



COMPARATIVE STUDY OF PROTECTION OF WELL KNOWN MARK IN INDIA, U.S. & CHINA*

Introduction

A Joint Resolution Concerning Provisions on the Protection of Well-Known Marks was adopted by the General Assembly of the World Intellectual Property Organization (WIPO) and the Assembly of the Paris Union in September, 1999 (hereinafter the "WIPO Resolution")¹. Which includes the consideration in regard to level of reputation of the mark, the duration and geographical extent of use, extent of publicity related to the mark, extent of trademark registration at world at large as well as the instances concerning successful enforcement of the mark.

In 1883 the doctrine of well known mark was very first established under the **Article 6bis of Paris convention**, which provide for the regime for protection of well known marks as it enacts that the countries of the Union can refuse or cancel the registration and prohibit the use of mark which causes confusion as being reproduction, imitation or translation of well known mark of a particular country. The provision also applies in concern with the mark when essential portion of the mark is reproduction of well known mark.

Trade Related Aspects of Intellectual Property Rights (TRIPS agreement) also accommodates the protection of well known mark as introduced by Article 6 bis of Paris Convention by incorporating Articles 16.2 and 16.3 in the agreement which provides for application of article 6 bis in regard to services and application of the article 6 bis of Paris convention to goods or services which are not similar to those for which trademark is registered respectively.

The concept of well known marks evolved from Paris Convention to TRIPs Agreement. TRIPs Agreement enhanced the understanding of well known marks by providing with the factors to determine the mark as well known which included knowledge of trademark in the relevant sector

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¹ WIPO Document No. SCT/3/8 (Oct. 7, 1999), <http://www.wipo.org>.

of the public as well as the knowledge in the member concerned which has been obtained as a result of promotion of the trademark.² Further the Paris Convention dealt with the goods alone and provide protection against identical or similar goods only but TRIPs agreement in its ambit includes protection against registered trademarks in relation to both goods and services; also covers dissimilar goods and services to the extent the third party use is found to indicate relation between use of such dissimilar goods and services with the owner of the registered mark, which can most probably harm owner's interest. Though there has been important enhancement of the aspect of well known trade mark but both the conventions lacked in defining the term well known mark and thus left the definition to be provided by respective national laws of different countries. In the case of **JG v. Standford**³ it was for the first time recognized that the term 'well known' in relation to trademark originates from the term 'reputation' and it was held that the law of passing off prevents commercial dishonesty on the part of trades.

When in particular nation statutory provisions are silent as regard to reputation or goodwill in relation to well known trademarks then determination of reputation depends upon usage of particular goods or services in connection with business.

Protection of Well known marks in India is at higher priority level then compared to ordinary trademarks. Initially this protection was given by the action of passing off under the Common Law, like in the case of **Daimler Benz Aktietgesell schaft v. Hybo Hindustan**⁴ the manufacturer of Mercedes Benz sought an injunction against the defendant on the ground of use their famous symbol 'three pointed star in the circle' and the word Benz. Injunction was granted by the court for using these famous marks for selling apparel. Similarly in **Whirlpool Co & Anr v N R Dongre**⁵ plaintiffs Whirlpool mark had worldwide reputation and sale of their machines in U.S. embassy in India with large scale advertisement of mark on international magazine that had circulation in India. Defendants started using such mark of plaintiff on their washing machines due to which action was bought against them; the court held that the plaintiff had established a 'transborder reputation' in India and thus defendant were enjoined from using the same trademark for their products.

India being a member of World Trade Organization (WTO) since 1995 and thus a signatory to the Trade Related Aspects of Intellectual Property Rights (TRIPS agreement), adopted new Trade

² TRIPs Agreement article 16.2

³JG v. Standford (1617) Cr Jac 468, 79 ER 400

⁴Daimler Benz Aktietgesell schaft v. Hybo Hindustan AIR 1994 Del 239

⁵ (1996) PTC 415 (Del)

Marks Act 1999 which came into force in 2003 further providing for provision relating to well known marks and introducing many statutory changes like protection of well known trademarks even without registration and use in India as well as providing special right to the proprietor of well known trademarks to institute opposition proceeding at the stage of registration on the ground of mark being a well known trademark.

Before the existence of Trade Marks Act 1999, the statute which governed trademark in India was Trademark and Merchandise Act 1958. Prior to enforcement of Trade Marks Act in 2003, section 47 of the Trademark and Merchandise Act provided for defensive registration of well known marks as well as passing off actions against unauthorized use of well know trademarks.

Section 47(1) of the act read as:

Where a trade mark consisting of any invented word has become so well-known as respects any goods in relation to which it is registered and has been used, that the use thereof in relation to other goods would be likely to be taken as indicating a connection in the course of trade between those goods and a person entitled to use the trade mark in relation to the first mentioned goods, then, notwithstanding that the proprietor registered in respect of the first-mentioned goods does not use or propose to use the trade mark in relation to those other goods and notwithstanding anything in Section 46, the mark may, on application in the prescribed manner by such proprietor, be registered in his name in respect of those other goods as a defensive trade mark and while so registered, shall not be liable to be taken off the register in respect of those goods under the said section.

Through the reading of the above section it can be easily traced out that likelihood of deception was the deciding factor in determining whether well known mark can get registered under this particular section?

Indian Courts have upheld right in well known trademarks even without any defensive registration through remedy against passing off. Examples of such decisions are the following important cases: In **Honda Motors co. v. Charanjit Singh**⁶ the Delhi High court had issued permanent injunction in a passing off action against use of the trademark **HONDA** for pressure cooker which the plaintiff was using in the respect of automobile and power equipments, on the ground that the word HONDA was used since last five decade by the plaintiff and not only had acquired international goodwill and reputation but had also become a household name in India.

⁶ 2003(26)PTC 1 (Del)

In **Bata India Ltd. V. Deputy Registrar of Trade mark**⁷, registration of a trademark containing an “Artistic device with letters BSC” in respect of sewing machine parts was allowed when the appellant- opponent had been using “BATA” as well as “BSC” as combined trademark in respect of footwear. The respondent had adopted BSC in 1975 and built up goodwill and reputation of the mark confine to the state of Punjab. Appeal board said that BSC mark was not been used by the appellant independently the nature of goods were also completely different and therefore there was no question of confusion or deception.

Above sited cases was some of the important judicial precedent which paved the way for well known mark to get codified through Trade Mark Act 1999 which finally came into force from September 2003.

In regard to the recognition of a trademark as a well known trademark section 2(1)(zg) of the TM Act provides for definition of well known mark, it states that ‘well known mark in relation to any goods and 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 the services between those goods or services and a person using the mark in relation to the first mentioned goods or services’.

Section 11 of the TM Act provides with the certain particular that need to be put into consideration before taking cognizance of trademark as a well known trademark:

- I. Knowledge of recognition of the alleged well known mark in the relevant section of the public that indicates knowledge obtained through promotion of the trade mark. Case concerned on this point is of Hari Puttar⁸ in which trademark dispute arose in regard to the name of Indian movie as Hari Puttar which related to the well known novel series Harry Potter, the court held that such similar names will not lead to the confusion as Harry Potter films are targeted to meet the entertainment needs of exclusive and elite audience who can very easily can be difference between film based on harry potter book and a film relying on Punjabi comedy even by seeing the film Harry Puttar they would never relate it to the original Harry Potter book or film.

⁷ 2004(29)PTC 468 (IPAB)

⁸ Warner Bros Entertainment inc. and anr v. Harvinder Kohli and ors. , 2008(38)PTC 185 (Del)

- II. The duration extent and geographical area of any use of that trade mark. Duration of use of trade mark can be short or long but of that use matters a lot courts have been flexible in regard to the establishment of proof of degree of use whether high or low on the part of the plaintiff. In **Indian Shaving Product Ltd. V. Gift Pack**⁹ popularly known as Duracell Ultra case, court has observe that even though duration of sale of goods was less than 1 year but the plaintiff had achieved high sales and have advertise heavily so, requirement to establish long duration of sale does not comes into picture.
- III. The duration extent and geographical area of any promotion of the trademark including advertising or publicity and presentation at fairs and exhibition of the goods or services in which trademark appears. In the **Whirlpool case**¹⁰ on the ground of extent of advertisement made by the plaintiff court held the mark as well known mark as such advertisement of the product was sufficient enough to reach the public of the relevant section even though the product of the company was totally absent from the Indian market.
- IV. The duration and geographical area of any registration of or any publication for registration of that trademark under this act to the extent they reflect the use of the recognition of trade mark.
- V. The record of successful enforcement of the rights in that trade mark, in particular the extent to which trade mark has been recognized as a well known trade mark by any court or registrar under that record. For example in the cases of **Shaw Wallace and co. v. Superior Industries Ltd.**¹¹ & **Shaw Wallace and Co. v. Mohan Rocky Spring Water Breweries Ltd.** , Shaw Wallace a well known alcohol manufacturing company successfully enforce their trademark rights over the numerical part of the brand name '5000'.
- VI. The number of actual or potential customer of the goods and services in the recent case of **Aveda Corp. v. Dabur India Ltd.**¹² Plaintiff used 'Aveda' as a trade name for the business of selling of beauty product. On the other hand defendant started using 'Uveda' as their trade name for selling their personal beauty product. The Delhi High Court took into consideration that plaintiff beauty product has miniscule presence in India (as there supply were limited to single spa in India, Rishikesh). So the chances of confusion in mind of people are very less as plaintiff could not be said to have huge consumer base as

⁹ 1998 PTC 698 (Del)

¹⁰ N R Dongre v. Whirlpool corp. (1996) PTC (16) 583 SC.

¹¹ 2003(27)PTC (Del)

¹² IA No. 14808/2009 in CS (OS) No. 2179/2009, High Court of Delhi (14 Jan 2010)

compare to the defendant thus, court gave only minor suggestion to the defendant to increase the font size of their name 'Dabur' to make it more prominent in order to avoid likelihood of confusion.

- VII. The number of persons involved in the channels of distribution of the goods or services.
- VIII. The business circle dealing with the goods or services, to which the trade mark, applies.
- IX. Where a trade mark has been determine 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(2) of the trade mark act deals with the relative grounds of the refusal of trade mark registration and specifically provides that a trademark that is similar or identical to 'well known mark' can not be registered to dissimilar goods or services but on the other hand section 29(4) dealing with the trademark infringement , does not provide with specific mention of well known marks but merely refers to a mark having 'reputation in India' which represents intention of legislature to protect well known mark at the stage of registration only.

The 2001 Chinese Trademark Law ("CTL" or "2001 CTL")¹³ does not explicitly characterize well-known marks, yet it does give the accompanying significant components to be considered in figuring out if a mark is well-known:

1. reputation of the mark to the important open;
2. time period for the holder's proceeded with utilization of the mark;
3. time period, degree and geographical zone of promotion of the mark;
4. records of security of the mark as a well-known mark; and
5. whatever possible elements pertinent to the mark's reputation.¹⁴

Notwithstanding the over, the State Administration for Industry and Commerce ("SAIC") alludes to a well-known mark as one "that is generally known to the important areas of the public and appreciates a generally high reputation in China" in its Provisions on the Determination and Protection of Well-Known Marks ("Well-Known Mark Determination Provisions"),¹⁵ which was formulated as per the CTL. Since the application of the Well-Known Mark Determination Provisions is constrained to administrative org movements, they are not tying on courts. Being

¹³ *Trademark Law* (English.ipr.gov 2001)

<http://english.ipr.gov.cn/ipr/en/info/Article.jsp?a_no=2170&col_no=119&dir=200603>

¹⁴ *Trademark Law* article14(No.7)

¹⁵ *Provisions on the Determination and Protection of Well-Known Marks* (English.ipr.gov 2003)

<http://english.ipr.gov.cn/ipr/en/info/Article.jsp?a_no=2160&col_no=119&dir=200603>

administrative in nature, they could serve as enticing power, as it is generally known in as something to be shared law jurisdictions.¹⁶

The CTL offers weight to the “reputation of the mark to the pertinent open as a deciding element; in any case, a shopper arranged test is at last subjective and “in a broad sense vague,” in need of more solid, itemized target figures as a supplement. In this way, the Well-Known Mark Determination Provisions give that a well known mark petitioner must meet the load of evidence by giving important materials, counting:

1. Records proving the degree of the applicable open's information of the mark,
2. Records demonstrating the historical backdrop of consistent utilization and the history and extension of enrollment of the mark,
3. Reports showing the degree of advertizing regarding geographic extension, time, techniques for commercial and advancement,
4. Different reports having a tendency to demonstrate the mark also known, including the measure of offers, terrible receipts, horrible benefit, and areas of offer in the most late three years.¹⁷

Despite their benefits, these cement prerequisites deliver a certain level of assurance to potential well-known marks aspirants.

China offers two option methodologies to “fame”: (1) by administrative determination or (2) by judicial interpretation. For administrative determination, the holder of a mark may present reports and proof as set forward above in an administrative application¹⁸ or administrative restriction activity in accordance with the Well-Known Mark Determination Provisions.¹⁹ The China Trademark Office has the administrative ward over such applications. Also, the Well-Known Mark Determination Procurements permits a mark holder to request assurance for its professedly well-known mark in a nearby Administration for Industry and Commerce (“AIC”) office.²⁰ These applications are inevitably directed to the China Trademark Office for determination in request to survey the correct method for security for the marks in question.²¹ In the elective, an oppressed

¹⁶ Edward E. Lehman et al., *Well-Known Trademark Protection in the People's Republic of China— Evolution of system'* [2003] FORDHAM INT'L L.J. 257, 271, 26

¹⁷ Provisions on the Determination and Protection of Well-Known Marks' art 2(No.9)

¹⁸ Ibid

¹⁹ Ibid art 4, para 1

²⁰ Ibid art 5

²¹ Ibid art 6

mark holder has the choice to contest in individuals' courts for a judgment on whether the mark is well-known.²²

Rights and privileges of a well-known mark are extensive in the Chinese institutional structure. Article 13 of the CTL stipulates that where trademarks under application for enlistment for identical or similar things are duplicated, replicated, alternately interpreted from famous trademarks not enlisted in the People's Republic of China by others and may effortlessly cause confusion, they might not be enlisted and should be disallowed from use:

“Where trademarks under application for registration for non-identical or non-similar commodities are reproduced, copied, or translated from famous trademarks *registered* in the People’s Republic of China by others and may easily misguide the public, and interests of registrants of such famous trademarks may be damaged accordingly, they shall not be registered and be prohibited from being used.”²³

Article 13 develops security for well-known marks, enlisted or unregistered, in China.

In the event that a well-known (i.e. “famous”) mark is enrolled in China, the holder of the mark can bar others from enrolling, duplicating, replicating or deciphering the mark. This guideline applies to both similar and dissimilar merchandise of all types.²⁴ On the other hand, if a mark is unregistered and has been considered too known in China by a judicial choice, the holder can at present benefit itself of the joint security by keeping the mark's use then again enlistment in similar or identical classifications of products. Article 4 gives measure up to medication furthermore security to managers of administration marks and trademarks. Finally, Article 15 gives the manager of an enlisted mark the right to restrict the unapproved enrollment and use of the mark by its agent or delegate, in this manner appreciating an included insurance for the holder where the agency relationship sours.

In spite of the far reaching rights connected with well-known marks, dilution assurance remains an academic idea in China. Rights-holders can't accumulate a dilution claim either court or

²² Sup. People’s Ct., *Judicial Explanations on Several Issues Regarding Applicable Laws in Adjudicating Civil Trademark Disputes* (Cntrademark.com 2002) <<http://www.cntrademark.com/CN/laws/trademark/laws008.htm>

²³ 2001 CTL,(No.7)

²⁴ An Qinghu, *Well-Known Marks & China’s System of Well-Known Mark Protection* [2005] Trademark Rep. 705,713, 95

administrative offices in China. Whether China will receive hostile to dilution procurements in its CTL is unknown as of right now.

The United States implements the international standards by ensuring registered as well as unregistered well-known marks, of both domestic and remote birthplace, from use and/or registration by unapproved parties through the operation of Lanham Act §43(a), §43(c), §44(b) and §44(h) and under the Lanham Act §2(a) and 2(d). (15 U.S.C., §1125(a), §1125(c), §1126(b) and (h), and §1052(a) and (d)). U.S. government law protects a mark against infringement or registration by an alternate party's similar mark for goods or services that are the same, similar, related or even random if there is a probability of confusion, whether the senior mark is registered.

The holder of a well-known mark may acquire an activity U.S. government court for trademark infringement under Section 43(a) of the Lanham Act. A U.S. government court will make a determination as to probability of confusion in choosing infringement. U.S. case law outlines a mixture of non-exclusive and non-exhaustive factors that might be used in the analysis. These factors incorporate, however are not constrained to, the similarity of the marks, the relatedness or closeness of the goods and/or services, the strength of the offended party's mark including the level of business distinguishment, marketing channels used including the similarity or dissimilarity between the consumers of the parties' goods and/or services, the level of forethought liable to be exercised by purchasers in selecting goods and/or services, the respondent's expectation in selecting its mark, the proof of real confusion, the probability of expansion in product offerings, and so forth. A mark does not have to be registered to accept assurance.

The United States Patent and Trademark Office (USPTO) essentially uses these same factors in choosing whether to ensure a well-known mark. The USPTO will refuse registration of, or an outsider may seek to oppose or scratch off, a mark that conflicts with registered or unregistered well-known marks, outside or domestic, that meet the test under Lanham Act §2(a) and (d). Section 2(d) of the Lanham Act provides that a mark will be refused registration on the off chance that it is liable to be confused with an earlier registered mark or a former mark being used in business and not deserted. Section 2(a) of the Lanham Act provides that a mark will be refused registration, *bury alia*, in the event that it is tricky or falsely suggests an association with persons, institutions, beliefs or national symbols. It is not necessary for a mark to be registered to get assurance under Section 2(a) or 2(d), however the mark must indicate interestingly a source (known or unknown) such that consumers would be beguiled if the goods or services of the seeker did not exude from that source. While the USPTO does not make a specific determination in examination as to whether a mark is well-known, it evaluates the strength of the mark in deciding

the scope of assurance to manage the cost of a previously registered or unregistered mark against a pending application.

Notwithstanding these grounds, in specific cases the holder of a well-known mark that rises to the level of being “famous” may bring a movement against an alternate use of the mark in U.S. government courts or may seek to oppose or wipe out an alternate's application or registration for the mark on the grounds of dilution. Dilution is the lessening of the limit of a famous mark to remarkably distinguish its goods, either by tarnishing (debilitating through unsavory associations) or smearing (an association arising from the similarity between a mark and a famous mark) its ability to distinguish. Then again, dilution might just be connected in cases where a party's well-known mark is "famous," such that it is broadly known among the U.S. consuming public.

In the United States, three separate sections of the Lanham Act, the government trademark law, may be used to secure unregistered yet well-known marks:

Section 43(a) of the Lanham Act prohibits a person from using “any saying, term, name, symbol, or device, or any mixture thereof... which... is prone to cause confusion... as to the root, sponsorship, or approbation of his or her goods... “11 U.S.C. section 1125(a)”. This section protects both registered and unregistered marks – both outside and domestic - from infringement.

The idea of dilution enables owners of famous marks to keep others from using the mark in a manner that detracts from the uniqueness of the famous mark. The Trademark Dilution Revision Act (TDRA) ordered on October 6, 2006, elucidated and changed government trademark law in regards to the scope of assurance stood to “famous” marks under Section 43(c) of the Lanham Act.²⁵ So as to acquire security, a trademark holder require just demonstrate that his mark is "famous," whether registered or not. The statute sets forward eight factors that a court may consider in figuring out if a mark is distinctive and famous, thus justifying security against dilution.

A third legitimate mechanism in the U.S. for ensuring well-known, unregistered marks is the Anti-Cyber squatting Consumer Protection Act (ACPA), section 43(d) of the Lanham Act.²⁶ The ACPA was specifically passed to secure owners of well-known marks from “cybersquatting” – when a person other than the mark holder registers the space name of the well-known mark and after that attempts to benefit by either ransoming the area name again to the trademark holder or by using the space name to redirect business from the trademark holder.²⁷

²⁵ Lanham Act Section 43(c) codified at 15 U.S.C. section 1125(c).

²⁶ 15 U.S.C. 1125(d).

²⁷ Daimler Chrysler v. The Net Inc., [2004] 388 201, 204 (6th Cir. F.3d)

With the study of laws of China and United States in comparison to India as to the protection of well known mark it can be very well stated that the intention of legislature to protect the well known mark is not very clear they do not give much importance to the well known mark as valuable assets. In comparison with the China's law our Indian law is kind of same but there is first to register system for the claim of the well known mark.

The US law is very strict they provide a separate law for protecting the well known mark which they name as a Famous mark, benefiting owner of famous marks by defining the parameters of trademark dilution more unmistakably. In India the law application is weak our judiciary apply different notion depending upon case to case, neither they have the strict action plan in civil and criminal remedy as compare to US. In India though section 2(1)(zg) provides for the definition of well known mark and section 11(2) , (6), (7) & (9) Of the trade mark act 1999 very specifically deals with the understanding of well known marks and firms relative ground of refusal of trade mark registration but section 29 which deals with the infringement of the registered trade mark does not mention in its any clause the specific expression 'well known mark' and has only used under its clause 4 the expression as 'registered trade mark, that has a reputation. Which makes it very confusing to find out the real intention of the legislature in regard to protection of well known mark after registration does it means that legislature had intention to protect the well known mark at the stage of registration only if not so why discrepancy in respective language used in section 11 (2) and 29 (4) has been made.

Without proper legislative action in regard to a mentioned inconsistencies the provisions dealing with prosecution and enforcement of well known marks is bound to fade and eventually will dilute the protection afforded to well known marks under Trade Marks Act 1999.

While the intention of Indian legislature is to protect the well known mark by giving the civil and criminal remedies both but the duration of imprisonment or fine were not appropriate as per the value of well known mark. In addition to legislative and judicial efforts to protect trademarks, India is also working towards enhancing efficiency in this area by establishing the Intellectual Property Appellate Board to hear and decide appeals to decisions made by the Trade Marks Registry. This will result in speedier disposals of cases that were previously overflowing in the dockets of the High Court, which was the sole hearer of appeals from the Trade Mark Registry. Separate anti dilution statutes ought to be drafted with all lawful illuminations that are uncertain in the Trademarks Act of 1999.



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