

Ranjan Narula Associates

Protecting consumers and brand owners alike

The growth of India's middle-class population has increased demand for branded goods. As a result, provisions on well-known marks have been developed to protect not the interests only of brand owners, but also of the general public

Provisions on the protection of well-known marks in India were introduced through the Trademarks Act 1999 (which came into effect on September 15 2003). These provisions conform to the stipulations laid down under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). In its present form, Indian trademark law expressly extends statutory protection to well-known trademarks, even in relation to dissimilar goods. The courts were already actively protecting well-known trademarks prior to the act's entry into force, but the clear criteria under the act have helped brand owners to assess more accurately the evidence and information required for a mark to qualify as well known.

Background

Before the introduction of the specific provisions under the Trademarks Act 1999, a number of cases were decided by Indian courts extending protection to well-known marks. In many cases the courts did not follow the classical interpretation of goodwill and reputation that required a mark to be used in India, but instead relied on the trans-border reputation acquired by a trademark. The judicial thinking at that time was to discourage the practice of well-known brands being copied by local traders. Some of the cases decided before statutory recognition was given to well-known marks are discussed below.

In *Daimler Benz Aktiengesellschaft v Hybo Hindustan* (AIR 94 del 239) an injunction was sought by German car manufacturer Mercedes Benz, against the defendant, an Indian entity which was using a three-pointed star (represented in human form) within a circle with the word 'Benz' for totally unrelated goods, in this instance vests and briefs. The Delhi High Court granted the injunction against the defendant – the

symbol which represented both internationally and in India high quality and standards.

In, *Whirlpool Co v NR Dongre* (1996) PTC 415 the plaintiff's WHIRLPOOL mark was registered in India in 1977, but the mark had not subsequently been renewed. The plaintiff's mark had gained worldwide reputation. The defendant was using the mark in relation to washing machines. The plaintiff had sold a limited number of machines to the US Embassy in India and had advertised in a number of international magazines in circulation in India. The Delhi High Court held that the WHIRLPOOL mark had established a trans-border reputation in India and the defendant was enjoined from using the mark.

In *Kamal Trading Co v Gillette UK Limited* (1998 IPLR 135) an injunction was sought against the defendant, which was using the 7'O CLOCK mark on toothbrushes. The Bombay High Court held that the plaintiff had acquired an extensive residual reputation by using the 7'O CLOCK mark on its Gillette razors and shaving creams for several years and thus enjoined Kamal Trading.

Protection for well-known marks

When the new Trademarks Act 1999 came into force, specific provisions on well-known marks were included. Section 2(1)(zg) defines a 'well-known trademark' as one "which in relation to any goods, means a mark which has become so to the substantial segment of the public which uses such goods that the use of such mark 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 using the mark in relation to the first mentioned goods".

Section 11 of the act specifies certain factors which need to be taken into account while establishing whether a trademark is

well known. In compliance with Article 6 of the TRIPs agreement, Sections 11(6) and 11(7) of the act set out, among other things, the following criteria:

- the awareness or recognition of the mark in the relevant section of the public, including awareness obtained as a result of promotion of the trademark within or outside India;
- the duration, extent and geographical scope of any use of that trademark;
- the duration, extent and geographical scope of any promotion of the trademark, including advertising or publicity and presentation at fairs or exhibition of the goods or services trademarked;
- the duration and geographical area of any registration, or any publication for registration, of that trademark under the act, to the extent that they reflect the use or recognition of that trademark; and
- the record of successful enforcement of the rights in that trademark – in particular, the extent to which the trademark has been recognised as well known by any court or registrar under that record.

The act further provides that in determining whether a trademark is well known to or recognised by a relevant section of the public, the registrar shall take into account the following:

- the number of actual or potential consumers of the goods or services;
- the number of persons involved in the channels of distribution of the goods or services; and
- the business circles dealing with the trademarked goods and services.

Widespread knowledge unnecessary

The law makes it clear that to qualify for

protection as a well-known mark, the mark need not be known to the public at large. What matters is awareness and recognition among the relevant section of the public.

In determining whether the mark is well known, the registrar of trademarks will not consider:

- the extent of use of a mark in India;
- the registered status of a mark;
- whether an application has been registered in India, should the mark be unregistered;
- whether an application for registration has been filed in any jurisdiction other than India; or
- whether the mark is famous or well known among the Indian public.

This seems to take into account the following:

- The courts have previously issued decisions in which restraint orders have been granted on the basis of international use and reputation of a mark and spillover of reputation in India without insisting on actual use of the mark in India;
- Internet and satellite television broadcasts have made the world a small place. Thus, the Indian public may be aware of well-known marks even though the relevant goods or services be unavailable in India; and
- Liberal foreign exchange laws mean that Indian consumers can purchase goods online even if those goods are unavailable in India.

Court decisions

The courts take into account the new law when parties plead that their mark is well known in opposition proceedings, trademark infringement proceedings or passing-off proceedings.

In *Intel Corporation v Dinkaran Nair* (CS(OS) 1333/2005), the Delhi High Court, while recognising INTEL to be a well-known mark, restrained the defendant from using the mark ARTINTEL in relation to the business of computer software development and medical transcription services. The court observed: "The mark INTEL of the Plaintiff is well known and use of the mark is obviously with the object to show some connection with the mark of the Plaintiff INTEL."

In *Tata Sons Ltd v Mr Md Jawed* (CS(OS) 264/2008 and CS(OS) 232/2009), the plaintiff stated that the defendant's use of the mark A-One TATA was inherently deceptive. The Delhi High Court concluded that in India "TATA is almost a household name". The court restrained the defendant from using



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the TATA mark and imposed pecuniary damages.

In *Rolex SA versus Alex Jewellery Pvt Ltd*, (CS(OS) 41/2008), the Delhi High Court granted protection to the mark ROLEX by observing that the mark is well known.

These judgments establish that where an individual or a business creates and uses a distinctive brand with which its goods and services are associated, the goodwill in such brand accrues over a period of time; the law recognises the distinctive claims of such owners and the need to give protection to their marks. The mark in question can become so intrinsically associated with the product and the quality that it denotes that consumers come to expect a certain reputation of the products. If such marks are copied by others, the court is often confronted with the question of whether dilution has occurred. In the case of strong marks, where the brand owner can show that consumers are aware of the prestige of the goods or services, the courts have held that use of a distinctive mark by a third party in relation to even unrelated goods may result in dilution of brand and reputation, resulting in injury to the trademark owner.

Recent developments at the Trademarks Registry

There is no provision under the law in India to seek a declaration from the Trademark Registry according well-known status to a mark. However, the Indian Trademarks Registry has produced a list of marks which the courts have considered to be well known, such as, PHILIPS, INTEL, PEPSI, HONDA, OMEGA, MARS, HORLICKS, TATA, WOOLWORTH, TOSHIBA, SONY and CARREFOUR.

Conclusion

The growth of India's middle-class population has increased demand for branded goods. It may thus be an attractive proposition for smaller local businesses to copy a well-known brand to gain instant recognition and boost sales. Thus, the provisions on well-known marks aim to protect not only the interests of the owners of well-known marks, but also the general public, who are likely to assume a trade connection, sponsorship or approval of goods, and in many cases – due to the presence of similar colour schemes – cannot distinguish unauthorised use. [WTR](#)