



## Protecting 'well known' trademarks

**Apoorva Upadhyay**

BBA LL.B (Hons.) ICFAI University, Dehradun LL.M (IPR) NLU, Jodhpur, Rajasthan, India

### Abstract

Name and fame have always been important. They provide a competitive advantage. This is not only important for natural person or places, but in the same way true in respect of intangible movable intellectual property rights, especially brands or trademarks - either registered or unregistered. For any organization or the holder of a trademark there are two important requirements- recognition of brand as a "well-known" trademark which requires instant protection and enhanced brand value. It is a moment of pride and symbol of success.

"Well-known" trade and service marks in most countries are provided with protection against those persons who infringes those marks in order to cause deception and confusion in the minds of the consumers. In order to provide protection to the "well-known" marks registration of the mark is not a necessary requirement. In many countries, they are also, under certain conditions protected for dissimilar goods and services. There is no specific detailed definition of well-known mark that is the reason many countries take benefit of the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks. The protection of well-known trademarks is a complicated and sensitive field in modern trademark law. The author strongly believes that an understanding of the topic can be studied on a larger scale, such as in respect of comparisons with the US legal system or with those of other countries.

**Keywords:** Well-Known marks, Trademarks, WIPO, International Legal instruments, TRIPS agreement

### Introduction

Name and fame have always been important. They provide a competitive advantage. This is not only important for natural person or places, but in the same way true in respect of intangible movable intellectual property rights, especially brands or trademarks - either registered or unregistered. For any organization or the holder of a trademark there are two important requirements- recognition of brand as a "well-known" trademark which requires instant protection and enhanced brand value. It is a moment of pride and symbol of success.

"Well-known" trade and service marks in most countries are provided with protection against those persons who infringes those marks in order to cause deception and confusion in the minds of the consumers. In order to provide protection to the "well-known" marks registration of the mark is not a necessary requirement. In many countries, they are also, under certain conditions protected for dissimilar goods and services. There is no specific detailed definition of well-known mark that is the reason many countries take benefit of the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks<sup>[1]</sup>.

The protection of well-known trademarks is a complicated and sensitive field in modern trademark law. The author strongly believes that an understanding of the topic can be studied on a larger scale, such as in respect of comparisons with the US legal system or with those of other countries.

### Scope

#### This work focuses on

The protection provided by the International Legal instruments for the 'well-known' marks. These instruments include TRIPS agreement, Paris Convention and Free Trade Agreement. The other national legal instruments include the Trademark Law in India. The work also took reference of few judicial decisions regarding these 'well-known' marks.

### Introduction

#### Trademark: overview

Before moving to understand as to what is well-known trademarks further particularly, a few common annotations are vital about trademarks with that of the significant theoretical concern together with the definition, functions, characteristics of trademark as well as the distinctions among trademark and other related terms.

#### 2.1.1. Meaning of trademark

Trademarks have for some time been utilized by makers and merchants to recognize the sources of their products as well as the services and to make a distinction between goods or services made or sold by others. This capacity of recognizing the wellspring of merchandise and enterprises has verifiably been the trademark's most critical component. Trademarks assume a focal part in the economy and are the subject of national trademark laws in a large portion of the world's nations.

<sup>1</sup>Well-known marks, World Intellectual Property Organisation, [http://www.wipo.int/sme/en/ip\\_business/marks/well\\_known\\_marks.htm](http://www.wipo.int/sme/en/ip_business/marks/well_known_marks.htm) (last visited on 8th Jan, 2017).

A very long history the trademarks have <sup>[2]</sup>. As per the archaeologist's approx 5000 and 4000 BC primitive man uses such signs or symbols to mark their animals or property so as to identify their rights over them <sup>[3]</sup>. It has turned out to be an important with view point of IP as they associate such goods and services with that of the feature as well as meet expectations of end user with regard to the products and services. The most important feature of trademark is Distinctiveness, a sign or symbol as identified must possess distinctive characteristics with regard to the signs used by others. The prerequisite of distinctiveness is at all times considered while registration.

This word Trademark has a number of various definitions. Like by Davis Bainbridge, it is most often defined by the courts as a mark, sign or symbol, the primary and proper function of which is, to identify origin or ownership of the goods to which it is affixed <sup>[4]</sup>.

Section 2 (zb) <sup>[5]</sup> defines the trade mark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and

1. in relation to Chapter XII (other than section 107), a registered trade mark or a mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark; and
2. in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark;

## 2.2 Functions of trademarks

In order to know as to what is the function of trademark given below are the function in brief gives the idea regarding the same. Since, trademark plays a vital part in the economy, as not merely with regard as to the source of the goods or services, however take into account the quality goods and services placed in the market place. Functions are as follows:

- To guarantee the identity of the origin of goods and services
- To guarantee the quality of goods and services
- To serve as a badge of support or affiliation
- To serve as an advertising symbol of the goods or services of producers
- To enable the consumer to make a lifestyle statement

## Rationale: Trademark law

The important feature of the trademark law is to provide

protection to customers and seek that advantage and interest is being protected <sup>[6]</sup>. So the rationale behind the trademarks is to reduce customers search costs which (indirectly) oblige trademark owners to keep (and even rise) the quality of the goods and services they put onto the market <sup>[7]</sup>. Indeed, trademark laws thus, gives consumers cheaper and easier way to trace out products as per their required qualities, therefore building more competition into the markets. Seeing economic point of view, trademarks add to the economic competence by shrinking customers search costs. So, now consumers can further without difficulty get as well as way in for the information also will perhaps turn out to be enhanced informed users. By giving protection to the trademarks with that of the confusing imitation, trademark law certifies as a link of information with that to the producers as well consumers and create a sense of balance which will provide be advantageous to both of them as well as in market place. Consequently, on other hand it will be beneficial for the sellers as they will be able invest in goodwill with the knowledge that others will not appropriate it.

## Well-Known Trademarks

Now coming to the well-known trademark as in the present research trademark and trademark law has been introduced in brief in order to create basic setting in order to understand the legal regime of well-known trademark protection.

### Theoretical foundations

The well-known trademark and famous trademark are understood in a different way in different jurisdiction. Nonetheless, in the present research the researcher will emphasize as whether any such differences exists between the same and taken as a significant role in creating the legal regime of well-known trademark protection.

With regard to the well-known trademark every State put an effort at an international level to make an imperative exclusion with that to the territoriality principle stated in the Paris Convention <sup>[8]</sup> and the TRIPs Agreement <sup>[9]</sup>. Consequently, a well-known trademark is recognized and protection is provided in different jurisdictions as per there national laws even if the owner of the trademark has not taken registration or trademark used that in those countries. Therefore, the conception of giving the protection of well-known marks is entrenched in Article 6bis of the Paris Convention for the Protection of Intellectual Property, which states, in part, that member countries agree refusing or cancelling the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered to be well-known in a country as being already the mark of a person entitled to the benefits of the

<sup>6</sup> Stacey L. Dogan & Mark A. Lemley, *A search-costs theory of limiting doctrines in Trade mark law*, Vol. 97 (The Trade mark Reporter, 2007) pg.1223.

<sup>7</sup> W. M. Landes & R. A. Posner, *Trade mark Law: An Economic Perspective*, Vol. XXX 1987 Journal of Law & Economics.

<sup>8</sup> The Paris Convention for the Protection of Industrial Property was enacted on 20 March 1883, signed by more than 100 countries, came into effect on 7 March 1884, has been amended several times at Brussels on 14 December 1900, at Washington on 2 June 1911, at the Hague on 6 November 1925, at London on 2 June 1934, at Lisbon on 31 October 1958, and at Stockholm on 14 July 1967; and as amended on 28 September 1979. It is amended continuously in Brussels in 1990 and in Washington in 1991. See Article 6bis of the Paris Convention.

<sup>9</sup> Article 16(2) of TRIPs Agreement.

<sup>2</sup> Frank Schechter, *The historical Foundations of the Law relating to Trade marks*, (Columbia University Press 1925).

<sup>3</sup> See Dinh Van Thanh, Le Thi Hang, *The Trade mark in Civil Law*, (2004), pg.13.

<sup>4</sup> Frank Schechter, *The historical Foundations of the Law relating to Trade marks*, (Columbia University Press 1925), pg 19.

<sup>5</sup> The Trade Marks Act, 1999 (India).

Convention<sup>[10]</sup>. Before incorporation of the same in the Paris Convention in 1925, the said doctrine was stated and considered at the Washington Diplomatic Conference for the Revision of the Paris Convention in 1911<sup>[11]</sup>.

The well-known trademarks doctrine, is been recognized internationally, and was simultaneously mentioned and enhanced in domestic laws plus in international system like the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO). Consequently, the TRIPs Agreement<sup>[12]</sup> urbanized and enhanced in the lead of Article 6bis of the Paris Convention through incorporating the words in Article 16 broadening the safeguard given to the well-known trademarks to service mark<sup>[13]</sup> as well as expanding the scope of fortification with that to the usage of mark with unlike goods<sup>[14]</sup>. Further in 1999 this well-known trademark is further expanded in WIPO General Assembly and various things were incorporated regarding the same

As per the Indian Trademark Act 1999 sec 11 provide the particulars required to be taken before taking the cognizance of a trademark as an well-known trademark, well-known trademark means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services<sup>[15]</sup>.

Under the Paris Convention give reference to the well-known trademarks under Art. 6bis by putting out the requirement on the member States to discard so to the registration, call off the registration or disallow the usage of a trademark which comprise of a imitation, an imitation, or a rendition, likely to form a uncertainty with regard to the well-known mark<sup>[16]</sup> as well provides for the term in which the holder of well-known trademarks may request that the authorities cancel a registration of an infringing mark<sup>[17]</sup>. Whereas, do not provide a clear definition of well-known trademark. It just mentions grounds for the accepting or recognizing of such marks by the authorities of countries in the Union or countries in where the mark is used. Though there has been no precise description of well-known trademark in Convention, the expression is used in a different way by various languages articulation.

Looking to the US law there exist a dissimilarity in the concepts of famous mark and well-known mark. As famous mark appear to be an official concept. In fact, as such, no precise definition regarding the well-known trademark or famous trademark in the US has not been given. Nevertheless, the US has not directly acknowledged the

term of famous trademark but not well-known trademark” as understood by its legal language. In fact, as per the provisions of Sec. 3 of the Federal Trade marks Dilution Act in 1995<sup>[18]</sup>, the holder of the same mark will be permitted, with that of the ideology of fair play and as per terms which the court regard it to be a logical, “to an injunction against another person’s commercial use of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection. Therefore, within the US legal system the meaning of well-known trademark is not as such given.

In brief, both the expression which is well-known trademark and famous trademark are used in a different way in different jurisdictions with dissimilar level of fortitude. Though, such distinctions appear to be a formalistic one somewhat creating any concrete logic regarding the legislation and enforcement of the protection of well-known trademark and famous trademark. As such there is no difference amid the legal system regarding grant of protection for a well-known trademark as well very well-known or famous trademark. Both the terms are basically used as the anonymously. The difference might be ultimately and limited with the specific contexts.

Characteristics of Well-known trademark

Well-known plays a vital role not simply for the owners of trademark however as well for the customers and the society as a whole. Consequently, it must be given precise and clear definition of well-known trademarks as well as to differentiate them with that of the subjects of different IPs like ordinary trademarks, domain names, geographical indications, and trade names. The difference is important for legislation as it construct legal system for efficient safeguard particularly focusing to the well-known trademarks as well as their execution by the authorities and by the people operating in trademark system as well as execute the laws for giving protection to that of the well-known trademarks. The difference must be made base on given factors below:

#### ▪ The fame of the trademark

The trademark fame or the trademark reputation is taken as the aptitude of the given trademark to be recognized broadly by definite segments of the general public. The same could be assessed by the usage of the trademark put into practice. Through this, customers will carry in their minds the characteristics as well as the other information transmitted by the trademark and also the products or services bearing the mark. The entrenched information must add significant value until it turn out to be a sign of the belief which is linked with the definite line of goods or services by the customers in differentiating it with that of others. At the same time, the recognition or the standing of the trademark will be recognized and turn into as an guarantee with that of the source as well as the superiority with regard to the goods and services.

In general, where the use of the mark is for lengthy period of time, it becomes more famous or well-known the trademark. For example, as it is well recognized that Elle being a ‘women’s magazine of fashion and beauty is

<sup>10</sup> Article 6bis of the Paris Convention. See also Lile Deinard & Amy Stasik, The Famous Marks Doctrine under the Paris Convention, Is the remedy available to foreign entities in the Second Circuit? (New York Law Journal, 2006).

<sup>11</sup> The Diplomatic Conference, Revision of the Paris Convention, Washington, United States (1911).

<sup>12</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) signed on 15 April 1994 in Marrakech.

<sup>13</sup> Article 16(2) of the TRIPs Agreement.

<sup>14</sup> Article 16(3) of the TRIPs Agreement.

<sup>15</sup> Trademarks Act 1999 (India), Article 2(1) (zg), See also: Virendra Kumar Ahuja, *Law relating to Intellectual property rights*, (Lexis Nexis 2007), p 228.

<sup>16</sup> Paris Convention, Para. 1, Article 6bis.

<sup>17</sup> Paris Convention, Para. 2 & Para 3, Article 6bis.

<sup>18</sup> In March 1995, the Federal Trade mark Dilution Act of 1995 was introduced by Representative Carlos J. Moorhead. The bill created a new Section 43 (c) of the Lanham Act 1995, 15 U.S.C. section 1125 (c) to provide the owner of a famous, federally registered mark.

broadly recognized in numerous countries, though the owners of the Elle trademark were unable to establish the fact that it was famous in Poland in 1984 and consequently were unsuccessful to stop registration of the trademark for cosmetics <sup>[19]</sup>. Therefore, the eminence of a trademark is merely not a vital attribute of the well-known trademark however as well an significant aspect used to assess as if at all a trademark can be well thought-out to be well-known or not in specific jurisdictions.

#### ▪ **High commercial value**

As it is evident that well-known trademarks carries an awful lofty commercial value. The commercial value is something not simply as such accredited to the trademark, other than this is also well thought-out a company's asset. As there is a very close connection between the fame and the value of trademarks. The importance of a trademark is frequently lofty where that trademark attains a highest stage of reputation and vice-versa. Then, in various situations, the worth of a trademark must be taken cautiously while its fame being looked into in the procedure of defining a well-known or famous trademark. Therefore the well-known trademark's commercial importance is also an important aspect within the law <sup>[20]</sup> as well is taken by the authorities in formulating if at a trademark is well-known or famous one.

#### ▪ **Long and uninterrupted time of use**

As it is not possible one can build up a trademark that it turns out to be well-known instantly. A trademark normally is weak and unheard of at the point when it is shaped. It requires a time to build up alliance and develop into more admired in the society by the way its acknowledgment and assessment in the minds of customers. Basically at that point of time it develops and called as a well-known trademark. This very procedure might take a lengthy time period, maybe years or possibly calculated in 10 or 100 of years also. Therefore, mainly well-known trademarks encompass an extensive as well as nonstop usage term. At that juncture, the trademark's reputation plays a very significant role in understanding the well-known trademark.

#### ▪ **The popularity of use**

Well-known is meant to be broadly and entirely recognized by a lot of people contained by a definite locale. To some amount, the expression well-known, famous and popular is one and the same. So, a well-known trademark must be commonly use by the society at large and must be with no trouble be acknowledged and recognized by customers.

#### ▪ **Easily infringed**

As pointed out beforehand, a well-known trademark entails a broad amount of reputation, as well as lofty commercial value. Thus the usage of a well-known trademark will fetch various paybacks to their consumer. Due, to its fame a well-known trademark will time and again happen that it becomes uncontrollable of the owner trademark. It is quite hard for them to stop third parties with regard to the usage their trademark. As an affect the privilege which the owner of a well-known trademark has are gradually becoming

more infringed, particularly in States on a developing stage. Hence, it's a real confront for every countries on the road to recover their legal structure for providing protection to their IP rights.

### **Well-Known Trademarks in Global Trade The impact of globalization**

As globalization plays an active role in growth of the world being the part of the common natural law of societal expansion. The term globalization is understood differently by different people <sup>[21]</sup>. Globalization in term of economic can be said as the trend in the direction of better financial assimilation amongst nations. It builds up a common play field for every business and venture upcoming from various countries with no difference like politically, culturally and religiously very essential, for the capital flow and the trading of the currencies and monetary instrument. However, the meaning of globalization is not limited to the scope of economics. The most significant outcome of globalization is on IP laws where world is opening up as the world of information.

As of globalization has put on pressure on various countries, in particular countries which are at its developing stage and least developed countries in order to set up minimum standard for the protection of IP as essential as per the international conventions and treaties as the pressure has been put up by the developed countries as well as the internet plus digital milieu has also been factor where information can be easily exchanged. With introduction of the same IP can be pirated straight away in different countries. Now it generates a challenge so as to provide protect the lawful rights as well as benefits which the owners of IP may generate.

#### **Challenges to protect well-known trademarks**

In the era of globalization, all along where the investment is made and capital flow with that of the developed countries then developing finally to least developed countries, as well known and famous trademarks are also exported to least developed domestic markets. The set-up of MNC's in developing States and their access within the multinational market generate prospects for customers in various States and area to way in and utilize these famous as well as reputational products as well as services. During the means of trading of well-known or famous trademarks can simply improve and reinforce their acknowledgment in a worldwide market.

In fact globalization has unlocked the doors for various nations as for a long time being closed due to its national boundaries also has shaped a sole, worldwide community, usually termed as global village.

As pointed out in the Mostert quotation the well-known or famous trademarks exist and develop in a new environment. Yet, there exist a valid result to this expansion in which developing as well least developed countries, where the legal set-up providing the safeguard to the IPR and well-known trademarks are frequently fragile and insufficient. In the meantime, breach of IP rights in those States take place very often. Actually this can be understood that the proprietor of well-known or famous trademarks should struggle with that of the trademark pirates initiating from various developing countries like China, India, etc. The

<sup>19</sup> See J B Cosmetics SP ZOO Kamienczyk N/Bugiem's Trade mark (2000) ETMR 722.

<sup>20</sup> See Article 75, Law on Intellectual Property in Vietnam (2005) Article 8(2), The Trade mark Act 1994, UK.

<sup>21</sup> Kim Nayyer, Globalization of information: Intellectual property law implications.

wrangle that the proprietor of globally recognized well-known trademarks like HONDA, SONY or McDonald's involvement of them in developing countries afford a strong proof of the difficulty. So, a significant lawful matter which cropped up is to how to protect well-known trademarks efficiently in given circumstances.

In addition, the rising growth of IT having a stronger influence on the legal regime dealing with the protection of well-known trademarks protection in respective countries and worldwide. Few times, the usual lawful structure for the protection of the well-known trademark seems to be fewer fruitful. So, there is an urgent requirement to construct a further effectual lawful system to give appropriate protection to the privileges and payback to the owners of well-known trademark at an international level.

### Case laws

**Bata India Limited v. Pyare Lal & Co.** (23 January, 1985)  
In this case defendant was using the mark "Batafoam" or else associates the name of "Bata" in any way or by the way of advertisements, etc. So in this case court held the since, Bata was registered under the Trademark Act 1940 and has is a well-known trademark not only in India but also outside India. Wherein it is essential to restrain the defendant of the using the name 'Bata' on any of their product. The defendants can use some other name with respect to their product however are not allowed to use the name Bata in combination with any "other words for their product.

### Tata sons ltd. V.A.K. chaudhary & another

The case which was decided on April 6<sup>th</sup>, 2009, the Court viewed TATA having a the trademark which is a well-known trademark within the meaning of Section 2(z) (b) of the Trade Marks Act, 1999, as it acquire distinctiveness and goodwill and reputation which can't be used by any person/enterprise in India with regard to any merchantable goods/services/trade name.

In *Whirlpool Co& Anr v N R Dongre* <sup>[22]</sup>

In this cases whirlpool has not subsequently registered their trademark after the registration of the same in 1977. And it has a reputation throughout the world and use to sell their machine in the US. However defendant started using the mark on its washing machine. So court held that plaintiff has acquired transborder reputation in India and held that defendant must be stopped using the same mark.

*Indian shaving products Ltd v Gift Pack* <sup>[23]</sup>

In the instant case the plaintiff was not having its business in India, the trade circles in India were aware of the transborder reputation of the given marks. The case was regarding the use of the word Duracell-ultra by the plaintiff and ultra by the defendant. The court viewed that plaintiff has acquired reputation and passed injunction order.

*Rolex S A v Alex Jewellery Pvt. Ltd* <sup>[24]</sup>

In the instant case defendants were involved in the business of selling artificial jewellery in the name of Rolex as it was a well-known trademark for watches and was famous throughout the world. So court held that Rolex is a well-known trademark, and where the segment of the general public comes across jewellery bearing said trademark is

likely to believe that the said jewellery has a connection with that of the plaintiff.

## 1. International Treaties on Well Known Marks

### 1.1. Paris Convention

The modern concept of the 'famous' trademark is codified in Article 6bis of the International Convention for the Protection of Intellectual Property (the Paris Convention), which uses the French expression 'notoirement connue' – literally 'notoriously known' or, in better English, 'well known'.

Implementation of the Paris Convention varies; for example, the IP protection provisions of the convention are enforceable in the United States only once incorporated into local law. The heart of protection for well-known marks is found in Article 6bis of the Paris Convention, which states in part that member countries agree to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation or a translation, liable to create confusion, of a mark considered by the competent authority of the country of a registration or use to be well known in that country as already being the mark of a person entitled to the benefits of this convention.

This provision also applies to similar marks that derive their essential elements from a well-known mark or are an imitation liable to create confusion. The provision was developed to protect owners of unregistered marks that were widely known in the local marketplace against registration and use by third parties.

Further, under Article 6bis interested parties have at least five years to request cancellation of such a third party registration. If an offending mark has been registered in bad faith, no time limit shall be fixed for requesting cancellation. A well-known mark need not be registered locally in order to obtain protection against misuse on similar goods under Article 6bis. Moreover, the Paris Convention does not specify how the mark came to be well known in that country – that is, the convention does not require that the mark actually be in use in the country, provided that it is well known. Therefore, Article 6bis creates an international basic floor of protection for well-known trademarks against use or registration on identical or similar goods and against trademarks which are reproductions, imitations or translations.

It should be also noted that the Paris Convention provides an important principle of protection of trademark that allows member countries of the Convention (the Union) may grant the protection to registered trademark independently, regardless whether or not such trademarks have been registered and/or protected in other members <sup>[25]</sup>. This means that if a trademark has been considered as well-known in one member country of the Union, it may still be refused to protection as a well-known trademark in others.

Article 10bis of the Paris Convention addresses aspects of unfair competition protection of well-known marks that may not fall under Article 6bis. Under Article 10bis members are bound... [To provide] effective protection against unfair competition. The article prohibits:

- acts of competition which are contrary to honest practices;
- Acts of competition which are of "such a nature to create confusion... with the establishment, the goods or

<sup>22</sup> *Whirlpool Co& Anr v N R Dongre* (1996) PCT 415 (Del).

<sup>23</sup> *Indian shaving products Ltd v Gift Pack* (1998) PCT 415 (Del).

<sup>24</sup> *Rolex S A v Alex Jewellery Pvt. Ltd*, 2009 (41) PCT 284 (Del).

<sup>25</sup> Article 6(3), Paris Convention amended (1967).

the industrial or commercial activities of a competitor; and

- Indications or allegations... liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose or quality of the goods.

Thus, the Paris Convention provides protection for a mark that is well known in a country even when that mark is not used or registered in that country if a third party:

- registers or uses the same or similar mark for similar goods; and/or
- uses the same or similar mark in a manner that constitutes unfair competition (eg, misleads the public). Each country has interpreted the extent of protection to be provided – for example, certain countries require some form of minimal contact with the country, despite what the Paris Convention states.

## 1.2. TRIPs Agreement

The TRIPs Agreement contains seven sections providing for the protection of trademarks as important subjects of industrial property<sup>[26]</sup>. Issues concerning the protection of well-known trademarks are stipulated in TRIPs Article 16. These provisions are based upon provisions of the Paris Convention specifically referencing Article 6bis.

However, TRIPs has effectively developed on Article 6bis of the Paris Convention by providing amplification and expansion of its provisions.

First, protection of well-known trademarks may be applied to both goods and services<sup>[27]</sup>. This extension is one of the most important provisions of TRIPs applicable to the Paris Convention because service marks have become increasingly more important to international trade and contribute to the development of the global trade system.

Second, in order to determine whether a trademark is well-known, member states are required to take into account knowledge of the trademark in the relevant sector of the public, including the knowledge in the member concerned which has been obtained as a result of the promotion of the trademark<sup>[28]</sup>.

Third, protection for well-known trademarks may also be applied for marks even when the applied trademarks are for goods or services which are not identical or similar to the goods or services in respect of the trademark is registered<sup>[29]</sup>. Accordingly, the authorities of Member States are required to refuse or cancel applications or registrations of trademarks for goods or services if they are likely to damage the interests of the owner of well-known trademarks even where there is no any identity or similarity between such goods or services. For example, registration of the “SONY” trademark in connection with clothes, the “FORD” trademark in connection with bicycles, or the “COCA-COLA” trademark for goods and services that differ from the soft drink would be refused or cancelled.

In addition, as regards enforcement of trademark rights, Articles 41 to 61 of the TRIPs Agreement regarding enforcement of intellectual property rights include protection for well-known trademarks under Article 16 (3)

of the TRIPs Agreement<sup>[30]</sup>. Thus, the TRIPs Agreement may be seen as an important step in the protection of well-known trademarks on a global scale. It is also significant for extending the protections of the Paris Convention to all WTO countries<sup>[31]</sup>.

Therefore, even though the TRIPs Agreement itself is not self-executing, Membership in the WTO mandates adherence to it and accordingly it has greatly expanded compliance to the Convention to all WTO members. It should be noted that TRIPs sets down only minimum standards for well-known trademark protection. The TRIPs agreement may be considered as a basic minimum for well-known trademark protection and WTO members are free to extend protection<sup>[32]</sup> depending on their particular circumstances.

## WIPO Recommendations

On September 1999, the General Assemblies of the Paris Union and of the WIPO jointly enacted their General Recommendations which consist of 6 articles intended to clarify and modify relevant provisions regarding well-known trademark protection under the Paris Convention and the TRIPs Agreement. This document makes the following recommendations:

- Listing non-fulfillment of criteria which must be considered by the competent authorities of countries in order to define whether a trademark is well-known or not<sup>38</sup>,
- Making it clear that reference to relevant sectors of the public be utilized as an important factor for determinations of well-known trademark status<sup>[33]</sup>.
- Listing a number of factors which will not be necessary conditions for determining whether a trademark is a well-known mark<sup>[34]</sup>,
- Providing criteria under which a trademark shall be deemed to be in conflict with a well-known trademark<sup>[35]</sup>, and
- Providing sanctions or punishments, which can be, used when there is any conflict between a well-known trademark and business identifiers as well as between a well-known trademark and a domain name<sup>[36]</sup>.

The main importance of the Joint Recommendations lies in the fact that although there is no precise definition of well-known trademark they establish for first time, within an international document issued through WIPO, criteria to be applied by Members to the determination of well-known trademarks. The Joint Recommendations’ criteria for dealing with cases concerning well-known trademarks are:

- The degree of knowledge or recognition of the mark in the relevant sector of the public;
- The duration, extent and geographical area of any use of the mark;
- The duration, extent and geographical area of any

<sup>30</sup> Frederick Mostert, *Famous and Well-known Marks: An international Analysis*, (Butterworths 1997), pg 409.

<sup>31</sup> Article 2, TRIPs Agreement.

<sup>32</sup> Clark W Lackert & Maren C Perry, *Global protecting well-known and famous marks: A Global Perspective, Building and Enforcing Intellectual Property Value*, (2008).

<sup>33</sup> See Article 2 (2), Joint Recommendations.

<sup>34</sup> See Article 2 (3), Joint Recommendations.

<sup>35</sup> See Article 4, Joint Recommendations.

<sup>36</sup> See Articles 5 and 6, Joint Recommendations.

<sup>26</sup> TRIPs Agreement, Part II Sec. 2, Articles 15 through 21.

<sup>27</sup> TRIPs Agreement, Part II Sec. 2, Article 16 Para 1.

<sup>28</sup> TRIPs Agreement, Part II Sec. 2, Article 16 Para 2.

<sup>29</sup> TRIPs Agreement, Part II Sect 2 Article 16 Para 3.

promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;<sup>38</sup> According to article 2 (1) (b) of The Recommendation, these factors include the degree of knowledge or recognition of the mark in the relevant sector of the public; the duration, extent and geographical area of any use of the mark; the duration, extent and geographical area of any promotion of the mark; the duration and geographical area of any registrations and /or any applications for registration of the mark; the record of successful enforcement of the rights in the mark; the value associated with the mark.

- The duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
- The record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;
- The value associated with the mark <sup>[37]</sup>.

Together with the guidelines on the factors to determine of well-known trademarks, the Joint Recommendations also recommend the exclusion of the following conditions and/or requirements from Members' evaluations of whether a trademark is well-known or not:

- That the mark has been used in, or that the mark has been registered or
- that an application for registration of the mark has been filed in or in respect of, the Member State;
- That the mark is well known in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, any jurisdiction other than the Member State; or that the mark is well known by the public at large in the Member State <sup>[38]</sup>.

However, it should be noted that provisions of the Joint Recommendations are merely guidelines and not binding obligations. Therefore the Recommendations are only significant to the extent that member states import them into their own legislation.

### Implementation in local laws

Although the United States is a member of the Paris Convention and the TRIPs Agreement, Congress has enacted specific legislation to implement this obligation and the courts are divided on whether the treaty provisions are self-executing. Some argue that applying the terms of the Paris Convention would create serious conflict with the principle of territoriality – a long-established principle under US law that trademark rights arise from use, without which no such rights exist. However, some US courts have afforded protection to the famous marks of foreign entities in the United States in the absence of actual use or federal registration of the marks in the foreign country. The Supreme Court has been petitioned to address a split in the

circuit courts on this issue.

The EU Trademark Harmonization Directive (89/104/EEC), which harmonized basic elements of EU member states' law, creates protection for marks which have a reputation (Article 4(3)). In the UK interpretation, such marks are protected against infringement for similar and dissimilar goods (Section 10(3) of the UK Trademarks Act 1994), whereas well-known marks are protected only against infringement for identical and similar goods (Section 56 of the UK Trademarks Act 1994). Well-known marks are protected through implementation of the Paris Convention and Article 16 of the TRIPs Agreement.

In Canada, there are no specific provisions for famous or well-known marks. In assessing the issue of confusion, the reputation (or fame) of a mark is one of several factors that a court may take into consideration.

However, for confusion to occur there must be either:

- a likelihood that prospective consumers will mistakenly infer that the goods and services provided under both marks are supplied by the same entity or its licensees; or
- a link between the source of the goods and services supplied under both marks.

The fact that a mark may be famous does not in itself provide absolute (or a different form of) protection over other marks.

In Mexico, well-known trademarks have special protection which is governed by the principles of territoriality and speciality. Further, treaties and conventions are considered supreme laws, so adherence to the Paris Convention and the TRIPs Agreement supersedes local law.

China. Chinese trademark law explicitly protects well-known marks for similar and dissimilar goods and services.

In general, specific registers of famous marks do not exist, but trademark owners may seek recognition in individual cases. For example, in China, a trademark owner can seek well-known trademark recognition in individual cases. To date, over 40 marks have received this status, including two owned by foreign companies: GILLETTE (in English characters) and SPRITE (in Chinese characters). In Japan, the Industrial Property Digital Library lists marks that have been designated as well known in decisions by appeal examiners and court judges. In Brazil, a trademark owner can claim that a mark deserves highly renowned status when filing an opposition or administrative nullity proceeding. In the European Union, the Intellectual Property Office of the Czech Republic publishes a list of well-known trademarks, which is informative only and has no legal effect. The Russian Federation maintains a register which currently recognizes over 50 trademarks as well known, and Ukraine, Belarus and Bulgaria all maintain registers of well-known marks.

A register of famous marks is beneficial because it avoids expensive proof issues as to whether a trade mark is famous at the time of a dispute and the recognition of famous marks is simplified by referring to a single list.

On the other hand, a register of famous marks may be too limiting as such registers typically exclude more than they include and, as a result, a mark that is famous but not on the register may not receive the protection it deserves. Further, the criteria for inclusion on a register may vary from jurisdiction to jurisdiction, making reliance on a single list difficult.

<sup>37</sup>Article, 2 (1) (b), Joint Recommendations See at [http://www.wipo.int/about-ip/en/development\\_iplaw/pub833-02.htm#P94\\_4696](http://www.wipo.int/about-ip/en/development_iplaw/pub833-02.htm#P94_4696).

<sup>38</sup>Article,2 (3) (a), Joint Recommendations See at [http://www.wipo.int/aboutip/en/development\\_iplaw/pub833-02.htm#P94\\_4696](http://www.wipo.int/aboutip/en/development_iplaw/pub833-02.htm#P94_4696).

The increase in global recognition of world brands has heightened demand for famous mark protection for trademarks, service marks and domain names. The TRIPs Agreement has made it mandatory to enforce famous mark protection in all WTO countries and it may therefore be expected that famous mark protection will be expanded. The debate on whether separate registers of famous marks are desirable will continue and each country will continue to develop its own case law, interpreting local laws and establishing compliance with the Paris Convention and the requirements of the TRIPs Agreement. Owners of global brands should consider seeking registration protection for their marks in any countries where unauthorized third-party use of the marks would be seen as a problem meriting action. It is inevitable that the 21st century will see an ever increasing level of protection for well-known trademarks as they become true world brands.

## 2. Comparison India US and EU

### 2.1. Foundations of the System

Indian trademark law, like U.S. trademark law but unlike most European trademark laws (and Community trademark law), is based on a “first to use” system. Although the principle was codified for the first time in the Trade Marks Act 1999, a number of earlier judicial decisions gave the term “first to use” a wide interpretation. Unlike in the United States, first use anywhere in the world accompanied by a transborder reputation of the mark in India is the determinant for ownership of trademark rights in India.

This transborder reputation can be established through the mere availability in India of literature or advertising materials featuring the mark in question, which need not even be directed to Indian customers. Thus, the appearance of advertisements in in-flight magazines on flights bound for India has been considered sufficient evidence to demonstrate a “reputation.” Even the existence of materials that are dedicated to products that are banned in India and therefore clearly not directed toward the Indian public has been considered sufficient for these purposes.

For example, Playboy, whose own magazines are banned in India, relied on global advertisements to claim that the mark PLAYBOY had goodwill and reputation in India. This is in stark contrast to the position in the EU, where an action for passing off or unfair competition typically requires an established goodwill among actual customers of the relevant product or service in the respective country, and the position in the United States, where generally use of a mark in commerce in the United States or in commerce between a foreign country and the United States is necessary to establish rights in the mark.

Trademark rights in India can also be acquired through registration. A trademark may be registered, even if use of it has not commenced, on a “proposed to be used” basis. The mark may remain unused, but still protected, for a maximum period of five years after it is entered onto the register. At the end of this five-year period, it will become liable for rectification (cancellation). However, rectification can occur only at the instigation of a third party; registered trademark owners are not required to periodically prove that their marks are in use in order to maintain their registrations. This is the same as in the EU, but different from the position in the United States, where, a registration based on use can be obtained only after a mark is used in U.S. interstate commerce or in commerce between a foreign country and

the United States. Foreign treaty applicants may base a U.S. registration on their foreign registration without demonstrating use in the United States, with the effect that registration will be cancelled automatically after five years if use is not shown.

But the position in the EU and India also differs in one important respect. In India, cancellation actions often fail, even before any assessment of actual use of the challenged mark is carried out, on account of the lack of a bona fide intent of the third party bringing the action. A 2008 judgment of the Intellectual Property Appellate Board (IPAB) in *Kanishk Gupta v. Liberty Footwear*<sup>[39]</sup> discussed how removal of a mark on grounds of non-use is discretionary. The IPAB went on to rule that the blatant adoption by a third party of a mark that is deceptively similar to an invented mark on the register disentitles that party to seek its removal. In other words, a mark consisting of an invented word cannot form the subject matter of a cancellation application, especially when the party seeking cancellation has adopted a similar mark with the intention to deceive.

### 2.2. What Constitutes “Use” in India?

Use of a mark outside India or a trans-border reputation of a mark in India may not be enough to sustain a registration if it is attacked on grounds of non-use. Some use of the mark in India is required, although “use” generally has been given a broad meaning by the Indian courts. In its 2003 judgment in *Hardie Trading v. Addison Paints*<sup>[40]</sup>, the Supreme Court of India ruled that “use” may be “non-physical” but must be “material,” that is, meaningful. The test itself is not that different from the test in the EU, where use must be “genuine” and not mere token use. In practice, however, it is probably easier to meet in India. In the *Hardie case*, the circulation of a price list for a product that was not yet available for sale was on its own held to amount to “material” use of the mark.

There is no quantity threshold that needs to be met to establish use of a registered mark in India. In the case of well-known marks, for instance, a single advertisement may be considered sufficient. In a recent judgment in a case involving Toshiba Corporation, the Supreme Court of India held that, against the backdrop of a government ban on account of which goods could not be imported into India, a single instance of an advertisement by Toshiba in India, coupled with its global reputation, registrations for the TOSHIBA brand and marketing, gave the corporation’s trademark immunity from cancellation.

### 2.3. Dilution

In the United States, the owner of a famous and distinctive mark has a cause of action for dilution. This applies to dilution by blurring and dilution by tarnishment. However, a mark must be used in the United States to qualify as a famous mark i.e., a mark “widely recognized by the general consuming public of the United States”. In the EU, the trademark need not be “famous” but it must be known by a significant part of the public concerned with respect to the products or services covered by the mark.

The principle of dilution has traditionally been well

<sup>39</sup> 1990 AIR 247, 1989 SCR (3)1065

<sup>40</sup> 2003 Supp (3) SCR 686.



recognized in Indian trademark jurisprudence, with the result that proprietors of globally well-known trademarks, including APPLE, CARTIER, CATERPILLAR, DUNHILL, FORD, HONDA, HYUNDAI and MERCEDES-BENZ, have succeeded in passing-off actions in India against users of identical or similar marks in relation to dissimilar goods. As the Delhi High Court, in the 1994 case of *Daimler Benz Aktiengesellschaft v. Hybo Hindustan* <sup>[41]</sup>, observed, It will be a great perversion of the law relating to trademarks and designs, if a mark of the order of the 'Mercedes Benz' is humbled by indiscriminate colorable imitation by all or anyone. Today, dilution as a concept finds statutory recognition in Section 29 of the Trade Marks Act 1999, which specifically allows an action for infringement where the goods in question are not similar and the marks are deceptively similar or identical.

#### 2.4. Enforcement

As in the United States and the EU, administrative proceedings are available in India for dealing with matters concerning the register. Proceedings are conducted before the Registrar of Trademarks, and appeals are filed with the IPAB. The IPAB comprises a technical member (with a background in intellectual property) and a judicial member (a retired judge). The procedure involved is the same as in a court of law, although timelines are shorter.

Generally, matters concerning the register are dealt with by the Registrar and matters concerning use are dealt with by the court. Theoretically, cancellation actions can be filed either before the Registrar or before one of the High Courts, but in practice, if filed before the court, the case will usually be referred to the Registrar to be looked at first.

In order for one of the four High Courts to have jurisdiction over a trademark dispute, one of the following conditions must be satisfied: (1) the cause of action arises in the jurisdiction of one of the High Court; (2) the defendant's place of business is in the jurisdiction of one of the High Court; or (3) the plaintiff's place of business is in the jurisdiction of one of the High Courts. A defendant or plaintiff will have a "place of business" in a particular jurisdiction if its products are sold in that jurisdiction or if it provides after-sales service there.

For brand owners who wish to file a lawsuit before one of the four High Courts and find that they are unable to satisfy any of the conditions that would allow them to do so, a solution is offered by the 1995 decision of the Delhi High Court in *Glen Raven Mills v. Vaspar* <sup>[42]</sup> Concepts. That case establishes that a plaintiff may claim that a particular High Court has jurisdiction, on the basis of a cause of action, by making a "trap" purchase of the defendant's goods from the relevant locality. A cause of action will arise in any jurisdiction where the defendant was willing to make its goods available in "commercial quantities."

Recently, courts and mediators have tried to encourage parties to consider alternative remedies in lieu of damages to accompany an injunction, particularly in cases where the defendant does not have a strong financial position. Examples include community service and participation in antipiracy initiatives. In a recent matter involving an infringement of the trademarks of a global media giant by an Indian media company selling DVDs featuring nursery

rhymes, the defendant offered to suffer an injunction and distribute free non infringing DVDs to various charities in lieu of monetary compensation. The rationale for these alternative remedies is that they are still considered to have a deterrent effect, while at the same time they can encourage a quicker resolution of a matter.

Continuing in this vein of promoting an expeditious disposal of IP matters, the Indian Supreme Court recently observed, in *Bajaj Auto Ltd. v. TVS Motor Co. Ltd* <sup>[43]</sup> that all courts and tribunals in the country hearing IP cases should proceed with such matters on a day-to-day basis and final judgment should be given, normally, within four months from the date of filing of the suit. Although this timeline sounds ambitious and difficult to achieve in light of the backlog of cases in India, the intent is loud and clear: if attorneys are willing to push a matter to an expeditious conclusion, the judiciary will not stand in the way. Most district courts have started to implement this judgment and to treat IP matters as equal in significance to criminal and other civil cases.

With the world watching, India is rising to the challenge and is fast catching up with other parts of the world in the development of its trademark laws and practice. Differences remain, however, of which brand owners entering into the market should be aware; they can sometimes present unfamiliar obstacles, but recognize that they can also offer opportunities.

#### Conclusion

Trademark law being very imperative fields in contemporary IP laws and has more and more play a noteworthy part in international trading regime. As the trademarks has an elongated history and has urbanized in analogous with the growth of global trade. The well-known trademarks doctrine releases a latest approach providing safeguard to the trademarks throughout the world. As of their definite features, it has been taken as a different legal system where the conventional philosophy of trademark law applies merely to asome degree of extent. "The codification of well-known trademark protection in international conventions and treaties as well as in national legislation has created a universal context which promotes both the scope and the efficiency of its protection." As with the globalization and rise in IT has led towards freely "movement of goods and consumers" and the sudden increase of information has led the safeguard of well-known trademarks yet more significant. A main difficult arises as concepts stays unclear and be short of a widespread international perceptive. At last, the safeguard to the "trademarks and well-known trademarks in particular" require being think again and synchronized. As in the present research tries to describe and analyze the necessary theoretical fundamentals of well-known trademark in the different system of trademark law especially in India.

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