



“WELL KNOWN TRADEMARK AND TRANS- BOUNDARY REPUTATION”

SUBMITTED TO

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CHAPTER 1: HISTORICAL EVOLUTION OF WELL KNOWN TRADEMARK.

Since the time immemorial, human beings have been constantly evolving. They are in the constant state where they are engrossed in innovation and creation things. Therefore they are working towards the development and advancement of the society. During the ancient period, men made different kinds of jewellery, weapons used for hunting and their protection as well and vessels. These men applied marks to the objects that they had created with the objective to indicate their ownership and also to curtail theft of their created objects.

Thus, it can be observed that since the ancient times men had used marks on the objects that they have created. This helped in identification of the owner and deterred theft. When men applied marks on their created objects this meant that only the owner had right over his own created objects and not any other person and if anyone infringed then that person would be punished. These owners had a control over their products in the market.

Two broad categorisation of marks that were used in the middle ages were Merchant mark and Production mark.¹

The Merchants Mark was used to identify the owner of the product whereas the Production mark identified the origin of the product. The skilled workers generally used the production marks in order to guarantee the quality of the products.

During that age people had started engraving their names on to their ships. In the worst case when the ship sank the owner of the ship could be easily identified. Therefore engraving of their names on to their ships was the first acknowledged and recognised way of using trademark.

The men who were involved in business also started using trademarks. They placed their marks on the products and in this way they also became accountable for the quality of their products. Then trademarks were also used by the people in guilds.

The purpose of modern marks was not to indicate the ownership as it was with proprietary marks during the middle age. In the middle age the main drawback of trademarks were that it saved more as a liability but in present times they prove to be an asset for the manufacturers. Numerous laws were enacted to establish a system of standardisation and to safeguard the interest of the customers so that they are not provided faulty goods.

Trademark has been evolved across various ages and within the different counties of the world.

¹Sruthi Srinivasan, Evolution Of Trademark Laws In India, (March 13, 08:00 pm), https://www.altacit.com/wp-content/uploads/2021/09/evolutionoftrademarklawsin_india.pdf

Evolution of Trademark Law can be studied across various ages and times and with respect to various countries.

INDIA- EVOLUTION OF TRADEMARK

There was no specific enactment related with Trademark in India. Trademark law in India traces its origin to the year 1860. Till the year 1940 there was not any specific legislation that dealt with Trademark. But there were various problems relating to the the passing off and infringement. The problems were resolved by the use of section 54 of the Specific Relief act 1877.² The problems or issues related with the registration was settled by obtaining a declaration as to the ownership of a trademark under Indian Registration Act 1908.³

Finally in the year 1940, the Indian Trademarks Act was enacted. The Indian Trademarks Act was based on the English Trademarks Act. That time there was a rapid growth in the sector of trade and commerce. So there was a need of new Act. Soon a new legislation Trademark and Merchandise Act 1958 was enacted and this act replaced Indian Trademarks Act,1940. The main objective of this Act was to provide for registration, better protection and to curtail fraudulent use of marks.

The Trademark and Merchandise Act of 1958 was repealed by the Trademark Act of 1999. At that time India became a member to the Trade Related Aspect of Intellectual Property Rights (TRIPS). So in order to conform with the standards of TRIPS, the Government of India repealed the Trademark and Merchandise Act, 1958.

The main objective of the Act was to provide better protection and the remedies available for the enforcement of Trademark rights. It also provided for protection of service marks. This Act also

distinguished between well known Trademark and the general Trademarks. It also provided the rights related with the well known trademarks. It also provided for registration of collective mark.

The 1999 Act has provided exhaustive definitions of terms, enhanced punishment for offenders, increased the period of registration, registration of non- traditional trademarks.⁴ Then there are Trademark Rules 2002 related with this Act. The Rules 2002 came to effect on September 15th 2003. Therefore, the Indian Trademarks Act 1940 was based upon British Trademark Act, 1938. When India got independent, a new act called Trademark and Merchandise Act, 1958 was enacted and it

² Sruthi Srinivasan, Evolution Of Trademark Laws In India, (March 14, 08:30 pm), https://www.altacit.com/wp-content/uploads/2021/09/evolutionoftrademarklawsin_india.pdf

³ *ibid.*

⁴ *ibid.*

replaced the former Act. India after becoming a member of TRIPS, the 1958 Act was repealed by the Trademark Act 1999 and thereafter Trademark Rules 2002 was also enacted.

CHAPTER 2 : INTERNATIONAL CONVENTIONS

Madrid Protocol Relating to the International Registration of Marks

The Madrid system offers a single procedure for trademark registration across many jurisdictions. The "Madrid Protocol governing the international registration of marks" (often referred to as the "Madrid Agreement") and the "Protocol relating to the Madrid Agreement" (briefly known as Madrid Protocol) are the main treaties. The International Bureau (IB) of the World Intellectual Property Organization (WIPO) headquartered in Geneva, Switzerland, is in charge of overseeing these agreements. The Madrid system was created in 1891 to allow for the international registration of trademarks. A trademark owner is able to register their mark in several nations by submitting a single application to their own national or regional trademark office.

Hence, the mark's protection is the same as that of a registered mark of that specific country if the trademark authority does not reject it within a set timeframe. The Madrid technique made it feasible to register additional changes or renew the registration through a single procedural step, greatly simplifying future mark maintenance. India approved the Madrid Protocol in 2013 despite not having ratified the Madrid Agreement.

Paris Convention

According to Article 6bis of the Paris Convention's "well-known Marks" concept , (referred to as the "Famous Marks" concept), a trademark or service mark may qualify for protection in a nation even though it has never been used or registered there. A member state is required by Article 6bis of the Paris

Convention to refuse or cancel a trademark's registration and discourage its use if it is going to confuse with another trademark that is already well-known in that member state for the same or similar products.

Trade-Related Aspects of Intellectual Property Rights (TRIPS)

The owners of well-known trademarks and service marks are given special rights under Articles 16.2 and 16.3 of the TRIPS Agreement. They are still covered by Article 6bis of the Paris Convention's protection and still they include distinctive products and service marks. Countries member to the Paris Convention for the Protection of Industrial Property and the Agreement on Trade-Related Aspects of Intellectual Property Rights, defend well-known trademarks that are not registered. As a result, both large corporations and small businesses may stand a decent chance of building a strong customer base and goodwill in the market which could enable their marks to become well-known and also to obtain protection without registration.

India has given its approval to both the TRIPS Agreement and the Paris Convention. It follows that the concept of national treatment and reputation across borders is a recognised legal concept. According to their global reputation, well-known trademarks or foreign trademarks are protected under the Trademarks Act of 1999. India complies with the TRIPS Agreement's Article 16 clause, which improves the management and better mechanism for protection of trademarks. As a result, a foreign trade mark owner may file a passing-off lawsuit if they feel that their mark is being infringed in India.

JUDICIAL TREND - WELL KNOWN TRADEMARK AND TRANS-BOUNDARY REPUTATION

Earlier the Well known Trademark was given protection by way of passing off. Then Trademark Act of 1999 was enacted and it recognised the concept of Well Known Trademark. Through this statute, the Well Known Trademark was given protection.

Before the Trademark Act, 1999, Passing off was granted by the courts in various cases relating to the infringement of Well Known Trademark.

In Daimler Benz v. Haibo Hindusthan,⁵ the defendant (Haibo Hindusthan) were using the trademark of Mercedes Benz that is the 'three pointed stars within the circle' and the word 'Benz'. The plaintiff filed for injunction. The court in this case granted injunction against Haibo Hindusthan (defendant) thus prohibiting them from using plaintiff's trademark.

The Whirlpool Co. and Another v. N.R. Dongre and Others⁶ is a landmark case where in the passing off was granted as a remedy against the infringement of well known trademark. In this case the plaintiff that is Whirlpool had a reputation worldwide of selling washing machines. The plaintiff that is Whirlpool advertised and sold its products in various countries. The defendants started selling washing machines

with the trademark of plaintiff. The Delhi High Court granted injunction against defendant and stated that since the Whirlpool Company had established transboundary reputation in India so the defendants should be prohibited from using their trademark.

Section 2(1)(zg) of the Trademark Act, 1999 defines well known trademark and criteria or grounds for identifying well known trademark is given under Section 11 of the Trademark Act, 1999 .

Firstly, ⁷ This point can be explained through the case of HariPuttar⁸. In this case there was a dispute relating to the trademark between HariPuttar, a movie and Harry Potter which is a novel series. The Court in this case held that *“what is to borne in mind is that the Harrry Potter films are targeted to meet the entertainment needs of an elite and exclusive audience- an audience able to*

⁵ Daimler Benz v. Haibo Hindusthan, AIR 1994 Del 239.

⁶ Whirlpool Co. and Another v. N.R. Dongre and Others, (1996) FTC 415 (Del).

⁷ section 11 of the Trademark Act, 1999.

⁸ Warner Bros Entertainment Ins & Har inder Kohli & Ors. 2008 (38 PTC 185 (Del).

discern the difference between film based on Harry Potter book and a Punjabi movie based on the other. In other words, one can easily distinguish between the two and shall not be misled.” In Rolex SA v. Alex Jewellery⁹ the High Court of Delhi granted an Injunction in favour of the Rolex SA and observed that the *“ Rolex is a well known trademark and the segment of the public which uses the same can be confused with the artificial jewellery of the defendant as being the products of the plaintiff. Hence an injunction against the same has to be granted.”*

Secondly, the duration and extent of the geographical area it covers has to be judged. ¹⁰

It is seen that the courts are liberal on this point as the the condition differs on a case to case basis. In Indian Shaving Products v. Gift Pack¹¹, the Court held that if the sales are high in number and there are proper advertisement of the product and that too for less than an year then also it will fulfil the requirement of this condition.

Thirdly, ‘duration and extent of a well known trademark in terms of its promotion’¹² is to be considered. As per this section, promotion can be through advertisement or through presentation at some fair or exhibition. In Marico Ltd. v Madhu Gupta¹³, the court considered that as large amount was spent on advertisement of the product, therefore it was considered as a well known trademark.

The 'record of successful enforcement of the rights'¹⁴ in that well known trademark is another consideration. One of the best example on this point is that the Shaw Wallace which is an alcohol based manufacturing company had enforced its rights in various cases under this brand name. Therefore it was considered as a well known trademark.

The customer base is also an important point which is to be considered in this regard. In Aveda Corporation v. Dabur India Ltd.¹⁵ the plaintiffs sold beauty products using AVEDA as their trade name and then defendant also started selling products using UVEDA as their trade name. The High

⁹ Rolex SA v. Alex Jewellery, (2009) 41 PICT 284 (Del).

¹⁰ section 11 of the Trademark Act, 1999.

¹¹ Shaving Products v. Gift Pack, (1998) PTC Del (698).

¹² section 11 of the Trademark Act, 1999.

¹³ Marico Ltd. v Madhu Gupta, IA Number 15565 of Delhi High Court.

¹⁴ section 11 of the Trademark Act, 1999.

¹⁵ Aveda Corporation v. Dabur India Ltd., LA Number 14808 of 2009.

Court in this case held that the plaintiffs had a limited customer base in India and there is less chance of confusion on part of public. Further the court also suggested the defendant to increase the font size of their trade name.

But in Mahendra Paper Mills Limited v. Mahindra & Mahindra Limited¹⁶ the court held that *"whether there is a likelihood of deception or confusion is a matter which is to be decided by the court and no witness is entitled to say whether a mark is likely to deceive or to cause confusion. Broadly speaking, factors creating confusion would be nature of the market itself, class of customers, trade channels and the course of trade. All these factors are to be holistically determined in order to decipher the true nature of the well known trademark."*

The Supreme Court has played an integral role in deciding the nature of a well known trademark through interpretation.

Another trend can be noticed where the courts have granted protection even if the mark was not registered in India but in some other country. In Milmet Of the Industries & Ors. v. Allergen Inc¹⁷, the defendant was prohibiting from using the trademark 'OCUFLOX'. The defendant had not registered the mark in India and this mark was also not used by the defendant in the Indian market. In spite of the mark not being registered in India the Supreme Court held that the trademark had to be protected as the defendant had registered in the world market. This is an important case on point of trans- boundary reputation.

Pernod Richard India Pvt. Ltd. v. Frost Falcon Distilleries Ltd. case is along the same lines. The Court held that *"the plaintiffs having come out the Blenders Pride whisky first in the international market were first*

past the post; even though the Defendants were the first to do so in India. The fact that the product of the plaintiffs was not manufactured or sold in India from 1973 till 1995 when it became freely available is of no consequence.”

Another landmark case is *Toyota Jidosha Kabushiki v Ms Prius Auto Industries Limited*.¹⁸ In this case, the Supreme Court upheld the decision of divisional bench which stated that “*the ‘Territoriality Principle’ stated that there needs to be substantial evidence to show that a mark has acquired substantial trans-border goodwill in India even if it already has acquired a huge good will*

¹⁶ *Mahendra Paper Mills Limited v. Mahindra & Mahindra Limited*, (2001) Supp 5 SCR 225.

¹⁷ *Milmet Of the Industries & Ors. v. Allergen Inc*, 2004 (28) PTC 585 (SC).

¹⁸ *Toyota Jidosha Kabushiki v Ms Prius Auto Industries Limited*, 2018 (73) PTC 1.

in other jurisdictions.” In this case, The Apex Court also believed that a crucial element in building goodwill within a jurisdiction was the importance of having a strong customer base of that brand.

However, courts in India has settled the stand with respect to well known trademark and held in various cases that well known trademarks having Trans boundary reputation has to be protected either by way of passing off and now under Section 11 of the Trademark Act. Thus, this is the current law position with respect to the protection of well known trademark in India and its Trans boundary reputation. The position on well-known trademarks has been resolved by Indian courts upto a greater extent. There are numerous decisions of the courts that have ruled in a number of cases that well-known trademarks with cross-border reputations must be protected, either through passing off before the enactment of Trademark Act 1999 and presently under Section 11 of the Trademarks Act. This is the present position of well Known Trademark in India and Trans boundary reputation.

CONCLUSION

In a crux, the Indian Trademarks Act 1940 was based upon British Trademark Act, 1938. When India got independent, a new act called Trademark and Merchandise Act, 1958 was enacted and it replaced the former Act. India after becoming a member of TRIPS, the 1958 Act was repealed by the Trademark Act 1999 and thereafter Trademark Rules 2002 was also enacted. Then there are also International Agreements like Madrid Agreement and Madrid Protocol, Paris Convention and Trade Related Aspect on Intellectual Property Rights (TRIPS) on Trademark. India is a signatory to Madrid Protocol, Paris Convention and Trade Related Aspect on Intellectual Property Rights (TRIPS) on Trademark. The Trademark Act 1999 has been made in compliance with the above mentioned international conventions. Section 11 of the Trademark Act 1999 lays down the criteria or grounds for

constituting well known trademark.

With India's growing understanding of intellectual property, the idea of transborder reputation has developed. There are numerous cases on this aspect. The judgments delivered by the courts have given various dimension to this aspect. The territoriality principle has gradually but steadily replaced the universality principle over time. The Indian Courts focus on the publicity and awareness of the mark among the relevant public within India rather than the mark's reputation abroad when determining whether a mark has a transborder reputation in India. This is a dynamic concept and it is still being evolved on a case to case basis.

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