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Shielding Reputed Marks: Paradoxes and Practical Solutions

PRASANNA KUMAR S¹ AND ARJUN SHAJI²

ABSTRACT

"Nobody has any right to represent his goods as the goods of somebody else."

- Halsbury³

Expedited globalization has necessitated enhanced protection of intellectual property, especially well-known trademarks. The paper traces the development of the concept of a well-known mark through a sound reading and understanding of the Paris Convention⁴, the TRIPS Agreement⁵, and the WIPO Joint recommendations⁶. The paper then recognizes the role of Indian courts to secure the concept of a well-known mark through judicial activism. The paper then discusses the poor legislative drafting under the Indian trademark law, which fails to reflect the intention of international convention. It then looks into the vulnerability of infringement of such a mark by cybersquatting and delves into the legal lacunae present under the Code of Civil Procedure, which fails to remedy the proprietor of such a mark when the cybersquatter cannot be reasonably found. The paper suggests amendments to the existing law to resolve the aforesaid legal lacunae. The paper then delves into the legal complications arising when generic olfactory marks are granted well-known status in countries recognizing such non-conventional marks. The paper finally concludes by suggesting relevant remedies to such countries to counter the said issue.

Keyword: *Expedited globalization, well-known trademarks, Paris Convention, TRIPS Agreement, Indian trademark law, cybersquatting, legal lacunae, generic olfactory marks, non-conventional marks, legal remedies.*

I. INTRODUCTION

Exponential globalization accompanying the inception of a new era for trade and commerce has

¹ Author is a student at VIT University, VITSOL Chennai, India.

² Author is an Assistant Professor at VIT University, VITSOL Chennai, India.

³ Mathew VC, How Passing Off Can Be a Legal Remedy For Unregistered Trademark Holders, LAW IS GREEK (Apr. 18, 2022), [www.lawisgreek.com/legal-expert-blog-how-passing-off-can-be-a-legal-remedy-for-unregister edtrademark-holders](http://www.lawisgreek.com/legal-expert-blog-how-passing-off-can-be-a-legal-remedy-for-unregister-edtrademark-holders).

⁴ Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 21 U.S.T. 1583.

⁵ Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299

⁶ Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO) (1999).

mandated an elevated level of shielding of intellectual property. Misappropriation of trademarks has recently been one of the most crucial concerns that have attracted the eyes of the lawmakers. Without any surprise, the vulnerability of trademarks with reputed status is significantly large. Such marks are a result of significant efforts supplemented by enormous amounts of monetary resources. Needless to say, their status is the end product of such immense promotional activity. It is very much in reality that at times the product itself becomes synonymous with the brand name. The ultimate reasoning behind such vulnerability is the revenue and goodwill accumulated in this intangible property. The undersized businessman and mischievous traders often try to encash on the goodwill of such businesses by imitating significant parts of such well-known marks. This results in substantial monetary loss, and at times tarnishment and dilution of such well-known marks may take their course, which is detrimental to the reputation and distinctiveness of the marks, respectively. To enforce their rights, the companies associated with such well-known marks do spend a considerable amount on legal fees. Therefore, it is safer to deal with these problems at an infant stage by enhancing the legislative protection rather than leaving the job to the courts to resolve the issue caused by the legal lacunae. The need for special protection is also justified by the inimical effect caused on the public by the potential association of the goods of such traders acting in malice with the proprietor of the well-known mark, which might adversely impact the decision of the public in availing quality goods or services.

Understanding the historical development of the term “well-known mark” is essential to identifying the scope of development. Understanding the importance of well-known trademarks in the present era, there is a great need to recognize the evolution and history of their development. The origin of well-known marks can be traced from the Paris Convention to the TRIPS Agreement and finally to the WIPO recommendations. The significant phases in the development of well-known trademarks are discussed below.

(A) Paris Convention

The Paris Convention⁷ was signed on March 20, 1883, and came into effect on July 7, 1884. This international instrument is the oldest multilateral treaty related to industrial property, enabling member countries to protect well-known marks. The relevant provision to our subject matter is Article 6bis, which enables member countries to refuse, cancel, or restrain the use of any mark by another user that resembles or constitutes a translation of any part of a well-known mark, where the former represents similar or identical goods akin to those of the latter mark. This procedure may be initiated by member countries themselves, provided their legislation

⁷ Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 21 U.S.T. 1583.

permits such action, or at the request of the proprietor of the mark. The provision expressly prohibits such action from being taken beyond a period specified in local laws after the registration of the mark, with this period being at least five years according to the local laws of member countries. However, this time limitation does not apply in instances where the registration was made in bad faith⁸.

The ironic aspect of this convention is that it fails to define what constitutes a well-known mark or the parameters for determining the same. The international instrument also fails to address the measures by which member countries shall protect such marks or the processes through which well-known marks could be recognized. As a result, numerous countries have failed to adopt separate procedures for entertaining applications to declare well-known marks, leaving the interpretation to the discretion of the courts.

(B) TRIPS Agreement

The Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement⁹ essentially aimed to address the ambiguities of the Paris Convention. It intended to supplement the existing treaty by introducing provisions such as Articles 16.2 and 16.3. These provisions extended the application of the Paris Convention to protect well-known trademarks against infringing marks representing similar services to those of the former. Furthermore, it extended protection to well-known trademarks against similar or identical marks where both marks represent dissimilar goods or services, provided that the interest of the proprietor of the well-known mark is likely to be affected, or the use of the infringing mark would indicate a connection between the goods represented by the infringing mark and the owner of the well-known mark. The agreement newly introduced criteria for determining the reputed status of a mark. It advises member countries to take into account the awareness within the relevant sector of the public or the member country regarding the existence of such a mark, which has been the result of the promotion of the mark¹⁰. Although these treaties might appear to have dealt elaborately with the protection of well-known marks, in reality, they allow the respective countries to draft their own criteria for determining the well-known status of a mark. This might lead to complications, as it introduces subjectivity in defining and treating a mark as being of well-known status.

⁸ Paris Convention for the Protection of Industrial Property, art. 6bis, Mar. 20, 1883, 21 U.S.T. 1583.

⁹ Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299.

¹⁰ Agreement on Trade-Related Aspects of Intellectual Property Rights art. 16, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299.

(C) Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks

The Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks¹¹ was adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO) during the thirty-fourth series of Meetings of the Assemblies of the Member States of WIPO in September 1999. The adoption was followed by a series of sessions and discussions by the WIPO Committee of Experts on Well-Known Marks and the Standing Committee on the Law of Trademarks, Industrial Designs, and Geographical Indications (SCT) from 1995 to 1999. The recommendations are intended to provide an expeditious approach to developing harmonized international principles for protecting well-known trademarks.

The recommendations delineated several factors for determining well-known marks, which include the level of recognition of the mark in the relevant sector of the public, the length of time and extent of the mark's geographical use, the geographic reach of the mark's promotion, including advertising and publicity, the extent of trademark registrations and applications globally, and the commercial value associated with the mark.

It is pertinent to note that these recommendations were only advisory and not binding on member countries. Although India has aligned the Trademarks Act, 1999¹², with these recommendations. It can be observed that Section 11(6) of the Act¹³, which advises the registrar to consider several factors for determining well-known trademarks, was inspired by this recommendation.

(D) Role of Indian Courts in protecting Well Known marks

It is also noteworthy that Indian courts have shown signs of judicial activism in protecting well-known marks. The Apex Court in the matter of *N.R. Dongre & Ors. v. Whirlpool Co. & Anr*¹⁴ has successfully recognized the transborder reputation of the Whirlpool trademark, even though the owner of the mark had ceased selling the associated products in India, thereby issuing a permanent injunction against the appellant and recognizing the transborder reputation and spillover reputation of the mark. In the case of *Daimler Benz Aktiengesellschaft v. Hybo*

¹¹ Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO) (1999).

¹² The Trade Marks Act, No. 47 of 1999, Acts of Parliament, 1999 (India).

¹³ Trade Marks Act, No. 47 of 1999, § 11(6), Acts of Parliament, 1999 (India).

¹⁴ *N.R. Dongre & Ors. v. Whirlpool Co. & Anr.*, (1996) 5 S.C.C. 714 (India).

Hindustan¹⁵, the Apex Court issued a permanent injunction against Hybo Hindustan prohibiting them from using the trade mark 'Benz' for auto parts and accessories, which infringed the well-known mark of Daimler Benz Aktiengesellschaft, which was associated with automobiles. The court looked into the likelihood of confusion that could potentially arise due to the use of the infringing mark and restrained the defendants from using the impugned mark.

II. PROBLEMS & SOLUTIONS RELATED TO WELL-KNOWN MARK PROTECTION IN INDIA

(A) Intention of Paris Convention not reflected under Indian Law.

The first part of Article 6bis clause (1) of the Paris Convention demands the countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration and to **prohibit the use** of a trademark that constitutes a reproduction, an imitation, or a translation, **liable to create confusion**, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods¹⁶. It is no wonder that the provision intended to allow for infringement action rather than passing off. If we read the highlighted phrase '**liable to create confusion**,' it is clear that the same were the grounds for claiming under infringement action. The provision does not say anything like "a similar mark that causes confusion and encash upon the goodwill of the well-known mark," by which it is evident that the drafters intended the member countries to provide for infringement action even for unregistered trademarks. It is also evident that most of the countries who were members of the union were civil law countries; thus, the common law concept of passing off is very alien to them; thereby, this provision was actually intended for such countries to enable infringement action rather than passing off, which is not even followed in such countries. Moreover, interpreting the phrase "to prohibit the use of the mark" as a passing off action would be against the intention of the convention, which is to simplify and harmonize the protection of intellectual property; thereby, a passing off action is far more complicated as it involves proving goodwill and misrepresentation, thus not being construed for the said phrase.

It could be observed that in the matter of Kamdhenu Ispat Ltd. v. TATA Steel Ltd.¹⁷, the dispute was with respect to the use of the mark "TATA" by Kamdhenu Ispat Ltd. on steel products

¹⁵ Daimler Benz Aktiengesellschaft v. Hybo Hindustan, A.I.R. 1994 Del. 239 (India).

¹⁶ Paris Convention for the Protection of Industrial Property, art. 6bis, cl. 1, Mar. 20, 1883, 21 U.S.T. 1583.

¹⁷ Kamdhenu Ispat Ltd. v. Tata Steel Ltd., (2018) 6 S.C.C. 799 (India).

falling under class 6 of the Nice classification. TATA Steel Ltd. brought an infringement action even though their mark "TATA", which is a well-known mark, was not registered at that time with respect to class 6 of the Nice classification. The question was whether the infringement action could be sustained by them in the light of their well-known mark not being registered. The court replied positively, sustaining their adhering to the Paris convention.

However, Section 29 clause 4 of the Trademarks Act, 1999 reads as follows:

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person. using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.¹⁸

Section 27 of the Act reads as follows:

(1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trademark.

(2) Nothing in this Act shall be deemed to affect the right of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof¹⁹.

Both the provisions read together give an inference as such that the legislature has intended to enable the well-known trademark owner to opt for infringement action only when it is registered. Thus, the myopic drafting of this provision has resulted in a deviation from the actual intent of the Paris Convention. Thereby, an amendment is required for the said provisions for the sake of clarity and to avoid inconsistent judicial decisions.

(B) Cyber Squatting and trademark infringement

The usage of the internet in the current decade is indispensable. The widespread usage of the same has created some potential challenges for the protection of trademark rights. Persons with ill intention often use the tradenames of famous companies and register them as domain names in their local countries where the company has not gained a well-reputed status. This might be

¹⁸ Trade Marks Act, No. 47 of 1999, § 29(4), Acts of Parliament, 1999 (India).

¹⁹ Trade Marks Act, No. 47 of 1999, § 27, Acts of Parliament, 1999 (India).

concerning because there exists no absolute ground or relative grounds of refusal for such registration of domain names. In fact, there is no law currently in India to address the same. The person who obtains such registration intends to ride on the goodwill of the well-reputed company. After the same, they sell such domain names to the actual owner of the trademark, who has every right over the usage of such a name for his website, at a very unreasonable price. There are various categories of cybersquatting, and one of the most commonly seen is typo squatting. Typo squatters believe that by entering domain names into web browsers, Internet users would create typographical mistakes²⁰. It is also concerning that consumers who were unaware of such practices are potentially misguided by this mischief, and at times the same would result in a significant compromise on the quality of goods availed by such customers. Due to the absence of any specific law for dealing with the issue, courts in India often avail themselves of the common law remedy of 'passing off' to grant relief to the aggrieved. The remedy availed through courts might be time-consuming and would result in significant legal fees; thus, the aggrieved often contact the approved dispute resolution provider, such as the World Intellectual Property Organization, who eventually reviews the matter through an arbitrator and gathers all evidence to pass a final decision, which is in turn put into effect by the ICANN. In India, akin to the UDRP, there exists the INDRP, which elaborates on procedures involved in adducing evidence and conditions to be fulfilled to file a complaint relating to a domain dispute. The IN registry acts akin to the approved dispute resolution provider by appointing arbitrators for the dispute. However, these procedures are limited only to disputes involving registration and use of top-level domain names (.in). Some famous cases relating to cybersquatting are as follows:

(1) *Yahoo Inc. V Aakash Arora & Anr*²¹

The case involves Akash Arora (the defendant registering a domain named Yahoo India in India). The same were a replica of the trademark of the famous company Yahoo, Inc., which has its global presence all over the world. However, it was not at that point of time registered for protection in India. It was not very well reputed in India during the time of usage by the defendant. The court found that there exists similarity between products offered by both the plaintiff and defendant under the said domain name. The court ruled in favor of Yahoo.Inc., granting a permanent injunction against the defendant for using the said domain name in the passing-off action by Yahoo.Inc.

²⁰ Nandan Kamath, *Law Relating to Computers, Internet, and E-Commerce: A Guide to Cyberlaws* 167 (4th ed. 2009) (Universal Law Publishing Co., Delhi).

²¹ *Yahoo Inc. v. Aakash Arora & Anr.*, 1999 (19) P.T.C. 201 (Del.) (India).

(2) Rediff Communication V. Cyberbooth & Anr²²

In the present case, plaintiff Rediff was an online media company that registered the domain name 'REDIFF.COM'. The defendant registered the domain name 'RADIFF.COM'. Upon realizing the same, the plaintiff filed a suit against the defendant. The court found that both the plaintiff and defendant offered similar services under the said domain names; thus, the usage of the domain name by the defendant was found to be passing off. Thereby, the court granted relief to the plaintiff.

(C) Indian Framework and its lacunae

Under the Indian legal scenario, initiating a 'passing off' action for disputes involving trademark infringement through use of domain names has certain complications. Under Section 20 of the Civil Procedure Code, the plaintiff is required to file a legal suit in the court having jurisdiction over the place where the defendant voluntarily resides, personally works for gain, or conducts business at the time of the institution of the suit, or where the cause of action wholly or partially arises. However, when the residence, workplace, or place of business of the defendant cannot be reasonably found despite due diligence by the plaintiff, the law provides him no remedy. However, this issue could be addressed by adopting a feature from the Anti-Cybersquatting Consumer Protection Act (ACPA) of the US.²³

The ACPA allows for trademark infringement cases when the defendant is within the court's jurisdiction. However, if the defendant is not found, it permits an 'in rem' action, where the domain name itself is treated as the defendant. This enables the plaintiff to file a suit in a court that has jurisdiction over the location of the domain registrar. Though this action primarily provides limited relief—such as transferring the domain name to the plaintiff or cancelling its registration—it can still offer a remedy. While damages cannot be claimed if the defendant is absent, the plaintiff is still granted some form of resolution.

Thereby, I suggest incorporating this 'in rem' action from the Anti-Cybersquatting Consumer Protection Act (ACPA) of the US into Indian legislation.

(D) Problem in Granting 'Well Known' Status to Olfactory Marks

Olfactory marks, widely known as smell trademarks, are non-conventional marks used in trade for source identification. Any such scent in order to qualify for being registered as an olfactory mark must not be a functional feature of the product. For instance, a perfume smell can't be used to represent the perfume. The mark additionally should be distinctive enough; for instance,

²² Rediff Communication v. Cyberbooth & Anr., 2000 (20) P.T.C. 209 (Bom.) (India).

²³ Anti-Cybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d)(2) (1999).

one cannot register a scent of mango for representing tires as such a smell is very generic and not distinctive enough, although this criteria could be waived in the cases where the mark has acquired distinctiveness through the way of repeated use. The registration of these marks in various countries like the U.S., United Kingdom, Australia, and Canada requires such marks to be graphically represented. Such a requirement is satisfied by describing the scent in words. However, in India, due to strict interpretation of the term ‘capable of being represented graphically’ under Section 2(1)(zb) of the Trade Marks Act, 1999, the registrar allows the registration and protection of visual marks. Examples of such active registrations of such a scent mark are as follows:

Registration Number: 3589348, Smell Mark: Minty Pain Relief Patches.

Owners: Hisamitsu Pharmaceutical Co., Inc. (company; Japan)

Class 005, 006, 044, 051, 018, 046, 052, Serial 77420841

Goods: Medicated transdermal patches for the temporary relief of aches and pains of muscles and joints associated with arthritis, simple backaches, strains, bruises, and sprains.

However, allowing registration of such marks in the countries aforesaid is accompanied by complications. Menace arises when generic olfactory marks are declared well known by the court of law or relevant trademark registry. For instance, say a generic scent mark has acquired distinctiveness by way of repeated use (i.e., mango scent for tires). If such a mark has been regarded as well known by a court of law or relevant trademark registry, then it monopolizes the mango scent so that no one can apply or use such a mark with respect to goods and services, even if it is different from those represented by the former mark, if such use would attack the reputation or distinctive character of a well-known mark. The problem with generic olfactory marks is that, unlike generic visual marks, such generic olfactory marks are limited in nature. Thereby, going by the literal language of the combined reading of Article 6bis of the Paris Convention along with Articles 16.2 and 16.3 of the TRIPS Agreement would lead to an instance where no one could use a mark similar or identical to a generic olfactory mark representing goods & services of dissimilar class. This monopolization could be very dangerous as against the intent of trademark law. The menace could only be countered by denying well-known status to a generic olfactory mark or by considering such well-known olfactory mark protection to not transcend all classes of goods and services when such mark is very generic though it has acquired distinctiveness. A well-known status could be given to a combination of smells, allowing its protection to transcend all classes to resolve this issue.

III. CONCLUSION

The paper has elaborately dealt with the challenges posed in the protection of well-known marks under the Indian legal framework. The discussion pertained to the intent of the Paris Convention not being conveyed under the local law of the land, leading to a deviation from the enabling norm. The paper then addressed the issue of cybersquatting and the inadequacies posed under the Code of Civil Procedure with regard to initiating a passing-off action when such a cybersquatter cannot be reasonably found. Further, the paper addressed the problem that could be faced when the countries allowing for recognition of olfactory marks declare them as well known when such marks are way too generic in nature. The paper concludes at every instance suggesting relevant legislative measures for the said issues to the parliament of the nation and the legislature of other countries, respectively. There is an immediate need to address the following ambiguities to avoid abuse of legal privileges. Thereby the paper acts as an advisory report to supplement the ideas of parliamentarians to deal effectively with the issue.

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