

A TALE OF CHANGING PROSPECTIVE OF WELL- KNOWN TRADEMARKS IN INDIA

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“Every Trade Mark you build adds to the financial value of your business, much more than your tangible assets”
— Kalyan C. Kankanala¹

I. INTRODUCTION

In this new era of social networking and its broadcasting, the creative advertisement is prevailing with time; easiest way to reach target customers and to fascinatedly associates with the product or services. This is the most growing culture spreading its tentacles and customers being aware of marks related with products and services. But this is not an easy task to get famous and to connect with target customers. To become famous in India or globally; one is required a huge amount of money, resources, creativity, more toil as well as time spend with motive to attain popularity².

In the world of competitive market, gaining the tag of a “well- known mark” is most likely to achieve the stage of nirvana.³The protection provided to well- known trademarks is the outcome of all the judicially evolved precedents which are set up by Indian courts. With the changing idea of globalization policies, the IP laws alleviate foreign companies to invest in India which permit the use of their brand names in India. Although in India there was no specific provision relating to well-known trademarks before the Trademark Act 1999. Presently, the new rule 124 is added in 2017 which created a lot of buzz⁴.

II. WHAT IS WELL-KNOWN TRADEMARK?

“A trademark is not simply an image, a design, a slogan or an easily remembered picture. It is a studiously crafted personality profile of an individual, institution, corporation, product or service.”
—Daniel J. Boorstin⁵

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¹Fun IP, Fundamentals of Intellectual Property quotes, available at, <https://www.goodreads.com/work/quotes/24076699-fun-ip-fundamentals-of-intellectual-property>(last visited on June 18, 2020).

² Mathew Thomas, *Understanding Intellectual Property* 131-132 (Eastern Book Company, Lucknow, 1stedn., 2016).

³ In philosophy of Hindu, “Nirvana” relates to the state of bliss gained by liberating oneself from desire, jealousy, ignorance, and anything holding one back. The state of Nirvana is considered to be free yourself from fear and death.

⁴ Sonal Joshi and Vikash Singh, “Provision of well-Known Mark under rule 124 of the trademark rule 2017” 21 *H K Acharya And Company Intellectual Property Law News*, available at: http://www.hkindia.com/news_letter/trademarks/58/trademark%20issue-21.html?utm_source=Mondaq&utm_medium=syndication&utm_campaign=LinkedIn-integration(last visited on June 18, 2020).

⁵ Quote available at: https://www.brainyquote.com/quotes/daniel_j_boorstin_103178 (last visited on June 11, 2020).

Section 2(1)(zb) of the Trademark Act, 1999,⁶ explain the meaning of ‘trade mark’. The section elaborates that trademark is any sign, shape or logo which has ability to represent graphically that differentiate between goods and services from the goods and services of its contenders. The whole concept of well-known trademark is little baffled in the field of intellectual property. But researcher consider the concept the most baronial in true meaning. Section 2(1) (zg) of The Trademark Act, 1999 defines “*well-known trade mark*” in relation to trade of goods and services, the mark is required to become familiar in substantial segment of the public⁷. The concept of Well-known Trademark spring up with a word that is reputation. The concept originated first time in 17th century with a case named as *JG v. Stanford*⁸. It was held in the case that the law of passing off prevents commercial dishonesty on the part of traders.⁹ For instance, mother dairy is a registered well-known trademark. This implies that the company can register the mentioned term or mark as mother dairy of goods and services. No other party or company can register its products or services as mother dairy in its term or trademark¹⁰.

Listing of Well-known trademarks are provided on the website of Trademark Registry in India. Presently, 97 trademarks are listed as well-known trademarks in India. For example: - Mother dairy, Siemens, Vogue, ZEE (with reference to services like media, entertainment, and infrastructure), India Gate, TCS (for Software development), Bajaj, Bisleri, BBC, Google, and Revlon etc.



India Gate¹¹



Mother Dairy¹²

) of The Trademark Act, 1999 defines ‘*trade mark*’ as a mark capable of being represented 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.

⁷In relation to any goods or services, 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.

⁸ (1617) 79 ER 400.

⁹ Vivek Kumar Chaudhary, “Protection of Well-Known Trademarks and Weakening of Honest Concurrent User Defence” 15 *Journal of Intellectual Property Rights* 293 (2010), available at: <http://nopr.niscair.res.in/bitstream/123456789/10008/1/JIPR%2015%284%29%20293-301.pdf> (last visited on June 18, 2020).

¹⁰Dr. M. K. Bhandari, *Law Relating to Intellectual Property Rights* 131 (Central Law Publication, Allahabad, 1stedn. 2006).

¹¹ Image available at: https://www.google.com/search?q=india+gate+well+known+trademark+mark+on+product&tbm=isch&ved=2ahUKEwirzdyE_sHpAhV0DbcAHSRHDdIQ2-cCegQIABAA&oeq=india+gate+well+known+trademark+mark+on+product&gs_lcp=CgNpbWcQA1Cc8QFYhesCYKPUAmgAcAB4AIAbNgKIAcYSkEGMC4xNC4ymAEAoAEBqgELZ3dzLXdpei1pbWc&scient=img&ei=FuXEXqvqEPSa3LUPpI61kA0&bih=657&biw=1366&rlz=1C1CHBF_enIN884IN884#imgrc=ljth2UvY8VdMbM&imgdii=Gv-0pRHoTBXypM (last visited on June 12, 2020).

¹² Image available at: https://www.google.com/search?q=mother%20dairy%20well%20known%20trademark%20image%20on%20product&tbm=isch&hl=en&hl=en&tbs=isz%3A1&rlz=1C1CHBF_enIN884IN884&ved=0CAEQpwVqFwoTCIiI



BBC¹³

III. HOW WELL-KNOWN TRADEMARK COMES INTO PICTURE?

In September, 1999 a Joint Resolution was passed by the General Assembly of the WIPO¹⁴ as WIPO Resolution in concern with well-known trademarks. A concept of protection of well-known marks was first introduced by the *Paris Convention*¹⁵ in Article 6bis¹⁶. Significantly, while in drafting of the TRIPs Agreement, provisions of well-known marks elaborated by Article 6bis of the Paris Convention were incorporated as *TRIPs Articles 16.2 and 16.3*.

The Paris Convention defined well-known marks in respect of goods only. It provided protection in relation with goods which are identical or similar in nature. Further, The TRIPs Agreement further extended the protection which was mentioned in Paris Convention.¹⁷ The protection was provided to member Countries having registered trademark against the use of mark in relation with not only goods but services also. TRIPs provided protection to goods

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ewahM (last visited on June 12, 2020).

¹³ Image available at:
[https://www.google.com/search?q=BBC++well+known+trademark+mark+on+product&tbm=isch&ved=2ahUK
EwirzdyE_sHpAhV0DbcAHSRHDdIQ2-
cCegQIABAA&oq=BBC++well+known+trademark+mark+on+product&gs_lcp=CgNpbWcQA1CWBljsG2D8I
WgAcAB4AYABqwSIAeYXkgELMC4zLjJlMC4xLjOYAQCgAQGqAQtd3Mtd2l6LWltZw&sclient=img&e
i=FuXEXqvqEPSa3LUPpl61kA0&bih=657&biw=1366&rlz=1C1CHBF_enIN884IN884#imgrc=prNkGTe4N1
3DTM](https://www.google.com/search?q=BBC++well+known+trademark+mark+on+product&tbm=isch&ved=2ahUK
EwirzdyE_sHpAhV0DbcAHSRHDdIQ2-
cCegQIABAA&oq=BBC++well+known+trademark+mark+on+product&gs_lcp=CgNpbWcQA1CWBljsG2D8I
WgAcAB4AYABqwSIAeYXkgELMC4zLjJlMC4xLjOYAQCgAQGqAQtd3Mtd2l6LWltZw&sclient=img&e
i=FuXEXqvqEPSa3LUPpl61kA0&bih=657&biw=1366&rlz=1C1CHBF_enIN884IN884#imgrc=prNkGTe4N1
3DTM) (last visited on May 20, 2020).

¹⁴World Intellectual Property Organization.

¹⁵ Article 6bis [Marks: Well-Known Marks] (1) 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 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 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. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith. (2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested. (3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

¹⁶ Professor G. H. C. Bodenhausen, Director of BIRPI, *Guide to the Application of the Paris convention For the Protection of Intellectual Property as revised in Stockholm in 1967*, 89 (BIRPI), available at: https://www.wipo.int/edocs/pubdocs/en/intproperty/611/wipo_pub_611.pdf (last visited on June 18, 2020).

¹⁷Tam Phan Ngoc, *Well-known trademark protection. A comparative study between the laws of the European Union and Vietnam* 138 (2011)(The Faculty of Law, Lund University), available at: <https://portal.research.lu.se/portal/files/5994712/4024269.pdf> (last visited on June 18, 2020).

and services both. It also broadened the scope in the field of dissimilar goods and services.¹⁸ Considerably, although both these conventions pondered on well-known trademarks but did not provide the true meaning constituting well-known marks. Therefore, it was left to define the definition of well-known to the individual Member States. In 2003, India came up with a new Trade Marks Act, 1999 constituting provision for the protection of well-known marks. The provision of well-known marks under this Act was influenced by the WIPO Resolution¹⁹. In *McDonalds Corporation v. Joburger*,²⁰ the court of South African held that “*the term well-known should be tested on the basis of whether sufficient people knew the mark well enough to entitle it protection against deception or confusion*”²¹.

IV. THE POSITION OF WELL-KNOWN TRADEMARKS BEFORE THE TRADEMARK ACT, 1999

Prior to the Act of 1999, the well-known trademarks were guaranteed protection under passing off principles based upon common law. Well-known trademarks gained their recognition on the criteria based upon their global reputation and reputation in India. The one of the most notable cases in relation to the well-known trademarks was *Daimler Benz v. Hybo Hindustan*²² where suit for passing off was initiated by the plaintiff. The Court held that the Defendant were restrained from using the questionable trademark. The court further explained that ‘Benz’ is big brand name dealing with manufacturing of one of the finest model of cars in the world. Any other party using the same name as ‘Benz’ for ordinary goods like undergarments would definitely not be justiciable. Similarly, one of the landmark cases was *Whirlpool Co. & Anr. v. N.R. Dongre*²³. The Court in this case applied the principle of the trans-border reputation. The court stated that *the plaintiff was having reputation globally for its product ‘Whirlpool’ for the manufacturing of washing machines. In India, the Plaintiff was selling product to the US embassy and it was published in international magazines which also circulated in India.* The court granted injunction against defendant from using the similar mark.

V. CRITERIA OF WELL-KNOWN TRADEMARKS

The Trademark Act 1999 provides an exclusive definition explaining well-known trademarks. Section 2(zg) provides definition of well-known trademark dealing with the marks associated with goods or services. Sections 11(2), 11(6), 11(7), 11(9) and 11(10) of Trademark Act, 1999 relates with well-known trademarks.

Section 11(2) explained the protection in relation to the well-known trademarks by protecting and recognising the marks in all the classes of goods and services.

Sections 11(6) and 11(7) of the Act penned down the criteria for determination of well-known trademarks.

Key factors -

¹⁸ Uruguay Round, TRIPS Agreement, WIPO, available at: https://www.wto.org/english/docs_e/legal_e/27-trips_04_e.htm (last Visited on June 19, 2020).

¹⁹ *Supra* Note 16.

²⁰ 1997 (1) SA 1 (A).

²¹ *Ibid.*

²² 1994 PTC 287 (Del). The defendant used the mark for the manufacturing and selling of undergarments and used the logo which was similar to the plaintiff's logo ‘Benz’.

²³ 1995 PTC 21.

- a. Knowledge about the mark in relevant sections of the public:** The Registrar should consider the following factors to determination of well-known trademark in a relevant section of the public. -
- i. Actual number of customers.
 - ii. People involved in the supply chain of goods or services.
 - iii. Number of business units dealing with the goods or services.

In *Rolex Sa v. Alex Jewellery Pvt. Ltd. &Ors.*²⁴, the Court held that: “Over the years and very quickly in recent times, the international boundaries are disappearing. With the advent of the internet in the last over ten years it cannot now be said that a trademark which is very well known elsewhere would not be well known here. The test of a well-known trademark in section 2(zg) is qua the segment of the public which uses such goods”²⁵

- b. The duration, geographical area, and extent in which the trademark is used:** The Statute did not pen down the criteria for acquired distinctiveness of the marks but legal principles for the same was settled through judicial precedents. In *ITC Ltd. v. Britannia Industries*²⁶ the Delhi High court provided the principle that “to acquire secondary meaning it is not necessary that product is in the market for number of years. If a new idea is fascinating and appeals to the consumers, it can become a hit overnight”.
- c. The duration, geographical area, and extent in which the trademark is promoted:** Registrar should consider the extent of marketing of the mark. In *R. Dongre and Anr. v. Whirlpool Corporation and Anr.*²⁷, the Apex Court considered the trans-border reputation of the trademark “Whirlpool”. Although in India, the Whirlpool at that time was not practically in use or existence.
- d. Registration or application for registration of the trademark to the extent they reflect the use or recognition of the trade mark.**
- e. The record of successful enforcement of the rights in that trade mark including the record stating that the trademark has been recognised as well known by any court or Registrar**²⁸.

Section 11(9) specifically mentions certain conditions which are not necessarily required for granting the mark as well-known trademark. Provision provides that for the grant of protection of the trademark in India; neither the registration or existence of business in India nor the knowledge of mark to masses as whole is required. This provision connotes the trans-border reputation of trademark²⁹.

Section 11(10) provides that when there is any opposition filed relating to the application of registration, the registrar shall protect the well-known trademark relating to the similar or identical trademark and should consider the mala-fide intention of respective parties.³⁰

²⁴2009 (41) PTC 284 (Del).

²⁵ Elizabeth Verkey, *Intellectual Property* 191 (Eastern Book Company, Lucknow, 1st edn. 2015).

²⁶CS (COMM) 1128/2016.

²⁷Supra note 21.

²⁸ T. K. Bandhyopadhyay and Saurabh Bindal, *Intellectual Property Law- An Introduction* 87 (Eastern Book Company, Lucknow, 1st edn. 2015).

²⁹ Dr. B. L. Wadehra, *Law Relating to Intellectual Property* 137 (Universal Law Publication, New Delhi, 5th edn. 2011).

³⁰ P. Narayanan, *Law of Trademarks and Passing Off* 218 (Eastern Law House, Calcutta, 6th edn. 2004).

VI. THE TRADE MARK RULES 2017: - RULE 124

The new Rule 124 was added in the Trade Mark Rules of 2017. As per Rule 124 the owner of the trademark can file an application in form TM-M for grant of “well-known” trademark. Prior the Rule 124, the picture was different where a trademark could be declared well-known by registrar as per section 11(6) of Trademark Act, 1999 or by judicial pronouncements. With the introduction of procedure in the Rule 124, presently an owner of the trademark can apply for status of a well-known trademark even without knocking the doors of the court. Simply, researcher concludes, Rule 124 guarantees a trademark tagged as “well-known” trademark merely by an application along with fees of Rs. 1, 00,000 to the registry as per Schedule 1 entry 18. Through e-filing services, it is mandatory to fill the online application along with required documents which will be scrutinized by the registry³¹.

VII. WELL-KNOWN TRADE MARKS AND DOCTRINE OF TRADE MARK DILUTION

There is no exclusive definition for the concept of dilution of trademark but the traces of it can be inferred from section 29(4)³² of the Trademark Act 1999. In *Tata Sons Ltd. v. Manoj Dodia & Ors.*³³, Delhi High Court garnered the Dilution doctrine. When capacity to be unique and distinctive of a well-known trademark is diluted or destroyed, this leads to dilution of well-known trademark. If the distinctiveness of well-known trademark is destroyed by any mark, this will lead to change in perception and consequently effects the selling power as well as market value of the product. Well-known trademark is tarnished by use of trademark for the goods or services having inferior quality which persuade the perception in the mind of the public in relation to that goods or services. The customer loses its confidence about the expected standard and quality of the product³⁴.

VIII. CONCLUSION

Researcher summed up the article and observed that the shift of protection of trademark from ‘consumer deception’ to protect the distinctiveness of trademark. Earlier traditional requirement was based upon proof of confusion and deception of trademark infringement as well as passing-off. Presently, it has become secondary consideration to protect the well-known trademarks in India.

Some provisions of the statute create muddiness in respect of the two concepts that is “well-known trademarks” and “mark having reputation” in India as it comprises the lack of guidance in section 29(4) and leads to inconsistencies. The disarray in the statute somewhere hampering the right interpretation of the related provisions for the protection of marks which falls in the category of well-known marks. Whereas the definition of well-known provides no parameters. The inconsistencies in the definition of a “well-known mark” of the Trademark Act provides no precise formula to infer whether a mark is well-known or not. The ambiguity

³¹Dubey and Partners – Advocates, “Well-Known Marks – Trademark Rule 2017” (Oct. 2017), *available at*: <https://www.dubeypartners.com/media/newsupdate/trademarkrules2017.pdf> (last visited on June 19, 2020).

³²A registered trademark is infringed by a person who not being a registered proprietor or person using by way of permitted use, uses in the course of trade, a registered mark which 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 trademark.

³³ 2011 (46) PTC 244 (Del).

³⁴ Supra note 31.

is because of words “*a mark which has become so to the substantial segment of the public which uses such goods or receives such services*” still have wider scope of interpretation. The definition will not be able to reach a satisfactory conclusion regarding the mark to be well-known in nature. Different courts would rely on different considerations as per different facts and circumstances to decide claim of parties.

Researcher concluded that the dubiousness arises in concern with Rule 124. With the introduction of new of Rule 124, the more power is in the court of trademark registrar office that would lead to human errors. The errors could be intentional or unintentional. The big brand names having reputation and goodwill become well-known marks will grab its security from future misuse. Researcher summed up the article that the whole criteria of amendment Rule 124 is somehow alien to the parent scheme of Trademark Act, 1999. Rule 124 grants a mark as well known by simply filing or requesting an application to the Registry with required documentation. These provisions of the Trade Mark Act is required to be amended thoroughly keeping in mind the complications and introduction of this new procedure. It would defeat the purpose of the enactment if any party takes the undue advantage of the rules prescribed.

IX. SUGGESTIONS

Every trademark owner aspires to become well-known trademark but very few are lucky to have the status of well-known trademark. The Registrar from Trademark registry has provided with immense powers as per Rule 124 of Trademarks Rule 2017 for the criteria of registration of well-known trademarks. With the existence of this new rule there is a huge flow in number of applications, as power comes with great responsibility, registrar should be very heedful as to avoid intentional or unintentional errors. Another concern researcher would like to discuss that the whole concept of granting status of “well-known” trademark defines vast protection as the mark having recognition amongst the large section of the public not just a “relevant section of the public”. So, the status is little dubious which requires changes. Foreign company without having any existence in India can have the status of well-known trademark by proving cross border reputation which hampers the growth of upcoming Indian trademarks. There should be stringent measures so that foreign companies should not take undue advantage.