Factors Determining Well known Status for a Trademark: A Study in Indian Context

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ABSTRACT

The term 'Well-known trademark' had been in use since 1925 with incorporation of Art 6bis in the Paris Convention and its subsequent affirmation in TRIPS. The Indian Trademark Act defined this term taking the colour of TRIPS provision and provided the Registrar to decide the status of well-known. An analytical and descriptive study was undertaken to look upon the factors which are considered towards determining the status of well-known. The case study method in doctrinal form and court case judgements are adopted by the author for this study. The purpose of this study is to investigate and find out the relevant determining factors and the position of the Registrar. This study is useful for the researchers and lawyers dealing with trademarks especially well-known.

KEY WORDS: WELL-KNOWN TRADEMARK, PARIS CONVENTION, SPECIAL PROTECTION, RELEVANT SECTION OF PEOPLE.

INTRODUCTION

The special status to famous marks was instigated through Art. 6bis of Paris Convention and subsequently by Art. 16(2) & 16(3) of the TRIPS Agreement. Pursuant to this inclusion, the member countries that have subsequently ratified the convention have incorporated the provisions in line with the international instrument to their domestic legislation about a trademark which have attained suitable reputation. These provisions provide much higher protection to such trademarks. Apart from that, not defining 'well known' in both the Conventions has resulted in different interpretations of the word 'well-known' causing variation of its meaning from country to country or jurisdiction to jurisdiction. The determinative test to assist right holders or even courts is also not provided and this is the reason why the application of well-known trademark varies around the world.

Achieving the tag of 'well-known' to a given trademark indicates attainment of reputation and goodwill in this current competitive market. Hence towards its protection

the traditional requirements like confusion and deception has shifted from primary to secondary consideration. A considerable sum of money, effort and resources are being utilized by the entrepreneurs and MNCs of a trademark to keep their brand reputation and popularity in this globalized market and even to make it famous. Additionally, consumers are also to be protected from confusion and deception in the market.

Need of Protection of Wellknown Trademark: Being incorporated into the International instruments, well-known trademarks become a worldwide phenomenon and consequently requirement of its protection increased. On achieving the status of 'well known' the mark gets special protection and consideration not in any specific country but on international level as it has a worldwide connotation. Generally three levels of protections are given to well-known trademarks. The major rights given to this kind of trademark are opposing the registration of a similar or offending marks, rectification of trademark register and also its removal in case of similar marks. The other right is to restrain others to use it through an action of passing off and infringement proceedings against use of confusingly similar marks (Cook 2009).

The main aim of formulation of trademark laws and other related regulations is to provide clear identification with respect to origin of the goods or services as the consumer protection and prevention of confusion is at the root of

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such laws. The following are reasons for the protection of Well-known trademark:-

- To protect the interest of consumers as to identify the actual source of origin of a well-known trademark.
- Applying a mark similar to well-known trademark, will lead to mislead the consumers and defeat the very purpose of trademark law.

This concept will surely be proved to be a useful tool against trademark pirates who conspiring to adopt a similar trade mark to well-known trademark on his goods and services (Rastogi et al., 2020).

Wellknown Trademark in India: Being a member of the Paris convention, India has incorporated the provision mentioned in the convention into its domestic legislation and well-known trademark got prominence over all other ordinary trademark. The term “well-known trademark” was first inserted in the Paris Convention with the insertion of Art 6bis in its Revision conference at Hague. Additionally, special treatment was also provided to well-known trademarks by TRIPS. Influenced by TRIPS, the Indian trademark Act provided a special definition of well-known trademark towards fulfilment of its obligation in line with this convention. The definition imbedded into the Indian trademark legislation includes goods as well as services. On analysis of the definition it can be said that a mark can be categorised as well-known which become so popular to the substantial segment of people who generally uses that trademark on goods or they enjoy services if the trademark is related to services (Mostert 1997; Carvalho 2006).

In absence of a statutory definition acquisition of reputation depends upon the usage of a particular goods or services in connection with business. However, the reputation of an entity may be limited to particular region or locality where it conducts the business and no need to be extended throughout the country. In India the expression ‘well-known’ has mostly been used by the Courts, Authors and other experts as a matter of ordinary English usage, to refer to a trade mark which was comparatively better known amongst the traders or consumers. An extraordinary protection with respect to well-known trademark in India has been accorded by the Trademark Act against misuse of well-known trademark and acceptability for registration of identical or deceptively similar mark. Such special protection is also accorded through the judicial interpretation and pronouncement in cases involved such issue in India.

India has incorporated all the rights envisaged for well-known trademarks prospectively into its new legislation. A comprehensive list of around ninety seven trademark which are decided and declared as well known by judicial, quasi-judicial and regulatory bodies are uploaded on the website of the registrar of Indian Trademark. The 1999 Act has specifically divided or classified trademark into two types namely (a) General Trademarks and (b) Well-known trademarks with the method of identification as

well-known. Apart from these provisions, some factors are also available in the Act which deals with issues related to protection of well-known trademark. It is to be noted that all rights of an ordinary trademark are also available to well-known trademark in addition to enjoy the rights of common law under the law of passing off. With registration as a well-known trademark in India, it will enjoy all the rights of registered as well as unregistered trademark in India (Klimkeviciute 2010).

Wellknown Trademark Under new Definition: Matter related to trademark whether it is qualified or eligible to become a well-known trademark will be decided by the Registrar of trademark as mandated by the law taking into consideration of various facts under the principal established by rules. Some substantive matters are stated in section 11(6) to (9) which is required to be kept into consideration by the registrar while determining whether it is well known or not. The registrar is also empowered and authorised by section 11(6) to keep into consideration any other fact which is relevant towards its determination. It states specific things in sub clause (v). The most important prescription in relation to such determination process is mentioned on Section 11(9). It lists out factors which need not to be considered determinative in relation to well-known trademark by the registrar (Mostert 1997; Dhadwad 2018).

It can be refer as ‘No factors’, as it would be established that the larger protection extended to well-known marks is in fact a protection to globe-trotting international trademark. In determining well-known status, the opinion and interpretation of court is also relevant and important. The facts would be examined by the court that the mark is well-known, keeping in mind the factors emanating from the definition under the section 2(1)(zg). In addition, the court shall also take into account the matter which the Registrar is mandated under Section 11(6) and 11(7). When a court is of the opinion that the mark does not deserve protection under the head of well-known trademark, it will so declared by it.

Factors Determining Well Known Status: Indian trademark Act gives blanket powers to Registrar to decide and determine any trademark as well-known and to provide a better recognition and protection. The Act seeks to give sufficient guidelines to the Registrar as to ‘facts which he should consider relevant’ or, which the registrar may look into. He should look into the following conditions:-

- Whether a relevant section of public aware about such trademark or having knowledge of the same.
- The extent and duration of the use of such trademark by the people of such relevant section and also the geographical area of the use of such trademarks.
- The level of promotional activities and advertisement by the companies with respect to such trademark.
- The extent of exposure and promotion of the goods with which such trademark is affixed in any fair or exhibition by the owner.
- The level of registration and publication of goods

where such trademark is attached and the area of geographical location under the Trademark Act.

- Any right successfully enforced by a competent court in any matter involving well-known trademark.
- The level of recognition and preferences given by any court or registrar with respect to such well-known trademark.

Language used by this provision in the Trademark Act is self-explanatory. It directs the registrar to look upon the use, promotion, registration, publication and enforcement of such trademark, the status of which as to a well-known is in question. The method of looking at all of the above is to see the period of its use, the level of its use and the physical geographical area where it has been used. Similarly, all other factors can be multiplied by duration, extent and geographical spread, which would give us the operations of the trademark.

With the direction to look at 'duration', it appears that comparably newer trademarks may not be given the status of well-known trademarks. The more the promotion, more is the likelihood of becoming a well-known trademark. The statistics and evidence of presentation in any fairs/exhibition will be necessitated. The more the number of countries of registration, the more the likelihood of being a well-known trademark. Out of the facts listed above, the most important and relevant fact will be the awareness and knowledge of such marks over a relevant group or section of the public. The crucial factor which gets primacy over other factors is the knowledge of the trademark and also recognition of it among the people. If a trademark does not enjoy large volume of sales but is known and recognised in the market to a considerable extent, it might be awarded the status of well known. The registrar is also mandated to check the extent of advertisement, marketing and publicity engaged with such trademark towards such determination.

Whether a trademark which is famous in India only, be called a well-known trademark is an unanswerable question. The words 'including knowledge in India' indicates that, it will be essential for a trademark to become well known that there is an existing knowledge of it among people not in India but also among other jurisdictions in the world. The registrar is enjoined the primacy on the word "the knowledge of the trade mark in the relevant section of the public, including knowledge in India as a result of promotion of trademark". The method of determining the extent of knowledge about such trademark and recognition of it among people has been elaborately discussed in the Act. The following factors are to be taken into consideration:-

1. Total number of actual and potential consumers those are using the goods or services where such trademark is attached.
2. Involvement of number of people in the channel of distribution process of the goods or services whether such trademark is attached.
3. The size of business and its expansion and reach

which is manufacturing the goods or involved in services where such trademark is attached and its reach among people or consumers.

In trade circle and channel, manufacturing and dealing with goods where such trademark is attached and the consumers which are the ultimate user of such goods are proved to be very prominent and determinative factor. If a trademark enjoys very large quantum of sales or has an international sale network of licensees or franchisees or other stockists, it can be categorised as well-known trademark. Even without advertisement or publicity, if it is recognised or known by sale force of trade channels, still it could be determined or categorised as well-known trademark. Thus, knowledge and recognition are more relevant.

Larger the sale-network, business circle, trade channels, persuaders and the consumers, greater scope for recognition by the people and consequently determination by the Registrar as a well-known trademark. Apart from that, trademark Act directs the trademark Registrar to take consideration of the prior and quantum of use of such trademark among a geographical area or specific territory where the goods or services are being used. While looking on promotional aspect of trademark, the process of advertisement and publicity, its duration, extent and geographical area are all considered. Promotional techniques adopted by the proprietors of such goods may also be considered as most important factors for ascertaining and acknowledging the status of well-known for those trademarks. Lately in India, the advertisement has been considered equivalent to use of the trademark by courts, which has been given statutory recognition.

Presentation of the trademark and its exposure at any fairs or exhibition of the product or service at which such trademark is applied is also an important factor for determining the status of well-known. Presentation for registration in jurisdictions or publication for registrations are to be given due weight as under the Act by the determining authority and registrar. Section 11(6) sub clause (v) speaks about the enforcement of such right by any court of competent jurisdiction in matters or cases where the validity is challenged and also the decision of registrar towards enforcement of trademark is also an important determinative factor. While taking cognisance of the trans-border reputation by courts, it would be taken notice of the fact, that the trademark got the status of well-known by other authorities or the Courts. Here the term 'other authorities' means the authority other than the Registrar and the Courts in India. The Courts and other authorities of foreign country are considered to be the 'other authority' in this context.

Although, apart from these provisions, other factors are also assessed while determining a mark as well-known trademark. Whether a trademark has got reputation and subsequently the status of well-known is a question of fact. Each case will be treated and looked distinctively depends upon the facts and circumstances of the case.

Various other factors like variations among industries, product and services including the national market complexity will also be taken into consideration at the time of decision making. No single factor can be determinative. It depends upon the circumstances of a given case that which of the factor may be given more importance. The strong evidence may sometimes replace and gets priority over weak evidence. The situation which emerges from totality of evidence is determinative of the fact that a trademark is having goodwill/ reputation or not. The Court would sometimes be willing to take judicial notice of the fact that the given trademark is famous or well-known among other jurisdictions or territorial areas.

Courts Determining the Status as Well-Known Trademark:

There have been few cases in which the courts have made a determination as to achieving the status of 'well-known'. There are some other cases which have dwelt on the meaning of words used in section 29(4) differently. In *Kalpataru* case S.J Vazirdar, Justice has held that plaintiff's trademark "KALPA-TARU" written in a stylized manner since 1977 is a well-known trademark. There were also separate registrations of the 'Kalpataru device mark' a tree and below the tree the words "KALPA-TARU" written in respect of the goods under classes 16 and 19. There was registration of Kalpataru device mark in class 36 in respect of insurance, real estate affairs and in respect of class 37 with respect to construction of building and its repair and even installation.

The court looking at the largeness of the Kalpataru group involving variety of commercial activities, large scale development of properties, the advertisements, providing various services including BPOs, IT, Malls, Hospitals and Industrial Organisations, having large business income using the said trademark, declared such trademark as well-known. It also gets significance that the word "Kalpataru" forms a part of its corporate name and also of several other group of companies and firms involved in a variety of commercial activities with the organisation through this trademark. By reason of this determination, the Court declared the trademark "Kalpataru" eligible for enlarged protection with respect to even different products or services. Resultantly an injunction was issued against the defendants.

In another case, where the trademark 'Ananda' was registered in connection with services in class 42 of health resorts, hotels and spas and also in class 3,5,21 and 30 desired to restrain the defendant from using trademark "Parkview Ananada" for residential projects the court said the trademark could not be held to be a well-known. The Court has considered the duration for the use of such trademark by the plaintiff, the extent of services being provided by it, the expenditure it had incurred in advertising and promoting its services, the geographical area where spas were being run, the volume of the business and many more. The Court continued that "Ananda" has not come to be associated with the plaintiff company to such an extent that any product sold or any services offered using the word "Ananda" either alone

or in conjunction with other words would connote the connected product and services of the plaintiff company. Thus the plaintiff cannot be accorded protection across different goods or services and the court did not grant any injunction against the defendant. As it does not qualify for such protection, thus the Court implicitly has started confining the scope of section 29(4) to well-known registered trademarks.

An unregistered trademark can be a well-known even under the Indian trade mark Act 1999. However, an unregistered or a non-used well-known trademark would have to follow passing off route when it seeks to enforce rights with respect to all similar and dissimilar products or services as section 29 enumerates regarding registered trademarks. In one of a landmark case the Delhi High Court held that the long and un-interrupted use of the registered trademark by the plaintiff leads to the conclusion that the trademark has got the status of well-known within the meaning of the Trademark Act and hence the plaintiff is entitled to relief. A few cases have been decided wherein the relief has been given even for dissimilar goods or services. Courts have displayed a tendency that immediately after getting status of well-known trademark, relief will be given and the reputation is accepted, provided the parties file their papers in support of their claim. The courts in *Tata Sons* case restraining the defendants from using "TATA" in vehicular business by using it on batteries.

In India, primarily the provision mentioned in section 11(6) to section 11(8) would be basically used as important factor towards determination whether a trademark is a well-known trademark or not. As the test in 1999 Act is drawn from an international instrument knowing the practices in relation to determination of the status of well-known would be useful. Practice adopted by various countries, report of WIPO's committee of experts on subject matter and the INTA resolution done in September 1996 set forth some guidelines towards determination of trademarks as well-known trademark. The analysis of Frederick W. Mostert for determining well-known status of a trademark is adopted under Indian legislation.

Degree of Recognition of the Mark: To prove the recognition of a trademark as well-known the best evidence will be represented by potential licensees, manufacturers, distributors of goods of such trademark, import, and export and used by the consumers of the particular goods. The survey evidence in India is not permissible under the 1999 Act. Earlier the British courts did not encourage survey evidence. It appears now that survey shall be vital factor to establish the awareness of the public towards determination of a trademark as well-known. The registry office of trademark has prepared a manual called Draft Trademark Manual indicating the important factors for determination of well-known trademark. The additional factors among others can also be used in assessing the extent of recognition and knowledge acquired by such trademark. These factors are as follows:-

1. **Knowledge in public through promotion:** It is to be noted that the acknowledgement and knowledge of a trademark among public those who are using it is most important factor considered in determining status of trademark as well-known. The Act said that the knowledge of trademark should be on “relevant section of people” but it is not describing it and it is a question of fact that will be decided by the court based on case to case. Notwithstanding the same, the degree and extent of promotion of trademark is very important in deciding the status of trademark as well-known.
2. **Quantum of the use of trademark:** In getting the reputation and fame for a trademark the market access share, and volume of sale is also an important factor. This factor will also be given prominence while determining the status of well-known.
3. **Role of publicity and advertisement:** It is worthwhile to say that a trademark can become famous in a very short time using advance and modern advertising technology. With continued utilization of resources, time and effort there is always a chance of getting the status of well-known.
4. **The extent of recognition through advertisement and registration on any geographical area:** This is the other factor which required consideration while deciding such trademark as well-known. The level of recognition will be determined by its use, advertisement by the manufacturing or advertising company among a definite or extended geographical area. This is incorporated in Section 11(6).
5. **Extent of successful enforcement of rights by Court or Registrar:** The extent of recognition and protection offered by judiciary while dealing with the case where such issues related to reputation is also an important factor towards its recognition. Apart, the extent of recognition given by registrar at the time when an application preferred to registrar for registration is also a relevant factor in deciding the degree of recognition as well-known.

Rights Conferred on Wellknown Trademark: There are generally some rights given to any trade mark including well known trademarks. It has also been seen in the Act that a trademark which have not even used or have reputation in India can also be awarded the status and designated as a well-known trademark. Now a day, the concept of trans-border reputation has been validated by the Indian courts and the foreign marks are not getting the status of well-known in India. The rights given to well-known trademarks are:-

1. **Right to opposition of registration:** It is a fact that a trademark having the status of well-known will enjoy all the rights of ordinary trademark in addition to its own. The Act has made provisions for extension of the coverage of goods and services to even dissimilar goods and services in connection with well-known trademark. It is a fact that all trademarks having a level of recognition and reputation will only get the status of well-known but it is not necessary that
- such reputation should be in India as per Indian Act. The owner of a well-known trademark will then necessarily oppose the registration of a trademark similar to or deceptively similar to his trademark even without any reputation in India.
2. **Right to rectification or removal:** The next important right of the owner or holder of a well-known trademark is the removal of the trademark from register; rectify the register of trademark in relation to such a similar marks or deceptively similar marks.
3. **Right to restrain infringement:** The most important right of the owner or holder of well-known trademark is to restrain others through infringement proceedings or action of passing off for use of a similar trademark or deceptively similar trademarks. There is a specific mention in this Act that it qualifies a trademark for opposition against a later trademark even having no reputation in India as there is not a necessity of domestic reputation to qualify a test for the status of well-known. Further, the protection to unregistered trademarks in Section 11(3) by way of right to oppose registration satisfies the provision of the Paris Convention extending special recognition to unregistered well-known trademarks without use for a period of 05 years.

CONCLUSION

The special status to famous marks was instigated through Paris Convention and subsequently by the TRIPS Agreement. Pursuant to this inclusion, the member countries that have subsequently ratified the convention have incorporated the provisions in line with the international instrument to their domestic legislation about a trademark which have attained suitable reputation. These provisions provide much higher protection to such trademarks. Apart from that, not defining ‘well-known’ in both the Conventions has resulted in different interpretations of the word ‘well-known’ causing variation of its meaning from country to country or jurisdiction to jurisdiction.

Being incorporated into the International instruments, well-known trademarks become a worldwide phenomenon and consequently requirement of its protection increased. On achieving the status of ‘well-known’ the trademark gets special protection and consideration not in any specific country but on international level as it has a worldwide connotation. The major rights given to this kind of trademark are opposing the registration of a similar or offending trademarks, rectification of trademark register and also its removal in case of similar trademarks. The other right was to restrain others to use it through an action of passing off, infringement proceedings against use of confusingly similar marks. Being a member of the Paris convention, India has incorporated the provision mentioned in the convention into its domestic legislation and well-known trademark got prominence over all other ordinary trademark. Indian Trademark Act gives blanket powers to Registrar to decide and determine any trademark as well-known

and to provide a better recognition and protection. The Act seeks to give sufficient guidelines to the Registrar as to 'facts which he should consider relevant' or which the registrar may look into at the time of determination of such trademark. The language of the provisions in the Act is self-explanatory. It directs the registrar to look to the use, promotion, registration, publication and enforcement of the trademark, the status of which as to a well-known mark is in question. The method of looking at all of the above is to see the period and level of use among a geographical area. In the same manner all other factors can be multiplied by duration, extent and geographical spread, which would give us the operations of the trademark.

If a trademark enjoys very large sales, has an international sale network of licensees or franchisees or other stockists, it can be a well-known trademark. Even without advertisement and publicity, a trademark if it recognised or known by sales force of trade channels, still it could be a well-known mark. There are generally some rights given to any trademark including well-known trademarks. It has also been seen in Section 11(6) to Section 11(9) that a trademark who even does not having goodwill and uses in India can also be designated as a well-known trademark. Presently Indian Courts have started validating the foreign mark as reputation in India by the principal of trans-border reputation.

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