



## Types of infringement of a right to trade marks with reputation in Polish and EU jurisprudence

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**Abstract.** This article aims at examining the extent to which the Polish and European Union adjudication bodies apply the EUCJ guidelines regarding determination of each type of the right to a trade mark with reputation (TMwR) infringement. The author analyses and interprets legal provisions of EUTMR and argumentations of variety decisions of European Union and Polish adjudication bodies concerning the problem of an infringement of a right to a TMwR. A close analysis of the latest judicial decisions concerning the TMwR protection indicates that, in principle, detailed guidelines regarding the occurrence of each form of the TMwR infringement are already in place. However, there are still some deviations from these guidelines, most notably in the Polish jurisdiction, since adjudicating bodies tend to see parasitism in the probability of association of juxtaposing trade marks alone. Thus, it happens that a three-step test on the likelihood of transferring trade mark with reputation associations onto goods/services designated with a third party mark (as described below) is omitted. This is especially significant where a later sign is used for goods/service that are not similar to those that are signed by the TMwR. Furthermore, an enhanced evidentiary standard applied in the Intel case seems to be frequently absent in the practice of law application. Changes in the economic behaviour of the average consumer or a serious likelihood that such a change will occur are hardly ever taken into account in the assessment of the activity detrimental to the distinctive character or the repute of a TMwR. Although many years have passed since key preliminary rulings were issued by the EUCJ, which shaped the principles of examining the evidence that pointed to the possibility of an infringement of a right to a TMwR, some negligence and shortcomings in the application of the law in this respect have not been entirely eliminated. Hopefully, the years to come will witness a greater awareness of the binding provisions and principles of their application among adjudication bodies and interested parties alike.

**Keywords:** trade mark with reputation, parasitism, dilution, blurring, tarnishment.

**JEL Classification:** K11, K24, O34.

**Citation:** Sitko, J. (2024). Types of infringement of a right to trade marks with reputation in Polish and EU jurisprudence. *Eastern European Journal of Transnational Relations*, 8(1), 25-38.

<https://doi.org/10.15290/ejtr.2024.08.01.03>.

**Academic Editor:** Magdalena Rutkowska-Sowa

**Publisher's Note:**



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## INTRODUCTION

Infringement of the right to a trade mark with reputation (TMwR) may consist in a negative impact on the right to the mark (harming the values with which the mark is associated) or may bring about positive consequences in the sphere of activity undertaken by the infringer (see Senftleben, 2017, p. 350). The first case concerns the use of a later sign that is detrimental to the reputation of the trade mark or has negative effects on the distinctive character of the trade mark with reputation. The situation described in the second case refers to deriving undue benefits from the reputation or distinctive character of a trade mark with reputation. Article 8(5) and Article 9(2)(c) of EUTMR<sup>1</sup> refers to all these consequences. However, it should be borne in mind that Article 8(5) is one of the relative grounds for refusal concerning a trade mark with reputation, whereas Article 9(2)(c) relates to the infringement of the right conferred by a European Union trade mark with reputation (EUTMwR). Analogous comments should be made with regard to the relationship between the provisions constituting the basis for the protection of a TMwR in the Polish law (i.e. Article 132<sup>1</sup>(1)(3) and Article 296(2)(2) of the Industrial Property Law - IPL<sup>2</sup>)

The application of all these Articles requires a number of conditions to be met, cumulatively. Failure to satisfy one of them is sufficient to render that provision inapplicable. In essence, the following conditions must be met:

- a) the earlier trade mark must have a reputation in the Union or in a Member State;
- b) the EUTM applied for and the earlier trade mark must be identical or similar;
- c) unfair advantage must be derived from the distinctive character or the repute of the earlier trade mark or detriment must be caused thereto;
- d) there must be lack of due cause.

According to case law, in order to establish whether an earlier mark with reputation may be affected by the risk of one of the types of detriment as referred to in the aforementioned Articles, it must be assessed whether the relevant public will establish a link between the marks in question, not necessarily confuse them<sup>3</sup>. Thus, in the absence of a link between the conflicting marks, the use of the later mark is not likely to lead to unfair advantage being taken, or be detrimental to, the distinctive character or the repute of the earlier mark. The existence of a link between the later mark and the earlier mark with a reputation, which must be assessed globally, account being taken of all factors relevant to the circumstances of the case<sup>4</sup>. According to the *Intel* case, those factors include the degree of similarity between the conflicting marks; the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public; the strength of the earlier mark's reputation; the degree of the earlier mark's distinctive character, whether inherent or acquired through use; the existence of the likelihood of confusion on the part of the public<sup>5</sup>.

The aim of the article is to analyse to what extent the European Union and Polish adjudication bodies apply in practice EUCJ guidelines concerning types of infringement of a trade mark with reputation. This would allow for the assessment of prospects of legal protection of TMwR. Thus, other conditions to be examined in the event of a conflict between a TMwR and a third party's sign will be omitted or discussed briefly only as a necessary introduction.

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<sup>1</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union Trade Mark, OJ L154/1 p. 1.

<sup>2</sup> Industrial Property Law of 30 June 2000, (uniform text published in *Dziennik Ustaw* 2023, item 1170).

<sup>3</sup> See, to that effect i.e.: EUCJ, 14 September 1999, C-375/97, *General Motors Corporation vs. Yplon SA (Chevy)*, para 23; EUCJ, 23 October 2023, C-408/01, *Adidas-Salomon vs. Fitnessworld*, para 29 and 31; EUCJ, 10 April 2008, C-102/07, *Adidas and Adidas Benelux vs. Marca Mode CV*, para 41.

<sup>4</sup> EUCJ, *Adidas Benelux vs. Marca Mode*, para 30; GC, 10 May 2007, T-47/06, *Antartica vs. OHIM – Nasdaq Stock Market (NASDAQ)*, para 53; GC, 29 March 2012, T-369/10, *You-Q BV vs. OHIM – Apple Corps Ltd. (THE BEATLES)*, para 46.

<sup>5</sup> EUCJ, 27 November 2008, C-252/07, *Intel Corporation Inc. vs. CPM United Kingdom Ltd*, para 42.

## 1. DEFINITION OF A TRADE MARK WITH REPUTATION

In all proceedings where the proprietor of a trade mark seeks protection for its sign under the provisions that refer to the protection of trade marks with reputation, it is necessary to demonstrate that the trade mark in question enjoys a reputation. Neither the EU law nor the Polish law contains a definition of a TMwR. Such a definition has been developed in the judgments by the European Union Court of Justice (EUCJ). A landmark case concerning the issue was the *Chevy* case<sup>6</sup>. The EUCJ held that in order to enjoy protection under the provisions of Article 5(2) of Directive 89/104, “a trade mark must be known by a significant part of the public concerned by the products or services which it covers” and must be known “in a substantial part of that territory”<sup>7</sup>.

It results from this definition that the crucial factor is the scope of recognition of a TMwR by the relevant public on the relevant territory. Interestingly, the quality of goods or services offered under the TMwR is not an important circumstance. The relevant public may be determined only by establishing the types of goods and services covered by a trade mark under protection. It can either be the public at large or a more specialised one. The generally defined public appears in the case of everyday goods (e.g. mineral water<sup>8</sup>). If the public is made up of professionals in a specific sector, we deal with the niche reputation (e.g. computer programming relating to hotel services, restaurants, and cafés<sup>9</sup>). A substantial part of the territory may vary depending on the kind of a TMwR, whether it is a European Union trade mark or a trade mark of a member state. According to the case law, a substantial part of the European Union can be, for example, a territory of one country such as Austria<sup>10</sup>.

Moreover, as it results from the case law, in determining whether this condition of reputation is fulfilled, it is necessary to take into consideration all the relevant facts of the case, and, in particular, the market share held by the trade mark, the intensity, geographical coverage, the duration of its use, and the size of the investment made by the undertaking in promoting it; it is not required for that mark to be known by a given percentage of the public so defined or for it to have a reputation throughout the relevant territory as long as it has a reputation in a substantial part of it<sup>11</sup>.

In order to adequately apply the provisions that allow for an extended protection of trade marks with reputation, it is necessary to examine in the first place whether the sign at issue is with reputation and then to compare the two trade marks, since in determining a breach of the right to a trade mark with reputation the similarity of the signs ranks lower than in the case of the conflict between ordinary trade marks<sup>12</sup>. Such an approach results from the judicial decisions of the EUCJ according to which the infringement of the right to a trade mark with reputation “is the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them”<sup>13</sup>. The notion of likelihood should be understood in a similar manner both with respect to the provisions that protect ordinary marks and those with reputation<sup>14</sup>.

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<sup>6</sup> EUCJ, *General Motors (Chevy)*.

<sup>7</sup> EUCJ, *General Motors (Chevy)*, para 31.

<sup>8</sup> EUIPO BoA, R.1265/2010-2, *MATTONI*, para 44.

<sup>9</sup> GC, 22 March 2007, T-215/03, *Sigla AS vs. OHIM – Elleni Holding BV*, para 63.

<sup>10</sup> EUCJ, 6 October 2009, C-301/07, *PAGO International GmbH vs. Tirolmilch registrierte Genossenschaft mbH*, para 29–30.

<sup>11</sup> EUCJ, *General Motors (Chevy)*, para 24–29; GC, 19 June 2008, T-93/06, *MINERAL SPA*, para 33.

<sup>12</sup> EUCJ, 10 December 2015, C-603/14P, *El Corte Inglés SA vs. OHIM*, para 41; Gielen (2013), p. 219–220).

<sup>13</sup> EUCJ, *Adidas Benelux vs. Marca Mode*, para 29.

<sup>14</sup> EUCJ, *El Corte Inglés*, para 39.

## 2. UNFAIR ADVANTAGE TAKEN FROM THE DISTINCTIVE CHARACTER OR THE REPUTE OF A TRADE MARK WITH REPUTATION

Unfair advantage taken from the repute or the distinctive character of the TMwR is called in the doctrine parasitism or free riding. In case law the advantage taken from the repute and the distinctive character of a TMwR is treated as a form of infringement<sup>15</sup>. It follows from the landmark *L'Oréal vs. Bellure* case that "*the advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of that mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image*"<sup>16</sup>. What is important here is that taking unfair advantage of the distinctive character or the repute of a mark does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor<sup>17</sup>. When assessing whether a given action is parasitism, it should be remembered that although the proprietor of the earlier trade mark is not required to demonstrate actual and present injury or parasitism consequences to its mark, it must, however, prove that there is a serious risk that such an injury will occur in the future<sup>18</sup>.

In analysing this form of infringement of the right to a trade mark with reputation, special attention should be paid to the word 'unfair' used in the provisions of EUTMR<sup>19</sup>. It appears that the reference to fairness, largely a moral concept, the European Court of Justice stated in the case *L'Oréal versus Bellure* that the intentions of the proprietor of the later mark similar to the mark with reputation should be taken into consideration (see Sitko, 2019, p. 299). The EUCJ concluded that while making a comprehensive assessment of unfair advantage taken from the distinctive character or reputation of a trade mark, it is important to consider that the use by the infringer of packaging and bottles similar to those of imitated perfumes was designed to enjoy benefits – for promotional purposes – of the distinctive character and reputation of the trade marks under which these perfumes are marketed<sup>20</sup>. However, demonstrating bad faith on the part of the infringer seen as wilful use of reputation of an earlier mark in his/her commercial activity may not be deemed as essential but rather supporting evidence in determining infringement of the right to a TMwR (Simon Fhima, 2011, p. 205).

Moreover, according to the EUCJ, parasitism covers, "*in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation*"<sup>21</sup>. It follows from this assumption that while assessing the infringement of the TMwR, we need to make a three-step test. First, one should verify what kind of associations are connected with TMwR. Second, one should determine the associations commonly connected with the goods or services that are designated with the later trade mark. Third, one should consider whether the associations connected with TMwR are really desirable and important for the image of the later mark (for selling the goods or services under the later mark)<sup>22</sup>. This test is rather unnecessary when conflicting marks are used for the same kind of goods or services,

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<sup>15</sup> EUCJ, *Intel*, para 33; see also Skubisz (2013, p. 1291-1292).

<sup>16</sup> EUCJ, *L'Oréal vs. Bellure*, para 50.

<sup>17</sup> EUCJ, *L'Oréal vs. Bellure*, para 50.

<sup>18</sup> GC, 19 May 2021, T-510/19, *Puma vs. EUIPO - Gemma Group*, para 127; EUCJ, 4 March 2020, C-155/18 P to C-158/18 P, *Tulliallan Burlington vs. EUIPO*, para 75; EUCJ, C-252/07, *Intel*, para 38.

<sup>19</sup> The term of 'undue advantage' (Pol. *nienależna korzyść*) is used in the provisions of the Polish Act on IPL instead of 'unfair advantage' (Pol. *nieuczciwa korzyść*).

<sup>20</sup> EUCJ, *L'Oréal vs. Bellure*, para 48.

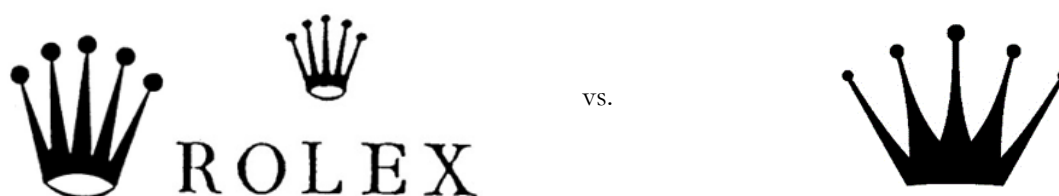
<sup>21</sup> EUCJ, *L'Oréal vs. Bellure*, para 41.

<sup>22</sup> It is noted in the doctrine that: "*One should assess whether the image which a trade mark with reputation enjoys does reinforce the appeal of goods of the third party and helps attract the public, with due consideration for the properties of the goods designated with the sign of the third party*". See Bohaczewski (2019, p. 330).

since in such a case desired associations for both marks are analogous. In such a case it should be sufficient in principle to demonstrate the repute of the mark, the similarity of signs, and the existence of a link between contested signs as well as to determine a positive image a trade mark with reputation enjoys (cf. Bohaczewski, 2021, p. 274 and the relevant case law). However, then the opposed mark is used for different kinds of goods or services, the situation becomes more complicated. Therefore, this case will be the main point of interest in this article.

The three-step test was properly assessed by the Board of Appeal (BoA) of EUIPO in the latest case regarding the conflict between two figurative trade marks with reputation ROLEX (registered and used for watches) and the later figurative mark ROLEX (applied for clothing)<sup>23</sup>.

Figure 1.



Note. Own elaboration.

The BoA noticed that the owner of both trade marks with reputation (TMswR) had only argued that the applicant of the later mark could take unfair advantage of the degree of recognition of the earlier composite mark on account of the fact that the signs at issue were almost identical and the immense reputation acquired by the earlier marks, which allegedly convey images of prestige, luxury and an active lifestyle. The Office found that, by the same token, the owner of the TMswR had, in fact, merely referred to the wording of Article 8(5) of Regulation No 207/2009 (*de lege lata* Article 8(5) of Regulation No 2017/1001), without submitting any coherent arguments as to why one of such injuries would occur. The Office inferred from this (and the General Court agreed thereon) that no injury referred to in that provision was established. The owner of TMswR limited itself in that regard to stating that the Board of Appeal recognised the reputation of the earlier composite marks for wrist watches, and submitting a general consideration relating to the size of the investment necessary for the acquisition of a reputation<sup>24</sup>. The decision of BoA seems justified as the owner of the TMswR did not present the three-step test to demonstrate that there was a serious risk that one of the types of injury would occur in the future. Parasitism cannot be presumed merely on the basis of the fact that conflicting trade marks are similar and the earlier mark enjoys reputation. However, it seems that in the ROLEX case it was possible to demonstrate some association between the conflicting marks and parasitism as the associations inherent in elegant clothes (the later mark) and those evoked by the ROLEX marks (associated with luxury watches) can be similar. Unfortunately, there were some shortcomings in the evidence provided by the owner of TMswR in this case.

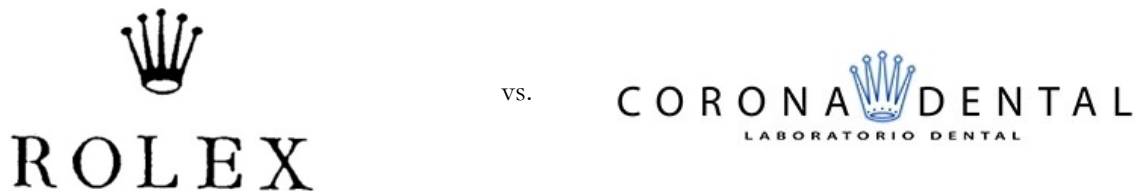
Similar evidentiary shortcomings were not perceived in another case concerning the infringement of the right to a trade mark with reputation, i.e. the ROLEX figurative sign. However, also in this case the proprietor of the

<sup>23</sup> GC, 18 June 2023, T-726/21, *Rolex SA vs. EUIPO and PWT A/S*.

<sup>24</sup> GC, T-726/21, *Rolex SA*, para 51.

TMwR failed to demonstrate that the later sign comprising the graphic representation of the crown and the wording “CORONA DENTAL LABORATORIO DENTAL” is detrimental to the reputation of the ROLEX sign.

Figure 2.



Note. Own elaboration.

This time the comparison was between glamorous wrist watches and surgery in the human mouth, since the later mark was applied for registration in the register of surgical apparatuses and instruments for dental use and dental moulding devices (class 10) and dentistry (class 44). The BoA stated that “*Instruments of the dentist’s stock in trade, completely unconnected to the unnecessary indulgence captured under the opponent’s brand in the straplines ‘Fearless Luxury’ and ‘Understatement is overrated’ and ‘Defiant Luxury’, which seem to suggest that it requires a certain amount of courage to spend so much money on a wrist watch. ‘Luxury’ may be defined as ‘an indulgence in something that provides pleasure or satisfaction’ – this is the image behind the opponent’s brand*”<sup>25</sup>. Evidently, it has nothing to do with dental equipment. Thus, it was impossible to prove any established link between such products and services.

The three-step test was also properly adopted in the earlier case concerning conflict between MARTINI TMwR (which designates alcoholic beverages) and the later mark FRATELI MARTINI (which was applied for registration in the category of lamps). The BoA of EUIPO stated that the market sectors are completely different and the images that lamps, on the one hand, and vermouths on the other hand may convey are different as well. Lamps, even designer lamps, are not usually associated with success, glamour, jet setters, beautiful people, etc. but comfort, design, and architecture. This is so because lighting devices are not exactly consumer goods, like beverages, but part of fixtures and fittings of a house. Thus, the Office found that the use of the ‘FRATELLI MARTINI’ mark is therefore unlikely to either take undue advantage from the earlier reputed ‘MARTINI’ mark or tarnish or dilute its distinctive character<sup>26</sup>.

The matter concerning the conflict between the VIAGRA trade mark with reputation (registered for a drug to treat erectile dysfunction) and the later sign VIAGUARA (submitted for registration for alcoholic beverages)<sup>27</sup> took a different turn. The General Court held that an association with the earlier mark with reputation with respect to the goods designated with the later sign is possible. In this case the General Court agreed with the Board of Appeal of EUIPO which stated that the libido stimulating properties attributed for commercial purposes to alcoholic beverages are convergent with the therapeutic indications concerning the product designated with the earlier trade mark or at least with the image this trade mark projects. By the same token, even if such goods cannot in reality guarantee the same benefits as the drug used in treating erectile dysfunction, and covered by the earlier trade mark,

<sup>25</sup> BoA EUIPO, 24 May 2018, R 1874/2017-5, para 51.

<sup>26</sup> BoA EUIPO 30 July 2007, R 1244/2006-1, *MARTINI S.p.A vs. MARTINI & ROSSI S.p.A.*, para 27.

<sup>27</sup> GC, 25 January 2012, T-332/10, *Viaguara vs. OHIM – Pfizer (VIAGUARA)*.

the consumer will be inclined to buy alcoholic beverages thinking that he/she will find similar properties such as an increase in libido given the transfer of positive associations projected by the image of the earlier mark<sup>28</sup>.

Unfortunately Polish case law shows that there are certain shortcomings in the way of assessing parasitism especially concerning the signs using for different kinds of goods or services. It happened in earlier judgments that the Polish Patent Office and Polish courts alike held that in the case of use of the identical mark or a similar one to the trade mark with reputation by a third party, in order to determine a breach of the right to a trademark with reputation it was sufficient demonstrate the reputation of a mark irrespective of the type of goods for which the infringer used the mark<sup>29</sup>. Such drastic oversimplifications are no longer present in the application of legal provisions. However, there are still many cases where the approach to the conflict between ordinary marks and those with reputation is still drawback-ridden. This remark can be illustrated by a case concerning conflict between reputed figurative trade mark 4F – well known in Poland - which designates i.e. sports clothing, shoes, and bags) and a later world mark 4F filed for registration for paints, lacquers, wood stains etc. Both, the Polish Patent Office and the Voivodship Administrative Court (Pol. *Wojewódzki Sąd Administracyjny*) did not verify the associations adequate for these kinds of such diverse goods. Generally speaking, the Court held that potential recipients of goods marked with the disputed trade mark, who also belong to the general category of customers purchasing sportswear, may transfer positive ideas associated with the opposing marks to the goods marked with the disputed trademark (paints and lacquers), even though the different nature of the goods in question and the place of their sale, which will not lead to their actual confusion. However, the Court did not explain what kind of positive ideas connected with famous trade mark were supposed to be transferred. It should be borne in mind that not every association in every circumstance is positive, as could be observed in the aforementioned MARTINI case. It follows that this issue should be precisely described. Nevertheless, according to the Court, the existence of an associative link between the compared trade marks means that the power of attraction of the earlier trade mark may be transferred onto the disputed trade mark. These assumptions led to the finding of undue benefits from the reputation of the mark and the infringement of the 4F trade mark with reputation<sup>30</sup>.

Similar shortcomings in analysing evidence pointing to the possibility of parasitism can be seen in the decision of the Polish Patent Office on the conflict between the word-graphic designation WIEDZMIN (EUTM 018202034), a European trade mark with reputation owned by CD Project and the later word-graphic sign WIEDZMIN (Z.518719)<sup>31</sup>. A trade mark with reputation is subject to protection with respect to game software, computer software (Class 9), magazines and stationery (Class 16), while the later mark for which registration application was filed concerned alcoholic beverages in Class 33<sup>32</sup>. The Office found that the use of the later mark was detriment of the distinctive character of the repute of the earlier mark and undue benefits were derived therefrom. Claiming that the reputation of the trade mark fell prey to parasitism, the Office merely stated that EUTM WIEDZMIN “*enjoys universal reputation and projects positive associations among its users, which is undeniably linked to positive features of the goods designated by the mark such as high quality, good workmanship or general satisfaction of consumer expectations*”. The Office held that the applicant of the later mark may derive unfair benefits from such features by using an identical or similar sign to the trade mark with reputation. There is no doubt that the Office failed to perform the three-step parasitism

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<sup>28</sup> GC, *Viaguara*, para 66 -67.

<sup>29</sup> See judgment by the Supreme Administrative Court of 26 June 2013 in the matter II GSK 484/12 concerning the conflict between the trade mark with reputation ORLEN (registered for fuels) and a later sign ORLEN (submitted for registration for computer software). In this case the Polish Patent Office held as follows: “for the application of the provisions of Article 132.2.3 of *Intellectual Property Law* it is sufficient to determine reputation of the mark itself irrespective of the goods or services that made the mark reputed. Therefore, evidencing reputation of a mark makes it impossible to grant protection (or invalidates the right of protection granted) for any goods if the mark applied for registration is identical or similar to the mark with reputation.”

<sup>30</sup> Voivodship Administrative Court (Pol. *Wojewódzki Sąd Administracyjny*), 5 December 2023, VI SA/Wa 3637/23 (4F).

<sup>31</sup> Polish Patent Office, 27 November 2023, DT.ZK.ZS.2021.00050.35, not published.

<sup>32</sup> Polish Patent Office, 29 November 2023, DT-ZK.ZS.2021.00050.35, not published.

test. Firstly, the Office did not examine the associations which the TMwR WIEDZMIN evokes and contented itself merely with references to positive associations as such linked, in the main, to the high quality of the goods in question. Secondly, the Office failed to specify associations linked to the goods designated with the later mark, i.e. alcoholic beverages. Thirdly, the Office did not verify whether the associations evoked by TMwR Po WIEDZMIN are attractive and applicable to alcoholic beverages.

### 3. ACTIVITY DETRIMENTAL TO THE DISTINCTIVE CHARACTER OF THE TMWR

The activity detrimental to the distinctive character of the trade mark with reputation is also referred to as “*dilution by blurring*”<sup>33</sup>. It is often perceived as a process called “*death of thousand cuts*” (Beebe, 2006, p. 1143 and 1163). The activity detrimental to the distinctive character of the trade mark with reputation occurs where consumers see that the TMwR is used by other persons on a variety of goods or services; as a result, the mark is no longer unambiguously associated with goods/services offered by the authorised proprietor, and its unique and distinctive character becomes diluted and weakened (McCarthy, 2001, § 24:94). The ramifications of such a process are aptly expressed by F.I. Schechter, who said: “*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 the Rolls Royce mark any more*”<sup>34</sup>.

Case law defines this type of infringement of the right to a TMwR in a similar manner. As was stated in the *Intel* case, detriment to the distinctive character of the earlier mark is caused “*when that mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it was registered, is no longer capable of doing so*”<sup>35</sup>. Dilution by blurring occurs primarily where the later mark (similar to the mark with reputation) is used for other kinds of goods than those for which the mark with reputation was originally registered (see Simon Fhima, 2011, p. 117-118). If this be the case, unambiguous associations evoked by a given trade mark with reputation can be seriously threatened, since the trade mark evokes not only associations with the goods offered by the proprietor but also with a different activity conducted by a third party.

Paradoxically, while seeking protection of a trade mark with reputation against activity that is detrimental to the nature of the distinctive mark, there is no need to demonstrate that the mark has its distinctive character, since it is assumed that each mark with a reputation is such. Such conclusions can clearly be drawn from the judgments of the EUCJ. In the *Intel* case, the EUCJ confirmed that “*a trade mark with a reputation necessarily has distinctive character, at the very least acquired through use*”<sup>36</sup>. It is, therefore, sufficient to demonstrate that the trade mark in question meets the criteria for a trade mark with reputation in compliance with the guidelines adopted in the judgment in the *Chery* case (see Sitko, 2019, p. 273). This, however, does not mean that evidentiary proceedings undertaken to demonstrate blurring of a TMwR is a simple procedure. The EUCJ implemented an evidentiary requirement associated with “*a change in the economic behaviour of the average consumer*”.

According to the EUCJ, the proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark 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*”<sup>37</sup>. As the EUCJ emphasized, the concept of “*a change in the economic behaviour of the average consumer*”

<sup>33</sup> See § 43 c) (2) (B) (15 U.S.C. § 1125) Lanham Act.

<sup>34</sup> Trade-marks: Hearings Held before the H. Comm. on Patent, 72d Cong. 1<sup>st</sup> Sess. 15 (1932) (statement of Frank I. Schechter), cited after Derenberg (1956, p. 449).

<sup>35</sup> EUCJ, *Intel*, para 29 and analogously EUCJ, *L’Oréal vs. Bellure*, para 39.

<sup>36</sup> EUCJ, *Intel*, para 73–74.

<sup>37</sup> EUCJ, *Intel*, para 77; similarly EUCJ, 14 November 2013, C-383/12P, *Environmental Manufacturing vs. OHIM*, para 34; GC, 2 October 2015, T-624/13, *Tea Board vs. OHIM (DARJEELING)*, para 100–102, 106, 110.



introduces a premise of an objective nature, which means that this change cannot be derived solely from subjective elements, such as the way consumers perceive the sign<sup>38</sup>. Arguably, it is very difficult to demonstrate this circumstance in practice (see Middlemiss & Warner, 2009, p. 331–332; Senftleben, 2013, p. 152). It is generally assumed in the doctrine that *a change in the economic behaviour of the average consumer* may occur when the desire to purchase goods or services marketed under the trade mark with reputation wanes among prospective consumers (Middlemiss & Warner, 2009, p. 333). It needs to be underlined that in keeping with the judgments of the EUCJ, it is sufficient to demonstrate “*a serious likelihood*” that such a change (or injury) will occur in the future. Therefore, grounding judgments concerning infringement of the right to a TMwR simply on a possibility of the detriment to the distinctive character of a trade mark seems far too liberal an approach that can lead to abuse in the application of the law (Sitko, 2019). In keeping with the guidelines offered in the court judgments, it should be evidenced that there is a serious likelihood of injury / harm by applying logical deduction<sup>39</sup>.

This issue was analysed i.a. in a conflict between the word-figurative ROLEX TMwR and a word-figurative latter mark containing an image of a crown and words: “CORONA DENTAL LABORATORIO DENTAL” (see the sign graphics above). BoA stated that the opponent failed to provide any evidence of the required change in the economic behaviour of the average consumer of the services for which the earlier mark was registered as a consequence of the use of the later mark, or a serious likelihood that such a change will occur in the future<sup>40</sup>. This failure resulted specifically from the fact that the owner of ROLEX TMwR did not prove a commercial link between his trade mark and the later mark established in the perception of recipients, since the reputation of the opponent’s mark was related rather to the word “ROLEX” and not to the picture of the crown.

However, as the examination of judgements suggests, this heightened evidentiary requirement, related to a change in the economic behaviour of the average consumer, is rarely verified in practice by adjudicating bodies. The Polish case law in the matter is a case in point where such considerations are hardly ever taken into account. For instance, the judgment concerning the trade mark WIEDZMIN, as elaborated on to above, did not refer to this issue whatsoever; nor was the issue present in the ROOLEX or NIVELUM cases (more on the cases below).

The trade mark ROOLEX was applied for registration for goods in Class 6 (including road fittings such as braces and road sign fixtures), in Class 12 (including spare parts and subassembly kits for buses and coaches), in Class 35 (running and managing chain stores and wholesale outlets offering the goods listed in Classes 6 and 12). The Patent Office and later the court adduced an activity to the detriment to the distinctive character of the ROLEX trade mark with reputation. The court argued that “*the presence of trade mark ROOLEX on the market will dilute the identity of trade mark ROLEX and its image in the eyes of the consumers. The opposing trade mark will cease to evoke associations with the goods or services for which the trade mark was registered.*”<sup>41</sup> The owner of the TMwR ROLEX did not need to prove the real effect of blurring, as it should be remembered that the proprietor of the TMwR is not required to demonstrate actual and present injury to its mark; it must, however, prove that there is a serious risk that such an injury will occur in the future<sup>42</sup>.

There are a number of judgments relating to the infringement of the right to the TMwR by a third party that uses a similar mark for dissimilar goods or services. However, there are very few examples in Polish and European case law in which a breach of the right to a TMwR is established by adducing detriment to the distinctive character

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<sup>38</sup> GC, *Tea Board (DARJEELING)*, para 101; EUCJ, *Environmental Manufacturing*, para 37.

<sup>39</sup> See GC 16 April 2008, T-181/05, *Citigroup, Inc. Citibank vs. OHIM*, para 77; GC, 29 March 2012, T-369/10, *You-Q BV vs. OHIM – Apple Corps Ltd. (THE BEATLES)*, para 62; GC, T-332/10, *Viaguara*, para 25, 26; EUCJ, 14 November 2013, C-383/12P, *Environmental Manufacturing vs. OHIM* (figurative trade mark – a head of a wolf), para 42; GC, T-480/12, *Coca-Cola Company – MASTER*, para 84.

<sup>40</sup> EUIPO BoA, 24 May 2018, R 1874/2017-5, para 59.

<sup>41</sup> Voivodship Administrative Court (Pol. *Wojewódzki Sąd Administracyjny*), 5 February 2020, II GSK 3188/17.

<sup>42</sup> CG, 19 May 2021, T-510/19, *Puma vs. EUIPO – Gemma Group*, para 127, EUCJ, 4 March 2020, C-155/18 P to C-158/18 P, *Tulliallan Burlington vs. EUIPO*, para 75; EUCJ, *Intel*, para 38.

of a trade mark with reputation. A vast majority of cases concerns parasitism on the part of the entity that uses a mark similar to that of a trade mark with reputation for different goods, as shown in the matters discussed above (i.e. the cases of 4F and CORONA DENTAL LABORATORIO DENTAL). A similar case concerns the opposition to the registration of LV BET trade mark. The notice of opposition was filed by Louis Vuitton Malletier, the applicant, based on his earlier right to figurative TMwR of LV. Given the above considerations, the Board concluded, that in view of the substantial exposure of the public to the opponent's earlier TMwR, in relation to the goods for which a strong reputation has been proven and taking into account the at least average degree of overall similarity between the signs, there exists a probability that the use without due cause of the contested sign in respect of all the contested goods and services may acquire some unearned benefit and lead to free-riding, that is to say, that it would take unfair advantage of the distinctive character and the repute of the earlier trade mark<sup>43</sup>. Despite totally different types of business activity of the parties to the litigation, no reference was made to the issue of weakening the distinctive character of the trade mark, and the infringement of the right to TMwR was established on the grounds of parasitism.

Dilution of the distinctive character of a trade mark can also occur where a designation similar to that of a trade mark with reputation is used by a third party for similar or even identical goods. Such an extension of the notion of dilution by blurring appeared already in the *Inferflora* case in which the EUCJ agreed with Nillo Jääskinen, Advocate General, that blurring means that a sign perceived by the consumer acquires an alternative meaning in his/her mind<sup>44</sup>. It is observed in the doctrine that the alternative meaning can either be an ambivalent indication of different goods or services from different sources, in the case of dissimilar goods or services, or that of a generic category of goods or services, in the case of identical or similar ones (see Skrzydło-Tefelska, 2015, p. 288). Admittedly, also in the case of use of a mark similar to the TMwR used for similar/identical goods by a third party, consumers may cease to associate the trade mark with reputation with the owner of the TMwR and start ascribing the same to other entities. This is precisely what leads to the blurring of the distinctiveness of the trade mark with reputation. It needs to be explained though that in the case of dilution by blurring it is not that consumers will be misled as to the origin of the goods and the basic function of a trade mark will be breached, i.e. the distinguishing one indicating the origin of goods from a defined enterprise (see Bohaczewski, 2019, p. 261). Harming the distinctive capacity of a trade mark with reputation does not consist in giving rise to confusion but rather in creating a risk of dilution of unambiguous associations of the trade mark with reputation with its proprietor and its goods. It will still be obvious for the consumers that the mark of the infringer is not the sign of the TMwR owner, but it is precisely the evocation of this association of the TMwR with a new entity and its activity that the TMwR loses its uniqueness.

This situation can be aptly illustrated by evoking the contention concerning the conflict between NIVEA, a TMwR (registered for cosmetics) and a later mark NIVELIUM (also seeking registration for cosmetics). The Voivodship Administrative Court agreed with the Polish Patent Office and found, albeit the use of NIVELIUM trade mark is not detrimental to the reputation of NIVEA trade mark, the later sign may weaken the distinctive character of NIVEA TMwR. *"Given identical goods, the designation of NIVELIUM, based on a concept similar to that of NIVEA, although with no additional characteristic designating elements, may dilute the earlier sign and weaken its distinctive capacity."*<sup>45</sup> The reasoning behind this view seems justified, since in such a case impressions of uniqueness evoked by the trade mark of NIVEA on its consumers may be blurred resulting in the weakening of the economic value of the trade mark. Interestingly, the existence of *a serious likelihood of a change in the economic behaviour of the average consumer* was not examined. It follows that the heightened evidentiary standard imposed in the *Intel* case was once more omitted in the practical application of the law.

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<sup>43</sup> EUIPO BoA, 3 November 2020, R 583/2019-5, *Fulia Trading Limited vs. Louis Vuitton Malletier*.

<sup>44</sup> *Inferflora*, para 79-83.

<sup>45</sup> Wojewódzki Sąd Administracyjny [Voivodship Administrative Court], 14.09.2021, VI SA/Wa 742/21.

#### 4. ACTIVITY DETRIMENTAL TO THE REPUTE OF THE TRADE MARK WITH REPUTATION

Detriment to the repute of the TMwR is the third type of a TMwR infringement. It is often called dilution by tarnishment. It is generally assumed that this type of infringement consists in such use of a later mark that leads to the diminishing the attractiveness of a trade mark with reputation<sup>46</sup>. According to the EUCJ the reputation of the earlier trade mark may be tainted or debased when “*the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark*”<sup>47</sup>. Acting to the detriment of the reputation of the earlier trade mark may, in practice, constitute the most severe form of illegal interference in someone else’s right under the registration of a trade mark with reputation, since it may not only tarnish the market position a given trade mark enjoys but also it may lead to its total annihilation (Skubisz, 2017, p. 807).

The detrimental effect can generally results from three different situations. Reputation of a trade mark can be tarnished if a similar latter mark is primarily used for goods or services of poor quality; secondly, when it is used in the context of unhealthy or sexual associations, and, thirdly, when such a mark is used in a way that exposes the TMwR to ridicule or criticism (see Welkowitz, 2012, p. 380, 386, 390).

A good example of the first situation can be the case of REXONA trade mark. In this instant case, the Court of Appeal in Warsaw stated that consumers may get an impression that the owner of the REXONA trade mark with reputation is putting new products on the market in the form of a cheap line of deodorants referring to perfume scents, and this will reduce the reputation of his mark<sup>48</sup>.

Whereas, the case of *Miffy* can serve as an example of the second type of tarnishment of the TMwR that results from the context of unhealthy or sexual associations<sup>49</sup>.

Figure 3.



Note. Own elaboration.

The latter figurative EUTM (depicting the head of a rabbit with a nominal drawing of a flower) was applied for registration for the following goods in Class 10: adult sexual stimulation kit comprised primarily of adult sexual stimulation aids, and in Class 25: clothing, namely, T-shirts, underwear, and hats being headwear. The opposition was based i.a. on the earlier Benelux figurative TMwR also depicting the head of a rabbit (the head of Miffy – a heroine of children's fairy tales), which was registered for: books (Class 16), clothing (Class 25), footwear and

<sup>46</sup> EUCJ, 22 September 2011, C-323/09, *Interflora Inc. vs. Marks & Spencer*, para 78; and in the doctrine (Skubisz, 2017, p. 807; Szczepanowska-Kozłowska, 2015, p. 345).

<sup>47</sup> EUCJ, 18 June 2009, C-487/07, *L'Oréal*, para 40.

<sup>48</sup> The Court of Appeal in Warsaw, 26 February 2013 r., I ACa 1001/12.

<sup>49</sup> EUIPO BoA, 10 January 2023, R 442/2022-4, *Mercis B.V. vs. Bunnyjuice, Inc.*

headgear, games and playthings (Class 28). The BoA decided that the goods in Class 10 of the contested mark being “adult sexual instruments” are detrimental to the reputation of the Miffy trade marks and the use and registration of the applicant’s mark will diminish the 65-year-old international reputation of the earlier marks which are particularly aimed at children and consumers that will buy the Miffy products for their small children.

It is commonly believed in the doctrine that the aforementioned heightened evidentiary standard (related to the concept of change in the market behaviour of the average consumer) should be applied *per analogiam* also to evidence attesting to activity to the detriment of a trade mark reputation, and not exclusively to its distinctive character (Senftleben, 2017, p. 352; Skubisz, 2009, p. 37). This aspect, however, is very rarely examined by adjudicating bodies in matters relating to breaches of trade mark reputation (not only its distinctiveness). The matter concerning REXONA or Miffy marks testifies to the same. In these cases there was no verification of a change in the economic behaviour of consumers or a serious likelihood of such a change in accordance with the guidelines resulting from the *Intel* case. In the *Miffy* case, the Office found that the use of the later mark is harmful to the reputation of the Miffy mark without referring to market changes in the economic behaviour of consumers. BoA stated that the likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality that is liable to have a negative impact on the image of the mark. As the evidence submitted by the opponent showed that the “*earlier mark appeals to children and instilling a sense of safety*”, the earlier mark “*stands for innocence, no aggression, no controversy and respect for the world of children*”. Thus, the BoA Stated that “adult sexual instruments” covered by the contested mark obviously possess characteristics which are incompatible with this image and are liable to have a negative impact on it.

Moreover, the context of unhealthy associations was discussed in case concerning the conflict between the word TMwR REGINA (protected for chocolate products) and the later figurative trade mark REGINA (registered for cigarettes)<sup>50</sup>. EUIPO Board of Appeal found that the later trade mark used for cigarettes was likely to prompt negative mental associations with the defendant’s earlier marks or associations conflicting with and detrimental to their image of a natural and healthy chocolate product. The Board added that the use of the contested sign for cigarettes was incompatible with the special image that the earlier mark has acquired throughout the years, in particular in relation to the development of products which promote the well-being of its consumers. Thus, the opponent would not want to be linked to cigarettes insofar as smoking is commonly considered to be an extremely unhealthy habit<sup>51</sup>.

## CONCLUSIONS

The analysis of the latest judgments concerning the protection of trade marks with reputation indicates that there are, in essence, detailed principles of examining evidence for each type of infringement of the right to a trade mark. However, there are still some deviations from these principles, notably in the Polish case law. A major shortcoming in the national practice of law application concerns the examination of parasitism where a later mark is used for goods or services dissimilar to those designated by a trade mark with reputation. Lack of adequate examination of the likelihood of transferring associations attached to the trade mark with reputation onto the goods designated with the mark of the infringer is still far too common. Adjudicating bodies tend to assume that undue benefits are derived from the reputation of a trade mark or its distinctive character based on the likelihood of trade mark associations alone. These bodies fail to apply the three-step test in such matters. It is necessary to establish associations evoked by the trade mark with reputation, and determine associations that are proper to the goods

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<sup>50</sup> EUIPO BoA, 4 December 2023, R 178/2023-2, *IMPERIAL - PRODUTOS ALIMENTARES, S.A. vs. Filip Skumanov (REGINA)*.

<sup>51</sup> EUIPO BoA, REGINA, para 86-87.

designated with a later mark relevant to the trade mark with reputation. The data obtained will then constitute the grounds on which to determine whether the associations linked to the trade mark with reputation are attractive or beneficial in the reception of goods designated with a later mark (more details are presented in point 3 of this article). Where no such positive reaction is ascertained, parasitism should not be established.

Another major deviation from the principles set by the EUCJ appears in matters concerning the examination of activity to the detriment of a trade mark with reputation. Current case law, national and European alike, frequently shows lack of references to the guidelines that stem from the judgment in the *Intel* case, and pertaining to changes in the economic behaviour of the consumers. Pursuant to this judgment, in order to demonstrate blurring, it is necessary to present 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 (more on this matter in point 4 herein). Nevertheless, it appears that in this instant case a deviation from the guidelines of the EUCJ could be justified by invoking very serious difficulties in proving the same in the practice of law application. Therefore, courts and relevant offices frequently content themselves with a statement that the use of a given sign “*carries a large risk of blurring the image of the earlier trade mark with reputation in the eyes of consumers*” and make no further references to the matter of changes in the economic behaviour of consumers. It is worth bearing in mind that in the case of the aforementioned heightened evidentiary standard such a stance of courts is improper, since mere probability of to a change in the image of a TMwR in the eyes of consumers is by no means insufficient; you need to demonstrate that there is serious likelihood that this image will translate into consumer decisions that will be economically negative for the proprietor of the TMwR<sup>52</sup>. In practice, this, however, is a mighty task. It is therefore right to note, as the doctrine confirms, that stringent application of the requirement laid down in the *Intel* case will, de facto, render the procedure to prove the blurring of a trade mark literally impossible (Cohen Jehoram et al., 2010, p. 317) or that this task is extremely difficult to handle (see Middlemiss & Warner, 2009, p. 331–332; Senftleben, 2013, p. 152).

Although many years have passed since the EUCJ passed key preliminary rulings that shape the principles of examining evidence pointing to infringement of the right to a trade mark with reputation, there are still certain shortcomings and doubts as to the application of the law in this respect. It is hoped that the forthcoming years will witness increased awareness of binding regulations and principles of their application both on the part of adjudicating bodies and the parties to litigations.

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<sup>52</sup> See *GC Tea Board (DARJEELING)*, para 101; *Environmental Manufacturing*, para 37 and see also Middlemiss & Warner (2009, p. 333). The commentary by S. Middlemiss and S. Warner are interesting; they believe that in order to demonstrate a change in the market behaviour of consumers or serious likelihood of its occurrence, it is hard to avoid demonstrating economic character of the changes in consumer behaviour that affects a trade mark with reputation. The authors assume that activity to the detriment of a distinguishing character or reputation of a trade mark occurs when the readiness of consumers to buy goods or services offered under the trademark with a reputation is weakened.

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