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Well-Known Trademark: Registration and Safeguard

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ABSTRACT

A trademark is a sign, logo, or mark which helps consumer to recognize the product they want to use and that's why the protection of a trademark is important. On the other hand, a well-known is a famous, popular mark among a relevant section of society, and safeguarding a well-known trademark is important for the owner of that trademark so that any other person will not gain an unfair advantage over his product. What protection is provided to a well-known trademark in international treaties? Filing and protection of well-known trademarks in India and what the lacunas are there in trademark rules 2017 will be discussed in the paper with various judgments of courts.

I. INTRODUCTION

Trademark is a mark such as a sign, design, logo, or particular expression that help the consumer to determine the product they are using or wants to use. In a way, it is also a way to determine or recognize which product belongs to which corporation or business organization. The rules and regulations of trademark law depend on the legislation of a particular country; it determines the aspects like preference for the rights in the mark to be provided should be based on the use or registration. Generally, a mark gets a reputation through the service or product it provides to its customer, and it becomes popular among a particular section of society like Lux and Dettol, which is recognized by a substantial number of people in India. The protection of well-known marks stems from its fundamental objectives of protection of marks and focuses on maintaining the distinctiveness of a mark by protecting it from free-riding and dullness.²

This paper will deal with the well-known trademark. What are the international and national criteria to determine a well-known trademark, and How does Indian trademark law protect the well-known trademarks.

In India before 2017, whether a trademark was well-known or not was determined by the judiciary, but after the 2017 trademark rules, now a trademark can be registered as a well-known

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²<https://www.mondaq.com/india/trademark/1015288/well-known-marks-inconsistencies-lacunas-in-Indian-laws> , visited 24th October, 2021

trademark.

Under the trademark act, 1999 well-known trademark is defined as “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 the 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 about the first-mentioned goods or services”.³

Well-known trademark is an important asset of an IP-firm because of large investment put by a company/business organization on the same. Well-known trademark is distinct from ordinary trademark because its goodwill and reputation protected across the nation and under all classes of goods and services. Law restricts using of deceptively similar to any well-known trademark.

In *Daimler Benz v. Hybo Hindustan*⁴, the Delhi High Court held that the trademark ‘BENZ’ was extensively used with respect to automobiles. The use of identical mark ‘BENZ’ with respect to undergarments will lead to confusion in the market, although the manufacturers of Mercedes Benz cars were neither manufacturing nor selling garments nor underwear apparels.

Two international conventions play an important role to specify and protects well-known trademark which are eventually recommended by WIPO.

Paris Convention: Paris convention was signed in Paris on 20th March, 1883 and come into force on 7th July, 1884. Paris convention was first to recognize the doctrine of well-known marks under Article 6bis. Article 6bis provides protection to well-known marks by providing power to member nations to reject or cancel the registration of a mark and also forbids the use of a mark which is deceptively similar. Contrastingly, Paris convention does not have a specific definition well-known mark except Article define what it 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 goods.”

The standard under the Paris Convention seems to be that the mark, already in use in a third country, should be well-known in the country of registration such that a strong likelihood of confusion would result if the mark were to be registered in the third country for use over identical or similar products. Paris Convention does not specify the extent of popularity to be achieved by a mark to called as well-known nor does it provide criteria to determine when a

³ Section 2(1)(zg), the trademarks act, 1999

⁴ *Daimler Benz Aktiegesellschaft v. Hybo Hindustan*, AIR 1994 Delhii 239

mark be considered as well-known. Thus, on all these issue legislations of member nation has power to enact law. Also, Paris convention does not cover service marks.

TRIPS Agreement: Article 16(2) of TRIPS agreement extends the scope of Article 6(bis) of Paris Convention to include service mark. Article 16(2) provides signatory nations guideline to determine whether a mark is well-known or not. It states: “Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark”. This article does not require a mark to be in actual use which whether a mark is used in a territory or not; however, if it fulfills the criteria mention above, then the mark is liable to be protected.

Article 16(3) extends Article 6(bis) to protect well-known trademarks from infringement by non-competing goods or services provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use. Thus, Article 16(3) provides protection to marks on the ground of dilution also. Thus, TRIPS Agreement provides two important innovations concerning well-known trademarks:⁵

- i. Protection for well-known service marks; and
- ii. Protection for registered well-known marks concerning dissimilar goods under certain circumstances.

TRIPS Agreement also extends protection of Paris Convention to all WTO countries pursuant to Article 2(1). Accordingly, even though the TRIPs Agreement itself is not self-executing, the WTO mandates adherence and thus its power has been greatly expanded by worldwide compliance. Since the TRIPs Agreement is considered a basic floor of protection, WTO members are free to extend protection.⁶

II. PROTECTION OF WELL-KNOWN TRADEMARKS IN INDIA

In India, protection to the well-known trademark is provided under all classes of goods meaning that if anyone tries to register an identical or similar trademark, it will be not allowed as the existing trademark is already well known in India because if the use allowed then goodwill and

⁵ http://www.buildingipvalue.com/08_global/63-66kingspalding.pdf , visited on 25th October

⁶ Ibid

business of the other party would be affected. Thus, Indian Trademark Act, 1999 provides protection to a well-known trademark. In India, popularity, reputation, goodwill, or trans-border reputation are factors which determine its well-known status. Under Trademark rules, 2017 a new procedure is introduced to provide more strong protection to well-known trademark against infringement by providing power to registrar to declare a mark well known. In 2020, India recognized 97 trademarks as well-known trademarks.⁷

Before Trademark Act, 1999 the protection to well-known trademark is provide under common law of passing off on the basis of their reputation and goodwill in the global market.

In *Bata India Limited v. Pyare Lal & Co., and Ors.*,⁸ Allahabad High Court held that the trademark 'Bata' was used substantially for footwears and the use of the mark 'Batafoam' with respect to mattresses would amount to passing off.

World Intellectual Property Organization

In 1999, World Intellectual Property Organization with a concern of protecting well known trademark from abuse adopted a Joint Resolution. This resolution setup some factors to determine whether a trademark is well known:

- Knowledge about the trademark in public
- Term of use of well-known trademark
- Extent of promotion of well-known trademark

INDIAN TRADEMARK ACT, 1999

Under Section 2(zb) term 'trademark' has been define as "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 Section 2(zg) "Well-known Trademark" is defined. A mark which is known by a substantial segment of people and using of that mark to other goods or services may cause confusion to the people. Section 11(6) provides criteria for registrar to determine whether a trademark is a well-known includes knowledge or recognition by public, geographical extent, the record of successful enforcement of rights, etc.,

Section 11(2) provides protection to well-known trademark from deceptive similar mark within competing or non-competing category of goods or services, use of which would cause unfair

⁷ <https://ipindia.gov.in/writereaddata/Portal/Images/pdf/well-known-trademarks-updated-newone.pdf>, visited on 25th October

⁸ *Bata India Limited v. Pyare Lal & Co., Meerut City and Ors.*, AIR 1985 Allaha bad 242

advantage or detriment to the distinctive character of the earlier trademark.

Section 11(8) provides that for achieving the status of well-known a trademark need not be known to large or maximum number of people rather it should be known to substantial number of people i.e., it should be determined to be well-known at least in one relevant section of the public in India by any court or registrar. Section 11(7) provides for the factors to be taken account of, by registrar while determine a trademark is well-known or not:

- the number of actual or potential consumers of the goods or services;
- the number of persons involved in the channels of distribution of the goods or services;
- the business circles dealing with the goods or services,

to which that trademark applies.

Section 11(9) states about the factors which are irrelevant for registrar in determining the well-known status for a trademark. They are as follows:

- that the trademark has been used in India;
- that the trademark has been registered;
- that the application for registration of trademark has been filed in India;
- that the trademark-
 - a) is well-known in; or
 - b) has been registered in; or
 - c) in respect of which an application for registration has been filed in, any jurisdiction other than India; or
- that the trademark is well-known to the public at large in India.

In *N. R. Dongre and Ors v. Whirlpool Corporation and Ors.*, the Supreme Court noted that Whirlpool Corporation was the prior user of trademark 'WHIRLPOOL' and though its products were only sold to US Embassy and few other offices of United States in India but the trademark 'Whirlpool' because of its advertisement in international magazines having circulation in India gained popularity and become well-known not only in US but also in India.

In India trans-border reputation was first formulated in this case. Trans-border reputation can be defined as when a product and its trade name become so popular or

famous that it gains a reputation not only in country where it is registered or marketed but also in other parts of the world where it is not registered or marketed.

III. CONCLUSION

To ease business in India, Trademark rules 2017 were enacted, which replaced Trademark rules 2002, and under Rule 124, it provides power to a registrar to declare a well-known trademark. This rule creates an issue of constitutionality because the rule is a result of delegated legislation and derives its legitimacy from the parent act that is Trademark Act, 1999, and the act does not confer power to the central government to create an entirely new procedure for well-known trademarks. Section 157 (xli) allows residuary power to make rules on “any other matter which required to be or may be prescribed.” However, residuary provisions cannot conflict with the parent act; secondly, an essential legislative function cannot be delegated.

Rule 124, however, making a comparatively easy task for an owner of a trademark to get well-known status for their product, but it raises issues of a procedure because it conflicts with the procedure provided under Section 11, which called for opposition, rectification and infringement proceeding but in new rule, though the registrar will invite opposition it will be different from hearing on the ground of it does not guarantee the natural right principle right to be heard.
