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The Application Dilemma and Perfection of Trademark Dilution Theory

Zhijie Ye[1,a,*]

[1]*School of Law, Anhui University, Hefei, Anhui, 230039, China*
a. 729893573@qq.com
**corresponding author*

Abstract: The theory of trademark dilution originated in German courts and was gradually adopted by American legislation in the process of practice. The birth of desalination theory also reflects the value pursued by law. Although China has not clarified the theory of trademark dilution, some courts have applied the trademark dilution theory in the process of handling actual cases. As the provisions of the trademark dilution theory are too abstract, without clear concepts and identification criteria, there are large differences in the legal application of "trademark dilution" in judicial practice. And in the actual application process, the application of relevant provisions still exists ambiguity. By analyzing the case of anti-dilution protection of Jinritoutiao, a well-known trademark registered in China, this paper draws out the problems existing in the current environment of application of trademark dilution theory. Using the methods of case analysis and normative research, this paper analyzes the defects of trademark dilution theory and its application, and gives corresponding improvement measures.

Keywords: Judicial practice, Trademark dilution, Jinri Toutiao, Case study

1. Introduction

Trademark anti-dilution protection is an important "advanced weapon" to protect well-known trademarks. Understanding and accurate application of trademark dilution theory requires a full grasp of the definition of confusion in trademark dilution theory, the distinction of examination objects and the determination of examination content. At the same time, it also plays a key role in the judgment of trademark dilution in real cases. By analyzing the case of Beijing byte beat Company v. Hunan Yonghe Food Company using its registered trademark Jinri Toutiao in China, this paper leads to the problems of examination and the application of law in the field of trademark dilution judgment. that is, the examination of the trademark use scene and relevance in the process of trademark dilution review and the examination of the audience subject.

In addition, based on this case, the article aims to clarify the accurate understanding and application of legal norms in the process of legal use. Through the study of trademark dilution theory, this paper makes clear the defects in the process of trademark anti-dilution protection, and tries to give corresponding solutions, which is intended to improve the defects of trademark anti-dilution protection theory in practical application, ensure the realization of the basic value of law, and provide some reference for the application of this theory in judicial practice in the future.

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2. Trademark dilution theory

2.1. Origin and development

According to the general theory of law, the theory of trademark dilution first originated in Germany and was first applied to the German court system. Until the 1920s and 1930s, Thatcher put forward a concept different from the traditional concept of trademark protection, which also introduced the trademark dilution theory to the United States [1]. This also introduces the trademark dilution theory to the United States. It is pointed out in this article that the use of other people's trademarks on non-competitive goods without consent. This will result in the weakening of trademark recognition and significance, thus damaging the interests of trademark owners. Thatcher's new concept of trademark protection aroused great repercussions in the academic and judicial circles at that time, and became the basis of the theoretical research on cross-category protection of well-known trademarks and trademark dilution. Since then, the issue of trademark dilution has been controversial, and it has always been under the jurisdiction of the dilution law of various states, lacking a unified scope and standard of legal application. Until 1996, after long-term judicial practice and theoretical summary, the United States issued and entered into force the Federal Trademark dilution Act. On this basis, in 2006, the United States amended the *Federal Trademark dilution Act*, which came into force in 1996. The *Trademark dilution revision Act*, which came into effect on October 6, further clarifies the scope of trademark dilution. But there are still some ambiguities in the rules. But there are still some ambiguities in the rules. The *Lanham Act* of 1946 interpreted "dilution" as weakening the function of well-known trademarks in identifying and distinguishing goods or services. Even if there is no competition between the parties and there is no confusion about the source of products or services, relief can be obtained. From this, it can be concluded that *Lanham Law* defines the scope of application of trademark dilution, that is, it can only be applied to well-known trademarks, only well-known trademarks can have the problem of dilution, and there is no problem of trademark dilution in ordinary trademarks. nor can you get relief on non-competitive goods [2].

2.2. Types of trademark dilution theory

2.2.1. Blurring

Blurring means that the specific connection between the well-known trademark and the goods indicated by it is gradually weakened. When Thatcher first put forward the dilution theory, he actually referred to this kind of behavior. Weakening, as a typical type of trademark dilution, does not have any differences in both theoretical and practical circles.

2.2.2. Tarnishing

Tarnishing, or defiling, refers to the act of using a trademark or mark that is the same or similar to a well-known trademark on goods that damage the good image of the trademark. Vilifying sexual use is usually related to drugs and sex, but is not limited to it. Vilification may usually manifest itself in the following situations:

2.2.3. Free riding

Free riding means that the actor does not pay the necessary cost or only pays a small cost, but relies on some convenient conditions that are not easy to detect and measure to obtain remuneration and benefits that have nothing to do with the cost or are extremely disproportionate to the cost. To put it

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simply, it is the act of using other people's more famous trademarks to sell their own goods, so as to damage the trademark reputation of others.

3. On the dilemma of the application of trademark dilution theory from the perspective of judicial precedents

3.1. Jinri Toutiao case from the Perspective of Judicial precedents

In 2017, Beijing byte beat sued Hunan Yonghe Food Co., Ltd. to use its registered trademark Jinri Toutiao. Jinri Toutiao is a registered trademark of Beijing byte beat Co., Ltd., which is applicable to electronic information services such as computer information systems. And under the use of Beijing bytes, the trademark has a certain popularity and has become a well-known trademark. On the other side of the case, Hunan Yonghe Co., Ltd. is a food manufacturer with the words "Today's Toutiao Fish" on the bags of its dried food fish. Beijing Byte thought that this kind of behavior infringed its registered trademark right and filed a lawsuit in court. After the trial of the case by the two-level court, it is considered that the behavior of Hunan Yonghe Company is an act of trademark use, and there is no proper basis for application. The legal basis of trademark dilution is that it constitutes an infringement of registered trademark [3].

3.2. Unreasonableness of court decisions

First, it is unreasonable for the court to characterize Yonghe's use of the word "Jinri Toutiao" on its dried fish products as a trademark use. According to Article 48 of the Trademark Law of China and Article 3 of the regulations on the implementation of the Trademark Law, the use of trademarks shall be for the purpose of identifying the source of goods. The font "Jinri Toutiao" used by Yonghe in the products involved does not belong to the use of a recognized trademark. Because the act of marking is not used as a trademark, and the purpose of its use is not to distinguish the sources of goods, consumers will not misunderstand and confuse the sources of the goods involved. Therefore, this behavior can not be defined as trademark sexual use behavior [4].

Second, the court ruled that Hunan Yonghe Company marked "Jinri Toutiao" on the products involved in the case, infringing upon the exclusive right to use the trademark of the byte beating company, which is unreasonable. According to Article 51 of China's Trademark Law, the exclusive right to use a registered trademark is limited to the trademark approved for registration and the goods approved for use. The word "Jinri Toutiao fish" on the product involved is not the same as the "Jinri Toutiao" trademark that has been approved and registered by the byte beating company, and the use does not belong to the scope of infringing the exclusive right to use the trademark.

3.3. The dilemma of the application of trademark dilution

3.3.1. Review of trademark relevance

In the above cases, the court applied the trademark dilution theory. Because the trademark dilution theory protects the approximate trademarks used in non-competitive goods, the requirements should be more stringent. In the process of specific review, the use scenarios of the goods of both parties and the connections arising from the use of the scenarios should be strictly examined. Although the categories of goods between the two sides are different, the relationship between different categories of goods is far from close. The closer the relationship is, the more likely it is to cause consumers to associate. For example, milk and water cups belong to different categories of goods, but they are often used by consumers together, and the two are closely related. If the well-known trademark approved on milk goods is used on the water cup, it is easy to cause consumers to

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associate the well-known trademark with the sued trademark. In the above case, the trademark with the word "Jinri Toutiao" owned by Beijing byte beat Company should be applicable to electronic information service business such as computing information service, and its application field belongs to the field of high technology and should belong to the category of service industry. While Hunan Yonghe Company uses the word "Today's Toutiao Fish", the commodity category it belongs to belongs to the food industry, and the correlation between the two is not high. The mention of Jinri Toutiao, which is owned by byte jump, is difficult to associate with a food sales company. The examination of relevance should proceed from the objective situation, not subjectively, which is a common problem in the application of trademark dilution theory, that is, the examination problem of relevance. If only because of the high popularity of the registered well-known trademark, it is unreasonable to think that it is related to the products that do not exist in other fields. The main purpose of setting up this rule by law is to protect the registered well-known trademark. However, if the degree of protection is too large, it may run counter to the original intention of the law to set up this system. The essence of law is fairness and justice. If the registered well-known trademark is given excessive protection, it will inevitably affect the application of other market subjects to the trademark, and then it is difficult to reflect the value pursuit of the law [5].

3.3.2. Review of consumers

Examining whether the consumer groups of the two commodity categories overlap is also an important aspect of trademark dilution. If the two consumer groups do not coincide at all, consumers will not have any association between the well-known trademark and the sued trademark, so it will not lead to the effect of weakening the significance of the well-known trademark, and there is no need to regulate the accused behavior through the anti-dilution theory. On the other hand, if the two consumer groups overlap, the relevant public is easy to associate, and the accused behavior will weaken the significance of the well-known trademark. For example, in some trademark infringement cases, the court will think that to judge whether there is a considerable relationship between the trademark used in the alleged infringement and the well-known trademark involved, and whether it will weaken the significance. It should be based on the cognitive level of the relevant public of the specific use of goods or services in the alleged tort, and the degree of overlap of the two related public will affect the cognitive level of the relevant public. If the degree of coincidence is high, the popularity of the well-known trademark is easier to reach the relevant public of the trademark dispute, and the relevant public see that the dispute trademark is more likely to associate with the well-known trademark. In the examination of this item, there are certain requirements for the coincidence of the consumer subject. To determine the overlap of the consumer subject should proceed from the reality, not simply because there is a partial overlap between the two, which is also another difficult problem faced by the current trademark dilution theory. The overlap of consumer groups will occur more or less, the brand can not design a product is only suitable for a specific class of people to buy, so consumer overlap is almost an inevitable event. When China's trademark law determines the dilution of trademarks, it is basically based on the premise that the use of trademarks will lead to confusion among consumers or the possibility of confusion, so it is necessary to judge the cognitive level of consumers. If the consumer's cognitive level is high, then the probability of confusion will be reduced, so the significance of the registered well-known trademark will be destroyed to a small extent. Dilution protection should not be carried out.

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4. The applicable method of perfecting the Theory of Trademark dilution

4.1. When determining trademark dilution, consumer confusion should not be taken as the premise

When determining the dilution of trademarks, Chinese Trademark Law is basically based on the premise that the use of trademarks will lead to consumer confusion or the possibility of confusion. However, trademark dilution, as a supplement to traditional trademark infringement, should not be identified on the premise of confusion among consumers. In the above case, although Hunan Yonghe Company used the word "Today's Toutiao Fish", because it indicated that its trademark was "food first", the probability of consumers confusing the small fish product with that of Beijing byte company was very low. However, the marking behavior does have a negative impact on Jinri Toutiao, a well-known trademark, and there is the possibility of weakening its trademark. Therefore, non-confusion may also constitute trademark infringement, we can define this trademark infringement as trademark dilution [6].

4.2. Clarify the fair use of well-known trademarks

To make it clear that the fair use of well-known trademarks is the most direct embodiment of maintaining legal value, the United States has done a good job on this point. At first, the regulations on trademark dilution in the United States were legislated separately by the states, but because the provisions of the states were not consistent, the dilution of well-known trademarks could not be effectively regulated. In 1995, the United States adopted "Federal trademark dilution Act". However, the requirement for the establishment of dilution in this law is that the infringer must be used commercially, resulting in "actual dilution" to the result of infringement. In judicial practice, the plaintiff wants to prove that it is very difficult for the actual dilution to occur. Therefore, the United States Congress passed the "trademark revision dilution Act" in 2006. The bill abandons the standard of "actual dilution", defines the standard of "dilution of possibility", and stipulates that "fair use" is the reason for exemption. At the same time, it introduces the exemption of reasonable use, such as "estoppel", "slack", "unclean hand" and so on. These laws effectively avoid the situation that "as long as it becomes a well-known trademark, others cannot use it". This also sets an example for other countries in limiting the anti-dilution protection of trademarks. At the same time, trademark revision dilution Act also restricts the rights of the right holders of well-known trademarks, to a certain extent, prevents the right holders of well-known trademarks from abusing their rights, and maintains the balance of interests among the subjects of the market economy [7].

5. Conclusion

Through the analysis of cases, this paper leads to a hot theory in the field of intellectual property: trademark dilution theory, and clarifies the theory. Judicial cases are also used to explore the shortcomings of the application of the law and give improvement measures. In the aspect of the examination of the relevance of the trademark, there are defects in the judgment of the coincidence degree of the consumer and in the application of the law.

The article enumerates the defects one by one, and gives the solution. When judging the degree of relevance of the two kinds of trademarks, the judicial organs should pay high attention to the close degree between the two kinds of trademarks. Different goods already have relevance, but the relevance is far and near. The degree of distance should be taken as one of the important factors to determine whether the trademark has relevance. In terms of consumers' cognitive ability, it is necessary to fully consider the cross-scope of consumers and the educational level of the groups within the scope. In the application of the law, it is necessary to clarify the specific circumstances of

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the application of the law, and then apply the provisions of the law after understanding the specific circumstances of the case.

The deficiency of this paper, first of all, is that there are few cases selected, and it is unable to analyze other problems that exist under the application of the unified theory. Secondly, the solution given can not adapt to all trademark dilution cases, in the specific application of dilution protection cases, accurate combination of facts and norms, accurate application of the law. This is also the main research direction in the future.

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