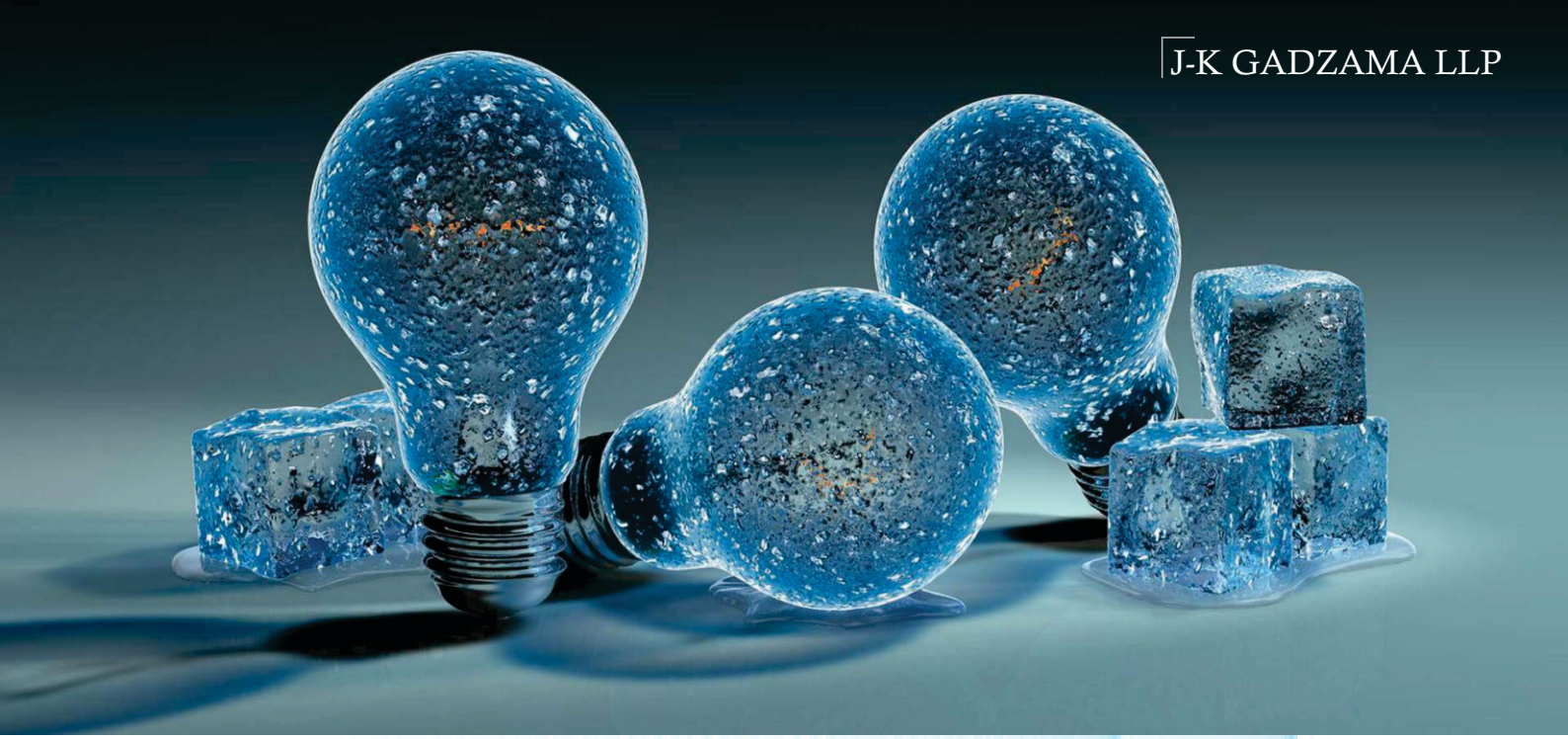

WHAT IS BLURRING? WHY IS IT A CONCEPTUALLY DIFFICULT AREA OF TRADE MARK LAW?

The concept of intellectual property is a fascinating area of law that covers generally; the protection of the expression of ideas as 'works' under copyright; the protection of inventions under patent; and the protection of logos under trademarks. Nowadays, in the widely perceived 'information age' that we live in, the wealth of nations comprises largely of intangible assets, often maintained to represent the future of developed economies, therefore demanding adequate protection for national and even global prosperity.[1] These safeguards are necessary for the adequate protection of intellectual property, which has now become imperative for the allowance of innovation to strive fairly and legitimately. The protection of intellectual property through copyright, patent and trademarks has, over the years, mobilized increased popularity and an almost universal acceptance worldwide, speaking in terms of developed countries, and for undeveloped countries, arguably, this is on the rise as well.

The distinctive and fascinating components of intellectual property are all worth examining; nevertheless, the focus of this paper shall be narrow, limited to the examination of trademarks, and more specifically on the concept of 'blurring'. An analysis of this concept is imperative in trying to unravel the mysteries behind the reasons why blurring is such a conceptually difficult area of trademark law. Reasoned arguments in favour-of and against this concept shall be provided in an attempt to unravel this conundrum.

The Concept of Trademarks

Trademarks play an important and vital role for businesses in marketing their goods and services for the satisfaction of consumers. For this reason, both federal and state laws have been enacted for their protection.[2] Article 15 (1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights[3] ('TRIPS') contains a general definition for trademarks:

> *"Any sign, or combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark."*

This protection operates by providing owners of registered trademarks exclusive rights over their investment, which lasts in perpetuity, having an indefinite duration.[4] A registered trademark may include any sign that is capable of being represented graphically.[5] This also includes sounds and shapes of products. Surprisingly, even an odour could be a trademark.[6] Trademarks enable registered owners to prevent others from using 'identical' signs on goods or services; the use of 'similar' signs that has the likelihood of causing confusion to the consumers; and also the use of identical or similar signs that 'takes unfair advantage of, or is detrimental' to the distinctive character or repute of the trademark.[7] This brings about the presumption of validity, a reduction of the possibility of disputes, and the possibility to protect a mark before it is put on the market.

Restricting the unfair use of registered signs will curtail the production of non-original replicas of goods and services. Unfair representation of a popular brand, usually at a cheaper price, will attract consumers, facilitating the sale of such misrepresented goods or services. It is necessary therefore for consumers to be protected, however, this commitment arguably extends to registered trademark owners as well. One could easily contend that owners of misrepresented trademarks will be affected in the long run. Consumers will most likely lose interest in the brand, resulting from a lack of satisfaction caused by the circulation of unsatisfactory replicas, possessing inadequate quality. The reputation of these brands will also be affected, reducing their chances of luring future potential customers.

An application to register a trademark may be submitted by anyone that is using, or permitting the use of the mark or has intentions of doing so.[8] When applying for registration in the UK, there are three (3) options available under the terms of the Trade Marks Act 1994 ('TMA'). An application can be made for a UK trademark sent to the UK Intellectual Property Office ('UKIPO') effective throughout the UK; an application can be made for a community trademark ('CTM') under the terms of the Trade Mark Regulation sent to either the UKIPO or with the Office for Harmonization in the Internal Market ('OHIM') effective throughout the EU; or the applicant may have the trademark protected under the Protocol Relating to the Madrid Agreement Concerning International Registration of Marks (1989) of which UK is a member. This application will then be forwarded to the World Intellectual Property Organization ('WIPO'), which enters the relevant mark in the international register.[9]

Following from the provision above, parties therefore have the option of deciding whether they want their mark protected in the UK, in the EU, or Internationally. However, it is arguably expected, that as this protection gets wider in scale, the burden in proving such cases when a breach of such right arises will equally increase. For example, when a mark is entered into an international register, the contracting States will have to be informed of such registration. These States have a fixed period within which they are entitled to challenge the registration on permissible grounds as specified in the Paris Convention.[10] Failure to object renders on them an obligation to protect the mark as if it had been registered in their own offices.[11] So it is clear that, though registration on an international level offers wider benefits, the challenges attached with jurisdictional issues should be borne on the minds of parties who wish to register their mark.

After registration and confirmation of a trademark, the next challenge is enforcing the acquired rights against infringers. Registration offers protection against trademark infringers who illegitimately cause confusion to consumers regarding goods and services bearing the mark of the registered owners. This

protection however, applies where there is actual confusion. Trademark dilution on the other hand, attempts to provide additional protection in instances where a mark is used in a way that does not necessarily cause confusion, but diminishes the uniqueness of the famous mark.

Trademark Dilution

"Dilution…remains a somewhat nebulous concept…"[12]

There is a slight dissimilarity when the concept of 'trademark infringement' and 'dilution' are concerned. While the former occurs when there is a possibility of confusion between trademarks, the latter occurs when there is an apparent lessening of the capacity of a "famous" mark to identify and distinguish goods or services.[13] Trademark dilution arises when a person or company *"uses a mark identical or substantially similar to a pre-existing trademark, triggering a mental association on the part of the consumer between the two marks, thereby eroding the strength of the original mark".*[14] This usually applies in instances where the goods or services in question are not similar, for example, in a different trade; however, the use of an identical or a substantially similar mark is adopted by the trademark diluters. The fact that this mark has to be famous or popular for the concept to apply has to be emphasized.

Trademark dilution takes two forms – Dilution by 'Blurring' and Dilution by 'Tarnishment'. Dilution by tarnishment occurs when the distinctive features of a famous mark is weakened, usually through inappropriate or uncomplimentary associations.[15] This form of dilution may be considered as an exception to the "fair use" exception to liability, and can also possibly conflict with the free speech right protected in the Constitution of the United States.[16]

Blurring on the other hand has traditionally been synonymous with the main concept of dilution itself.[17] With this being the case, and for the purpose of this paper, reference to the concept of dilution shall operate as reference to blurring and vice versa. Blurring basically has an interchangeable definition and application with the main concept of dilution. It similarly occurs *"when a consumer views a junior, unauthorized use of a famous mark and is reminded of the more famous mark".*[18] The negative effect of this concept is that the strength or value of the registered owner's mark, as an identifier of its goods or services will be lessened.[19] Consequently, this then arguably becomes prejudicial to the marketability of such 'famous' brands. The issue concerned with the lessening of the strength of such brands regarded as popular is therefore the main area of concentration for dilution, which calls for adequate protection to avoid free riders in the market and unauthorized users of the mark. Dilution therefore further develops from the idea that:

> *"Some marks are so well known and "famous" that they deserve an extra level of protection beyond the likelihood of confusion analysis."*[20]

Trademarks operate by acting as reminders for consumers concerning future demands for the same goods or services. They usually convey to consumers that they will receive the same standard of goods that they have previously purchased.[21] This unsurprisingly creates an expectation on the part of consumers who would understandably expect a consistent level of quality from the goods and services they then go on to purchase. This expectation tends to get higher when the brand in consideration is very popular. When a consumer associates with a certain mark on certain goods or services, an unauthorized use of that mark on dissimilar goods or services will result in the dilution of the recognized brand or mark. The recognized mark will lose its exclusivity and will thereafter be associated with more than one product. Arguably, in this scenario, when consumers therefore

come across certain marks they are comfortably familiar with, what will come to mind will not just be the recognized goods or services associated with that mark, but also the unauthorized goods or services that now bear the same mark. The issue here is not confusion for consumers, which normally is treated as trademark infringement. There is no confusion as to what goods or services are being purchased. The issue here bothers on concerns about the lessening of the capacity of the recognized mark.

The advantage afforded by anti-dilution is the extra level of protection against such lessening, and also "stealing" by unregistered users. There is an imperative need to avoid consumer deception. This basically translates to the protection of the marks of registered owners, by avoiding the diversion of a producers trade by a competitor. Avoiding deception requires effective anti-dilution protection. Consumers love their brands, and would want to invest in certain brands knowing the brand has value – the interpretation of which depends on each individual consumer. When certain marks are diluted, this may arguably lead to dissatisfaction to not just the owners of the mark, but also to the consumers. For example, when one purchases a Gucci bag, seeing the exact identical logo of the mark on a loaf of bread will weaken the trademark of Gucci, depending on the popularity of the bread company, which is detrimental to both the registered owners of the mark and the consumers who associate with the brand. The more recognition and popularity the bread company gets, the more dissatisfied the owners of the mark would be. And for some consumers, arguably the more demeaning the dilution to their cherished brand, therefore the more likely the chances of them disassociating from the brand. This dilution will arguably be the case if registered trademarks are left without this extra protection. Competitors will be allowed to freely steal; having the luxury of making the defense that there is no confusion created by their goods or services. The benefit in advocating for anti-dilution creates the extra protection required for avoiding these types of issues from occurring.

On the other hand, it is worth investigating whether anti-dilution is fair on matters of free choice and expressive freedom? One could argue that it is somewhat flawed and unfair. The argument about some marks being so famous or popular hence deserving an extra level of protection beyond the likelihood of confusion analysis could be contended to be a paradox. One could argue; the fact that these marks are considered to be famous or popular should consequently be sufficient to avoid any erosion on the strength of the original mark. Trademark infringements already justifiably exist to deal with situations where there is any likely chance of confusion. The addition of anti-dilution protection to simply prevent the capacity of such famous marks from lessening so as to protect the identity of such goods or services does not appear fairly justified. This is evident in the argument that a mark considered to be struggling for consumer recognition might be impacted more by dilution than a mark that enjoys a significant reputation with regards to the unauthorized use on dissimilar goods or services.[22] This point debatably speaks truth in the sense that, famous marks already stand out, whereas, marks struggling for recognition stand the possibility of going out of business when any form of dilution arises in relation to their product. It is therefore subject to debate to assert that a change in focus might be required following this line of argument for protection against dilution to apply to marks struggling for recognition.

In the larger interest of society, and the world at large, the more innovation is encouraged, the better for everyone. This extra level of protection is therefore arguably superfluous. In instances where there is no likely chance of confusion, protection aimed solely at avoiding the lessening of a famous mark, to simply maintain its popularity, appears unjustified. The

quote below therefore appears to be reasonable, stating that:

> *"Actions for dilution pose a more significant risk to expressive freedom than traditional infringement actions."*[23]

In the absence of consumer confusion concerning goods and services, anti-dilution actions arguably simply exists to frustrate rather than serve as a solution to issues of infringement. The series of lawsuits that resulted from the 1997 Aqua song titled "Barbie Girl" in *Mattel INC v MCA Records INC*[24] is very relevant to this argument. *Mattel* alleged that the song violated the copyrights and trademark rights of 'Barbie', which impinged on their marketability. Of higher relevance is the fact that this case was dismissed all through the appeals. The ruling highlighted that the song was merely a parody under the trademark doctrine of normative use. This case seems to show an appreciation for the argument above that the protection against dilution is somewhat flawed and unfair. The court accepted that actions for dilution pose a more significant risk to expressive freedom than traditional infringement actions.[25] When consumers are actually not confused as to their choices, protection of the mark on the basis of trying to avoid the lessening of the mark is arguably unprovoked. This concept arguably brings about limitations for innovation, which is unhealthy for development, and certainly not in the larger interest of society.

Justifying the Blurring Concept

> *"The economic justification for such protection is that this prohibition reduces "imagination costs" for consumers, by helping to preserve the clarity of brand messages and hence preventing them from making burdensome connections between unconnected products".*[26]

Although the *Mattel* case was dismissed, the alleged infringement in the case bears relevance to the blurring concept. Judge Kozinski identified that *"while a reference to Barbie would previously have brought to mind only a Mattel's doll, after the song's popular success, some consumers hearing Barbie's name will think of both the doll and the song, or perhaps of the song only. This is a classic blurring injury…"* This injury, as identified earlier, is the main area of concentration for this concept. Nevertheless, efforts to try and balance the lessening of the registered owner's mark against free choice and expressive freedom by competitors is arguably the most prevalent concern, which contributes in making this concept a conceptually difficult area of trademark law. It has to be remembered that trademark protection lasts in perpetuity unlike the other protections, which have a time frame within which they operate. Encouraging the anti-dilution protection might shut out innovation, inhibiting the exercise of expressive freedom. However, though it is accepted that innovation should be encouraged, this should not be done at the expense of registered owners who have worked hard for their intellectual property, and are deservedly entitled to protection from free riders.

Burrell and Gangjee 2010 proposed an imagination costs argument for dilution. They contend that dilution basically has the likely chance of increasing the recall time for a pre-existing brand association. This will cause delays in acquisition deliberations by consumers, which arguably may result in a change in purchasing behavior.[27] The desire here is to protect the owners of the earlier mark. The question however, is what legal significance this bears? If this could be proved practically, there might actually be a case to be answered. Conversely, one could argue in the reverse that delays resulting from this dilution might actually assist the recognition of these famous marks that are being copied. Delays in this sense might actually help promote the brand of the famous company, so why fight against it? Making reference to the *Mattel* case, the song that was subject to a series of lawsuits,

eventually ended up promoting the Barbie brand as much as it criticizes it.[28] Apparently, *Mattel* even went as far as permitting the use of the song for its own Barbie advertisements.[29] Over time, the same unauthorized use might actually benefit the recognized mark by elevating its selling power. This therefore *"complicates significantly the brand-centric version of the imagination costs argument".*[30] This counter-argument therefore suggests that delays are actually beneficial to the registered trademark owners as opposed to having a negative effect.

From the argument above, it has to be stated that this ultimately depends on the attitude and mindset of each particular consumer. Such recall times would arguably produce different subjective results, depending on the nature of the consumer. Whether such delays in deliberation as a result of dilution would have the effect of changing the consumer's purchase behavior or make the famous mark stand out more depends on the nature of each individual consumer. It should however, be pointed out that the one most likely to occur is the actual strengthening of the mark – making it stand out more. This underscores the argument made earlier about marks that are already popular, rendering the efforts for anti-dilution protection superfluous. This is arguably as a result of the fact that a popular brand by its very nature will already have firm footing in public imagination.

The primary beneficiaries of protection against dilution are registered owners of the mark. The concept looks beyond the confusion analysis, entitling registered owners to the fruits of their labour, especially those that are famous. The consumers as well as the brand owners are responsible for constructing the brand meaning. Not having adequate dilution protection can sometimes inhibit consumers from connecting with the brands with which they choose to identify themselves. However, *"dilution without limitations is a rogue law that turns every trademark, no matter how weak, into an anti-competitive weapon".*[31] Setting a high benchmark for dilution actions would do much to reduce the tension between trademarks and expressive freedom.

There is the need to acknowledge that there are times when the strength of the famous registered trademark's reputation will serve to make confusion less likely. This will be the case when the reasonable consumer can clearly differentiate between diluted products. The imagination costs in this case will almost therefore not be an issue. Drawing reference form the case of *Louis Vuitton Malletier S.A v Haute Diggity Dog, LLC*[32] no reasonable consumer would assume that Louis Vuitton has started a canine subdivision selling cheap toys for dogs under the mark Chewy Vuiton. The courts also seem to place most trademark cases on the "parody" list. Dilution actions are therefore not always successful. This goes to show the views of the courts in their attempt to balance the prevalent concern concerning the lessening of the registered owner's mark against free choice and expressive freedom by competitors.

Conclusion

What makes blurring a conceptually difficult area of trademark law is manifest in the issues that have been discussed so far. It is imperative to have a system that allows innovation to strive fairly and legitimately. However, the same innovators that have to be encouraged without being restricted with too many limitations as to what they can work with have to be encouraged to innovate knowing that their innovations will be protected. The right balance therefore has to be struck to achieve this goal. Anti-dilution as a concept for additional protection appears to tip this balance unfairly as it currently stands. A reexamination of this concept will definitely do more justice than what the current concept aspires to do. More focus on marks that appear to be struggling with reputation as opposed to marks that are famous appears to be the way forward for the adoption of a more justified concept.

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