

INCLUSION AS A WELL-KNOWN TRADE MARK

Should Proprietor of a popular trade mark seek inclusion of its trade mark as a well-known trade mark in the list of well-known trade marks maintained by the Trade Marks Registry in India now that such inclusion can be sought under the Trade Marks Rules, 2017 unlike the earlier Rules?

Before we examine the legal provisions, let us get some historical perspective on the topic.

On the recognition of "famous marks", J. McCarthy in *McCarthy on Trademarks and Unfair Competition*, §29:62 has observed as under:

"Although the basis of the modern treaties and domestic laws providing protection for famous and well-known marks is derived from the Paris Convention, the scope of protection afforded to famous marks is different in each country. Article 6 bis the Paris Convention is the cornerstone of international protection of famous works.

XXX First, NAFTA extends protection to service marks. Second, in determining whether or not a mark is famous, the standard used is how well the mark is known in the relevant sector of the public, not necessarily the general public. Thus, knowledge of the famous or well-known mark can be the result of actual use or promotion of the trademark only in a particular segment of trade.

Like NAFTA, the GATT TRIPs agreement extends protection to both goods and service marks even if the mark has not been registered in a member country. Also like NAFTA, the mark need only be famous in a relevant segment of the public. The special provisions of TRIPs Art. 16(3) apply to give protection beyond that of the Paris Convention. The famous marks rule applies even if the goods or services to which the allegedly infringing mark is being applied are not similar to the goods or services for which the famous marks has become well-known. This is subject to three conditions: (1) the famous mark must be registered; (2) there must be such a connection between the respective goods or services that confusion

is likely; and (3) it must be likely that the interest of the owner of the registered trademark will be damaged by such infringing use."

The Hon'ble High Court of Delhi in *Tata Sons Ltd. v. Manoj Dodia* reported as 2011 (46) PTC 244 (Del), elaborated upon the principles for declaration of a mark as well-known as under:

- "5. A well-known trademark is a mark which is widely known to the relevant general public and enjoys a comparatively high reputation amongst them. On account of advancement of technology, fast access to information, manifold increase in international business, international travel and advertising/publicity on internet, television, magazines and periodicals, which now are widely available throughout the world, of goods and services during fairs/exhibitions, more and more persons are coming to know of the trademarks, which are well known in other countries and which on account of the quality of the products being sold under those names and extensive promotional and marketing efforts have come to enjoy trans-border reputation. It is, therefore, being increasingly felt that such trademark needs to be protected not only in the countries in which they are registered but also in the countries where they are otherwise widely known in the relevant circles so that the owners of well-known trademarks are encouraged to expand their business activities under those marks to other jurisdictions as well. The relevant general public in the case of a well-known trademark would mean consumers, manufacturing and business circles and persons involved in the sale of the goods or service carrying such a trademark.*
- 6. The doctrine of dilution, which has recently gained momentous, particularly in respect of well-known trademarks emphasises that use of a well-known mark even in respect of goods or services, which are not similar to those provided by the trademark owner, though it may not cause confusion amongst the consumer as to the source of goods or services, may cause damage to the reputation which the well-known*

trademark enjoys by reducing or diluting the trademark's power to indicate the source of goods or services.

7. *Another reason for growing acceptance of trans- border reputation is that a person using a well-known trademark even in respect of goods or services which are not similar tries to take unfair advantage of the trans-border reputation which that brand enjoys in the market and thereby tries to exploit and capitalize on the attraction and reputation which it enjoys amongst the consumers. When a person uses another person's well known trademark, he tries to take advantage of the goodwill that well known trademark enjoys and such an act constitutes an unfair competition."*

The Hon'ble High Court of Delhi in *Tata Sons Ltd. Vs. Manoj Dodia & Ors.*, reported as 2011 (46) PTC 244 (Del) held:

- "5. *A well-known trademark is a mark which is widely known to the relevant general public and enjoys a comparatively high reputation amongst them. On account of advancement of technology, fast access to information, manifold increase in international business, international travel and advertising/publicity on internet, television, magazines and periodicals, which now are widely available throughout the world, of goods and services during fairs/exhibitions, more and more persons are coming to know of the trademarks, which are well known in other countries and which on account of the quality of the products being sold under those names and extensive promotional and marketing efforts have come to enjoy trans-border reputation. It is, therefore, being increasingly felt that such trademark needs to be protected not only in the countries in which they are registered but also in the countries where they are otherwise widely known in the relevant circles so that the owners of well-known trademarks are encouraged to expand their business activities under those marks to other jurisdictions as well. The relevant general public in the case of a well-known trademark would*

mean consumers, manufacturing and business circles and persons involved in the sale of the goods or service carrying such a trademark.

6. The doctrine of dilution, which has recently gained momentous, particularly in respect of well-known trademarks emphasises that use of a well-known mark even in respect of goods or services, which are not similar to those provided by the trademark owner, though it may not cause confusion amongst the consumer as to the source of goods or services, may cause damage to the reputation which the well-known trademark enjoys by reducing or diluting the trademark's power to indicate the source of goods or services.
7. Another reason for growing acceptance of trans-border reputation is that a person using a well-known trademark even in respect of goods or services which are not similar tries to take unfair advantage of the trans-border reputation which that brand enjoys in the market and thereby tries to exploit and capitalize on the attraction and reputation which it enjoys amongst the consumers. When a person uses another person's well known trademark, he tries to take advantage of the goodwill that well known trademark enjoys and such an act constitutes an unfair competition.
8. The concept of confusion in the mind of consumer is critical in actions for trademark infringement and passing off, as well as in determining the registrability of the trademark but, not all use of identical/similar mark result in consumer confusion and, therefore, the traditionally principles of likelihood of confusion has been found to be inadequate to protect famous and well known marks. The world is steadily moving towards stronger recognition and protection of well-known marks. By doing away with the requirement of showing likelihood of confusion to the consumer, by implementing anti- dilution laws and recognizing trans-border or spill over reputation wherever the use of a mark likely to be detrimental to the distinctive character or reputation of an earlier well known mark. Dilution of a well-known trademark occurs when a well-known trademark loses its ability to be uniquely and distinctively identify and distinguish as one source and consequent change in perception which reduces the market

value or selling power of the product bearing the well-known mark. Dilution may also occur when the well-known trademark is used in respect of goods or services of inferior quality. If a brand which is well known for the quality of the products sold or services rendered under that name or a mark similar to that mark is used in respect of the products which are not of the quality which the consumer expects in respect of the products sold and/or services provided using that mark, that may evoke uncharitable thoughts in the mind of the consumer about the trademark owner's product and he can no more be confident that the product being sold or the service being rendered under that well-known brand will prove to be of expected standard or quality.

9. *Article 6bis of Paris Convention, 1967 enjoined upon the Countries of the Union, subject to their legislation so permitting or at the request of the interested parties, to refuse or to cancel the registration and to prohibit the use of trademark which constitutes a representation and imitation or 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 Convention and used for identical or similar goods. This provision was also to apply when the essential part of the mark constituted a reproduction of any such well known mark or an imitation liable to create confusion therewith. The prohibition against use of a well-known trademark, under Paris Convention, was, thus, to apply only when the impugned use was in respect of identical or similar goods. Vide Article 16 of TRIPS Agreement 1994, it was decided that Article 6bis of Paris Convention, 1967 shall apply mutatis mutandis to services as well as to goods or services, which are not similar to those in respect of which a trademark is registered, provided that the 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 the interests of the owner of the registered trademark and are likely to be damaged by the impugned use. It was further decided that in determining whether the trademark is well known, the members shall*

take account of the knowledge of the trademark in relevant sectors of the public, including knowledge in the member concerned which has been obtained as a result of the promotion of the trademark. Thus, the TRIPS Agreement, 1994 brought about a material change by prohibiting use which constitutes a representation or imitation and is likely to create confusion even if such use is in relation to altogether different goods or services, so long as the mark alleged to have been infringed by such use is a well-known mark. This Article, thus, grants protection against dilution of a trademark, which may be detrimental to the reputation that the business carried under a well-known trademark enjoys.

10. Well-known marks and trans-border reputation of brands was recognized by Courts in India, even before Trade Marks Act, 1999 came into force. In, *Daimler Benz Aktiengesellschaft v. Hybo Hindustan* 1994 (14) PTC 287 (Del) the manufacturers of Mercedes Benz sought an injunction against the Defendants who were using the famous "three pointed star in the circle" and the word "Benz". The Court granted injunction against the Defendants who were using these marks for selling apparel. Similarly, in *Whirlpool Co. and Anr. v. N.R. Dongre* (1996) PTC 415 (Del.) the Plaintiff Whirlpool had not subsequently registered their trademark after the registration of the same in 1977. At the relevant time, the Plaintiff had a worldwide reputation and used to sell their machines in the US embassy in India and also advertised in a number of international magazines having circulation in India. However, the Defendant started using the mark on its washing machines. After an action was brought against them, the Court held that the Plaintiff had an established "transborder reputation" in India and hence the Defendants were enjoined from using the same for their products. In the *Kamal trading Co. v. Gillette UK Limited* (1998 IPLR 135), injunction was sought against the Defendants who were using the mark 7'O Clock on their toothbrushes. This was further reaffirmed by the Bombay High Court, which held that the Plaintiff had acquired an extensive reputation in all over the world including India by using the mark 7'O Clock on razors, shaving creams.

The use of an identical mark by the Defendant would lead to the customer being deceived."

Now, let us examine some Provisions under the Trade Marks Act, 1999 and Trade Marks Rules, 2017.

Some Provisions from the Trade Marks Act, 1999:

Section 2(1)(zg)

"well Known trade mark", in relation to any goods or services, means an 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.

Section 11(2)

A trade mark which---

(a) is identical with or similar to an earlier trade mark and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor.

shall not be registered if or to the extent the earlier trade mark is a well-known trade mark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

Section 11(4)

Nothing in this section shall prevent the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the

registration, and in such case the Registrar may register the mark under special circumstances under section 12..

Explanation--- For the purposes of this section, earlier trade mark means---

- (a) a registered trade mark or convention application referred to in section 154 which has a date of application earlier than that of the trade mark in question taking account, where appropriate, of the priorities claimed in respect of the trade marks:*
- (b) a trade mark which, on the date of the application for registration of the trade mark in question, or where appropriate, of the priority claimed in respect of the application, was entitled to protection as a well-known trade mark.*

Section 11(5)

A trade mark shall not be refused registration on the grounds specified in subsections (2) and (3), unless objection on any one or more of those grounds is raised in opposition proceedings by the proprietor of the earlier trade mark.

Section 11(6)

The Registrar shall, while determining whether a trade mark is a well-known trade mark, take into account any fact which he consider relevant for determining a trade mark as a well-known trade mark including—

- (i) the knowledge or recognition of that trade mark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trade mark:*
- (ii) the duration, extent and geographical area of any use of that trade mark:*
- (iii) the duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at*

fairs or exhibition of the goods or services to which the trade mark applies,

(iv) the duration and geographical area of any registration of or any application for registration of that trade mark under this Act to the extent they reflect the use or recognition of the trade mark;

(v) the record of successful enforcement of, the rights in that trade mark, in particular, the extent to which the trade mark has been recognised as a well-known trade mark by any court or Registrar under that record.

Section 11(7)

The Registrar shall, while determining as to whether a trade mark is known or recognised in a relevant section of the public for the purposes of sub-section (6), take into account-

(i) the number of actual or potential consumers of the goods or services;

(ii) the number of persons involved in the channels of distribution of the goods or services;

(iii) the business circles dealing with the goods or services to which that trade mark applies.

Section 11(8)

Where a trade mark has been determined to be well-known in at least one relevant section of the public in India by any court or Registrar, the Registrar shall consider that trade mark as a well-known trade mark for registration under this Act.

Section 11(9)

The Registrar shall not require as a condition for determining whether a trade mark is a well-known trade mark, any of the following, namely---

(i) that the trade mark has been used in India:

(ii) that the trade mark has been registered:

(iii) that the application for registration of the trade mark has been filed in India:

(iv) that the trade mark---

(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

(v) that the trade mark is well-known to the public at large in India.

Section 11(10)

While considering an application for registration of a trade mark and opposition filed in respect thereof, the Registrar shall---

(i) protect a well-known trade mark against the identical or similar trade marks:

(ii) take into consideration the bad faith involved either of the applicant or the opponent affecting the right relating to the trade mark.

Section 29(4)

A registered trademark 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

(d) 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.

Some Provisions from the Trade Marks Rules, 2017:

Rule 124 Determination of Well Known Trademark by Registrar. —

- (1) Any person may, on an application in Form TM-M and after payment of fee as mentioned in First schedule, request the Registrar for determination of a trademark as well-known. Such request shall be accompanied by a statement of case along with all the evidence and documents relied by the applicant in support of his claim.*
- (2) The Registrar shall, while determining the trademark as well-known take in to account the provisions of sub section (6) to (9) of section 11.*
- (3) For the purpose of determination, the Registrar may call such documents as he thinks fit.*
- (4) Before determining a trademark as well-known, the Registrar may invite objections from the general public to be filed within thirty days from the date of invitation of such objection.*

(5) *In case the trademark is determined as well-known, the same shall be published in the trademark Journal and included in the list of well-known trademarks maintained by the Registrar.*

(6) *The Registrar may, at any time, if it is found that a trademark has been erroneously or inadvertently included or is no longer justified to be in the list of well-known trademarks, remove the same from the list after providing due opportunity of hearing to the concerned party.*

Entry No.18 from the First Schedule to the Trade Marks Rules, 2017

Request to include a trademark in the list of well-known trademarks (Note: applicable fee is for one mark only.) (Physical Filing) Not allowed (E-Filing) 1,00,000

Discussion of the above provisions for a hypothetical trade mark XYZ registered for ABC goods and having knowledge or recognition in the relevant section of the public:

1. As can be seen from the provisions reproduced above, a trade mark can be determined to be a well-known trade mark and be included in the list of well-known trade marks. As per Section 11(8) of the Trade Marks Act, 1999 (hereinafter referred to as “the Act”), if a trade mark has been determined to be well-known in at least one relevant section of the public in India by any Court or the Registrar of Trade Marks, the Registrar has to consider that trade mark as a well-known trade mark for registration under the Act.
2. XYZ trade mark of some Proprietor is presumed to be recognized for ABC goods in the relevant section of the public; however, in absence of determination by any Court or Registrar of Trade Marks to be so, Section 11(8) of the Act may not help in seeking inclusion as a well-known trade mark.

3. Rule 124 of the Trade Marks Rules, 2017 (hereinafter referred to as “the Rules”) provides for procedure to request the Registrar of Trade Marks for determination of a trade mark as well-known. As per Entry No.18 of the First Schedule to the said Rules, such requests can only be e-filed and for a fee of Rs.1,00,000/-.
4. As per Section 11(2) of the Act, a trade mark cannot be registered if it is identical with or similar to a well-known trade mark in India if use of such trade mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the well-known trade mark even if registration is sought for goods or services which are not similar to those for which the well-known trade mark is registered.
5. As per Section 11(5) of the Act, a trade mark cannot be refused registration on the grounds specified in Section 11(2) of the Act unless objection on such a ground is raised in opposition proceedings by the proprietor of the well-known trade mark.
6. Therefore, in absence of an opposition proceeding by the proprietor of a well-known trade mark, the Registrar of Trade Marks may not refuse registration of a trade mark that is identical with or similar to a well-known trade mark if registration is sought for goods or services that are not similar to those for which the well-known trade mark is registered.
7. As per Section 11(10) of the Act, while considering an Application for registration of a trade mark and opposition filed in respect thereof, the Registrar of Trade Marks shall protect a well-known trade mark against an identical or similar trade mark.
8. Therefore, the Registrar shall protect a well-known trade mark provided an opposition is filed seeking to protect the well-known trade mark.

9. From the above provisions of Sections 11(2), 11(5) and 11(10) of the Act it appears that even after a trade mark is determined to be a well-known trade mark, registration of an identical or similar trade mark by someone other than the proprietor of the well-known trade mark may not be refused in absence of an opposition proceeding.
10. For example, if some party seeks to register XYZ as a trade mark in respect of goods dissimilar to ABC, even after XYZ is determined to be a well-known trade mark and also included in the list of well-known trade marks, in absence of opposition by the Proprietor of XYZ trade mark, the Registrar may not refuse registration of XYZ in respect of goods dissimilar to ABC in favour of that other party.
11. The Proprietor of XYZ has an option to register its XYZ trade mark in all the 45 Classes of the International Classification of Goods and Services, popularly known as Nice Classification, but such exercise would be expensive and unnecessary.
12. In the above example, if the Proprietor of XYZ trade mark had registration of its trade mark XYZ in respect of the dissimilar goods in question, there would exist a likelihood of a confusion on the part of the public which would include likelihood of an association as provided for in Section 11(1) of the Act and even in absence of any opposition by the Proprietor of the XYZ trade mark, the Registrar of Trade Marks would be empowered under Section 11(1) of the Act to refuse registration to such party who seeks registration of XYZ as a trade mark for the dissimilar goods.
13. As for restraining a party who uses XYZ as a trade mark for ABC goods or goods similar to ABC, the Proprietor of XYZ trade mark already will have statutory rights under Section 29(1) and Section 29(2) of the Act to take action for infringement of XYZ trade mark. The Proprietor of XYZ trade mark will also have rights to maintain passing of action under Section 27(2) of the Act.

14. In case a party uses XYZ as a trade mark for goods dissimilar to ABC, Section 29(4) of the Act could be invoked to restrain such party from using XYZ as a trade mark for such dissimilar goods. For invoking Section 29(4) of the Act, it is not necessary or required that the Plaintiff's trade mark be determined to be a well-known trade mark. It is sufficient if the Plaintiff's trade mark has a reputation in India and is registered for some goods, provided other conditions of Section 29(4) of the Act are also met, namely, the party itself is not a registered Proprietor or a person by way of permitted use, uses in the course of trade, a mark which, (a) is identical with or similar to XYZ trade mark and (b) is used in relation to goods which are not similar to those for which XYZ is registered and (c) XYZ trade mark has a reputation in India and the use of the party's mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of XYZ trade mark.
15. If at present there are no instances of misuse of XYZ as a trade mark in respect of goods other than ABC or similar goods, it may not be worth spending the money to seek inclusion of XYZ as a well-known trade mark. Also, if today, use of XYZ by some party in respect of goods dissimilar to ABC would not likely to be taken as indicating a connection in the course of trade between such party and the Proprietor of XYZ trade mark, XYZ trade mark may not be perceived as a well-known trade mark going by the definition under Section 2(1)(zg) of the Act.
16. If the reason for seeking registration of XYZ trade mark is infringement thereof or passing off limited to ABC goods or similar goods and not for dissimilar goods, inclusion as a well-known trade mark may be unnecessary, as in order to prevent misuse of XYZ trade mark for ABC or similar goods, no inclusion of XYZ as a well-known trade mark is necessary. The Proprietor of XYZ trade mark would have a right to take infringement action under Sections 29(1) and Section 29(2) of the Act

and passing off action under Section 27(2) of the Act against anybody in India who violates XYZ trade mark for such goods.

17. Under Section 11(1) of the Act, the Trade Marks Registry should raise objections if it comes across trade mark registration Application for XYZ in respect of ABC goods or similar goods by someone other than the Proprietor of XYZ trade mark.
18. Even if XYZ is declared as a well-known trade mark, in absence of any Opposition, its Proprietor may not be able to prevent registration of it for dissimilar goods.
19. If the Proprietor of XYZ is coming across instances of misuse of XYZ as a trade mark for dissimilar goods, by all means, the Proprietor of XYZ trade mark may seek inclusion of XYZ as a well-known trade mark in case the Proprietor of XYZ trade mark intends to assert rights over such dissimilar goods also. There are a number of trade marks included in the List of well-known trade marks maintained by the Trade Marks Registry; however, the protection to well-known trade marks has to be governed by the provisions of the Trade Marks Act, 1999 and Trade Marks Rules, 2017. Such protection may not be automatically available, i.e. without any action by the Proprietor of XYZ trade mark.
20. The above discussion applies to services also, not only goods.
21. Determination of XYZ trade mark as a well-known trade mark by some Court or the Registrar of Trade Marks in some legal proceedings may be a better option than to seek inclusion as a well-known trade mark without such determination.

This Article is authored by Pranit K. Nanavati, Advocate who is one of the Managing Partners of Nanavati Associates and can be reached at pranit@nanavatiassociates.com.