminology without explicitly referring to ‘dilution’. It is worth noting that the TMD (EU) 2015/2436 applies from January 15, 2019,⁹⁸⁴ hence, it is essential to examine also the new version of the Directive.

By virtue, ‘dilution’ is not explicitly stated in the legislation, the CJEU, in *Adidas*,⁹⁸⁵ traced back the concept of dilution to Schechter’s article.⁹⁸⁶ In *Adidas*,⁹⁸⁷ AG Jacobs clarified that the classic form of dilution, i.e. dilution by blurring, under EU law means a detriment to the distinctive character of a trade mark.⁹⁸⁸ The CJEU explained that dilution in the US was described in terms of ‘lessening, watering down, debilitating, weakening, undermining, blurring, eroding and insidious gnawing away at a trade mark’.⁹⁸⁹ It is worth mentioning that the definition of dilution by blurring and dilution by tarnishment, under the US law means impairment and harm respectively to the famous mark.⁹⁹⁰ Conversely, in the EU, the law explicitly refers to

⁹⁸² Article 5(2) of the Trade Mark Directive 2008/95/EC

⁹⁸³ Article 10(2)(c) of the Trade Mark Directive (EU) 2015/2436

⁹⁸⁴ Article 56; TMD (EU) 2015/2436 shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

⁹⁸⁵ *Adidas-Salomon* (n 967) 401

⁹⁸⁶ F Schechter, ‘The Rational Basis of Trademark Protection’ (1927) 40. Harv. LR 813

⁹⁸⁷ *Adidas-Salomon* (n 967) 411

⁹⁸⁸ *Ibid* 412

⁹⁸⁹ *Ibid*

⁹⁹⁰ 15 U.S.C. § 1125 (c)(2)(B) dilution by blurring is the “association arising from the similarity between a mark or trade name and a famous mark that *impairs the distinctiveness of the famous mark.*” Also, 15 U.S.C. § 1125(c)(2)(C) dilution by tarnishment is the

detriment to the distinctive character and detriment to the reputation of the mark. While the US uses the term 'dilution' which is illustrated as an impairment and harm to the mark, it may be argued that the EU distanced from explicitly referring to 'dilution' and the use of a different term from that adopted in the US, which is 'detriment' could infer that the EU intended to include a broad concept of dilution than that applied in the US. Arguably, the EU inclusion of 'unfair advantage' in the TMD could infer that 'dilution' is not intended to mean as a form of 'harm', but unfair competition or misappropriation.⁹⁹¹

Furthermore, the CJEU in *Adidas*⁹⁹² followed closely the opinion of AG Jacobs on the meaning of dilution by blurring that 'the essence of dilution in this classic sense is that the blurring of the distinctiveness of the mark means that it is no longer capable of arousing immediate association with the goods for which it is registered and used'.⁹⁹³ In understanding the concept of dilution, the court relied on the explanation provided by Schechter on how a second user could dilute the mark's distinctiveness.⁹⁹⁴ AG Jacobs continued to explain the second type of dilution, tarnishment.⁹⁹⁵ He explained that the term 'tarnishment', or 'degradation of the mark' in the EU version, means a detriment to the repute of the mark. When explaining detriment to the reputation of the mark, AG Jacobs relied on the Claeryn/Klarein case⁹⁹⁶ and the decision of the Benelux Court of Justice.⁹⁹⁷ This case is concerned with two identically pronounced marks: 'Claeryn' used in relation to Dutch gin and 'Klarein' used for a liquid detergent. Accordingly, there is a high chance of

"association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark."

⁹⁹¹ This is explained below, 5.2.2 The Uncertainty of the Concept of Dilution, page 205

⁹⁹² Adidas-Salomon (n 967) 401

⁹⁹³ Ibid 412

⁹⁹⁴ Ibid 413

⁹⁹⁵ Ibid 401

⁹⁹⁶ Claeryn/Klarein, Benelux Court of Justice, Case A 74/1, March 1, 1975 Jurisprudence of the Benelux Court of Justice 1975

⁹⁹⁷ (C-251/95) Sabel BV v Puma AG [1997] E.T.M.R. 283, 295- 297

establishing association between the two marks, as when drinking the 'Claeryn' gin, consumers will be reminded of the liquid detergent, therefore, associating gin with an unsavoury or unfavourable sensation of drinking a liquid detergent. For this reason, the court held that the 'Klarein' mark had infringed the 'Claeryn' trade mark.⁹⁹⁸ It is also important to explore another form of dilution that is specified in the TMD, which exists in the EU but not in the US; i.e. 'taking unfair advantage of the mark with reputation'.⁹⁹⁹ The court in *Adidas* referred to 'taking unfair advantage of the distinctiveness of the reputed mark' and 'taking unfair advantage of the reputation of the reputed mark' as free-riding.¹⁰⁰⁰ This covers instances where a second user exploits the mark's reputation by free-riding on the coattails of a famous mark or when it attempts to trade upon its reputation.¹⁰⁰¹ It is deemed that free-riding does not cause harm to the senior's mark but offers a junior user a chance to obtain an advantage over the reputation of the senior's mark to boost the junior user's business. Evidently, this is a distinction from the US law where marks with reputation under the EU law are protected not against harm or detriment, but due to the junior user taking advantage of the reputed mark. Clearly, the scope of dilution in US is more narrowed than that in the EU.

Another piece of legislation that is noteworthy in this chapter is the Uniform Benelux Law on Marks, established in 1971, which harmonises the relevant legislation of three European countries, namely Belgium, the Netherlands, and Luxembourg,¹⁰⁰² and is considered important for several reasons. Firstly, due to the already mentioned *Claeryn/Klarein* case, which is a

⁹⁹⁸ *Adidas-Salomon* (n 967) 412

⁹⁹⁹ Article 5(2) of the TMD 2008 and Article 10(2)(c) TMD 2015. Also, D Franklyn, 'Debunking Dilution Doctrine: Toward a Coherent Theory of the Anti-Free-Rider Principle in American Trademark Law' (2005) 56 Hastings L.J. 117, 120. See also, *Dinwoodie* (n 972) 7

¹⁰⁰⁰ *Adidas-Salomon* (n 967) 413

¹⁰⁰¹ *Ibid* 412

¹⁰⁰² D Friedmann, 'The Uniqueness of the Trade Mark: A Critical Analysis of the Specificity and Territoriality Principles' (2016) *E.I.P.R. 67, 678. Also, B Beebe, 'The Suppressed Misappropriation Origins of Trademark Antidilution Law: the Landgericht Elberfeld's Odol Opinion and Frank Schechter's The Rational Basis of Trademark Protection' (2013) in *Intellectual Property at the Edge: The Contested Contours of IP* 59 (Rochelle Cooper Dreyfuss and Jane C. Ginsburg, eds., Cambridge University Press, 2014) 17

decision of the Benelux Court of Justice that relates to anti-dilution protection for a claim of dilution by tarnishment.¹⁰⁰³ Secondly, the court in *Adidas* took into consideration the Claeryn/Klarein case to trace the origins of dilution and to interpret the meaning of the doctrine. Consequently, the history of the doctrine of dilution in Europe shall be useful in understanding the doctrine, how it was formed, and whether there is uncertainty or misunderstanding on how dilution occurs, ultimately illustrating the reason behind Jordan's stance in understanding the theory of dilution ambiguously.

5.2.2 The Uncertainty of the Concept of Dilution

This section of the chapter will address the complexity and the misinterpretations surrounding the concept of dilution, which has a different meaning to the one Jordanian scholars tend to believe. Naser and Mahafzah assert that 'today, the dilution protection of trademarks under the Lanham Act is straightforward.'¹⁰⁰⁴ Meanwhile, they argue that the way dilution was implemented in the Jordanian legislation bears no significance to the foundations of the dilution theory, as articulated by Frank Schechter, nor to 'other comparative systems such as the Lanham Act, the EU Directive, and the UK Trade Marks Act'.¹⁰⁰⁵ It may be argued that this argument is not entirely accurate; the dilution theory has gone through a long process of development since Schechter presented dilution to the English-speaking world until today. It may be contended that Jordan has adopted a primitive or the uncertainty on the meaning of dilution at that time, without amending its laws to meet the new standards of the doctrine's current shape and form today. The uncertainty around the dilution concept in the US¹⁰⁰⁶ and the EU¹⁰⁰⁷ has arguably been translated into a misinterpretation of the concept in developing countries, such as in Jordan, which explains why the latter has

¹⁰⁰³ *Adidas-Salomon* (n 967) 412

¹⁰⁰⁴ Naser and Mahafzah (n 966) 139

¹⁰⁰⁵ *Ibid*

¹⁰⁰⁶ Chapter Four, 4.2.1 The Uncertainty of Dilution, page 154

¹⁰⁰⁷ As discussed in this chapter

adopted it in a complex manner.¹⁰⁰⁸ It is worth mentioning that dilution has proved to be an elusive concept not only in Jordan but also in the EU and the US. It may be contended that if an experienced jurisdiction of a developed country has had struggled articulating the concept of dilution, it is also likely that developing countries, such as Jordan, might also struggle with it. Hence the reason why Jordan has failed to capture the essence and meaning of the dilution doctrine. The reason for this is because, as mentioned in previous chapters, the US understanding of the dilution theory within the TDRA is different from the one articulated by Schechter.¹⁰⁰⁹ Also, it could be argued that the initial conception of dilution in the EU is different than from the TMD provides.¹⁰¹⁰ Furthermore, the current TMD differs in the conception of dilution from that of the US under the TDRA in a way that the TMD broadened the scope of dilution to include free-riding. Specifically, dilution in the EU prohibits actions by third parties who take advantage of the mark's reputation and/or its distinctiveness; i.e. free-riding. In other words, it is evident that dilution has been initially conceived differently and has been implemented differently in the US and the EU. As Beebe observes, the theory of dilution articulated by Schechter in his seminal paper *Rational Basis* has managed over the years to mean many different things to many different people.¹⁰¹¹ He argues that the real meaning behind dilution in Schechter's article is about misappropriation.¹⁰¹² It may be contended that the origins of dilution in Europe are bewildering as the doctrine took various forms. Initially, courts intended to justify granting anti-dilution protection relying on consumers' confusion, as seen, for instance, in *Baywatch*.¹⁰¹³

¹⁰⁰⁸ Chapter One, 1.2.6 The Notion of Dilution, page 28. Also, McCarthy (n 974) 1163

¹⁰⁰⁹ On Schechter's views, see Chapter One, 1.2.6 The Notion of Dilution, pages 24-25. Also, Chapter Two, 2.2 Pre-Condition for Anti-Dilution Protection, pages 67- 69. On the uncertainty of the concept of dilution in US, see Chapter Four, page 154. And on anti-dilution protection in the TDRA, see page 163

¹⁰¹⁰ *Baywatch Production Co. Inc. v Home Video Channel* [1997] F.S.R. 22. The concept of dilution was associated with consumer's confusion.

¹⁰¹¹ Beebe (n 1002) 5

¹⁰¹² Ibid

¹⁰¹³ *Baywatch* (n 1010)

Although Section 10(3) of the UK Trade Mark Law did not stipulate any reference to consumers' confusion, the court chose to rely on this condition.¹⁰¹⁴ This lawsuit involved a dilution claim, which is an important case to highlight because the court chose to consider whether consumers are confused, and because it ruled that this element is important to prove under Section 10(3) of the UK Trade Marks Act 1994.¹⁰¹⁵ In *Baywatch*, the learned judge concluded that in the context of the evidence, there was no arguable case of a relevant detriment, because there was no evidence of relevant confusion.¹⁰¹⁶ It was believed that the test of confusion among consumers still played an essential role to whether protection against dilution should be granted. The learned judge further illustrated that Section 10(3) only grants anti-dilution protection where there was a likelihood of confusion on the part of the public.¹⁰¹⁷ Therefore, it is understood from the judge's statement, that without likelihood of confusion, there is no detriment to the reputed mark. It may be argued that the judge, apart from considering all the factors listed in Section 10(3), also examined and heavily relied upon one important element not required by the provision, i.e. likelihood of confusion. Evidently, the doctrine of dilution is not concerned with consumer's confusion, this proves that courts misunderstood the concept of dilution by granting anti-dilution protection upon proving consumer's confusion, which mirrors the understanding of dilution theory among Jordanian courts.¹⁰¹⁸

¹⁰¹⁴ The old version of section 10(3) reads;

A person infringes a registered trade mark if he uses in the course of trade a sign which (a) is identical with or similar to the trade mark, and (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered. Where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

¹⁰¹⁵ *Baywatch* (n 1010) 23. Section 10(3) only applied where: (i) a sign which was similar to the trade mark, so that there was a likelihood of confusion on the part of the public, was used in relation to goods and services which were not similar to the mark; (ii) the mark had a reputation in the United Kingdom; (iii) the use of the sign, being without due cause, took advantage of, or was detrimental to the distinctive character or the repute of the trade mark'.

¹⁰¹⁶ *Baywatch* (n 1010) 31

¹⁰¹⁷ *Ibid* 23

¹⁰¹⁸ Chapter Three, 3.4.2 Section 25(1)(b) page 118. Also, 3.6 Case Law. Page 123 – 133

On the same issue, Cornish, Llewelyn and Aplin illustrate that initially there were doubts in the UK, where English courts have used passing off action against occasional instances of dilution.¹⁰¹⁹ For instance, *Champagne*, a case that involved some prospect of confusion that gave rise to a sufficient likelihood of damage.¹⁰²⁰ This indicates that there was indeed misconception surrounding dilution theory within Europe. Although courts decisions had removed any scepticism as to whether a confusing association was required for detriment, this shows that the misunderstanding of dilution in the US and EU has had a ripple effect upon the misconception of dilution in Jordan. Furthermore, Beebe asserts that dilution is in fact a form of 'free-riding', and likely one that typically inflicts no substantial harm to the misappropriated mark.¹⁰²¹ In his article, Beebe clarifies that Schechter held back from disclosing the truth that the concept of trade mark dilution is essentially about misappropriation. The reason for this was Schechter's intention 'to sell his proposed doctrinal reforms to an American audience altogether suspicious of misappropriation doctrine and increasingly under the sway of American Legal Realism'.¹⁰²² Most importantly, Beebe sheds lights on the fact that Schechter deliberately omitted with ellipses in a rather long quotation the most significant part from Dr Wertheimer's translation of the *Odol* opinion, that the respondent sought 'to appropriate thus the fruits of another's labor'.¹⁰²³ Beebe argues that Schechter attempted to conceal any link between trade mark dilution and misappropriation, as well as avoiding to shed the light on the reason for the defendant to adopt famous marks. Instead, Schechter focused on the harm that is caused by such a conduct and 'the mysterious nature of this damage'.¹⁰²⁴ Beebe contends that Schechter must have known the difference between the American and the

¹⁰¹⁹ Cornish, Llewelyn, and Aplin (n 981) 791

¹⁰²⁰ Ibid. [1994] E.I.P.R. D-74.

¹⁰²¹ Beebe (n 1002) 5

¹⁰²² Ibid 4

¹⁰²³ Ibid 5, 12-13

¹⁰²⁴ Ibid 13

German approach, which explains why he attempted to avoid making any reference to misappropriation; hence, he shifted his concept of dilution out of the conceptual field of misappropriation and into trade mark law.¹⁰²⁵ Dinwoodie endorses Beebe's critical analysis of Schechter's work,¹⁰²⁶ and agrees that dilution is mainly about misappropriation, which reflects on the EU perspective, which includes 'unfair advantage' as a third form of dilution. It may be argued that both the US and the EU have found it difficult to articulate and coherently develop dilution doctrine. It may be argued that since the extent of dilution was undefined, the constant transformations of what it encompasses, have raised many questions and doubt about the true meaning of the concept of dilution.

The uncertainty surrounding the concept of dilution in Europe can also be seen in the attempts made to define 'confusion' and 'association'. For instance, in the Netherlands, there was an attempt to include in the Benelux law the concept of 'risk of association' as an alternative to 'the risk of confusion'.¹⁰²⁷ However, it failed.¹⁰²⁸ It could be contended that the difference between the two terms seems puzzling, as 'confusion' and 'association' both are triggered in the mind of the consumer. They both remind the consumer when seeing the junior mark of the senior's mark. However, it may be argued that 'confusion' arises when consumers look at the junior mark and are confused about the source or origin of the goods, whereas 'association' is when a consumer when seeing the junior mark bring to mind the senior's mark, accordingly establishing a link in the mind of consumers about the two marks without being confused to the source and origin of the goods. On the contrary, one may argue that there is a thin line in differentiating 'association' and 'confusion', on its face, one may assume that 'association' involves a hint of 'confusion', because it is indicative of the two marks' similarity. The EU stance regarding dilution is completely different: currently, the courts do

¹⁰²⁵ Ibid 17

¹⁰²⁶ Dinwoodie (n 972) 7

¹⁰²⁷ Sabel v Puma (n 997) 297

¹⁰²⁸ Ibid

not examine confusion, which is a radical change that could be attributed to *Sabel*.¹⁰²⁹ Indeed, confusion has been removed from examinations of dilution claims, and, at present, dilution is applicable without any reference to confusion. Departing from the approach followed in *Baywatch*, the court in *Sabel* clarified that neither Section 10(3) of the UK Trade Mark Act nor Article 5(2) of the TMD stipulate a confusion requirement.¹⁰³⁰ AG Jacobs clarified the difference between the two notions, explaining that 'under the Benelux concept of "association", a trade mark owner has the right to oppose the use of signs which "bring to mind" his mark, even if there is no risk of the consumer thinking that the product bearing the competing sign is in any way connected with the trade mark owner'.¹⁰³¹ He also explained that likelihood of confusion includes likelihood of association, not vice versa.¹⁰³² Furthermore, AG Jacobs illustrated that 'confusion' is defined in a narrow and a broad sense. The former occurs when consumers have a wrong assumption that the goods in question come from the same undertaking; the latter is the mistaken assumption that there is an organisational or economic link between the undertakings marketing the two products.¹⁰³³ Article 13(A)(1) of the Benelux law refers to 'association', which means that consumers are not confused about the source and origin of the goods in the narrow sense, but in the broad sense, by mistakenly believing that there is an economic link between the two marks. It is important to consider the Benelux law for three reasons: firstly, it included protection against dilution prior to the UK Trade Mark Law and the TMD, and secondly, it was incorporated onto the EU and was consequently adopted in the UK.¹⁰³⁴ AG Jacobs in *Sabel* stated that 'it appears that Benelux law does go further than the trade-mark laws of other Member States because it protects trade mark

¹⁰²⁹ Ibid 289

¹⁰³⁰ Cornish, Llewelyn, and Aplin (n 981) 771

¹⁰³¹ *Sabel v Puma* (n 997) 297 para 41

¹⁰³² Ibid 298

¹⁰³³ *Sabel v Puma* (n 997) 295

¹⁰³⁴ *Baywatch* (n 1010) 28

owners against the use of identical or similar signs in circumstances in which the consumer is in no way confused as to the origin of the product and so provides protection also against harm caused by virtue of what is known as degradation and dilution of trade marks'.¹⁰³⁵ Jacobs added that this was also clear in the Claerwyn/Klarein case,¹⁰³⁶ where the Benelux Court explained that one of the advantages of a trade mark is that it has the capacity to attract consumers to purchase goods that endure the mark, and that capacity could be adversely affected if another user uses a similar sign to that mark on non-similar goods.¹⁰³⁷ The Benelux Court also clarified that this could happen in two circumstances:

When the blurring of the distinctiveness of the mark means that it is no longer capable of arousing immediate association with the goods for which it is registered or used (which is presumably what is meant by the concept of 'dilution' of trade marks); or when the goods for which the infringing mark is used appeal to the public's senses in such a way that the trade mark's power of attraction is affected (which is presumably what is meant by the 'degradation' of trade marks).¹⁰³⁸

Thirdly, it is important to consider the Benelux law as it demonstrate that dilution and confusion are not related; it distinguishes between 'association' and 'confusion', which was accordingly adopted in the TMD.¹⁰³⁹ The latter tests 'confusion' when dealing with a traditional infringement case, whereas 'association' is considered in dilution claims.¹⁰⁴⁰ However, the Benelux law refers to neither confusion nor association when dealing with dilution.¹⁰⁴¹ Conversely, in EU, when courts examine a dilution claim they consider

¹⁰³⁵ Sabel v Puma (n 997) 295

¹⁰³⁶ Ibid 296

¹⁰³⁷ Ibid 296, para 39

¹⁰³⁸ Ibid 296. para 39

¹⁰³⁹ Ibid 294

¹⁰⁴⁰ This is explained later in this chapter when examining the conditions for succeeding in a dilution claim.

¹⁰⁴¹ Sabel v Puma (n 997) 294

‘association’; most importantly, they require a change in the economic behaviour as a proof to succeed in a dilution claim.¹⁰⁴² Although Article 5(2) of the TMD and Article 10(2)(c) of the TMD 2015 do not require a ‘link’ or ‘association’ not even a proof of a change in the economic behaviour, courts seem to consider these conditions. It may be argued that, although the notion of dilution existed in the Benelux law before its adoption in the EU legislation, the courts first were confused as to associative confusion and dilution together, as seen in *Baywatch*. After *Sabel*, this requirement was abolished. However, taking into consideration what ‘association’ means in the broad sense, as demonstrated by Germany, European courts would go beyond the TMD requirement, as seen in *Baywatch*, where it was assumed that dilution depends on confusion. From the analysis above, it emerges that confusion was considered a necessary element in examining dilution claims, which reflects on Beebe’s article that dilution means unfair advantage and misappropriation. It was common that without confusion, dilution could not arise. However, confusion is no longer mandated under the examination for dilution in EU, while it remains a valid justification for Jordanian courts to grant anti-dilution protection.

In addition, in EU, dilution is understood as a cause of detriment to the distinctive character of the reputed mark or detriment to the mark’s reputation, which is essentially not only direct damage to the trade mark but arguably also to its proprietor. In addition, the detriment to the distinctive character implicitly means to affect the mark itself, not the source or origin of the trade mark. Arguably, this conception is also found among Jordanian courts as their justification is to protect the mark itself, which if affected, it also affects the owner of that trade mark, presumably financially. Hence, no attention is made to whether the distinctiveness of the mark is affected due to the source or origin of the mark, but ‘confused’ in the broad sense according to AG Jacobs’ explanation.¹⁰⁴³ Dawson elaborates that trade

¹⁰⁴² Intel (n 967)

¹⁰⁴³ Chapter Five, 5.2.1 The Concept of Dilution, on 198

marks communicates in two ways.¹⁰⁴⁴ The trade mark play a role as a source identifier; 'it identifies the product and distinguishes it from other similar products'.¹⁰⁴⁵ Additionally, trade marks inform consumers, through advertising, of the character and quality of the product.¹⁰⁴⁶ Moreover, Dawson explained that the dilution theory comprehends not only the function of a product identifier but also the trade mark's advertising function.¹⁰⁴⁷

It is noteworthy that the ECJ in *L'Oréal*¹⁰⁴⁸ provided that the functions of trade marks include the essential function, i.e. indicating the origin and source of products, and other functions of the mark such as guaranteeing the quality of the goods or services, and communication, investment and advertising. The AG in *L'Oréal* elaborated that Article 5(2) of the TMD 2008 'seem to be designed to safeguard trade mark functions'.¹⁰⁴⁹ In addition, the court in *Interflora* stated that 'the trade mark's other functions can play a role in the interpretation of Article 5(2) of the Directive 89/104, which concern the rights conferred by trade marks with a reputation'.¹⁰⁵⁰ While other functions of a trade mark is acknowledged,¹⁰⁵¹ a trade mark shall always fulfil 'its function of indicating origin, whereas it performs its other functions only in so far as its proprietor uses it to that end, in particular for the purposes of

¹⁰⁴⁴ N Dawson, 'Trade Mark Law and the Creation and Preservation of Well-Known Brands' (1998) 343, 347

¹⁰⁴⁵ Ibid

¹⁰⁴⁶ Ibid

¹⁰⁴⁷ Ibid 360

¹⁰⁴⁸ *L'Oréal v Bellure NV* [2010] Bus LR 303, 319

¹⁰⁴⁹ Ibid para 49

¹⁰⁵⁰ This is pointed out by the CJEU in Case C-323/09, [2011] *ECR I – 08625 Interflora/Marks & Spencer*, para 35

¹⁰⁵¹ Ibid para 39. Judgment of the Court in *Arsenal Football Club v. Reed* (C-206/01) [2002] E.C.R. I-10273; [2003] 19 E.T.M.R. 19 at [43]. In regards to the functions of the trade mark; indicating origin is not the only function of the mark that is worthy of protection against injury by third parties, but also took into account that a trade mark is an instrument of commercial strategy used among other things for advertising purposes or to acquire a reputation in order to develop consumer loyalty.

advertising or investment'.¹⁰⁵²

It is notable that the concept of dilution is more developed in the US and the EU than it is in Jordan. While Jordan adopted a peculiar conception of the doctrine of dilution, similar to the EU's initial one, the EU has since developed its understanding of dilution. Specifically, the EU abolished the requirement of consumers' confusion in granting protection against dilution, whereas Jordanian courts maintain relying on this condition. It is also important to analyse how UK and EU courts assess and examine dilution claims, to closely examine the conditions they consider when assessing dilution, or the detriment to the distinctive character and reputation of a mark, as well as free-riding. The analysis will not only clarify the conception of dilution under EU law but also show how EU courts have dealt with dilution claims in practice, aiming to assist in the development of a clear legal framework in Jordan.

5.3 Article 5(2) of the TMD 2008

As mentioned earlier,¹⁰⁵³ dilution is found in Article 5(2) of the TMD 2008, which is Article 10(2)(c) of the TMD 2015. Article 5(2) of the Trade Mark Directive 2008/95/EC reads:¹⁰⁵⁴

Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to the distinctive character or the repute of the trade mark.

¹⁰⁵² Ibid para 40

¹⁰⁵³ Chapter Five, 5.2.1 The Concept of Dilution, pages 204-205

¹⁰⁵⁴ Directive 2008/95/EC of The European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Codified version) (Text with EEA relevance)

As above-mentioned,¹⁰⁵⁵ Article 5(2) of the Directive 2008 is equivalent to Article (9)(1)(c) of the CTMR 2009.¹⁰⁵⁶ Also, Article 10(2)(c) of the Directive 2015 is equivalent to Article 9(2)(c) of the EUTMR 2017. The court in *Specsavers*¹⁰⁵⁷ clarified that marks with reputation are granted a wider form of protection, as laid down in Article 9(1)(c) CTMR, than the protection of ordinary marks under Article 9(1)(a) and Article 9(1)(b).¹⁰⁵⁸ The wording of this Article indicates that this provision is not binding, as it states that 'any Member State *may* provide...'. Although it is an optional provision, it has been widely implemented in Europe.¹⁰⁵⁹ However, the TMD 2015 has made this provision compulsory in Article 10(2) of the TMD 2015, which stipulates 'the proprietor of that registered trade mark shall be entitled to prevent ...'. The use of the wording 'shall' indicates that it is an obligation to grant such protection, the owner shall be entitled to obtain such protection upon proving detriment or unfair advantage. Also, worth noting that both Directives 2008 and 2015 grant protection against 'dilution', 'tarnishment', and 'free-riding'.¹⁰⁶⁰ AG Jacobs in *Adidas* clarifies that dilution encompasses four types of use: use which takes unfair advantage of the mark's distinctive character; use which takes unfair advantage of its repute; use which is detrimental to the mark's distinctive character; and use which is detrimental to its repute.¹⁰⁶¹ One of the four types of injury will be sufficient for Article 5(2) to apply,¹⁰⁶² which is also applicable under Article 10(2)(c) of the Directive 2015, as these two Articles bear almost the same wording. Article 10(2)(c) of the Directive 2015 states that '... a trade mark shall not be

¹⁰⁵⁵ Chapter Five, 5.2.1 The Concept of Dilution, pages 204-205

¹⁰⁵⁶ *Intel* (n 967)

¹⁰⁵⁷ *Specsavers International Healthcare Ltd, and others v. Asda Stores Ltd* [2012] E.T.M.R. 360, 392

¹⁰⁵⁸ *Ibid.* 'Article 9(1)(c) establishes for marks with a reputation a wider form of protection than that laid down in Art.9(1)(a) or (b)'.

¹⁰⁵⁹ *Dinwoodie* (n 972) 5

¹⁰⁶⁰ *W Cornish, Llewelyn, and Aplin* (n 981) 739. Also, *Specsavers* (n 1057) 393

¹⁰⁶¹ *Adidas-Salomon* (n 967) paras 36-39. Also, *Intel* (n 967) para 33

¹⁰⁶² *Intel* (n 967). Also, *Interflora Inc and another v Marks & Spencer plc* [2015] Bus. L.R. 492, 513

registered or, if registered, shall be liable to be declared invalid where: ... use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark'. Furthermore, Article 5(2) of the Directive 2008 stipulated protection where a third party uses an identical or similar mark to the mark with reputation in relation to goods or services not similar to those for which the trade mark is registered. However, EU courts applied this Article even on uses of the mark with reputation in relation to goods or services which are the same.¹⁰⁶³ The TMD 2015 is distinguished from that 2008 is by explicitly stipulating that protection is granted upon the use of a similar mark of the reputed mark on the same, similar or different goods by persons not connected with the proprietor.¹⁰⁶⁴

It is worth mentioning that the notion of blurring in US refers to the harm caused to the earlier mark, which arguably echoes the concept of detriment to the distinctive character of a mark in EU, implying a lessening of the mark's distinctiveness.¹⁰⁶⁵ It may be argued that although dilution theory in EU could originally be attributed to unfair competition and misappropriation,¹⁰⁶⁶ the wording found in the Directive referring to 'detriment' infer to be a cause of harm mirroring the concept of dilution in the US. It could also be contended that since the meaning of 'detriment' is not specifically clarified in the Directive, thus, it is relied on the interpretation provided by the CJEU. The court in *Intel*¹⁰⁶⁷ and *Adidas*,¹⁰⁶⁸ had relied on the explanation provided by Schechter in analysing the concept of dilution noting that 'the theory of dilution has long been the subject of disagreement among

¹⁰⁶³ Adidas-Salomon (n 967) 403

¹⁰⁶⁴ Article 10(2)(c) of the Directive 2015. '...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...'

¹⁰⁶⁵ Intel (n 967) para 68

¹⁰⁶⁶ As explained by Beebe above-mentioned; Chapter Five, 5.2.2 The Uncertainty of the Concept of Dilution, page 205

¹⁰⁶⁷ Intel (n 967)

¹⁰⁶⁸ Adidas-Salomon (n 967) AG Jacobs's description of dilution.

commentators (and exasperation at the perceived obtuseness of others, including the courts).¹⁰⁶⁹

In *L’Oreal*, the court elaborated on the meaning of detriment to the distinctive character of the mark with reputation which is also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’.¹⁰⁷⁰ Such detriment is caused when that mark’s ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark.¹⁰⁷¹ That is particularly the case when the mark, which at one time aroused immediate association with the goods or services for which it is registered, is no longer capable of doing so.¹⁰⁷² In the EU, it is accepted that detriment to repute is equivalent to dilution by tarnishment.¹⁰⁷³ Similar to the US legislation, the EU law does not provide a list of factors for the courts to follow to determine dilution by tarnishment.¹⁰⁷⁴ The common understanding is that a detriment to the reputation of the mark occurs when the public’s impression or objective evaluation on the senior mark would be lowered by the unauthorised use.¹⁰⁷⁵ In other words, in the EU, it is mostly confined to situations where there is incompatibility with the nature of goods between the senior and junior users.¹⁰⁷⁶ The senior user needs to prove that the mark has reputation and that the reputation is of a particular positive image.¹⁰⁷⁷ AG Jacobs in *Adidas*

¹⁰⁶⁹ Intel (n 967) para 30

¹⁰⁷⁰ (C-487/07) *L’Oréal v Bellure NV* [2009] E.T.M.R. 55. 987, 1031. Also, Specsavers (n 1057) 393

¹⁰⁷¹ *L’Oréal* (n 1070) 1031. Also, Specsavers (n 1057) 393

¹⁰⁷² *L’Oréal* (n 1070) 1031. Also, Specsavers (n 1057) 393

¹⁰⁷³ *Adidas-Salomon* (n 967) paras 36-39. Also, Intel (n 967) para 33

¹⁰⁷⁴ H Sun, ‘Reforming Anti-Dilution Protection In The Globalization of Luxury Brands’ (2014) *Georgetown Journal of International Law* 783, 810. Also, I Fhima, *Trade Mark Dilution in Europe and the United States* (OUP 2011) 175

¹⁰⁷⁵ Sun (n 1074) 810

¹⁰⁷⁶ Ibid. Also, Fhima (n 1074) 179

¹⁰⁷⁷ Sun (n 1074) 810. Also, Fhima (n 1074) 175

referred to the Claeryn/Klarein case to illustrate the concept of detriment to the mark's reputation.¹⁰⁷⁸ Detriment to the reputation is understood to mean a degradation of the mark where the trade mark's power of attraction is affected. Another example that illustrates the meaning of detriment to the mark's reputation was provided by AG Sharpston in *Intel*,¹⁰⁷⁹ who stated:

One can imagine how, if "Coca-Cola" were registered only in respect of soft drinks, the distinctiveness of the mark could be eroded if it (or a similar mark or sign) were used by others in respect of a host of unrelated products; or how its reputation could be harmed if it were used for low-grade engine oils or cheap paint strippers.¹⁰⁸⁰

While the US legislation does not contain a provision to prohibit free-riding,¹⁰⁸¹ EU law provides a further cause of action for cases when a junior user takes unfair advantage of a senior mark. AG Sharpston in *Intel*¹⁰⁸² referred to AG Jacobs' explanation of free-riding; stating that the use of the term 'free-riding' is for both the third and the fourth types of dilution causes of action,¹⁰⁸³ which are taking unfair advantage of (i) the distinctiveness or (ii) the reputation of the reputed mark.¹⁰⁸⁴ This explanation is also followed in the *Wolf* case, the court explained that free-riding encompasses instances where there is clear exploitation and free-riding on the coattails of a famous mark or an attempt to trade upon its reputation.¹⁰⁸⁵ It is a benefit to the

¹⁰⁷⁸ Adidas-Salomon (n 967) para 38

¹⁰⁷⁹ Intel (n 967)

¹⁰⁸⁰ Ibid para 9

¹⁰⁸¹ Sun (n 1074) 811. Also, Fhima (n 1074) 189

¹⁰⁸² Intel (n 967) 1088

¹⁰⁸³ Adidas-Salomon (n 967) paras 39. 'It is not obvious that there is any real difference between taking advantage of a mark's distinctive character and taking advantage of its repute. Since however nothing turns on any such difference in the present case, I shall refer to both as free-riding'.

¹⁰⁸⁴ Adidas-Salomon (n 967) 412- 413

¹⁰⁸⁵ (Case T- 570/10) Environmental Manufacturing LLP v. Office for Harmonisation in the Internal Market, (Trade Marks and Designs) (OHIM), Société Elmar Wolf [2012] E.T.M.R. 54 para 47

second user rather than causing harm to the owner of the earlier mark,¹⁰⁸⁶ where the second user uses a mark with reputation to obtain some sort of boost by linking his products with the senior mark. Subsequently, the junior user is obtaining gains without making any contributions to the senior user.¹⁰⁸⁷ For instance, the Court of Appeal, in *Specsavers*,¹⁰⁸⁸ clarified that the defendant Asda had used the claimant's word mark 'SPECSAVERS' in a strapline in a way that 'it was intended to bring the claimant's brand to mind and to convey its own superiority in terms of value, as well as superiority or parity in the areas of range and professionalism'.¹⁰⁸⁹ The court explained that the defendant's action did not involve an objective comparison of verifiable and representative features of the parties' goods. Thus, the Court of Appeal confirmed the judges' decision to find an infringement of the word and logo marks under Article 9(1)(c) CTMR.¹⁰⁹⁰ Furthermore, the court in *Iron & Smith* illustrated that free-riding or taking unfair advantage must be somehow *unfair*.¹⁰⁹¹ This begs the question: what is deemed fair and what is the limit that the junior user must not cross in order for his action to be not deemed unfair? The courts in *L'Oreal*,¹⁰⁹² and subsequently in the *Wolf*, took into consideration a list of factors when assessing whether there is free-riding. Specifically, the court stated that it is necessary to undertake a global assessment that includes; the intention to take advantage for promotional

¹⁰⁸⁶ Intel (n 967) para 62. Also, Dinwoodie (n 972) 7

¹⁰⁸⁷ (Case C-125/14) *Iron & Smith Kft v Unilever NV* [2015] Bus. L.R. 1025. Also, *L'Oreal* (n 1048) 304. Also, *Interflora* (n 1062) 505. 'An advertiser who selects a trade mark with a reputation as a keyword, and so obtains custom from consumers instead of the trade mark proprietor, obtains a real advantage from the distinctive character and repute of the trade mark and does so without compensating the proprietor. This must be considered to be an unfair advantage in the absence of due cause'.

¹⁰⁸⁸ *Specsavers* (n 1057) 360

¹⁰⁸⁹ *Ibid* 363

¹⁰⁹⁰ *Ibid*. 'The court reasoned that the defendant's choice of logo enabled it to benefit from the power of attraction, reputation and the prestige attaching to the claimants and their logo marks and to exploit their reputation without paying compensation for the marketing efforts which the claimants had made. Accordingly, use of the defendant's logo infringed the claimants' logo marks under art.9(1)(c)'.

¹⁰⁹¹ *Iron & Smith* (n 1087)

¹⁰⁹² *L'Oreal* (n 1048) 304

purposes of the distinctive character and repute of the mark, the strength of the mark's reputation and the degree of its distinctive character, the degree of similarity between the signs at issue, the nature and degree of proximity of the goods or services concerned, and the fact, if established, that there was a likelihood of dilution or tarnishment of the mark.¹⁰⁹³ From the analysis, it emerges that dilution in the EU has a broader scope when compared to its US counterpart. It could be said that Jordan goes even further than these jurisdictions, by adopting an even broader form of dilution. The next section will focus on the conditions that the EU considers when assessing dilution. This is crucial to elucidate the misconception of dilution adopted by the Jordanian legislator, courts and commentators, along with the depth of the analysis that Jordanian courts must undertake and the conditions that they must examine prior to granting anti-dilution protection.

5.4 The Conditions for Anti-Dilution Protection

This section of the chapter will investigate the conditions that EU courts undertake when dealing with dilution claims. The analysis shall be useful as it will highlight the essential elements that Jordanian courts must also examine in dilution claims, to ensure consistency and harmony in their decisions. It is argued that adopting a clear and precise list of conditions will result and ensure justice and legitimacy.

It is noteworthy that although the wording of Article 5(2) of the TMD 2008 stipulates elements that the court must consider, there is no list of factors to guide the court in establishing that defendant's use is liable to cause detriment or take unfair advantage of the mark with reputation. While the TDRA, US law, list clearly factors for courts to consider, in the TMD there are elements found within the provision. Article 5(2) of the TMD 2008 requires (i) similarity between the two marks, i.e. the senior and junior mark; (ii) use of a mark similar to the senior mark on dissimilar goods and services;

¹⁰⁹³ Ibid. Also, Wolf (n 1085) para 48

(iii) reputation of the senior mark in the Member State; (iv) use of that sign without due cause; (v) the use of the mark causing one of the following: detriment to the distinctive character, detriment to the reputation, taking unfair advantage of the distinctive character, or taking unfair advantage of the reputation of the senior mark.¹⁰⁹⁴ Article 10(2)(c) of the TMD 2015 stipulates the same elements as the ones listed in Article 5(2) of the Directive 2008 but with few differences. In the recast Directive 2015, Article 10(2)(c) requires (i) that the two marks, i.e. the senior and the junior mark, be identical or similar; (ii) that the mark be used on identical, similar or dissimilar goods or services to the ones the senior mark represents; (iii) that the senior mark have a reputation in the Member States; (iv) that the use of that sign be without due cause; (v) the use of the mark takes unfair advantage of, or is detrimental to, the distinctive character or the reputation of the trade mark.¹⁰⁹⁵ One different aspect that the TMD 2008 differs from the recast TMD 2015 is that the former was an optional provision whereas the latter is compulsory. Article 5(2) TMD 2008 stipulate 'Any Member State may also provide that the proprietor shall be entitled to prevent', also, Article 10(2) TMD 2015 stipulate 'The registration of a trade mark shall confer on the proprietor exclusive rights therein.'

Most importantly, the TMD 2008 did not include protection to be granted in instances where the use of a similar mark to that senior's mark on similar or identical products, however, the court in *Davidoff*¹⁰⁹⁶ expanded the scope of

¹⁰⁹⁴ Article 5(2) of the Trade Mark Directive 2008/95/EC of The European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Codified version) (Text with EEA relevance)

¹⁰⁹⁵ Article 10(2) of the TMD 2015 reads; 'Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the registered trade mark, the proprietor of that registered trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where:

(c) 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 reputation of the trade mark.

¹⁰⁹⁶ (C-292/00) *Davidoff & Cia SA v Gofkid Ltd (Davidoff II)* [2003] F.S.R. 28, 490, 492

protection.¹⁰⁹⁷ Ultimately, Article 10(2)(c) of the recast Directive 2015 incorporates explicitly instances where a junior user uses a similar mark to the senior mark on goods or services that are identical, similar or dissimilar to the senior mark's products. It is questionable the reason why courts intended to provide extra protection than that stipulated in the Directive.¹⁰⁹⁸ The ninth and tenth recitals of the Directive give Member States authorisation to grant more protection at their option than the Directive explicitly grants.¹⁰⁹⁹ However, this irregularity was resolved in the recast Directive 2015, where Article 10(2)(c) explicitly states that protection is extended to instances where the third party uses the mark with reputation on identical, similar or not similar goods and services.¹¹⁰⁰

From the examination of case law, few points must be highlighted; it emerges that EU courts tend to extend the analysis of dilution to request further conditions that are not declared in the Directive. The conditions are cumulative and failure to satisfy one of them results to the court dismissing the dilution claim. For instance, apart from the elements required by Article 5(2) of the TMD 2008, the court in *Adidas*,¹¹⁰¹ and later in *Intel*,¹¹⁰² requested

¹⁰⁹⁷ Ibid 492. Also, *Adidas-Salomon* (n 967) 402. 'The court stated that if a member state did exercise the option provided by Art.5(2) of the Directive, it was bound to grant the same protection in relation to goods or services which were identical or similar as that granted in the case where the goods or services were not similar'.

¹⁰⁹⁸ Spence has illustrated the confusion on this point that is arising among courts. See M Spence, 'Section 10 of the Trade Marks Act 1994: is there really a logical lapse?' (2001) E.I.P.R. 423, 424. 'It is to be regretted, therefore, that the courts have been busy creating a rather different, and less satisfactory, mechanism for dealing with the problem of the confusing use of identical or similar signs on dissimilar goods. This mechanism operates by forcing many cases which would naturally fall under section 10(3) into section 10(2)'.

¹⁰⁹⁹ *Davidoff* (n 1096) 492. '... [I]t is fundamental, in order to facilitate the free circulation of goods and services, to ensure that henceforth registered trade marks enjoy the same protection under the legal systems of all the Member States; ... this should however not prevent the Member States from granting at their option extensive protection to those trade marks which have a reputation.'

¹¹⁰⁰ Article 10(2)(c) Directive 2015 states '... 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.'

¹¹⁰¹ *Adidas-Salomon* (n 967)

¹¹⁰² *Intel* (n 967) 1079. 'The Court of Appeal referred questions to the Court of Justice of the European Communities for a preliminary ruling to clarify the nature of the "link" required by the case law'.

establishing a link between the sign in question and the trade mark in the mind of the average consumer. In addition, the court in *Intel*, as well as in *Specsavers* later, requested that a global assessment where all factors relevant to the case must be taken into account.¹¹⁰³ The stronger the senior mark's distinctive character and reputation are, the easier it will be to accept that detriment has been caused to it. However, this begs the question what is the standard in determining the strength of the mark, in other words, how strong the mark should be and how do we decide whether a mark is strong or not? The court further illustrated that the more immediately and strongly the senior mark is brought to mind by the junior sign, the greater the likelihood that the current or future use of the sign is taking, or will take, unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental to them. Therefore, it may be argued that the strength of the mark could indicate how well consumers know the trade mark and how widely it is used, suggesting that consumers would be promptly reminded of the senior mark when encountering the junior mark. It may be argued that detriment to the senior mark's distinctiveness does not infer that consumers are not aware of the source and origin of that distinctive mark, but the mark's distinctiveness is lessened in the eyes of consumers.

It may be argued that although the court in *Davidoff*¹¹⁰⁴ expanded the scope of protection to cover instances where the junior user uses a similar mark to the senior's mark in relation to identical, similar, or dissimilar to the senior's goods or services, it is balanced by setting the examination bar high to demand a proof of a change in the economic behaviour of the average consumer.¹¹⁰⁵ For instance, in *Intel*,¹¹⁰⁶ the CJEU held that to establish whether the use of the later mark was or would be detrimental to the distinctive character of the earlier mark, a proof must be provided by showing 'a change in the economic behaviour of the average consumer of

¹¹⁰³ Ibid. Also, *Specsavers* (n 1057) 360

¹¹⁰⁴ *Davidoff* (n 1096) 490

¹¹⁰⁵ *Intel* (n 967) 1080

¹¹⁰⁶ Ibid

the goods or services for which the earlier mark was registered, consequent on the use of the later mark, or a serious likelihood that such a change would occur in the future'.¹¹⁰⁷ It may be argued that this element is not mandated by both Directive 2008 and the recast Directive 2015, it appears that courts do realise that the doctrine of dilution is a dangerous legal tool that must be granted attentively. Hence the reason why courts go beyond that required by the law to assure that a mark with reputation has strongly proved that it deserves to be protected from detriment. In addition, The General Court in *Wolf* relied on providing evidence of a chance of the economic behaviour by the average consumer explaining that

The proprietor of the earlier mark must adduce *prima facie* evidence of a future risk, which is not hypothetical, of detriment. Such a finding may be established, in particular, on the basis of logical deductions made from an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case.¹¹⁰⁸

Furthermore, the Court in *Wolf*¹¹⁰⁹ followed the steps of *Intel* by explaining that the change in the economic behaviour of the consumer is established where 'the proprietor of the earlier mark has shown that the mark's ability to identify the goods or services for which it is registered and used is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark'.¹¹¹⁰ Subsequently, the English Court of Appeal in *G/lee*,¹¹¹¹ which followed the steps of the Court of Justice in *Intel* considered 'a likely change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered'

¹¹⁰⁷ *ibid* 1108

¹¹⁰⁸ *Wolf* (n 1085) para 52

¹¹⁰⁹ *Ibid*

¹¹¹⁰ *Ibid* para 26

¹¹¹¹ *Comic Enterprises Ltd. v. Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41 (Glee case)

must be provided to prove detriment to the distinctive character of the mark with reputation.¹¹¹² Accordingly, failure to provide evidence that that condition is met, ‘the detriment or risk of detriment to the distinctive character of the earlier mark provided for in art.8(5) of Regulation 207/2009 cannot be established’.¹¹¹³ The CJEU’s test of an economic change has been followed in several important cases in the UK. Most importantly, the court in *G/lee* explained how such condition has been met as it held that the claimant’s case on dilution by blurring and dilution by tarnishment is made out. It reasoned that

In this case I have more objective evidence of consumers’ reaction to the Defendant’s activities in the evidence I have referred to above about potential customers being discouraged because they believe that there is a link. That reaction shows that potential customers are changing their economic behaviour and that the Claimant’s Mark is suffering detriment through the swamping by the Defendant’s use of the sign. I am reinforced in this view by the reaction of the marketing company m360 Limited as described by Sarah Shaw, Mark Ashmore and Shane Robert Jones. From a marketing point of view they saw the Defendant’s TV show as being a real threat to the Claimant’s Mark which had to be addressed in their marketing programme. It is not necessary for a Claimant under s.10(3) to produce evidence quantifying a change in economic behaviour. All that is needed is objective evidence that there is or will be such a change.¹¹¹⁴

This approach is certainly strict but, given the extent of the monopoly conferred by dilution, it makes sense to make dilution protection conditional upon more stringent requirements. It is essential to analyse case law and examine those conditions that the courts rely on and the conditions required by Article 5(2) to gain a better understanding of the assessment of dilution

¹¹¹² Wolf (n 1085) para 114. Also, Intel (n 967) 1107

¹¹¹³ Comic Enterprises (Glee case) (n 1111) 948

¹¹¹⁴ ibid 949 at 140

claims.¹¹¹⁵ Also, in determining the similarity between two marks, an examination of visual, aural or conceptual similarity is required.¹¹¹⁶ It is the similarity between the two marks that will create an association, a link, in other words will call the earlier mark to the mind of the average consumer.¹¹¹⁷ A 'link' merely reminds the public of the senior mark without creating confusion regarding the source of the goods. Consumers' confusion requires an assessment of a broader range of factors, one of which is the nature of the goods and/or services. By contrast, the preliminary condition of a link, for dilution purposes, only focuses on the similarity between the two signs, not between the goods they represent. The TMD explicitly states that 'the likelihood of confusion includes the likelihood of association between the sign and the trade mark'.¹¹¹⁸ Based on this, confusion necessarily entails the existence of a link in the minds of the public, whereas a link or an association in the minds of the public does not indicate consumers' confusion. A mark may merely remind consumers of an earlier mark without necessarily confusing them about the origin of their respective products or services, or making them assume an economic affiliation of their owners. In a similar manner, McCarthy illustrated that the difference between 'link' and 'confusion' is that although the relevant public might make some association or connection between the two marks with the former, this connection does not cause confusion about the source of the goods. Instead, upon seeing the junior mark, the relevant public intuitively knows that there is no connection between the owners of the respective mark, due to the context of the junior user's use. Although the relevant public is reminded of the senior mark, it is clear that the junior user is not connected in any way with the senior

¹¹¹⁵ Article 5(2) of the TMD 2008. The provision stipulates that 'the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark'.

¹¹¹⁶ Adidas-Salomon (n 967) para 28. On the meaning of a similar sign as used in Article 5(2) of the Directive; 'the condition of similarity between the mark and the sign referred to in Art.5(2) required the existence, in particular, of elements of *visual, aural or conceptual similarity*'.

¹¹¹⁷ Specsavers (n 1057) 393. 'The sign would call the registered mark to mind is *tantamount* to the existence of such a link'.

¹¹¹⁸ Article 5(1)(b) TMD

mark.¹¹¹⁹ It is noteworthy that the mere fact that consumers may make a mental association of the junior user's mark with a famous mark is not sufficient to establish actionable dilution.¹¹²⁰

In *Intel*,¹¹²¹ the court confirmed that 'association' and a 'link' are described to mean the same, where the junior mark will call the earlier mark to the mind of the average consumer.¹¹²² It is worth noting that both the US and the EU require 'association' between the junior and senior marks, and without it dilution cannot occur.¹¹²³ Establishing a 'link' is just one step in the process; in itself, it is insufficient for establishing either dilution or unfair advantage.¹¹²⁴ The court in *Intel* confirmed that there are additional factors and evidence to be considered before determining whether actual detriment is caused to the earlier mark's distinctive character.¹¹²⁵ The association is the result of how similar and close the two marks are, so that consumers

¹¹¹⁹ S Chong, 'Protection of famous Trademarks Against Use For Unrelated Goods And Services: A Comparative Analysis Of The Law In The United States, The United Kingdom And Canada And Recommendations For Canadian Law Reform' (2005) 95 TMR 642, 653

¹¹²⁰ McCarthy (n 974) 1168. This point is further explained on page 228

¹¹²¹ Intel (n 967) 1079

¹¹²² *Ibid* 1106. 'For the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark would call the earlier mark to mind is tantamount to the existence of such a link'.

¹¹²³ Fhima (n 1074) 23. Also, the judgment in *Adidas-Salomon* (n 967) para 49. Also, McCarthy (n 974) 1168. Also, Chong (n 1119) 653. 'An excerpt from McCarthy on Trademarks and Unfair Competition: "For dilution to occur, the relevant public must make some connection between the mark and both parties. But that connection is not the kind of mental link between the parties that triggers the classic likelihood of confusion test. Rather, the assumption is that the relevant public sees the junior user's use, and intuitively knows, because of the context of the junior user's use, that there is no connection between the owners of the respective marks'.

¹¹²⁴ Fhima (n 1074) at 3.0.1. Also, M Sentleben, 'Keyword Advertising In Europe - How The Internet Challenges Recent Expansions of EU Trademark Protection' (2011) 27 Conn. J. Int'l L. 39, 52.'The doctrine of dilution does not require the use of a trade mark with reputation to cause a risk of confusion, the mere allusion to the mark with a reputation can be sufficient'. See also, Wolf (n 1085) 'The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of detriment to the distinctive character of the earlier mark ... in as much as that similarity does not cause any confusion in their minds'.

¹¹²⁵ Intel (n 967) 1094

might associate the two marks.¹¹²⁶ Therefore, the weaker the link, the less likely the defendant would cause dilution to the senior mark or would be obtaining unfair advantage.¹¹²⁷ Furthermore, in *Wolf*¹¹²⁸ the General Court upheld the Board of Appeal's decision that there was indeed some similarity between the marks at issue and that the relevant public might establish a link between the signs,¹¹²⁹ however, it did not result in any dilutive harm or unfair advantage being taken. Ultimately, a 'link' is a crucial element that must be established, as in the absence of such a link in the minds of the public, the use of the sign is not likely to cause one of the types of dilution.¹¹³⁰ However, it must be borne in mind that the presence of a 'link' alone is not sufficient to conclude that there is indeed dilutive harm.¹¹³¹ In order to determine whether the use of the mark applied for taking unfair advantage of the repute of the earlier mark, a link in the mind of the relevant public must be established between the signs at issue and the goods concerned.¹¹³² Furthermore, the court in *Adidas-Salomon*¹¹³³ elaborated that if the mark is sufficiently well-known, it is more likely to be called to the public's mind. Specifically, the court stated: 'where there is a sufficient degree of knowledge of the mark that the public, when confronted by the

¹¹²⁶ *Adidas-Salomon* (n 967) para 29. 'The infringements referred to in Art.5(2), where they occurred, were the consequence of a *certain degree of similarity* between the mark and the sign, by virtue of which the relevant public made a *connection* between the sign and the mark, i.e. established a link even though it did not confuse them'.

¹¹²⁷ *Specsavers* (n 1057) 362

¹¹²⁸ (C-383/12) P *Environmental Manufacturing v OHIM (Wolf Case)* [2013] E.T.M.R. 54

¹¹²⁹ *Ibid* para 10 and para 13

¹¹³⁰ *Ibid* 393. Also, *Iron & Smith* (n 1087). 'Without a link, it would seem counterintuitive to claim that the use of the later trade mark would free-ride on, or could have a detrimental effect on, the reputation or distinctive character of the earlier mark'.

¹¹³¹ *Specsavers* (n 1057) 393. 'In the absence of such a link in the mind of the public, the use of the sign is not likely to cause one of these three types of injury. But nor is the existence of such a link sufficient, in itself, to establish that there is such an injury'.

¹¹³² *Wolf* (n 1085) para 48

¹¹³³ *Adidas-Salomon* (n 967)

sign, may possibly make a connection between the two'.¹¹³⁴ The association is described as a consequence of the similarity of the marks,¹¹³⁵ and the strength of distinctiveness, as well as the reputation, of the senior mark play an essential role in facilitating the existence of a link between the parties' marks. Accordingly, this promotes establishing a detriment to the distinctive character of the earlier mark.¹¹³⁶ Moreover, the court in *Iron & Smith*¹¹³⁷ declared that the more immediately and strongly the mark with a reputation is brought to mind by the later mark, the greater the likelihood that the current or future use of the sign is taking unfair advantage of, or is detrimental to, the distinctive character or the repute of that mark. In determining the existence of dilution, the examination of the similarity between the two marks assesses whether it is enough to bring the senior mark to mind, rather than whether it can cause confusion as such.¹¹³⁸

The examination of the similarity of the two marks and the establishment of a link is a test that EU courts consider it thoroughly. This analysis by the courts is an important lesson for Jordanian courts to be aware of. Most importantly, upon proving the similarity of the junior and senior mark, and upon establishing a link in the mind of the average consumer is the first hurdle in examining whether dilution might occur, it does not automatically mean that

¹¹³⁴ Adidas-Salomon (n 967) para 49. Also, Case (C-375/97) General Motors [1999] ECR I-5421, para.[23] of the judgment. 'Although the English translation of the judgment uses the term "association", the French refers to "rapprochement". It is helpful to my mind to follow the French in using a term which is different from that used in Arts 4(1)(b) and 5(1)(b) of the Directive; I have accordingly used the word "connection".' See also, Intel (n 967) para 66. 'The consequence of a certain degree of similarity between the earlier and later marks, by virtue of which the relevant section of the public makes a *connection* between those two marks, that is to say, establishes a *link* between them even though it does not confuse them'. Also, Iron & Smith (n 1087).

¹¹³⁵ Adidas-Salomon (n 967) para 29

¹¹³⁶ Iron & Smith (n 1087). Also, Intra-Presse v OHIM, C-581/13 paragraph 73. Also, El Corte Inglés SA, v OHIM C-603/14 P, paragraph 43.

¹¹³⁷ Ibid

¹¹³⁸ Fhima (n 1074) 80. '... the Court points out, the same elements are considered in assessing similarity of marks for the purpose of establishing likelihood of confusion'. Also, Adidas-Salomon (n 967) para 28. 'However, the question is whether the similarity is enough in respect of some combination of these elements to bring the senior mark to mind, rather than whether the marks are so close in respect of these elements that confusion is likely'.

protection against dilution should be granted. Jordanian courts must follow a list of critical conditions for consideration before rushing to grant such an extensive monopoly.¹¹³⁹ EU courts have required additional elements to be proved for a successful dilution claim, which is not found in the TMD but mandated by courts. For instance, in *Wolf*, the court emphasised that the claimant had to prove risk of dilution –i.e. detriment to the distinctive character of the earlier mark– by adducing evidence of the existence of any change in the economic behaviour of the average consumer of the goods in respect of which the earlier marks were registered as a result of the use of the mark applied for, or a serious likelihood that such a change would occur in the future.¹¹⁴⁰ The court confirmed that without such evidence, there would be no detriment or risk of detriment to the distinctive character of the earlier mark, thus the risk provided for in Article 8(5) of Regulation No 207/2009 could not be established.¹¹⁴¹ Although the legislation does not specify this factor, i.e. a change in the economic behaviour, it may be argued that presumably courts have realised that the doctrine of dilution is a potent legal tool, thus they examine dilution claims attentively before granting it. Arguably, this explains why the bar is set high for a dilution claim to be successful. The change in the economic behaviour of the average consumer is an essential element that crucially underpins the EU concept of dilution harm. The General Court in *Wolf* rejected the applicant's argument that a change in the economic behavior of the average consumer is demonstrated upon proving that;

The proprietor of the earlier mark must specifically plead and prove that use of the later mark will have an effect on the behaviour of the consumers of the goods covered by the earlier mark or that there is a serious risk thereof in the future.

¹¹³⁹ Recommendations on a list of factors for Jordan to adopt will be discussed in Chapter Six.

¹¹⁴⁰ (Case T-570/10) RENV, Environmental Manufacturing v OHIM (*Wolf Case*) [2015] para 35

¹¹⁴¹ Ibid

The court further elaborated that ‘the concept of “change in the economic behaviour of the average consumer” lays down an objective condition’,¹¹⁴² which cannot be only derived from subjective elements, such as consumers’ perceptions.¹¹⁴³ The court clarified that where consumers notice the similarity of the junior mark to the senior mark is itself insufficient to establish dilution within the meaning of Article 8(5) of Regulation No 207/2009.¹¹⁴⁴ Following the examples of *Intel* and *Wolf*, the English High Court in *Enterprise*¹¹⁴⁵ demonstrated that as evidence of change in the economic behaviour of the average consumer had not been provided, no detriment to the distinctive character of Enterprise Holdings’ mark could be established.¹¹⁴⁶ In addition, it is worth noting that the AG in *Impulse* provided his opinion stating that the standard of proving a change in the economic behaviour of the average consumer is deemed to be a high threshold that the senior mark user must overcome to succeed in a dilution claim by either showing that such a change has actually happened or is likely to happen in the future.¹¹⁴⁷ The test of the relevant section of the public is examined from the perspective of the average consumer. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant.¹¹⁴⁸

¹¹⁴² *Ibid* para 37

¹¹⁴³ *Ibid* para 37

¹¹⁴⁴ *Ibid*

¹¹⁴⁵ *Enterprise Holdings Inc v Europcar Group UK Ltd* [2015] EWHC 17 (Ch) 87

¹¹⁴⁶ *Ibid* 89. ‘The use of *Europcar*’s logo did not take unfair advantage of the distinctive character or repute of Enterprise Holdings’ mark’.

¹¹⁴⁷ *Iron & Smith* (n 1087) para 44

¹¹⁴⁸ *Interflora Inc v Marks and Spencer Plc* EWHC 1291 (Ch) [2013] 775, 835

5.5 Defences

Although the EU, in a similar fashion to the US legislation, exempts certain uses from the liability of dilution, arguably there is no clear list of defences under Article 10(2)(c) of the Directive 2015. The Directive 2008 and the recast Directive 2015 explicitly refers to only one defence found in Article 5(2) and Article 10(2)(c) respectively, that is the use of a mark with reputation with due cause. It may be argued that the language is unclear and vague, as to what constitutes due cause. Therefore, the extent and scope of this defence could be said to depend upon the court's perception,¹¹⁴⁹ as there are limited sources on the concept of 'due cause'.¹¹⁵⁰ Initially, it was pointed out that 'without due cause' means 'without justifiable reason'.¹¹⁵¹ However, it is important to note that there is an explicit reference in the recast TMD 2015 that is deemed an expanded limitation to what is found in Article 5(2), namely Recital 27 of the TMD 2015, which refers to freedom of expression and freedom of competition.¹¹⁵² It could be argued that although the TMD 2015 refers to protect the fundamental rights and freedoms, the references can be understood as a general call without emphasising on taking them into account in the process of applying the law. The framing of the references of the fundamental rights and freedom of expression and competition is merely mentioned in the recital without including it in the provision when dealing with dilution claims. Hence the reason why it is argued that there is potential found in the TMD 2015 in striking a balance between the interests of trade mark proprietors and interests of competitors.

It may be contended that anti-dilution protection is an exceptional tool that must be observed closely and carefully before granting it to proprietors of

¹¹⁴⁹ P Bicknell, ' "Without Due Cause" - Use of The Defendant's Sign Before The Claimant's Mark is Filed: Leidseplein Beheer and de Vries v. Red Bull GmbH and Red Bull Nederland BV, (C-65/12)' (2014) E.I.P.R. 402, 403. It is questionable 'the degree of flexibility that should be afforded to a court on the issue of without due cause'.

¹¹⁵⁰ Ibid

¹¹⁵¹ Ibid

¹¹⁵² M Senftleben, L Bently, G Dinwoodie, and others, 'Recommendation on Measures to Safeguard Freedom of Expression and Undistorted Competition in EU Trade Mark Law' (2014) European Intellectual Property Review 337-344.

marks with reputation; its wide scope needs to be limited.¹¹⁵³ Unlike what is practiced in Jordan, where anti-dilution protection seems to be granted recklessly and randomly, the US and the EU examples show that there are certain circumstances where anti-dilution protection is not conferred, and Jordan needs to learn from these jurisdictions' experience to specify dilution's limits in its legislation. Article 5(2) of the TMD 2008 and the recast TMD 2015 under Article 10(2)(c) provides that for a senior user to succeed in a dilution claim, the use by others must be 'without due cause'.¹¹⁵⁴ To clarify the meaning of 'due cause' it is important to refer to case law. The Court of Justice illustrated that

The concept of 'due cause' is intended, not to resolve a conflict between a mark with a reputation and a similar sign which was being used before that trade mark was filed or to restrict the rights which the proprietor of that mark is recognised as having, but to strike a balance between the interests in question by taking account, in the specific context of Article 5(2) of Directive 89/104 and in the light of the enhanced protection enjoyed by that mark, of the interests of the third party using that sign. In so doing, the claim by a third party that there is due cause for using a sign which is similar to a mark with a reputation cannot lead to the recognition, for the benefit of that third party, of the rights connected with a registered mark, but rather obliges the proprietor of the mark with a reputation to tolerate the use of the similar sign.¹¹⁵⁵

Furthermore, the court referred to *Interflora*¹¹⁵⁶ in regards to the meaning of 'due cause'; explaining that if the use by a third party of a similar mark to the mark with reputation without imitating the goods or services to which the reputed mark is attached to, without causing detriment to the repute or distinctive character of the reputed mark and without adversely affecting the functions of the trade mark concerned – an alternative to the products to

¹¹⁵³ Bicknell (n 1149)

¹¹⁵⁴ Article 5(2) of the TMD 2008 and Article 10(2)(c) of the recast TMD 2015

¹¹⁵⁵ (Case C-65/12) Leidseplein Beheer BV and Hendrikus de Vries v Red Bull GmbH and Red Bull Nederland BV. [2014] E.T.M.R. 24. 435, 446 para 46

¹¹⁵⁶ *Interflora* (n 1148) 779. Judgment of the Court (First Chamber) paragraph 91 of the judgment.

which the mark with reputation is attached to, thus, it must be concluded that 'such a use falls, as a rule, within the ambit of fair competition in the sector for the goods or services concerned and is thus not without due cause'.¹¹⁵⁷

The Court (First Chamber) in *Leidseplein Beheer* hereby ruled; Article 5(2) of Directive 89/104 must be interpreted as meaning that the owner of a reputed trade mark may be compelled to endure the use by a third party of a similar mark to his/her mark with reputation in relation to a product which is identical to that for which that mark was registered 'if it is demonstrated that that sign was being used before that mark was filed and that the use of that sign in relation to the identical product is in good faith'.¹¹⁵⁸ The court added conditions for a national court to assess in determining whether that is so by taking into consideration: (i) how that sign has been accepted by, and what its reputation is with, the relevant public; (ii) the degree of proximity between the goods and services for which that sign was originally used and the product for which the mark with a reputation was registered; and (iii) the economic and commercial significance of the use for that product of the sign which is similar to that mark. Although the court in *Leidseplein Beheer* listed factors for the court to consider when examining 'due cause', that was insufficient to allow the use of the appellant's forename in the mark.

The General Court followed this approach in *Kenzo* by referring to the factors listed in *Leidseplein Beheer*, however, it concluded that the fact that Kenzo is the appellant's forename was not enough to constitute due cause, within the meaning of that provision.¹¹⁵⁹ The CJEU confirmed with the General Court ruling stating; the appellant's argument that the use of the appellant's forename in the mark in respect of which registration is sought constitutes due cause, is an inadmissible argument.¹¹⁶⁰ The CJEU illustrated that the meaning of 'due cause' may not include objectively overriding reasons but

¹¹⁵⁷ *Leidseplein Beheer* (n 1155)

¹¹⁵⁸ *Ibid*

¹¹⁵⁹ Joined Cases C-85/16 P and C-86/16 P *Kenzo Tsujimoto v EUIPO/Kenzo* [2018] E.T.M.R. 30. 791, 806 para 83

¹¹⁶⁰ *Ibid* para 85, para 93 and 94

may also relate to the subjective interests of a third party using a sign which is identical or similar to the mark with a reputation.¹¹⁶¹ It may be argued that although the examination and conditions undertaken by the courts to determine whether the use by a third party of a similar mark to the senior mark with reputation fall within the ambit of due cause, the decision of the General Court and confirmed by the CJEU declined to consider forenames a 'due cause' is questionable. For that reason that EU seems to narrow the scope of dilution, however, in regards to considering what is 'due cause' gives the impression that the extent of dilution is broad.¹¹⁶² Moreover, the court in *Glee*,¹¹⁶³ took into consideration whether there is a likelihood of confusion in determining whether the use of a third party falls within the ambit of fair or unfair use. The court held that if the use by the defendant is likely to cause confusion, then the use is without due cause.¹¹⁶⁴

¹¹⁶¹ *Ibid* para 86

¹¹⁶² This is evident in cases where due cause has been applied in the context of parodies, however, it was unsuccessful. See The German Federal Court of Justice decided that the senior mark owner is allowed to stop a third party from registering a trade mark, which is a parody of their established trade mark (*Puma v Pudel* Judgment dated 2 April 2015; Case No.: I ZR 59/13). Also, *Ate My Heart Inc v Mind Candy Ltd* [2011] EWHC 2741 (Ch) (*Lady Gaga v Lady Goo Goo*).the judge was in favour of the claimant, hence it was decided to prevent the defendant Mindy Candy from using the Lady Goo Goo character in *Moshi Monsters*.

¹¹⁶³ *Comic Enterprise* (n 1111) 903

¹¹⁶⁴ *Ibid* 947

Conclusion

This chapter set out to address two questions: (i) *How can Jordan benefit from the experience of the EU in implementing dilution protection and what lessons could be learned from such jurisdiction? And (ii) Can these lessons influence the Jordanian legislator on the meaning and policy-based limits of dilution theory?* First, the concept of dilution was analysed from the EU perspective, to understand how different is the doctrine applied in the EU from that applied in Jordan. For the EU, the concept has developed throughout the years. It is important to bear in mind that, initially, national courts believed dilution was linked to confusion, notably in the UK. This reflects on the current situation in Jordan. Despite this similarity, it emerges that the EU has developed its understanding and its legislation regarding dilution, whereas, in Jordan, the concept remains firmly grounded upon a finding of confusion, which is wrong. In the Benelux, in the UK, and in the EU in general, the doctrine of dilution has evolved past this starting point. The analysis of the concept showed that Jordan cannot be blamed for misunderstanding the concept of dilution: it was adopted from the West, from jurisdictions such as the US and the EU, where the doctrine had not been yet accurately shaped; thus, the ripple effect from the initial misconceptions surrounding dilution was unavoidable. In addition, the term 'dilution' does not explicitly appear in the EU Directive 2008 nor in the TMD 2015 nor in the UK legislation, which gives the impression that Jordan is somehow closer to the EU stance, since no clear or explicit reference to the term 'dilution' exists in the Jordanian Trade Mark Law either. Moreover, it is understood that dilution in EU covers four types of actions, which constitute a broader scope of dilution than the one applied in the US. On the other hand, Jordan further broadens the scope of dilution and grants it in random circumstances, as long as it serves the objective of protecting foreign trade marks. This chapter explained how Jordan could learn from the EU to minimise the extent of dilution, by being more specific about which marks should be granted protection against dilution, and to better understand the concept of dilution. Understanding the meaning of dilution and why it emerged in the first place, would help Jordan limit the extent of dilution by establishing which marks truly deserve extra protection than the traditional infringement test.

Also, the analysis of the requirements and conditions of dilution from the EU perspective provides a prime example for Jordan, in order to learn that, although there is no precise or definite test to follow under the EU legislation, i.e. the Directive, the courts show a clear intention to follow a more harmonised list of conditions to have more consistent and unified decisions. The case law demonstrated that the courts in the EU aimed at extending the list of conditions when testing dilution, undertaking a more thorough analysis than the one required by the Directive. Also, following a stricter process, in which claimants were mandated to fulfil all the requirements and provide evidence for all conditions to succeed in a dilution claim. Failure to satisfy one condition would result in their claim being rejected. This is a crucial lesson for Jordanian courts, which are mostly interested in establishing whether the senior mark is foreign or local. It is important to note that while the scope of dilution in the EU is broader than it is in the US, the requirements are stricter. The stricter requirements and conditions ensure that anti-dilution protection is reserved only for those who truly deserve it. The courts in Europe came to realise how powerful and strong dilution is and accordingly developed their understanding of it, by demanding stricter conditions, such as proving a change in the economic behaviour by the average consumer. It is important for Jordan to learn that dilution is not only about protecting foreign trade marks but also for any marks that truly deserve protection beyond what is mandated by the traditional infringement test.

Finally, the chapter examined which third-party uses are exempted from dilution liability in the EU, especially in situations where free trade and competition should not be impeded. The Directive has permitted such actions where a third party uses a mark with reputation, provided that use is 'with due cause', i.e. with justifiable reason. Although this defence within the TMD is broad and undefined, it is important for Jordan to understand that the power of dilution should not be without limits. It is crucial that Jordan identify dilution as a potent legal tool that should be conferred to specific situations and certain marks that are truly in need for such protection. Granting anti-dilution protection extensively and randomly can impede competition and the terms of the free market, which are against the objectives of protecting trade

marks, particularly where consumers' confusion is not taken into consideration. For this reason, courts must be extra careful not to disrupt the foundations of trade mark law.

Chapter Six: Recommendations and Proposals for Reforming the Jordanian Trade Mark Law

6.1 Introduction

The aim of this chapter is to provide suggestions and recommendations to develop the Jordanian Trade Mark Law.¹¹⁶⁵ Chapter Two demonstrated the issues and shortcomings found in Section 2 of the Jordanian Trade Mark Law in defining the ‘well-known’ trade marks. It also illustrated how this provision of the law considers only foreign trade marks as ‘well-known’. Evidently, this provision excludes Jordanian trade marks to be recognised as ‘well-known’. Accordingly, well-known marks receive extra protection according to Sections 8(12) and 25(1)(b). In addition, it was established in Chapter Three that Jordanian courts in applying the law are granting solely foreign trade marks automatic anti-dilution-type protection.¹¹⁶⁶ The issues that arise here are threefold, first, offering an extra protection, namely protection against dilution-type *solely* to foreign trade marks whilst excluding local trade marks from this type of protection. Second, this protection is granted *automatically* upon proving that the mark is a foreign trade mark. Third, the court affords this protection without a thorough examination of the mark; whether it is a well-known mark and whether there is a likelihood of dilution.

Therefore, this chapter seeks to resolve these issues found in the Jordanian Trade Mark Law by recommending suggestions to reform the law. This is achieved by clarifying the concept of dilution theory through including a clear definition of the types of dilution to be incorporated into the Jordanian Trade Mark Law. Additionally, reform the definition found in Section 2 of Jordanian Trade Mark Law to allow Jordanian trade marks to be considered well-known

¹¹⁶⁵ Chapter Two, part III – Jordan, page 87

¹¹⁶⁶ Chapter Three, 3.5 The Application of Dilution in Jordan, page 119

marks. Furthermore, suggesting incorporating a provision that includes Jordanian trade marks to be included within the ambit of protection against dilution. Ultimately, stipulate a provision that specifies the right to grant well-known trade marks protection against dilution upon providing evidence and succeeding in proving the required conditions. Subsequently, it is essential to also include a list of conditions for Jordanian courts to follow in the examination of a dilution claim. This also guides trade mark owners in proving the needed requirements to succeed in a dilution claim. Additionally, the importance of having an explicit and clear list of conditions and requirements within the Jordanian Trade Mark Law is to abolish the Jordanian courts' approach in granting automatic protection against dilution without in-depth examination of a likelihood of dilution. Moreover, along with the suggestion of a more developed definition of well-known marks under Section 2 of the Jordanian Trade Mark Law, it is also essential to include a list of conditions and requirements for courts to examine whether the mark before it is a well-known trade mark. In addition, to assist legal practitioners and trade mark owners in proving that their mark is qualified as a well-known mark. Incorporating a clear and developed definition will improve the conception of the category of marks that deserve anti-dilution protection. The mark's renown is one of the main eligibility requirements which must be proved for accessing protection against dilution. Therefore, this chapter offers suggestions for the issues discussed in the previous chapters, in order to advance the Jordanian legislation and fulfil the overarching objective of the thesis.

The chapter proposes a definition of 'dilution' to be incorporated in the Jordanian Trade Mark Law, types of dilution, along with a definition for each type. It is argued that the incorporation of explicit provisions and a more developed legal framework within the Jordanian Trade Mark Law will enhance the conception of dilution among legal practitioners and the implementation of the doctrine. This achieves the second objective of the research, i.e. to propose a legal framework to protect Jordanian well-known trade marks and recommend a more balanced protection between foreign

and domestic well-known marks.¹¹⁶⁷ Following this, the chapter recommends a list of conditions to consider when examining dilution. This is informed by the experience of both the US and the EU, where a list of factors is examined when analysing whether there is a likelihood of dilution. It is crucial to point out that the method and recommendations provided for the enhancement of the Jordanian Trade Mark Law is not a copy and paste of the US and EU law, nor is it a copy of the WIPO JR, but it is a result of the most suitable method followed by both jurisdictions and the WIPO JR, in which it is convenient and appropriate for Jordan. Also, it is a result of avoiding any mistakes based on the long experience of both the US and EU in addressing and applying the dilution doctrine.

It is noteworthy that the dilution theory has its limits. Therefore, dilution is limited and restricted to certain situations, and easily granting anti-dilution protection has negative consequences. Thus, this chapter proposes an exemption from dilution liability, i.e. fair use. It is believed that by recommending a clear defence from being held accountable from dilution infringement, the drawbacks of dilution will be minimised in Jordan. This fulfils the third objective of this thesis, i.e. to restrict and limit the risks of the doctrine of dilution, especially in Jordan, where dilution-type protection is automatically conferred to foreign well-known trade marks upon proof of fame or reputation.¹¹⁶⁸

In addition, the chapter proposes a definition of well-known marks. A revised, careful definition will address the current ambiguity of Section 2 of the Jordanian Trade Mark Law, which defines which marks are considered well-known. This accomplishes the first objective of the thesis: to provide a better understanding of which marks are worth protection against dilution. In addition, the chapter suggests a list of factors to assist legal practitioners in determining whether a mark is well-known, and ultimately, aiming to dispel the misconception that any foreign trade mark is automatically a well-known mark. By eliminating the discrimination derived from the ill-defined concept of

¹¹⁶⁷ Chapter One, 1.6 Research Objective, page 38

¹¹⁶⁸ Ibid

‘well-known’ marks, fair competition is ensured and local traders’ confidence to the market is restored, which fulfils the fourth objective of creating a fair competition and grant equal rights to well-known trade mark owners.¹¹⁶⁹

The chapter begins with recommendations of anti-dilution protection by proposing a definition for all types of dilution theory and suggesting a provision stipulating an injunctive relief to be incorporated into the Jordanian Trade Mark Law. Following this, the chapter suggests a list of conditions and requirements in examining whether there is a likelihood of dilution. The list of factors consist of; the distinctiveness of the mark, the degree of recognition, exclusive use of the well-known mark, the degree of similarity between the two marks, link, change in the economic behaviour of the average consumer, and the intention to create an association. Subsequently, highlighting the defences and safeguards to limit dilution. The focus of the chapter shifts to suggest an amendment to the definition of well-known marks in Section 2 of the Jordanian Trade Mark Law. In addition, proposing a list of factors to assist legal practitioners to determine whether a mark is well-known. The list incorporates the distinctiveness of the mark, recognition among the general consuming public of Jordan, the use of the mark, and the promotion of the mark.

6.2 Anti-Dilution Protection

The Jordanian Trade Mark Law lacks explicit provisions on the meaning and types of dilution. To propose a definition, it is useful to highlight how the TDRA, the TMD and the WIPO JR address dilution before forming a suggestion informed from the US and the EU experience that corresponds with Jordan’s needs. The following definitions of dilution by blurring and dilution by tarnishment is influenced by the US law due to its explicit provisions on the meaning of dilution of both types.¹¹⁷⁰ This explicitly found

¹¹⁶⁹ Ibid

¹¹⁷⁰ With regards to the definition of dilution by blurring see Chapter Four, 4.3 Dilution by Blurring, page 17. With regards to the definition of dilution by tarnishment see Chapter Four, 4.4 Dilution by Tarnishment, page 32

in the US law assists in suggesting a definition of dilution to be incorporated within the Jordanian Trade Mark Law. The recommended definition is also inspired by EU case law on the meaning of dilution, as the TMD is implicit and provides less explanation on the meaning of dilution by blurring and dilution by tarnishment.¹¹⁷¹ Therefore, case law offers insightful information on what is important to include within the definitions suggested for Jordan. Moreover, although the WIPO JR plays a minimum role in defining dilution, it is taken into account in order to form a definition of the types of dilution for Jordan. The suggested definition is a result of adopting any synonym words that infers on the meaning of dilution. For instance, the suggested definition below stipulates ‘association’ and ‘connection’; wording that is influenced by the TDRA and the EU to cover all instances of establishing a ‘link’ or ‘call to mind’. This is inspired by Beebe’s clarification that the term ‘association’ within the definition found in the TDRA is broad and could give little guidance on its meaning to the courts.¹¹⁷² Therefore, the method of including both terms ‘association’ and ‘connection’ is believed to be more comprehensive; as ‘association’ and ‘connection’ refer to the mental connection established in the minds’ of the average consumer. This connection or association is ‘a “mental connection [of] relational significant,” between the plaintiff’s mark and the defendant’s mark’, which is a result of the similarity between the two marks.¹¹⁷³ Therefore, the following definitions is recommended for the Jordanian legislator to incorporate within the Jordanian Trade Mark Law, which is a proposition on the meaning of *dilution by blurring*:

The association or connection arising from the similarity between a mark or trade name and a well-known mark that impairs, harms, or causes detriment to the distinctive character of the well-known mark.

¹¹⁷¹ With regards to the concept of dilution in the EU see Chapter Five, 5.2.1 The Concept of Dilution, pages 3–8

¹¹⁷² B Beebe, ‘A Defense of the New Federal Trademark Antidilution Law’ (2006) 1143, 1165. ‘One dictionary defines it as “the mental connection or bond existing between any sensations, perceptions, ideas, or feelings that to a subject or observer have a relational significance with one another”.’

¹¹⁷³ Ibid 1166

In addition, the following is a recommendation on the meaning of *dilution by tarnishment* to be included within the Jordanian Trade Mark Law:

The association or connection arising from the similarity between a mark or trade name and a well-known mark that impairs, harms, or causes detriment to the reputation of the well-known mark.

These definitions are suitable for Jordan, because both dilution by blurring and dilution by tarnishment are arguably likely to occur when a third party uses a similar sign to a well-known mark or trade name on any goods or services, without the consent of the well-known owner, causing detriment or harm to the well-known mark's distinctive character or reputation.¹¹⁷⁴ In addition, the scope of dilution is expanded to cover situations where there is no harm, such as instances where a third party takes unfair advantage of the well-known mark. Although the validity of this argument might be challenged,¹¹⁷⁵ I believe that dilution consists of two forms, one that causes harm to the trade mark, and another that is considered 'vulnerable' for other traders to take advantage of, namely free-riding.¹¹⁷⁶ Although the scope of dilution might be wider in this instance, the recommended list of conditions are deemed strict. Therefore, it could be argued that although the scope of dilution is wide, the threshold to obtain protection against dilution is high. Also, the reason to recommend these suggestions is to raise awareness among Jordanian courts in taking a considerable and thorough examination when dealing with dilution claims prior to granting such strong protection.

Essentially, the use by a third party would give an unfair advantage to the junior user rather than cause harm to the senior mark, as mentioned both in the TMD and the WIPO JR.¹¹⁷⁷ This form of protection is referred to as free-

¹¹⁷⁴ The reason to use the term 'well-known' instead of famous marks or marks with reputation is explained in this Chapter, 6.6 Eligible Marks, 6.6.1 Well-known Trade Marks, page 272

¹¹⁷⁵ Beebe (n 1172)

¹¹⁷⁶ See D Franklyn, 'Debunking Dilution Doctrine: Toward a Coherent Theory of the Anti-Free-Rider Principle in American Trademark Law' (2004) Hastings Law Journal 117, 117

¹¹⁷⁷ Chapter Five, 5.2.1 The Concept of Dilution, page 214

riding.¹¹⁷⁸ However, there is no clear definition of free-riding in the TMD. The court in *Adidas* clarified that free-riding occurs when a second user exploits a famous mark's reputation by free-riding on the coattails of a famous mark or an attempt to trade upon its reputation.¹¹⁷⁹ It does not cause harm to the senior mark but gives a junior user a chance to obtain an advantage of the reputation of the senior mark to boost the junior user's business.¹¹⁸⁰ Ultimately, the suggested definition of free-riding is influenced by the TMD, the interpretation of free-riding by the courts, and the provisions of the WIPO JR.¹¹⁸¹ The TDRA lack of any reference to free-riding nor on the meaning of this type of protection. Accordingly, the suggested definition is comprehensive which provides clarity on the meaning of free-riding for the Jordanian legislator to adopt and include within the Jordanian Trade Mark Law:

To take unfair advantage of the distinctive character or reputation of the mark, where the junior user free-rides on the coattails of the well-known mark, by using a similar mark to that well-known mark in order to benefit from its distinctive character and reputation without the consent of the owner of the well-known mark.

These definitions aim to clarify how dilution might occur. For instance, one of the elements that must be proved in dilution cases is a connection between the junior mark and the well-known mark.¹¹⁸² If there is no association between the senior mark and the sign, dilution is unlikely to occur. This association stems from the similarity of the two marks. Therefore, the definition must clearly mention similarity as an important factor that triggers dilution. Accordingly, the association between the marks could result in a

¹¹⁷⁸ Ibid

¹¹⁷⁹ Ibid. Also, (Case C-408/01) *Adidas-Salomon AG v. Fitnessworld Trading Ltd.* [2004] F.S.R 21 401, 412

¹¹⁸⁰ Chapter Five, 5.2.1 The Concept of Dilution, page 214

¹¹⁸¹ *Adidas-Salomon* (n 1162) 412

¹¹⁸² The term 'connection' is adopted from the EU interpretation of dilution and inspired as well by the WIPO JR.

detriment to the distinctive character of the well-known mark, this is referred to as dilution by blurring. Similarly, in the definition of dilution by tarnishment, the third party targets the reputation of the well-known mark rather than its distinctiveness. Additionally, regarding dilution by tarnishment, the foundations of establishing the likelihood of dilution must exist, i.e. association between the two marks, as well as similarities. Another important reason that justifies the need for a definition of free-riding, is because it is another type or form of dilution that must be illustrated. It differs from dilution by blurring and dilution by tarnishment, as there is no harm caused to the distinctiveness or the reputation of the senior mark; instead, the third party aims to obtain an advantage of that distinctiveness or reputation.

After defining the types of dilution, the Jordanian Trade Mark Law should consider stipulating an *injunctive relief*, to specify the right granted to the well-known trade mark owner upon a successful dilution claim. The following suggestion is not only influenced by the TDRA but also reflects on the wording of the TMD. The TDRA contains an explicit provision of injunctive relief, as well as definitions of the types of dilution. Although the TMD lacks an explicit legal reference, it is essential for Jordan to follow the example of the US to stipulate a clear provision of injunctive relief. The reason for this is because it specifies what rights are conferred to the owner of a well-known mark upon a successful claim in dilution. It stipulates what actions are regarded as dilutive, i.e. dilution by blurring or dilution by tarnishment, or where there is an unfair advantage of the distinctive character or reputation of the senior mark. It is argued that the suggestion of an injunctive relief is comprehensive, as it covers what dilution aims to protect, the scope of dilution as well the rights conferred to the owner of a well-known mark upon a successful dilution claim. Therefore, it is recommended to include the following within the Jordanian Trade Mark Law:

The well-known trade mark owner shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods and services, any sign where:

another person without due cause commences in unfair manner the use of a mark or trade name in commerce on similar or dissimilar goods or services that is likely to cause dilution by blurring or dilution

by tarnishment, or would take unfair advantage of the distinctive character or reputation of the mark.

In determining whether there is a likelihood of dilution, the court must consider all factors; (i) the distinctiveness of the mark, (ii) the degree of recognition, (iii) exclusive use of the well-known mark, (iv) the degree of similarity between the two marks, (v) link, (vi) change in the economic behaviour of the average consumer, (vii) whether the use by a third party is without due cause; in which the court must consider if the use affects the functions of the trade mark concerned, or causes consumer's confusion, accordingly, the use is without due cause, if the third-party use of a well-known mark is not contrary to honest commercial practice (e.g., reference to a well-known mark for review or parody) thus the use does not constitute dilution.

It may be argued that the proposed concept of dilution shall not apply in instances of double identity; i.e. the use of an identical mark on identical goods or services by unauthorised third party. Although dilution laws in the US and stipulated recently within the TMD 2015 are in favour of this approach, it is crucial to limit the scope of dilution particularly where the marks operate in different markets. Thus, the traditional infringement law based upon confusion is sufficient.

It is important to highlight that the TMD states an ambiguous defence, i.e. 'without due cause' where dilution could not be triggered. Due to the ambiguity of the TMD, it is believed that adopting merely the wording of the TMD is insufficient, hence it is crucial to combine it with the defences listed in the TDRA to suggest a full and comprehensive defence to nullify triggering dilution. It is also necessary to include a list of conditions that should assist legal practitioners in examining dilution claims. As abovementioned, this proposition is mostly inspired by the TDRA. It is noteworthy that the above suggestion is not a copy-paste of the TDRA or any other law but adoption of elements that are convenient for Jordan. For this reason, it is recommended to avoid incorporating within the Jordanian Trade Mark Law the wording found in the TDRA 'regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury'.¹¹⁸³ Although it holds

¹¹⁸³ Chapter Four, 4.2 The Concept of Dilution, page 153

true that the concept of dilution is not concerned with those as mentioned above. It is recommended that the Jordanian Trade Mark Law should avoid adopting such reference as it indicates explicitly that dilution disregards the foundation of trade mark law, and thus infers a stronger monopoly to be granted to foreign marks. In other words, if the Jordanian Trade Mark Law adopts the TDRA example as to state ‘regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury’, arguably this is a stronger justification for courts to grant automatic protection against dilution merely to foreign marks. Ultimately, maximising the drawbacks of applying dilution in Jordan. In addition, this illustrates that dilution is a potent legal tool that may be used by powerful brand names to control the market. The reference of excluding stating; taking into consideration ‘confusion, competition, or actual economic injury’ is only found in the TDRA, not in the TMD or in the WIPO JR. As the EU law example and WIPO JR do not make any explicit reference to that, it is recommended that it should also be excluded from the Jordanian Trade Mark Law, following the EU example and the provisions of the WIPO JR.

Another justification for this exclusion is that the scope of dilution in Jordan is already wide enough; thus, such reference is most likely to give more power to foreign marks and another footing for Jordanian courts to justify discriminating in their favour. In other words, exclusion of such reference will allow Jordanian courts to deny anti-dilution protection to foreign trade marks when there is no competition, consumer’s confusion, or actual economic injury. As the scope of dilution in Jordan is already wide, its expansion to include these cases is not preferable – it is important not only to be clear and explicit when suggesting a reformation of the law but also to adopt what is deemed relevant, suitable, and appropriate for Jordan.

Subsequently, along with the injunctive relief, another useful inclusion for the Jordanian Trade Mark Law would be a list of conditions to assist legal practitioners in examining whether there is a likelihood of dilution. Prior to this, it is crucial to explain why Jordan should adopt ‘likelihood of dilution’ over ‘actual dilution’.

6.3 Likelihood of Dilution

This section of the chapter demonstrates the reason to suggest a ‘likelihood of dilution’ for the Jordanian legislator to take into consideration instead of ‘actual dilution’. In addition, it clarifies the scope of dilution. The recommendation of the likelihood of dilution over actual dilution for Jordan is informed by the developments in the theory of dilution, as observed in the US. For instance, in the US, the TDRA abandoned requesting actual dilution, which was implemented in the FTDA, to demand the likelihood of dilution.¹¹⁸⁴ Although preferably actual dilution is ideal for Jordan to adopt, which reflects on the EU position, it is problematic for Jordan to adopt an approach that is different from the US one. Actual dilution infers that the unauthorised user of the trade mark indeed inflicts harm on the senior’s trade mark, rather than potential or an assumption of harm. Ultimately, requiring ‘actual dilution’ narrows the scope of the doctrine of dilution. Although, the FTDA demanded ‘actual dilution’, the FTDA was supplanted by the TDRA requiring ‘likelihood of dilution’. On the other hand, the TMD 2008 and the recast TMD 2015 maintained its position in demanding ‘actual dilution’.¹¹⁸⁵ In addition, as Jordan must adhere to the WIPO JR, which mandates likelihood of dilution under Article 4(1)(b)(ii): ‘the use of that mark is likely to impair or dilute...’, as well as under the same Article (iii), ‘the use of that mark would take unfair advantage of the distinctive character ...’ Evidently, the US and the WIPO JR are all in favour of likelihood of dilution. Therefore, Jordan would be in a critical position if it were to mandate actual dilution following the EU approach, particularly due to its bilateral agreement with the US, namely the US-Jo FTA, in order to adhere to the WIPO JR.

Acknowledging that Jordan must comply with the WIPO JR through the US-Jo FTA, raises the question whether Jordan should also mandate anti-dilution protection to cover instances where the use of the mark is used on similar products or non-competitive products, or both situations. In the

¹¹⁸⁴ Chapter Two, 2.3.1 Famous Trade Marks, page 60

¹¹⁸⁵ With regards to the US, see Chapter Four, 4.2.1 The Uncertainty of Dilution, page 165

With regards to the EU, see Chapter Five, 5.2.1 The Concept of Dilution, page 211

TDRA, protection against dilution is granted to famous marks; anti-dilution protection is granted whether a junior user had used the famous mark on competitive or non-competitive products, which also reflects on Schechter's views.¹¹⁸⁶ On the other hand, in EU, the TMD 2008 did not stipulate that detriment to the mark with reputation covers instances where the junior user uses the mark with reputation on similar or identical goods and services;¹¹⁸⁷ however, the court expanded the scope of dilution to include uses of the mark with reputation on similar or dissimilar products.¹¹⁸⁸ The courts' approach is compatible with the recast Directive 2015, which explicitly stipulates the use of the junior user of the mark with reputation, '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...'.¹¹⁸⁹ Furthermore, the WIPO JR demands that protection against dilution is applied irrespective of the goods and/or services for which a mark is used.¹¹⁹⁰ Evidently, the US, the EU, and the WIPO JR apply dilution where another user uses a similar mark to a famous mark, a mark with reputation or a well-known mark respectively, on similar or dissimilar goods or services. It may be argued that ideally if a junior user uses a similar mark to the senior trade mark's in relation to similar or identical products, likelihood of confusion should be the remedy to assess trade mark infringement, as this approach limits the scope of dilution. However, this has been ignored when it is related to well-known trade marks and famous marks as seen in the examples of the EU and the US respectively. In addition, due to the bilateral agreement with the US; the US-JO FTA, Jordan must adhere to the WIPO JR provisions to cover instances on similar and dissimilar products. It is problematic if Jordan applies anti-dilution protection merely on dissimilar goods and/or services. Clearly it is an approach that

¹¹⁸⁶ Regarding Schechter's views, see Chapter One, 1.2.6 The Notion of Dilution, page 21
With regards the US, see Chapter Four, 4.3 Dilution by Blurring, page 170

¹¹⁸⁷ Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 233

¹¹⁸⁸ Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 236

¹¹⁸⁹ Article 10(2)(c) TMD 2015

¹¹⁹⁰ Article 4(1)(b) of the WIPO JR

contradicts to the US and the EU. In preference, granting anti-dilution to instances where the senior user's trade mark is merely used on dissimilar goods and/or services limits and narrows the scope of dilution. However, Jordan is compelled to follow the US approach which is compatible with the EU and the WIPO JR.

Choosing between 'actual' dilution and 'likelihood of dilution', and whether its application covers similar or dissimilar products, leads to options that Jordan is obligated to adhere to due to its bilateral agreement with the US. If Jordan was not obligated to enforce TRIPS-Plus provisions, Jordan would have leeway to apply dilution upon its own convenience. For instance, it could be suggested for Jordan to demand actual dilution rather than likelihood of dilution. Also, it could have been suggested for Jordan to trigger anti-dilution protection in instances where another user uses a similar mark to the well-known mark solely on dissimilar goods and/or services. In doing so, instances where another user uses a similar mark to the well-known mark on similar products shall maintain to be covered under the traditional infringement test, i.e. testing consumer's confusion. The reason this thesis stands in favour of limiting dilution is because dilution goes against the foundations of trade mark law in the first place.¹¹⁹¹ The basis of trade mark law is to protect consumers from confusion; however, the dilution theory is not concerned with consumer's confusion. Also, the doctrine of dilution is known to be a harsh and potent legal tool, which creates monopolies in trade marks.¹¹⁹² In addition, it 'spans junior uses across all product markets' and 'could chill competition throughout the market, prevent legitimate use, and create monopolies in trademarks'.¹¹⁹³ Most importantly, it seems that today the scope of dilution has considerably changed to be expanded, when compared to Schechter's views. It may be contended that if the dilution doctrine is not strictly applied, its extent of application will be limitless. However, as mentioned earlier, Jordan must adhere to the WIPO JR, and

¹¹⁹¹ Chapter Four, 4.2 The Concept of Dilution, page 154-156

¹¹⁹² Ibid on 154

¹¹⁹³ I Fhima, 'The Fame Standard for Dilution in the United States and European Union Compared' (2008) 18 Journal of Transnational Law and Contemporary Problems 631

thus, apply the 'likelihood of dilution' standard. Accordingly, Jordan is obligated to expand the scope of dilution to cover instances where the junior user uses a similar mark to the well-known in relation to competitive or non-competitive products. It could be contended that since Jordan has to adhere to the US and the WIPO JR, it is suggested to recommend a compulsory list of conditions to be included within the Jordanian Trade Mark Law in order to balance the wide extent of the doctrine of dilution with a strict approach in granting protection against dilution. It is believed that this approach will limit dilution in Jordan and prevent courts from granting anti-dilution protection randomly, specifically when compared to the current application of dilution theory.

6.4 Requirements to Examine the Likelihood of Dilution

This part of the thesis suggests a list of conditions to be incorporated within the Jordanian Trade Mark Law. This is necessary to assist Jordanian courts in determining whether a likelihood of dilution might occur and for legal practitioners to follow in order to succeed in a dilution claim. It is recommended that the suggested conditions below must be examined by courts when assessing whether dilution by blurring or dilution by tarnishment is likely to occur. On the one hand, the court when analysing the likelihood of dilution by blurring must examine whether there is detriment or harm to the distinctive character of the senior mark. On the other hand, the court when analysing the likelihood of dilution by tarnishment must examine the same conditions, however, by considering whether there is harm or detriment to the reputation of the senior mark.

The ultimate question, courts when determining whether dilution by blurring is likely to be triggered, is by considering whether the use by a third party is likely to dilute or whittle away the distinctiveness of the well-known mark. Also, in determining whether there is a likelihood of dilution by tarnishment, the court must consider whether the use by a third party is likely to tarnish

the reputation of the well-known mark.¹¹⁹⁴ It is suggested that the owner of the senior mark must present evidence, not merely that the junior mark is portrayed in an unwholesome or unsavoury context, but to submit a survey evidence.¹¹⁹⁵ Although this argument might be challenged as surveys might be considered to increase litigation costs, surveys are considered robust evidence as it precisely defines whether dilution by tarnishment is likely to occur.¹¹⁹⁶ Moreover, courts must not accept any survey evidence, but one that clearly shows that the junior user is likely to tarnish the reputation of the senior's mark.

Furthermore, it is also recommended that the conditions suggested in determining whether dilution by blurring or dilution by tarnishment must also be considered in regards to determining whether the junior user is taking unfair advantage of the distinctive character or the reputation of the senior mark.¹¹⁹⁷ If the use of a similar mark to the senior's mark does not cause blurring or tarnishment and *does not adversely affect the functions of the trade mark, it must be regarded as fair competition* and thus it should be permitted.¹¹⁹⁸ With regards to this, the court in *Specsavers* illustrated that the reference of 'due cause' in the TMD is construed as a use, in which the advertiser rides on the coattails of a trade mark with an established reputation, in order to benefit from its power of attraction, its prestige, and its reputation, and to exploit without paying any financial compensation and without being required to make efforts of its own in that regard. In other words, to benefit from the marketing effort expended by the proprietor of that mark to create and maintain the image of that mark.¹¹⁹⁹ If this holds true, the advantage thus obtained by the third party must be considered to be unfair. As it has been argued that dilution theory must be limited, the following

¹¹⁹⁴ Chapter Four, 4.4 Dilution by Tarnishment, page 189

¹¹⁹⁵ Chapter Four, 4.4 Dilution by Tarnishment, page 187

¹¹⁹⁶ Chapter Four, 4.4 Dilution by Tarnishment, page 190

¹¹⁹⁷ Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 226, 227

¹¹⁹⁸ Chapter Five, 5.5 Defences, page 254

¹¹⁹⁹ Chapter Five, 5.5 Defences, page 250

section is a safeguard that could be triggered to allow actions without being accountable for dilution claims. The gist of this is not only to limit dilution but also have a fair balance.

It is noteworthy that the US law adopts a flexible approach by listing conditions that the court *may or may not* take into account when assessing a dilution claim under section 1125(c)(2)(b).¹²⁰⁰ Although courts are not required to examine every factor on the list, they have been following a stricter approach.¹²⁰¹ This is evident in *Starbucks*,¹²⁰² where the court did not grant protection against dilution because the claimant did not provide enough evidence to fulfil *every* factor of the list of conditions.¹²⁰³ This infers that although the legislation is flexible, the courts in the US tend to be strict and cautious when dealing with dilution claims, which is an example that the Jordanian courts should learn from. The US approach appears to give proper effect to the statutory language itself as a metric for limiting the grant of dilution protection. It may be argued that this approach is perhaps derived from knowledge and a longer experience of dealing with the dilution doctrine. The US example shows that anti-dilution protection must be solely conferred to truly strong marks that proves the likelihood of dilution or 'impairment'.

Furthermore, it is important to point out that the WIPO JR explicitly protects against dilution, and it is the likelihood of dilution that is mandated. However, there is no reference to conditions or requirements that could assist courts in determining whether there is a likelihood of dilution. Accordingly, this allows Jordan to apply dilution more flexibly, by mandating restricted conditions for determining whether there is a likelihood of dilution. This could be achieved by learning from the examples of the US and the EU,¹²⁰⁴ and subsequently

¹²⁰⁰ This is established from the wording of section 1125(c)(2)(b) "in determining whether a mark or trade name is *likely* to cause dilution by blurring, the court may consider all relevant factors ..." .

¹²⁰¹ Chapter Four, 4.3.1 The Conditions for Anti-Dilution Protection. Page 176

¹²⁰² *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d, 114 (2d Cir. 2013)

¹²⁰³ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 175

¹²⁰⁴ With regards to the US, requirements in determining a likelihood of dilution; see Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 172. With regards to the EU; see Chapter Five, 5.4 The conditions for anti-dilution protection, page 233

adopting what is suitable for Jordan. Therefore, the following list of conditions is suggested to be adopted and incorporated within the Jordanian Trade Mark Law in examining likelihood of dilution; (i) the distinctiveness of the mark, (ii) the degree of recognition, (iii) exclusive use of the well-known mark, (iv) the degree of similarity between the two marks, (v) link, (vi) change in the economic behaviour of the average consumer.

6.4.1 The Distinctiveness of the Mark

This is a crucial element that must be incorporated onto the Jordanian Trade Mark Law and examined by courts when determining a likelihood of dilution. In principle, the Jordanian law requires the mark to be distinctive in order to be registered, which is a crucial element that must be proved, hence the reason why it is a fundamental factor that must be also proved upon granting anti-dilution protection. In trade mark infringement the mark's distinctive character is a core element of the trade mark protection that concerns consumer's confusion.¹²⁰⁵ The distinctive character is attached to the goods and services of which the senior trade mark owner seeks protection; the principle of speciality.¹²⁰⁶ By contrast, the doctrine of dilution 'goes beyond the principle of speciality and extends protection to dissimilar goods and services',¹²⁰⁷ also, it ignores the examination of consumer's confusion. Most importantly, there is a difference in finding distinctiveness for trade mark eligibility; i.e. the capacity for a mark to distinguish, and distinctiveness for dilution purposes; i.e. the harm that dilution is allegedly assumed to prevent.

In determining the distinctiveness of the mark Jordanian courts must examine the source distinctiveness and then the differential distinctiveness, be inherent or acquired, to be eligible for anti-dilution protection.¹²⁰⁸

¹²⁰⁵ M Senftleben, 'The Trademark Tower of Babel - Dilution Concepts in International, US and EC Trademark Law' (2009) IIC. 45, 65

¹²⁰⁶ Ibid

¹²⁰⁷ Ibid

¹²⁰⁸ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution on page 175-176

Therefore, it is crucial that Jordanian courts examine the degree of distinctiveness prior to granting protection against dilution, as it is ‘the second purpose underlying anti-dilution’.¹²⁰⁹ Evidently, one of the reasons for offering protection against dilution is to protect and preserve the distinctiveness of the mark,¹²¹⁰ by protecting its source distinctiveness and differential distinctiveness.¹²¹¹ Senftleben illustrates that ‘trademark law also contributes to the preservation of brand image and brand value resulting from this investment, which reflects the current, unclear state of trademark law in which trademark rights, even though not intended to serve this purpose, *de facto*, are used as exploitation rights’.¹²¹² “The more distinctive or unique the mark, the deeper is its impress upon the public consciousness and the greater its need for protection against vitiation or dissociation”.¹²¹³ It is suggested that anti-dilution protection shall be granted to inherent or acquired distinctiveness. An inherent distinctive mark is ‘one whose signifier cannot reasonably be understood to be descriptive or decorative of the product to which it is affixed’.¹²¹⁴ On the other hand, marks that acquired distinctiveness ‘will qualify for trademark protection only if their producers can show that they have “acquired” through use in the marketplace and advertising a “secondary meaning” as a designation of source’.¹²¹⁵ When examining the inherent distinctiveness of a mark in Jordanian courts, the plaintiff will have to prove that the mark is arbitrary, fanciful, or suggestive.¹²¹⁶ Beebe suggests that consumer confusion surveys test the

¹²⁰⁹ Ibid 64

¹²¹⁰ Chapter Four, 4.3 Dilution by Blurring, page 169

¹²¹¹ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution on page 175-176. Trade mark distinctiveness may consist of two forms: ‘source distinctiveness, which describes the trademark’s distinctiveness of source, and differential distinctiveness, which describes the trademark’s distinctiveness from other trademarks’.

¹²¹² Ibid 59

¹²¹³ F Schechter, ‘The Rational Basis of Trademark Protection’ (1927) 40. Harv. LR 813, 825

¹²¹⁴ B Beebe, ‘The Semiotic Analysis of Trademark Law’, (2004) 51 UCLA L. REV. 621, 669

¹²¹⁵ Ibid 670. Also on 671 ‘If their producers can show that they have acquired a secondary meaning, that is a nonliteral, figurative meaning, as a designation of source, then they will qualify for protection’.

¹²¹⁶ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 174.

mark's inherent distinctiveness; such surveys are essentially tests of comparative similarity. He further provides that 'in the absence of reliable survey evidence, the most important factor in estimating the differential distinctiveness of the plaintiff's signifier is its acquired distinctiveness, its fame, renown and notoriety.¹²¹⁷ Accordingly, if the mark is descriptive, the plaintiff will have to prove that the mark has acquired 'secondary meaning' for it to be protected against dilution.¹²¹⁸ It is suggested that in examining whether a mark has acquired distinctiveness through secondary meaning, Jordanian courts must examine the following: (i) length and manner of use of the mark, (ii) volume of sales, (iii) amount and manner of advertising, (iv) nature of use of the mark or trade dress, (v) direct consumer testimony, and (vii) the defendant's intent in copying the [mark].¹²¹⁹ Evidently, if the mark is inherently distinctive, it is less of a burden to prove it, whereas, if the mark is descriptive, the owner will have to fulfil the abovementioned factors.

6.4.2 The Degree of Recognition

Building on the premises that the mark is well-known, this condition assesses the degree of the mark's recognition. In principle, dilution is granted to specific marks which are widely known and famous.¹²²⁰ Therefore, it is recommended that Jordanian courts carefully investigate how famous the mark is and how widely it is known. However, this raises the question: should the mark be known among a specific sector of the public or within the general consuming public? There is a lack of consensus among scholars to whether dilution is mandated within the international agreement, namely the TRIPS Agreement.¹²²¹ Thus, it is suggested that dilution must be

¹²¹⁷ Ibid 676

¹²¹⁸ New York City Triathlon, LLC v. NYC Triathlon Club (S.D.N.Y. 5-4-2010), 10 Civ. 1464 (CM). (S.D.N.Y. 2010) *5

¹²¹⁹ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 180. Also, Test Masters educ. Servs., Inc. v. Robin Singh educ. Servs., Inc. No. 13-20250 (5th Cir. 2015) *7

¹²²⁰ Chapter Two, 2.3.2.2 The Test for Famous Marks, page 61

¹²²¹ Chapter One, 1.2.5 International Obligations for Anti-Dilution Protection, page 12

granted to marks that have gained renown among the general consuming public. The reason for this is because although Article 16 of the TRIPS Agreement refers to the specific group of well-known trade marks and ‘the extension of protection to the area of dissimilar goods and services’, a reading that might infer on dilution theory, the typical elements of the doctrine of dilution is not found within the Article. For instance, the impairment of a trade mark’s distinctive character or the taking of unfair advantage of its reputation is not expressly mentioned in Article 16 of the TRIPS Agreement.¹²²² It may be argued recommending the degree of the mark’s recognition among the general consuming public of Jordan does not contradict with Jordan’s obligation internationally.

Furthermore, dilution grants a strong monopoly to one party; therefore, the owner must prove that their mark indeed deserves anti-dilution protection. The mark must be widely recognised by the general consuming public because anti-dilution is ‘an extraordinary right that only extraordinary marks deserve.¹²²³ Protection against dilution must not be conferred to any famous mark but to a mark that fulfils all the conditions required. In other words, a highly reputed mark would be capable to prove renown among the general consuming public, and this is precisely the type of marks Jordan must only be granting anti-dilution protection.¹²²⁴ Upon acknowledging that dilution can have a negative effect on new entrants, it follows that it must be cautiously applied in order to avoid any distortion within the market, where the doctrine of dilution grants such a potent tool in the hands of famous mark owners that allows them to control it.¹²²⁵ Therefore, in order to be circumspect in applying the doctrine of dilution, the Jordanian legislator must abandon the requirement for marks to have renown among the relevant public. This recommendation reflects on the relevant requirement found in the TDRA and

¹²²² Senftleben (n 1205) 52

¹²²³ Beebe (n 1172) 1158

¹²²⁴ Chapter Four, 4.2 The Concept of Dilution, page 152

¹²²⁵ Chapter One, 1.2.6 The Notion of Dilution, pages 22 and 23

the WIPO JR.¹²²⁶ It is evident that the TDRA limits anti-dilution protection to certain marks.¹²²⁷ It is important to bring to the attention of the Jordanian legislator that a developed country such as the US restricts dilution to certain and specific marks, whether by stipulating it within the legislation or by the way the courts implement it.

In addition, the WIPO JR calls for a similar standard to the US one, i.e. limiting the protection against dilution to specific marks, although in a convoluted way. Article 2 of the WIPO JR stipulates that in order to determine whether a mark is 'well-known', the court must assess the knowledge or recognition of the mark among the *relevant* consuming public.¹²²⁸ However, if the claim before the court is in regard to dilution, the court is given a more flexible approach to take into consideration in determining whether a mark is well-known, by requiring that the mark must be known among the general consuming public. Therefore, the TDRA and the WIPO JR both endorse a rigorous threshold to overcome. While the US and the WIPO JR adopt a more stringent approach in demanding fame among the public at large, Section 2 of the Jordanian Trade Mark Law stipulates that knowledge shall be among the relevant sector of the public.¹²²⁹ It is recommended that the Jordanian legislator abandon niche fame and demand a higher standard of fame than that included in the Jordanian legislation under Section 2.¹²³⁰ Therefore, it is suggested that Jordan follow the US and the provisions of the WIPO JR, by mandating

¹²²⁶ Chapter Two, 2.3.2.2 The Test for Famous Marks, page 61

¹²²⁷ Chapter Two, 2.3.2.2 The Test for Famous Marks, page 61

¹²²⁸ It is convoluted because Article 4(1)(c) makes an exception; in the case of dilution, whether dilution by blurring according to Article 4(1)(b)(ii) or taking unfair advantage of the distinctive character in Article 4(1)(b)(iii); a member state has the opportunity to require that the well-known mark be known among the public at large.

¹²²⁹ Chapter Two, 2.3.2.2 The Test for Famous Marks, page 61

¹²³⁰ Section 2 of the Jordanian Trademark law No.33 of 1952. 'A mark with international renown whose renown surpassed the country of origin where it has been *registered* and acquired renown in the *relevant sector* among the consuming public in the Hashemite Kingdom of Jordan'.

reputation among the general consuming public of Jordan,¹²³¹ especially since the WIPO is enforced in both the US and Jordan. As both the TDRA and the WIPO require fame of the mark among the general consuming public, thus, Jordan should ideally follow this approach, by narrowing the segment of marks that are eligible for anti-dilution protection. This is essential, as limiting the scope of dilution lessens its drawbacks in Jordan.¹²³² Most importantly, evidence of proving an ‘international renown’ for a mark to be deemed well-known is not required by the TRIPS Agreement. In fact, the Jordanian legislation supersedes what is required by the TRIPS Agreement, also in applying the dilution doctrine, Section 2 of the Jordanian Trade Mark Law in demanding ‘international renown’ is a condition that is not found in the TDRA, TMD nor in the WIPO JR. For this reason, it is suggested that this condition must be abandoned. In addition, requiring ‘international renown’ within the Jordanian legislation and the enforcement of the courts is evidently a bias treatment in favour of foreign trade marks, thus, granting anti-dilution protection merely to foreign trade marks.

In this context, the question arises as to what are the conditions that the court should consider in determining the degree of recognition. The following is a suggested list of conditions that the court could take into consideration:

- (i) The use of the mark: by examining the duration, extent and geographical area of the sales of goods or services or any use of the mark.
- (ii) Promoting and advertising the mark: by examining the duration, extent, and geographical reach of advertising and publicity of the mark by the trade mark owner.

Evidently, a mark is eligible for anti-dilution protection when it is famous or, as the Jordanian legislator stipulated, ‘well known’. This section examines the degree of the mark’s recognition, while the requirements that can prove

¹²³¹ Chapter Two, 2.3.2.2 The Test for Famous Marks, page 61. Also, Part III – Jordan, 2.5.2 Case Law, page 96

¹²³² Chapter One, 1.4 Statement of the Problem, page 34

the renown of a mark will be discussed later in this chapter. It is argued that the degree of recognition can be proved by analysing the mark's promotion, advertising, and the use of the mark, in other words, the mark's strength. In proving the degree of recognition, first and foremost, the mark should be in wide commercial use in Jordan for Jordanians to be familiar with it. Further, the use of the mark should be evaluated by the amount of time of its use, i.e. how long the owner has been using the mark. Also, examination of the geographical use of the mark indicates whether the mark has reached a wide area in Jordan or a limited one. It follows that if the mark has been used in many different cities in Jordan and for a long time, the mark's renown has reached various regions and consumers, whereas a mark that has been used in one region or a mark that has been used for a limited time, would make a less convincing case that the mark has met this requirement by establishing that it is widely known.

In addition, promoting, advertising, and marketing the mark all can indicate how effectively the owner has familiarised consumers with the mark. No doubt, if a mark has not been promoted, or has not been used for a good period of time, it is not convincing that it can be known among Jordanians. Similarly, the duration, scope, and geographical area where the mark has been used must be examined in order to establish whether promoting the mark achieved its purpose and Jordanians are indeed familiar with the mark. Ultimately, it is within the court's discretion to decide whether other evidence is valuable to prove that the mark has fulfilled this condition, i.e. the degree of recognition. It is noteworthy that the 'promotion' factor is important in the US and the EU legislations, as well as in the WIPO recommendations as a requirement for proving a mark's renown. Additionally, the domestic use of a mark in the US is an essential factor, without which protection against dilution is not conferred.

6.4.3 Exclusive Use of the Well-Known Mark

Is the mark used in commerce? Does the proprietor use it exclusively? In order to establish a likelihood of dilution, the owner of the famous mark must

prove 'the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark'.¹²³³ It is suggested that the Jordanian legislator should adopt this factor as a requirement for examination by the courts. The owner of a famous mark, or, as adopted by the Jordanian law, the owner of a well-known mark, must prove that he/she is exclusively using the mark. This establishes that the mark is not generally used by other traders but it is solely the proprietor of the mark that utilises it.¹²³⁴ It is clear that if other traders use the same mark, it is inconceivable that the owner of the mark will be granted anti-dilution protection. The gist is to assess whether or not the mark in question is widely used in trade, in which case the likelihood of another association having a diluting effect diminishes. Accordingly, anti-dilution protection cannot be conferred to different owners of the same mark, but to one owner, that is the proprietor of an exclusive mark that requires protection against dilution. In addition, the use must be in commerce. Anti-dilution protection is not triggered in instances where the third party utilises a similar mark to that well-known mark in non-commercial use. Therefore, the Jordanian legislation needs to be explicit about this condition, and courts must require proof that the mark is exclusively used by its owner.

6.4.4 The Degree of Similarity Between the Two Marks

Are the two conflicting marks similar? How similar are they? Are they too similar to be triggered in the mind of consumers or are they barely similar that would not allow a 'link' to be established? The similarity condition is an integral element within the process of determining dilution by blurring, without it, there could be no dilution by blurring.¹²³⁵ Therefore, the judge must examine the similarity of the marks thoroughly to establish that dilution by blurring might occur, the judge must examine if the two marks are similar

¹²³³ U.S.C. §1125 (c)(2)(B)(iii)

¹²³⁴ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 183

¹²³⁵ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 182

enough to be triggered in the mind of consumers; to cause ‘consumers to “think for a moment” before recognizing that the senior mark refers to the goods of the senior mark’s owner’.¹²³⁶ If the marks are similar, this leads to association. In assessing the similarity condition between the marks, it is suggested that minimal similarity must be neglected. A minimal similarity indicates a relatively low likelihood of an association that could trigger dilution.¹²³⁷

Arguably, Jordanian courts tend to examine the similarity of the marks superficially, it is recommended that a mere formal examination of the similarity of the marks is insufficient.¹²³⁸ Although this condition is very crucial in examining whether there is a likelihood of dilution, it should not automatically lead to a successful dilution claim. This is one of the critical problems found among Jordanian courts: upon finding minimum similarity, the court decides that protection must be conferred to the foreign trade mark to protect its singularity.¹²³⁹ It is believed that the approach undertaken by Jordanian courts is superficial, whereas EU courts examine the similarity between the two marks based on visual, aural or conceptual similarity.¹²⁴⁰ Therefore, Jordan must analyse the similarity of the two marks based on all three of these elements. Most importantly, Jordanian courts must not accept minimal similarity between the two marks, and should deem it insufficient in dilution claims.¹²⁴¹

¹²³⁶ Beebe (n 1172) 1149

¹²³⁷ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 182

¹²³⁸ Beebe (n 1172) 1149

¹²³⁹ Chapter Three, 3.5.1 Case Law, page 124

¹²⁴⁰ Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 233. See also, Adidas-Salomon (n 1179) para 28, on the meaning of a similar sign as used in Article 5(2) of the Directive. Also, Star Industries v. Bacardi Company Ltd 412 F.3d 373 (2d Cir. 2005). ‘The court must look at *the overall impression* created by the logos and the context in which they are found and consider all the relevant factors that could cause confusion among prospective purchasers’ See Guthrie Healthcare Sys v. Contextmedia, Inc. 12 Civ. 7992 (KBF) (S.D.N.Y. Jun 20, 2014).

¹²⁴¹ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 179

Another example that Jordan can learn from is the experience of US in dilution. The court's decision in *Starbucks* concluded there is no similarity between 'Charbucks' and 'Starbucks'.¹²⁴² This case is of paramount importance in this argument for manifold reasons. First, despite the widespread use and renown of the Starbucks mark around the world, the court did not prevent Charbucks from pursuing using its trade mark. The court reasoned that the two marks display only minimal similarity. Arguably, the two marks are similar in sound; however, the courts examined the way marks are presented to consumers and made its decision upon this, as well as other factors. It is believed that Jordanian courts must follow this example and thoroughly examine the two involved marks before hastily and irrationally deciding on their similarity and automatically granting anti-dilution protection. From their current practice, it can be hypothesised that if the same lawsuit between Charbucks and Starbucks was brought before Jordanian courts, they would automatically grant anti-dilution protection to Starbucks solely upon finding some similarity between Charbucks and Starbucks. For this reason, this case from the US experience is important to demonstrate to Jordanian courts that there is a long and in-depth list of conditions that must be thoroughly examined before concluding that there is indeed a similarity and, hence, a likelihood of dilution.

Second, in analysing the similarities between the two marks, the process followed in US is starkly different to what is practised in Jordan. The court in *Starbucks* considered the trade mark as a whole and as it is presented to consumers. It is unrealistic solely to rely on finding a word that might remind consumers of another mark or a similarity in a few letters to the senior mark to decide that two marks are similar. In assessing whether two marks are similar, it is important to analyse the whole mark as it is presented to the public. Third, the court in *Starbucks* confirmed that the similarity element is not by itself sufficient to grant protection against dilution; the court took into consideration every factor in the list before determining whether there is a dilution by blurring, which is not the approach that Jordanian courts tend to

¹²⁴² Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 178. Also, Starbucks (n 1202) at 106

undertake. Therefore, before granting the extended protection, Jordanian courts are recommended to thoroughly examine all the suggested factors, which are discussed below.

To elaborate on the similarity condition, it is argued that Jordanian courts must compare the two marks based on visual, aural and conceptual similarity.¹²⁴³ For instance, when visually examining two marks, it is crucial to exclude partial examination and, instead, consider the two marks as a whole and as they are presented to the public. This limits the possibilities of Jordanian courts finding similarities between two marks only based on a few letters. In addition, Jordanian courts must be aware that upon finding some resemblance between two marks, this should not waive the other conditions from being examined, nor it should infer that there is a likelihood of dilution. As Jordanian courts are trusted to be sensible in their examination, they must examine all conditions before concluding that there is indeed a likelihood of dilution. Also, rather than hastily conclude that two marks are similar, they need to rely on strong, reliable and substantial evidence, for instance as requiring a survey as a proof of evidence. Although this argument might be challenged as to rely on the opinion of an expert instead of a survey. It is debatable as to who is the expert, defining the expert, the area of expertise and what does the expert specialises in. Relying on the expert opinion is based on one person's opinion whereas the survey involves more than one opinion, engaging consumers and valuing their opinions. It is believed a survey as a proof of evidence reduces the chances of having Jordanian judges biased towards protecting foreign well-known marks by preventing other users from coming close to the foreign well-known mark upon deciding that minimal similarity is sufficient. Furthermore, the courts must analyse whether the conflicting marks are similar to trigger an association in the mind of consumers. For this reason, establishing a 'link' is a critical condition that must be incorporated within the legislation and examined by Jordanian courts.

¹²⁴³ Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 234

6.4.5 Link

Another condition that courts are called to assess is whether the similarity of two marks triggers a link in the mind of consumers. Whether using the US term ‘association’, or the EU one ‘call to mind’, or a ‘link’, they all indicate the same meaning, where the average consumer upon seeing the junior’s mark associates it with the senior’s mark. Establishing a ‘link’ is an essential condition that must be proved when examining a likelihood of dilution,¹²⁴⁴ and Jordan should follow the examples of the EU and the US. It is noteworthy that both jurisdictions demand proof of ‘association’ between the junior and senior marks, as, without it, dilution cannot occur.¹²⁴⁵ However important it is proving a connection, this condition alone is insufficient to conclude that there is a likelihood of dilution.¹²⁴⁶ The reason why a ‘link’ is of paramount importance to support a dilution claim is because it indicates whether consumers familiar with the senior mark are reminded of it when confronted by the junior mark.¹²⁴⁷ Ultimately, if the two marks are similar but there is no link established in the mind of consumers, dilution will not occur. Therefore, Jordanian courts should be aware of this, as they commonly grant dilution-type protection on grounds that a third party is using a mark similar to a well-known mark – not only without thorough analysis of the similarity of the two marks as a whole but also without analysing whether the similarity, if proved, is likely to establish a link in the mind of consumers.

In addition, it is necessary to bring to the Jordanian courts’ attention that ‘association’ is different to ‘confusion’ when establishing a ‘link’.¹²⁴⁸ It should be highlighted that the burden of proof rests with the plaintiff to establish that association between the plaintiff’s mark and the second mark that is likely to

¹²⁴⁴ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 173

¹²⁴⁵ Ibid

¹²⁴⁶ Ibid 175

¹²⁴⁷ Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 234

¹²⁴⁸ With regards to Jordan, see Chapter Three, 3.5.1 Case Law, page 129. Also, Chapter Five, 5.2.2 The Uncertainty of the Concept of Dilution, page 224. Also, Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 242

either cause dilution by blurring or tarnish the meaning of the plaintiff's mark in the minds of the public.¹²⁴⁹ The following is a suggested list of factors that must be incorporated within the Jordanian Trade Mark Law to assist legal practitioners in fulfilling the conditions for establishing a link between two marks. First, the link must be examined from the perspective of the average consumer. The Jordanian Trade Mark Law must also be explicit in defining who is the average consumer. It is thus suggested to include within the legislation that the average consumer is reasonable, well-informed, and reasonably circumspect and observant.¹²⁵⁰ Second, the Jordanian court must examine the following factors: (i) the degree of the similarity between the conflicting marks. This is essential because if there is no similarity, a link can never be established. The more similar the marks are, the more likely it is for a link to be established in the mind of consumers. Third, the court must analyse (ii) the nature of the goods or services for which the conflicting marks are used, and (iii) the degree of closeness or dissimilarity between those goods or services. These two factors are paramount in such examination because if the conflicting marks are similar and the nature of the goods is also similar, it will facilitate establishing a link in the mind of consumers. On the other hand, if the products differ, the link is less likely to be triggered. Ultimately, the courts must thoroughly examine whether the association might arise in this situation. Finally, (iv) the relevant sector of the public, and (v) the strength of the earlier mark's reputation must also be examined by courts.

The relevant sector of the public plays a crucial role in the assessment of a link. If the relevant sector for the two marks is the same, then it is most likely that the average consumer will establish a link. Whereas, if the relevant sector for the junior's mark is different from that of the senior's mark, it is highly unlikely that it will call to mind the senior's mark. Without the public's association between the two conflicting marks, a 'mental connection' would not be established, and dilution would be unlikely to occur. In the examination of the list, it is recommended that Jordanian courts also demand

¹²⁴⁹ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 173

¹²⁵⁰ Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 248

survey evidence, which is valuable proof of establishing a link.¹²⁵¹ The survey evidence must be examined by the courts when assessing association and similarity of the two marks.¹²⁵² It is crucial that courts rely on compelling evidence. The court must examine the survey evidence, as learned from the US experience in *Starbucks*, the court initially accepted a survey as a proof of evidence of actual association, however, because the survey did not examine the two marks as a whole the court disregarded it.¹²⁵³ Therefore, Jordanian courts should also examine the survey without taking it for granted that any survey is sufficient as a proof of evidence of actual association or upon proving that the two marks are similar. Following the examination of whether a link could be established in the mind of the average consumer, the court must also demand evidence of a change in the economic behaviour of that average consumer.

6.4.6 Change in the Economic Behaviour of the Average Consumer

This is another crucial element that is recommended to be included in the Jordanian Trade Mark law, which would have to be examined along with the other suggested factors in determining whether a likelihood of dilution might occur.¹²⁵⁴ It is only found in EU and it is regarded as a high-threshold requirement for claimants, as it demands proof of an actual or likely change of economic behaviour. The court in *Intel*,¹²⁵⁵ and other courts that followed this approach such as in *Wolf* and *32Red* requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future as a

¹²⁵¹ Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 188. Also, Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 243

¹²⁵² Chapter Four, 4.3.1 Requirements to Assess Likelihood of Dilution, page 180

¹²⁵³ Ibid 181

¹²⁵⁴ Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 238

¹²⁵⁵ Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 224. Also, Case C-252/07) *Intel Corp Inc v CPM UK Ltd* (ECJ) [2009] Bus LR 1079.

proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark.¹²⁵⁶ It is suggested to follow the approach of the EU by including this condition within the Jordanian legislation in requiring objective evidence that there is or will be a change in the economic behaviour of the average consumer of the goods or services to which the earlier mark was registered consequently on the use of the later mark.¹²⁵⁷ This can be established where ‘the proprietor of the earlier mark has shown that the mark’s ability to identify the goods or services for which it is registered and used is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark’.¹²⁵⁸ Furthermore, the CJEU in *Wolf*¹²⁵⁹ established that even if consumers notice the similarity of the junior’s mark to that senior’s mark, it is itself insufficient to establish detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009.¹²⁶⁰ Therefore, for a successful dilution claim, either by blurring or by tarnishment, the claimant must either show that such a change in economic behaviour by the average consumer has actually happened or is likely to happen in the future.¹²⁶¹ If the senior user proves a change in the economic behaviour, it is indisputable that there is a likelihood of dilution. It may be argued that the mark’s fame acts as a gatepost to acquire protection

¹²⁵⁶ WHG (International) Ltd, WHG Trading Ltd and William Hill Plc v 32Red Plc [2012] E.T.M.R. 14. 291, 305. This case proves a finding an economic change in consumer behaviour in the sense that online gamblers would have been far readier to switch their allegiance from the claimant to the defendant or to play with defendant in the first place because of the false association between 32Red and 32Vegas, and to Comic Enterprise as finding evidence that claimants customers were less ready to attend its clubs because of the false association with the defendant’s TV show.

¹²⁵⁷ Comic Enterprises Ltd. v. Twentieth Century Fox Film Corporation [2016] EWCA Civ 41. 903, 949. Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 225

¹²⁵⁸ Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Société Elmar Wolf [2012] E.T.M.R. 54. 972, 975-976 para 26. Chapter Five, 5.4 The Conditions for Anti-Dilution Protection, page 224

¹²⁵⁹ Environmental Manufacturing LLP v OHIM [2013] C- 383/12 P

¹²⁶⁰ The General Court followed this. (Case T-570/10) RENV, Environmental Manufacturing v OHIM (*Wolf Case*) [2015] para 37

¹²⁶¹ (Case C-125/14) Iron & Smith Kft v Unilever NV [2015] Bus. L.R. 1025

against dilution, whereas a change in the economic behaviour of the average consumer is a gatepost in determining a likelihood of dilution.

6.4.7 Intention to Create Association

This factor is found within the TDRA. Commentators believe that dilution protection law is triggered due to the defendant's bad faith in using the famous mark in the first place.¹²⁶² According to Luepke 'they see dilution protection as a result of the intention to protect against others' free rides rather than to protect the property of the owner of the famous trademark'.¹²⁶³ It is believed that this element could bring scepticism to the analysis carried out by Jordanian courts when determining a likelihood of dilution, particularly that intent is a subjective state of mind.¹²⁶⁴ It is argued that Jordanian courts may interpret this factor as to accuse any third party of using a slightly similar mark to the foreign well-known mark suffices fulfilling this factor. The objective is to correct this misconception among Jordanian legal practitioners, as well as to recommend solutions that will not lead courts to believe that the aim is solely to protect foreigners. It is strongly believed that the element of finding 'intention to create association' will create more problems among Jordanian courts. Therefore, it is recommended that it be abandoned in order to create a more harmonised legal framework in Jordan.

It is anticipated that a junior user has most likely used the senior's mark in order to create association. However, there is also a chance that the junior user had accidentally used a similar mark to the senior's mark. Nevertheless, as it has been already suggested to include free-riding within the Jordanian Trade Mark Law, it seems adequate to refer to free-riding and exclude the 'intention of association'. The reason for this is because this factor establishes a connection between the junior user's bad intent and the free-

¹²⁶² M Luepke, 'Taking Unfair Advantage Or Diluting A Famous Mark – A 20/20 Perspective On The Blurred Differences Between U.S. and E.U. Dilution Law' (2008) TMR 789, 802

¹²⁶³ Ibid 802

¹²⁶⁴ F Mostert, 'Well-Known and Famous Marks: Is Harmony Possible In The Global Village?' (1996) 86 TMR 103, 124

riding concept.¹²⁶⁵ Also, it offers the possibility of including the aspect of misappropriation in the determination of whether a mark is likely diluted by a junior user.¹²⁶⁶ Therefore, it is suggested to avoid repetition and include explicitly that dilution covers free-riding cases.

6.5 Defences

It is essential to point out that there are certain uses that are exempted from the liability of dilution, and thus, this strong monopoly must be monitored closely in order not to prevent others from using the well-known mark in a fair manner.¹²⁶⁷ The TDRA, §1125 (c)(3) stipulates exceptions to anti-dilution protection, which include: (i) fair uses, such as advertising or promotion that allows consumers to compare the products, as well as parodying and commenting on the famous mark; (ii) news reporting and news commentary; and (iii) any non-commercial use of a mark. On the other hand, the TMD refers only to ‘without due cause’ Article 10(2)(c) of the Directive 2015. Also, the WIPO JR states in Article 4(1)(b)(ii) that ‘the use of that mark is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark’. The WIPO JR wording regarding ‘unfair manner’ implies that third-party use of a well-known mark which is not contrary to honest commercial practice (e.g., reference to a well-known mark for review or parody) does not constitute dilution.¹²⁶⁸

It is believed that the reference within the TMD is ambiguous.¹²⁶⁹ It is understood that any action undertaken by a third party using a similar mark to the mark with reputation must be ‘without justifiable reason’ in order to be

¹²⁶⁵ Ibid 831

¹²⁶⁶ Ibid

¹²⁶⁷ Chapter Five, 5.5 Defences, page 249

¹²⁶⁸ WIPO JR; explanatory notes on Article 4.4, page 18

¹²⁶⁹ Chapter Five, 5.5 Defences, page 249

excluded from dilution.¹²⁷⁰ It may be argued that the EU stance on its own is insufficient, because there is little explanation on the meaning of 'without due cause'. This type of constructive ambiguity around this undefined concept arguably could give courts the opportunity to develop defences as and when they see fit. Therefore, it is suggested that Jordan adopt a combination of the US and the EU approaches, along with a reference to the recommendations of the WIPO. Furthermore, it is recommended that 'non-commercial use of a mark', which is found in the TDRA, should *not* be one of the conditions of defences, because not only it limits the scope of defences but also because it raises issues, such as those parody uses, which are deemed fair, unless they are connected to a commercial use of the mark, in which case, parody will be inhibited.¹²⁷¹ For this reason, it is important to keep the defences unrestricted, because they aim to serve a purpose of limiting the scope of anti-dilution protection. Therefore, it is important to keep the defences unconditional to allow third parties to freely practice their rights.

It is suggested that courts shall consider if the use by a third party that is similar to the mark with reputation without imitating the goods or services to which the reputed mark is attached to, as an alternative to the products to which the mark with reputation is attached to, accordingly, this falls within the ambit of fair competition in the sector for the goods or services concerned and is thus not without due cause.¹²⁷² Also, it is recommended that the court take into account whether the use by a third party is likely to cause consumer's confusion. If the use by a third party is likely to cause confusion, accordingly, the use is without due cause.¹²⁷³ Although testing consumer's confusion is not relevant to dilution theory, it is believed it is important to rely on consumer's perspective in deciding whether it is fair or unfair to cross the line.

¹²⁷⁰ P Bicknell, ' "Without due cause" - use of the defendant's sign before the claimant's mark is filed: Leidseplein Beheer and de Vries v. Red Bull GmbH and Red Bull Nederland BV, (C-65/12)' (2014) E.I.P.R. 402, 403.

¹²⁷¹ Chapter Four, 4.5 Defences, page 202

¹²⁷² Chapter Five, 5.5 Defences, page 229

¹²⁷³ Ibid 232

In addition to examining whether the use by a third party is an alternative option, without affecting the functions of the senior trade mark, and without causing confusion to consumers. It could also be suggested for courts to take into account few elements that had been followed by the court in EU. For instance; (i) how that sign has been accepted by, and what its reputation is with, the relevant public; (ii) the degree of proximity between the goods and services for which that sign was originally used and the product for which the mark with a reputation was registered; and (iii) the economic and commercial significance of the use for that product of the sign which is similar to that mark.¹²⁷⁴

With regards to the injunctive relief, it is recommended that Jordan include that dilution is applied where the use of the well-known mark by a third party is taken in an 'unfair manner'. Therefore, actions that are exempted from the liability of dilution, such as when a third party uses a similar mark to the senior mark in a fair use, should *not* be deemed contrary to honest commercial practice. For more clarification, it is suggested to include a non-exhaustive list of examples that could assist courts in determining fair use and honest commercial practices: namely, news reporting and news commentary, parodying, criticising or commenting upon the famous mark's owner or the goods or services of the famous mark's owner, and advertising or promotion that permits consumers to compare goods or services.

As mentioned above, dilution is granted solely to marks with reputation or, according to the Jordanian legislation, to 'well-known' marks. The mark's fame acts as a gatepost to acquire protection against dilution. However, the problem arises in the definition of well-known marks in Jordan, as it protects foreign marks and prevents Jordanian trade marks from being considered well-known. In the eyes of Jordanian courts, any foreign trade mark is worthy of anti-dilution protection. Therefore, it is crucial to reform the well-known trade mark definition in the Jordanian Trade Mark Law and recommend a list of factors to assist legal practitioners in determining whether a mark is indeed well-known. The following section provides explanation on which

¹²⁷⁴ Ibid 230

marks are protected against dilution and suggest an amendment to the definition found under Section 2 of the Jordanian Trade Mark Law.

6.6 Eligible Marks

6.6.1 Well-Known Trade Marks

It is crucial to suggest solutions to overcome the vagueness of section 2 of the Jordanian Trade Mark Law, which defines well-known trade marks. The current subsection of the chapter recommends reforming the definition of well-known trademarks, in order to bring a better perception of dilution theory and of the marks that are eligible for this type of protection. As it has been argued by Fhima, fame acts as a 'gatepost' to dilution protection,¹²⁷⁵ thus, it is important to emphasise that overcoming the fame threshold must not trigger automatic protection against dilution. The recommended definition provides courts with better guidance on which marks should qualify for anti-dilution protection.¹²⁷⁶ It is believed that a list of conditions for determining whether a mark is well-known will assist in correcting the Jordanian courts' misconception that every and any foreign mark is well-known, which results in granting them automatic anti-dilution protection.

Prior to suggesting a more appropriate definition, it is useful to recommend a proper term for describing marks that are worth anti-dilution protection. It is suggested to maintain the term 'well-known' marks in Jordan. This is different from the term used by US and EU law, however, it corresponds to the term used by the WIPO JR. It is understood that in the US, while 'famous' is used for marks that have a broad scope, where the mark is protected even when it is used on dissimilar goods or services, the term 'well-known' trade marks describes the use of a mark used on similar goods or services.¹²⁷⁷ However, this is inaccurate, as courts deal with famous

¹²⁷⁵ Fhima (n 1193) 631

¹²⁷⁶ W Barber, 'The Trademark Dilution Revision Act of 2005: Breathing Life Back into the Federal Dilution Statute' (2006) 16 Fordham Intell. Prop. Media & Ent. L.J. 1113, 1115

¹²⁷⁷ Chapter Two, 2.2 Pre-Condition for Anti-Dilution Protection, page 55

marks that may be used by a third party on similar and/or dissimilar products.¹²⁷⁸ Most importantly, if Jordan would follow the example of US by adopting two synonym terms indicating different meaning, is believed to create confusion among Jordanian legal practitioners. On the other hand, the EU uses the term ‘marks with reputation’ and the WIPO JR refers to ‘well-known’ marks. It seems more appropriate to follow the approach of the WIPO JR, because, first, it is an obligation on Jordan’s part to adopt. Second, it is clearer and more convenient for Jordan to follow a different approach to the US one, especially since the latter uses two different terms that hold the same meaning to describe different situations.¹²⁷⁹ Also, it should be highlighted that if the Jordanian legislator wishes to adopt the term ‘famous marks’, as used in the American legislation, then the difference between ‘well-known’ trade marks and ‘famous marks’ must be clarified. However, this might perplex Jordanian practitioners and give rise to contradictions especially since the US uses the term ‘famous marks’ in the TDRA to grant protection against dilution, whereas the WIPO JR, which is also an obligation on the US, refers to ‘well-known’ marks as eligible for protection against dilution.

It should be pointed out here that by translating ‘famous marks’, ‘well-known marks’, and ‘marks with a reputation’ to Arabic, which is Jordan’s official language, all terms refer to the same meaning and wording. Therefore, it would be inappropriate to use two different terms in Arabic with the same meaning as an attempt to reflect the difference between the terms used in the US and in the WIPO JR. Accordingly, it is advisable to only use the term ‘well-known’. Further, if the competent authority wishes to have a certified translation of the trade mark law into English, then it is recommended to adopt the term ‘well-known’ trade mark to determine that this type of marks is worth the extended protection, i.e. anti-dilution protection.

¹²⁷⁸ Starbucks v. Charbucks is one example.

¹²⁷⁹ Chapter Two, 2.2 Pre-condition for anti-dilution protection, page 55. Also, International Trademark Association, “Famous and Well-Known Marks” (2015) <<http://www.inta.org/TrademarkBasics/FactSheets/Pages/FamousWellKnownMarksFactSheet.aspx>> accessed 17 July 2016

Subsequently, a definition for ‘well-known’ marks will be suggested to be incorporated within the Jordanian Trade Mark Law. Following the definition suggestion, a list of recommended conditions will also be provided to assist courts in determining whether a mark is well-known.

6.6.1.1 Definition of Well-Known Trade Marks

The proposed definition for ‘well-known marks’ is the following:

It is the unique and distinctive mark with reputation that is widely recognised by the general consuming public of the Hashemite Kingdom of Jordan as a designation of the source of the goods or services the brand itself sells.

In determining whether a mark is well-known, the court may take into account relevant factors, such as the use of the mark in Jordan, as well as the duration, extent and geographical area of the use of the mark. Also, the promotion, advertising, and publicity of the mark, and the duration and geographical area of the mark’s promotion in Jordan.

It is noteworthy the reference in the definition of which the mark or the brand itself sells the product is an indication of the ‘selling power’ of the well-known mark. It is not a threshold condition of eligibility, but it is an implied reference to ‘dilution’.¹²⁸⁰ The reference to the ‘selling power’ of the mark indicates that it is the brand that sells the product. It is suggested to include this characteristic explicitly within the discussed definition to describe the implementation of dilution in the Jordanian Trade Mark Law. The intention is to describe the concept of dilution, without explicitly referring to the term ‘dilution’, as there is no similar meaning to match the word in Arabic. Also, it may be argued that a phonetic spelling of the word ‘dilution’ in Arabic letters does not seem to be appropriate or efficient. Hence, it is important to include

¹²⁸⁰ Preserving the mark’s selling power, its uniqueness, and its distinctive character goes to the heart of the dilution examination. These are the features that the dilution theory aim to protect in a trade mark with renown.

a meaning of dilution, to have a common ground regarding what the legislation stipulates protection against, without explicitly referring to the term 'dilution'.

It follows that 'selling power' should be a key requirement for a mark to be protected against dilution and, thus, a component in the definition. Another reason why it is deemed essential to refer to the 'selling power' of a mark, is that it is one of the foundations that Schechter called for and it is important to maintain the clarity and origins of dilution;¹²⁸¹ however, it is equally important to apply these views not only reflecting the doctrine of dilution today but also in a way suitable for the target jurisdiction. Therefore, it is suggested that under the Jordanian Trade Mark Law, the equivalent of 'anti-dilution protection' should be the protection of brands and their selling power. The objective is to protect well-known marks with a strong selling power from the harm caused to their distinctiveness or reputation. Although this element is neither found in the US definition nor in the EU legislation, the aim is to provide a clear conception of dilution theory for Jordan, as an alternative to the use of the actual word 'dilution'. Ultimately, this definition aims to dispel any vagueness or confusion found within the Jordanian legislation, by providing clear provisions that protect Jordanian rights while complying with Jordan's international agreements.

6.6.2 Factors for Consideration in Determining Whether a Mark is Well-known in Jordan

6.6.2.1 The Distinctiveness of the Mark

This is a mandatory factor that courts in Jordan must examine in determining whether a mark is well-known. This element is deemed one of the pillars of mark registration, which is why it is considered crucial to also be found in a well-known trade mark. It must be borne in mind that dilution by blurring

¹²⁸¹ Although Schechter's views, who introduced dilution, and the origins of doctrine are of paramount importance, there are factors that do not apply nowadays. Meanwhile, other factors found in Schechter's views are more narrowed compared to the modern application of dilution theory in the US, the EU, and especially in Jordan. It is argued that it is essential to pay close attention to Schechter's views, and particularly those that are not only inconveniently narrowed but also applicable in our day and age.

protects the famous mark from the detriment or harm caused to the distinctiveness of the mark. Therefore, the senior mark must initially be distinctive for it to trigger dilution; nevertheless, it must be proved whether that distinctiveness is inherent or acquired. It is suggested to solely refer to the distinctiveness of the mark without any reference to the singularity and/or the uniqueness of the mark. Therefore, the mark must prove that it has acquired distinctiveness whether upon registration or by its use. The reason for suggesting distinctiveness, without any reference to the singularity of the mark, is because the aim is to prevent any confusion from arising among Jordanian legal practitioners. Currently, Jordanian courts interpret this in a way that protection is conferred to protect the singularity of the mark. This is problematic because if Jordanian courts had to deal with a mark such as *Virgin*, they would not grant protection because the *Virgin* mark is not singular – in fact, it is used widely and on various products. It is presumed that Jordanian courts would not realise that *Virgin* is, in fact, singular, as solely the owner has made several uses of the mark in a wide range of goods and services. As a result, it can be hypothesised that Jordanian courts would only focus on the singularity of the mark and might reach a conclusion to decide that a mark such as *Virgin* is not singular. Regarding this issue, it is noteworthy that neither the TDRA or the TMD 2015 explicitly stipulates protection of the singularity of the mark. Therefore, it is best for Jordan to avoid referring to ‘singularity’ to prevent any confusion from arising in the application of the doctrine of dilution.

6.6.2.2 Recognition Among the General Consuming Public

A concerning issue within the current definition of ‘well-known’ marks in section 2 of the Jordanian Trade Mark Law is that it requires an international reputation for a mark to be deemed ‘well-known’.¹²⁸² Such a condition is nowhere to be found in international agreements, nor is it found in the TDRA, the TMD or the WIPO JR. As this condition covers only marks that are

¹²⁸² Chapter Two, 2.5.1 Statutory Protection for Well-Known Trade Marks, page 91

worldwide known, it is suggested to rather demand renown of the mark among the general consuming public in Jordan, which is similar to what the TDRA and the WIPO JR require. By demanding recognition of the general Jordanian consuming public for a mark to be deemed 'well-known', domestic trade marks are also allowed to be eligible for anti-dilution protection, which creates a balance between protecting foreign trade marks and Jordanian well-known marks.

The reason for following the US approach instead of the EU one is because within the EU, uncertainty prevails when testing the recognition of a mark. The EU legislation demands recognition of the mark to be known 'by a significant part of the public'.¹²⁸³ This element raises doubts about the true meaning of 'significant part'.¹²⁸⁴ The court in *Unilever*¹²⁸⁵ explained examining this condition without considering geographical borders.¹²⁸⁶ However, it is believed that the uncertainty remains, as the court did not specify what is, for instance, an acceptable percentage of the public to determine that constitutes a 'significant part' of it.¹²⁸⁷

In determining whether a mark is widely recognised by the consuming public, the court may request proof of evidence, such as survey evidence and market research, e.g., brand awareness studies, as well as unsolicited media coverage, and other evidence of actual recognition.¹²⁸⁸ Duvall explains that survey evidence and market research are essential in proving the mark's recognition among consumers.¹²⁸⁹ In addition, Luepke illustrated that in examining whether the famous mark obtains a high level of recognition, the

¹²⁸³ Chapter Two, 2.4.2 Case Law, page 80

¹²⁸⁴ Ibid 83

¹²⁸⁵ Iron & Smith (n 1261) para 18

¹²⁸⁶ Chapter Two, 2.4.2 Case Law, page 83

¹²⁸⁷ Ibid 82

¹²⁸⁸ S Duvall 'The Trademark Dilution Revision Act of 2006: Balanced Protection for Famous Brands' (2007) 97 Trademark Reporter 1252, 1262. Also, Fhima (n 1193) 631

¹²⁸⁹ Ibid

famous mark's owner shall provide survey results, which stand as substantial evidence to support such a claim.¹²⁹⁰

However, Fhima believes that this proof of evidence is pointless, especially if a mark is internationally known such as Coca-Cola.¹²⁹¹ In requiring the collection of survey results and fieldwork, particularly for marks such as Pepsi, McDonald's and Coca-Cola, it may be argued that to some extent this holds true, since these marks are international and they are widely known and used around the world. However, the objective here is to prove that a mark is genuinely worth the protection. Therefore, if this condition were pointless and trivial, a strong mark, such as the ones mentioned above, would not have an issue with proving its recognition. The idea is for a mark to prove and meet this condition; hence, if the mark is capable of proving it, it has overcome the first element in being considered a well-known mark. The objective is not to require factors that are trivial but valuable and strict ones. Survey evidence might be a trivial proof to some marks but strong evidence to others. This is precisely what differentiates between a mark that is strong enough to be conferred protection against dilution and another that is not. Upon proof of the required conditions including a survey evidence, a mark can be considered truly strong and eligible for anti-dilution protection.

Subsequently, in the definition of the well-known mark, it is suggested to explicitly refer to the mark as 'a designation of source of the goods or services', which is a reference found in the TDRA.¹²⁹² At this point, it can be argued that the dilution theory may seem contradictory in its provisions. In some situations, dilution aims to protect famous marks to ensure informing consumers of the source and origin of products. However, in other situations, it states that it is not concerned with consumers' confusion, as explicitly found within the TDRA.¹²⁹³ This raises the question: is dilution theory an

¹²⁹⁰ Luepke (n 1262) 801-802

¹²⁹¹ Fhima (n 1193) 631

¹²⁹² 15 U.S.C. § 1125 (c)(2)

¹²⁹³ Trademark Dilution Revision Act of 2006, 109 P.L. 312, § 2, 120 Stat. 1731 (amending 15 U.S.C. § 1125(c)). 'A mark is famous if it is widely recognized by the *general consuming*

extension to the classic infringement test by referring to the ‘designation of source of the goods or services’ or is it protecting solely the brand of the mark? It is believed that the Jordanian Trade Mark Law needs to take a clear stance on this and avoid the complications; therefore, the suggested definition of the ‘well-known trade mark’ includes an explicit reference to the ‘designation of the source and origin of the mark’. In addition, the suggested definition excludes any reference to the wording found in the TDRA, ‘regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury’. This is recommended in order to emphasise that even with the application of dilution, the foundation of trade mark law remains applicable even with a higher degree of protection, i.e. anti-dilution protection.

Furthermore, it is recommended that in assessing whether a mark is well-known, the court may consider the relevant factors, such as the use of the mark in Jordan. This could be examined by analysing the duration, extent and geographical area of the use of the mark. In addition, the court may examine evidence of promoting, marketing, advertising, and publicity activities of the mark in Jordan. This could be achieved by analysing the duration, extent, and geographical area of any promotion of the mark.

6.6.2.3 Registration

The TDRA and TMD explicitly require registration of the mark to be regarded well-known. Additionally, Article 2(1)(b)(4) of the WIPO JR refers to ‘registration’. However, by reading the WIPO JR closely, it might be argued that it is somehow contradicting. In one occasion it lists ‘registration’ of the mark as a condition to prove, for the mark to be considered well-known. In other situations, it stipulates to neglect the ‘registration’ factor, as for courts not to demand it to be proved, however, if proved by the claimant it thus should be valuable.¹²⁹⁴ It is understood that the court must not require these

public of the United States as a designation of source of the goods or services of the mark’s owner’.

¹²⁹⁴ Article 2(1)(c) of the WIPO JR

specific conditions from the owner in order to prove that the mark is well-known, but if these conditions are fulfilled, then they strongly indicate that the mark is well-known. Furthermore, the explanatory notes under 2.7 of the WIPO JR state that the number of registrations of a mark obtained worldwide and the duration of those registrations may be an indicator as to whether such a mark can be considered well-known. Registration of a mark is relevant only to the extent that it reflects use or recognition of the mark, for example, if the mark is used in the country for which it was registered, or was registered with a bona fide intention of using it.¹²⁹⁵ It might be argued that this is not a suitable approach due to the uncertainty it creates, particularly since Jordanian courts rely heavily on the number of a mark's registrations worldwide. It would be ideal if Jordan demanded registration in Jordan for a mark to be protected, which is a similar approach to that followed in the US.

It is noteworthy that the dilution theory is not concerned with any formalities besides merely protecting the brand and its selling power. Additionally, the WIPO JR does not require 'registration' of the mark to obtain anti-dilution protection.¹²⁹⁶ Another reason why registration should not be a requirement is because an ordinary trade mark is protected from infringement even if it is not registered, as long as it has been used.¹²⁹⁷ Therefore, it seems illogical to provide a higher protection, i.e. anti-dilution protection, to a higher level of marks, i.e. well-known marks, relying solely on the registration condition. Therefore, if an ordinary mark is protected from infringement upon use and *not* upon registration, it is more convincing that dilution theory must be also applicable in situations where the mark is used regardless of registration. Although the aim of the registration factor is to limit the scope of which marks are granted protection against dilution, it is believed that there is another, more logical way to narrow the scope of dilution: the use of the mark. However, it is argued that if both the mark's registration and use are

¹²⁹⁵ The WIPO JR; explanatory notes 2.7 No. 4

¹²⁹⁶ Article 2(3)(a)(i) WIPO JR 'the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, the Member State'.

¹²⁹⁷ Chapter Two, 2.3.2.3 Case Law, page 72

neglected, the foundations of trade mark law are completely ignored.¹²⁹⁸ Therefore, ‘the use of the mark’ condition supersedes and more crucial than ‘the mark’s registration’ condition. It is recommended to include the use of the mark within the list of factors that courts assess in determining whether a mark is well-known.¹²⁹⁹

6.6.2.4 The Use of the Mark

As mentioned above, the use of a mark is an alternative factor to registration, and the legal basis of protecting trade marks relies on the former rather on the latter.¹³⁰⁰ It is noteworthy that the US legislation does not specifically refer to the ‘use of the mark’ within the list of conditions when testing whether the mark is famous. However, it may be argued that the use of the mark is implied among the list of reputation conditions that courts may require: the amount, volume, and geographical extent of sales of goods or services offered under the mark. The requirement of selling the goods or services is an indication of the use of the mark. Therefore, the ‘use of the mark’ must not be neglected, especially since this factor has been considered in both situations: when assessing whether the mark is famous and when assessing the likelihood of dilution.¹³⁰¹

Conversely, the EU legislation directly refers to the ‘use of a mark’, which is a more favourable approach than the one followed in the US, because it is explicit and clear.¹³⁰² It further stipulates four factors related to the use of the mark: namely, the intensity of the use of a mark, which is the sales volume,

¹²⁹⁸ Chapter Three, 3.5 The Application of Dilution in Jordan, page 123. Also, S Levine, ‘The Origins of the Lanham Act (2004)’ (2010) *The Journal of Contemporary Legal Issues* 22, 26

¹²⁹⁹ It is important not to demand this factor; the ‘use of a mark’ as a compulsory element within the list of conditions when determining whether a mark is well-known. However, it must be a compulsory condition within the list when assessing whether there is a likelihood of dilution.

¹³⁰⁰ Chapter Two, 2.3.2.3 Case Law, page 72

¹³⁰¹ A Kur, ‘USA: Lanham Act, Sec.44 (15 U.S.C. 1126(b)); Paris Convention, Arts.6bis, 10bis - “Grupo Gigante v Dallo” ‘ (2005) IIC 726

¹³⁰² Chapter Two, 2.4.2 Case Law, page 80

the geographical extent of the use of the mark, the duration of the mark used, as well as the market share occupied by goods or services sold under the mark.¹³⁰³ Evidently, the longer the duration and the wider the extent of the use of the mark, the more convincing it is that the mark has considerable reputation. The same holds true if the owner has invested in the promotion and marketing of the mark. However, it must be borne in mind that granting anti-dilution protection is not a reward for the amount of money invested in the mark, but for the results of any efforts made to familiarise the general consuming public with the mark. Furthermore, the greater the number of channels in which the mark has been used, the more likely it is that the mark will be considered well-known or famous and, thus, eligible for anti-dilution protection.¹³⁰⁴ It is noteworthy that the use of a mark could be proved upon providing evidence of sales volume and market share of the mark. Therefore, Jordanian courts must be aware that the list of conditions, i.e. the examination of the duration, geographical use, and intensity of the use of the mark, are not exhaustive and exclusive but guidelines to assist in determining whether a mark is well known. It is believed that this clarification will dispel the Jordanian judges' misconception that only these elements should be examined and will leave room for any other evidences that may support the argument that a mark is well-known.

Especially, it is essential to bring to the attention of Jordanian courts that in examining the geographical use of the mark, they need to be unbiased. In the current situation, the courts tend to stand in favour of foreign trade marks, even if they have been used in two or in a small number of countries, rather than Jordanian marks that have been solely used in Jordan. Therefore, it is suggested that the recognition of the mark should be ultimately assessed by the Jordanian courts, upon providing satisfying evidence of its recognition among Jordanians. During this assessment, the

¹³⁰³ Chapter Two, 2.4.2 Case Law, page 80. Also, J McCarthy, *Dilution of a Trademark: European and United States Law Compared* (2004) TMR 1163, 1173. Also, C Gielen, 'Trademark Dilution Under European Law' (2014) 104 TMR 693, 706. 'The market share held by the trade mark. Market share is the percentage of total sales the mark represents in a particular sector'.

¹³⁰⁴ Chapter Two, 2.3.2.2 The Test for Famous Marks, page 64

court may examine the geographical use of that mark: if a foreign trade mark has been used in Jordan, it is strong and convincing evidence that Jordanians are familiar with it.

6.6.2.5 Promotion of the Mark

Regarding the final condition, promotion of the mark, the provisions found in the US, the EU, and the WIPO JR are similar.¹³⁰⁵ The US requires a proof of duration, extent, and geographical reach of advertising and publicity of the mark; the EU demands a proof of the size of the investment undertaken in promoting the mark. Therefore, both jurisdictions focus on the advertising and promoting of the mark, as they are tools employed by the owner to maximise the recognition of the mark. For this reason, it is suggested that this factor is also considered for examination by Jordanian courts when determining whether a mark is well-known. It is noteworthy that the extent of promotional activities can be proven not only by demonstrating the value of financial investments but also by outlining the advertising and marketing strategy and providing detailed proof of media presence.

Ultimately, it is essential that when Jordanian courts analyse these conditions, the provided evidence must prove that the mark has obtained renown among the general consuming public. Further, it is suggested that the definition of well-known marks shall include an explicit statement that 'in determining whether a mark is well-known, the court may take into account *relevant factors*, such as the use of the mark in Jordan; the promotion, advertising, and publicity of the mark; and the duration and geographical area of the promoted mark in Jordan'.

¹³⁰⁵ Article 2(1)(b)(3) WIPO JR demands a proof of 'the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation of the goods and/or services to which the mark applies'.

Conclusion

This chapter provided suggestions in order to reform the Jordanian Trade Mark Law regarding anti-dilution protection. Initially, illustrating the types of dilution and explaining the meaning of each one. The wording of the suggested definitions are inspired by the US, EU, and the recommendation of the WIPO JR. In addition, it was recommended to include an injunctive relief to be stipulated within the Jordanian Trade Mark Law to clarify the proprietor's rights if proved to be successful in a dilution claim. Following this, the chapter explained the reason why it is suggested for Jordan to adopt a likelihood of dilution rather than an actual dilution. The main reason for following the approach of the US; namely a 'likelihood of dilution' is due to the compelled obedience on Jordan to comply with the US-Jo FTA. The latter command to adhere to the WIPO JR which calls for a 'likelihood of dilution'. Following the clarification on the meaning and definition of the types of dilution, the chapter suggests a list of conditions to be incorporated within the Jordanian Trade Mark Law for courts to follow when examining a dilution claim. As a result, the proposed approach is strict: it is suggested that Jordanian courts undertake a thorough analysis of the evidence and examine all the conditions as rigorously as possible. The list of conditions includes; (i) the distinctiveness of the mark, (ii) the degree of recognition, (iii) exclusive use of the well-known mark, (iv) the degree of similarity between the two marks, (v) link, (vi) change in the economic behaviour of the average consumer. The chapter clarified how important and why it is important to include each factor of the list. Also, it clarified why there are factors that must not be incorporated within the Jordanian Trade Mark Law, for instance, the intention to create association. It is believed the neglected factor could have a negative impact on the application of dilution in Jordan if adopted within the law. Moreover, this list of conditions is suggested to be compulsory on Jordanian courts to follow in order to ensure that courts undertake a thorough examination before granting protection against dilution. It is believed having a strict approach when examining a likelihood of dilution will reduce the drawbacks of applying the doctrine of dilution and diminish granting anti-dilution protection automatically. It is argued

that these suggestions will assist Jordanian courts in forming their decisions on tangible evidence rather than randomly applying the doctrine of dilution.

Subsequently, the chapter elucidate that there are limits to the doctrine of dilution. Accordingly, there are actions that are exempted from the liability of dilution. This is crucial to be incorporated within the Jordanian Trade Mark Law in order to limit the excessive application of dilution, where courts grants anti-dilution protection to any foreign trade mark without analysing whether the use by a third party is within the ambit of fair use. The suggested defence is a result of a combination of both the US and EU wording in order to suggest a comprehensive defence. Also, it has been explained the reason why the wording of the defence found in the US law has been neglected; namely, any non-commercial use of a mark. The reason for this is to keep the defences unrestricted, as the gist of having a defence is to limit the scope of anti-dilution protection, not to limit the defences.

Following this, the chapter explains which marks are qualified for anti-dilution protection. It is suggested that the Jordanian Trade Mark Law maintain using the term 'well-known' trade mark. This chapter also provided a recommendation for the amendment of the current definition of well-known marks in the Jordanian Trade Mark Law. The suggested definition aims to terminate discrimination and, hence, allow Jordanian trade marks to be regarded as well-known. Additionally, the chapter recommended a list of factors to assist courts in determining whether a mark is well-known. This is believed to create a more balanced legal framework in Jordan. The suggested factors are deemed important and should be included in the legislation. The objective is to eliminate vagueness and facilitate the assessment of a likelihood of dilution, as well as accurately define well-known marks. It is crucial to highlight here that the list of conditions recommended for assessing the likelihood of dilution is compulsory and exhaustive, whereas the list of conditions for determining whether a trade mark is well-known is non-exhaustive, i.e. relevant factors may also be considered. The reason for this is because Jordan is obligated to comply with the WIPO JR, where the factors listed

for assisting the competent authority in determining whether a mark is well-known are guidelines and not pre-conditions.¹³⁰⁶ On the other hand, the WIPO JR does not explicitly refer to any list of factors when assessing a likelihood of dilution, which gives Jordan leeway for Jordanian courts to require a number of appropriate factors. Therefore, it is recommended that the list include high-threshold conditions, which a strong, well-known mark should be able to overcome. Although a non-exhaustive list of conditions could be considered a more flexible approach, which would allow courts to assess relevant factors in dilution claims,¹³⁰⁷ it can be argued that it has had the opposite effect and has raised many issues, as Jordanian courts tend to trivially refer to any factor that may support or prove that a foreign mark is well-known and neglect other elements that may support a Jordanian mark's eligibility for 'well-known' status and, thus, anti-dilution protection.

¹³⁰⁶ Articles 2(1) and 2(6)(c) of the WIPO JR.

¹³⁰⁷ Fhima (n 1193) 'The flexibility of having an open list of relevant factors is helpful in that it allows tribunals to respond to particular market situations and peculiarities of the cases but may be detrimental to legal certainty'.

Chapter Seven: Conclusion

This chapter summarises the main factors of the thesis by highlighting the issues found in Jordan and the suggestions provided in order to achieve the ultimate gist of this thesis, which is reforming the Jordanian Trade Mark Law. The objective is to develop the Jordanian law through abandoning any vagueness that the law provides with regards to the application of the doctrine of dilution. In addition, by suggesting an explicit and clearer provisions to be incorporated within the Jordanian Trade Mark Law for a more enhanced application of the doctrine of dilution among legal practitioners. Most importantly this chapter outlines the ultimate fundamental objectives which the thesis relies on; what is the issue found in Jordan in relation to the dilution theory? how to overcome the issues found in Jordan? And why it is important to find a solution? This chapter will highlight the problems found in Jordan and the suggested recommendations in order to reform the Jordanian Trade Mark Law. A developed legal framework for Jordan is crucial to implement the doctrine of dilution more efficiently.

The reason for studying intellectual property law particularly researching about trade marks in Jordan is due to the lack of protection Jordanian trade marks obtain in comparison to foreign trade marks specifically in relation to anti-dilution protection. The scope of legal protection offered to Jordanian trade marks stands on a weak legal basis in an attempt to avoid granting anti-dilution protection to Jordanian trade marks. The illogical reason for the preference of protecting foreign trade marks over Jordanian trade marks allegedly lies in perceiving foreign trade marks as an international and worldwide renown trade marks regardless of any tangible evidence to prove its fame or in proving a likelihood of dilution. The mere evidence Jordanian courts rely on is upon finding the mark registered in anywhere in the world apart from Jordan. Accordingly, crossing the Jordanian borders is what determines a mark well-known, and upon proving fame, automatic protection against dilution is granted to the foreign mark. The dilemma found in Jordan is not only upon finding renown merely in foreign marks well-known, but also,

upon the excessive use of the dilution doctrine. The Jordanian legislation does not specify any conditions for Jordanian courts to examine whether dilution is actual or likely, in fact it is questionable whether dilution was intended by the Jordanian legislator. Consequently, courts grant protection against dilution-type automatically to foreign trade marks.

The thesis explained the shortcomings and deficiency of the Jordanian trade mark law in Chapter One, which has a negative impact on the enforcement of the law among Jordanian courts. Jordanian scholars have described the law as 'imperfect' or 'vague'. Moreover, one of the issues that Chapter One demonstrated is that Jordanian courts undertake a broad approach, also they tend to neglect the one requirement that is mandated in the Jordanian trade mark law stipulated in Section 2. The latter specifically require the mark to be known among the Jordanian relevant sector for a mark to be deemed well-known mark. Jordanian courts do not examine this condition leading to an extensive application and randomly granting anti-dilution protection. Evidently this approach increases the drawbacks of dilution due to the lack of examination of whether the mark is 'well-known', also upon the lack of examination of whether there is an actual or likelihood of dilution.

The issues that Chapter One reveals do not lie in only favouring foreign trade marks over Jordanian trade marks but in the provisions of the Jordanian trade mark law and the enforcement of the law. Chapter One revealed the issues found in Jordan as follows; Jordanian trade marks are not sufficiently protected against dilution, there is discrimination between the protection provided to well-known Jordanian trade marks and foreign trade marks, which is notable where courts are in favour of merely protecting foreign trade marks, Jordanian courts instinctively grant anti-dilution type of protection to foreign trade marks; this form of protection is automatically granted. Chapter Two elaborated further on the issues found within the Jordanian Trade Mark Law, namely the lack of explicit or clarification of which marks are considered 'well-known'. In addition, there is no specific list of conditions to assist legal practitioners to determine whether a mark is well-known or not. Although few courts do consider the WIPO JR, the examination is perfunctory. Hence the reason why it is essential to suggest a list of conditions to assist courts when determining a mark 'well-known'. Also, suggesting a more developed and a

clear definition of 'well-known marks' is crucial as fame is the gatepost to examine the likelihood of dilution. Therefore, it is important to have a clear, explicit and precise definition and list of conditions for courts to follow in order for the mark to prove that it has met a certain level of recognition. Without this level of recognition, marks are not eligible for anti-dilution protection. The gist of protecting certain marks against dilution is to narrow the categories of eligible marks that are afforded to those marks. The dilution doctrine was never meant to be granted to any mark but only to extraordinary mark that requires an extraordinary protection. It is essential to bring this to the attention of the Jordanian legislator because dilution is a potent legal tool that creates monopoly in trade marks granted to the owner of the mark to control the market, hence the reason why it must be limited and restricted. It is crucial that the Jordanian legislation clarify that anti-dilution protection is not only granted to a foreign trade mark, but a mark that fulfils all the requirements to be qualified as a well-known. Following this, a list of conditions must also be fulfilled in order to succeed in a dilution claim. Trade marks, unlike other intellectual property right, are protected for life. Therefore, the monopoly that is granted to the well-known trade mark owner to control the market for life seems harsh especially that dilution ignores many aspects of the origins and basis of trade mark law, such as consumers' confusion. Accordingly, as dilution is understood to be fierce, the Jordanian legislator and Jordanian courts must be wary and attentive towards which marks are worthy of anti-dilution protection.

The fundamental issue relies in Jordanian courts granting automatic anti-dilution protection to foreign trade marks as they are perceived in the eyes of the court as well-known marks. The reason why this is a dilemma is for several reasons. First, Jordanian intellectual property practitioners are unfamiliar with the concept of dilution. Second, there is no explicit factors or list of conditions to assist Jordanian courts to follow when examining if dilution is likely to occur. Hence the reason why Jordanian courts confer automatic protection randomly. Third, as a consequence of the extensive application of dilution, harm is caused to Jordanian trade mark owners. This is evident as Jordanian trade marks are not capable of competing fairly with foreign ones, due to the unbalanced rights conferred to trade mark owners.

This is envisaged where Jordanian trade mark owners are abstained from using their marks for a foreign trade mark, where the latter utilises the mark comprehensively through enforcing the power of dilution. One of the consequences that the Jordanian trade mark owners incur is losing customers who are unfamiliar with the new mark which the Jordanian trade mark owner is obliged to use for his/her business. Moreover, the Jordanian trade mark owner will incur expenses in terminating the use of the mark, also the expenses of registering a new mark and in publishing the new trade mark in the official gazette to attempt to obtain public's recognition.¹³⁰⁸

By highlighting the issues found in Jordan, the following step is suggesting recommendations in order to reform the Jordanian Trade Mark Law in regards to the dilution doctrine for a more efficient implementation of the doctrine. The methodology is undertaken in the thesis by demonstrating the issues found in Jordan in Chapter Two that illustrated the problems with Section 2 of the Jordanian Trade Mark Law that is related to the definition of 'well-known' marks. Also, Chapter Three demonstrated the application and enforcement of dilution theory in Jordan. In order to tackle these issues, the thesis examined the experience of the US with the doctrine of dilution in Chapter Four. Following this, examining dilution and assessing the application of dilution in EU in Chapter Five. The reason for analysing the dilution theory, its application, and enforcement in US and EU, is for several reasons. First, both jurisdictions have more experience than Jordan in applying the doctrine of dilution. Second, the US has adopted and applied dilution law on federal basis in 2006 ahead of EU. The US differs slightly from the application of dilution in comparison with EU, which allows Jordan to learn from two experiences and adopt the most relevant approach that meets its need. Third, examining dilution from a European approach allows Jordan to have a better perception as it includes the CJEU opinions which are very insightful and beneficial for Jordan when reforming the Jordanian Trade Mark Law. Finally, a historical development within the Jordanian Trade

¹³⁰⁸ A thorough explanation on how excessive intellectual property is affecting Jordanians is demonstrated in Chapter Three, 3.7.1 The Foreseen Harm Caused to Well-Known Jordanian Trade Marks, page 141

Mark Law was introduced by the UK, since UK is part of EU, both play a crucial role in reframing the Jordanian Trade Mark Law. The gist of learning from the experience of these two jurisdictions is to reform the Jordanian Trade Mark Law, to suggest a more coherent legal framework for Jordan, and raise awareness among Jordanian courts when dealing with dilution claims.

The US and EU experiences have provided substantial expertise to enlighten Jordanian legal practitioners on the real meaning of 'dilution', how sparingly protection against dilution must be conferred, and how to deal with a dilution claim. Their experience played a crucial role in suggesting a legal reformation of the Jordanian Trade Mark Law. The experience learned from the US and EU is inspirational as explained in Chapter Four and Five, these two jurisdictions deal attentively with the doctrine of dilution. For instance, it is well-established that protection against dilution is not automatically granted to trade marks upon proving fame. The US and EU take a thorough examination of whether the mark is famous or well-known following a thorough examination of dilution claims. This should change the way Jordanian legal practitioners perceive dilution theory. The US and EU proved that dilution is limited, it is a potent legal device that must be wisely and cautiously conferred. Jordanian courts must closely follow the US and EU approach in undertaking a thorough examination of the dilution claim before granting protection against dilution. Most importantly is for Jordanian courts to avoid examining dilution claims superficially. Accordingly Jordanian courts must not base its decision on one condition, i.e. any foreign mark is a well-known mark, but a list of conditions and a compelling evidence that the mark before it is a well-known and compelling evidence that dilution is likely to occur.

Following the analysis of the approach that US and EU undertook when dealing with dilution doctrine, Chapter Six provided suggestions and recommendations for Jordan to consider when developing the Jordanian Trade Mark Law. Launching by clarifying the concept of dilution, as it is important to understand thoroughly the meaning of the dilution theory in order to apply it efficiently. In addition, understanding the true meaning of the

dilution theory allows legal practitioners to take the necessary precaution upon dealing with dilution claims.

In order to recommend a coherent legal framework for Jordan to take into account when dealing with the doctrine of dilution, Chapter Six illustrates the types and suggested definitions for dilution. It is believed this will bring more clarity to Jordanian legal practitioners on the concept of dilution. Most importantly, a list of conditions have been suggested to be included within the Jordanian Trade Mark Law to allow legal practitioners and courts to analyse when examining a likelihood of dilution. The reason why it is important to suggest recommendations for Jordan to consider and adopt is to lessen the negative impact and drawbacks of applying dilution theory excessively. It is crucial that Jordanian courts apply dilution theory sparingly, this will be established once Jordanian legal practitioners understand how dilution is deemed a powerful legal tool that must not be granted randomly and automatically. Furthermore, Jordanian legal practitioners must be aware that dilution is limited, narrowed and conferred to certain marks. Anti-dilution protection is never meant to be automatically conferred to a foreign mark, but a mark that meets the standards and conditions to be worthy of this extraordinary protection. For this reason, a suggestion to amend the definition of 'well-known marks' in Section 2 of the Jordanian Trade Mark Law is of paramount importance. Having a reliable definition and explicitly stipulating the types and definitions of dilution, along with a list of conditions when determining whether a mark is well-known and whether dilution is likely to occur is the pillars of having a profound legal basis for Jordanian practitioners to follow. As abovementioned, Chapter Six suggested definitions of dilution types and a list of conditions that is recommended to be incorporated within the Jordanian Trade Mark Law. This list is derived from the experience of the US, EU and the WIPO JR. Neither the US law nor the EU law is without flaws; the recommended suggestions provided in Chapter Six is an assembly of both laws that is convenient for Jordan, also it is an exclusion of the errors found in these two jurisdictions in order to suggest a legal framework that meets Jordan's needs whilst adhering to international obligations.

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