

# The Trademark Reporter®



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Tracking the Protection of Well-Known Marks in India:  
A Befuddled Path to Nirvana?

*Latha R. Nair*

A Verdict for Your Thoughts? Why an Accused Trademark Infringer's  
Intent Has No Place in Likelihood of Confusion Analysis

*Thomas L. Casagrande*

Trademarks Laid Bare: Marks that May Be Scandalous or Immoral

*Anne Gilson LaLonde and Jerome Gilson*

*Masterpiece v. Alavida*: Supreme Court of Canada Clarifies  
Likelihood of Confusion Test and Role of Expert Witnesses

*Paul Tackaberry*

The Dilution Defense Congress Never Meant to Create (and Needs to Fix)

*Timothy A. Lemper and Joshua R. Bruce*

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## TRACKING THE PROTECTION OF WELL-KNOWN MARKS IN INDIA: A BEFUDDLED PATH TO NIRVANA?

*By Latha R. Nair\**

### I. INTRODUCTION

In the realm of trademarks, attaining the status of a “well-known mark” is perhaps akin to attaining Nirvana<sup>1</sup> because the protection of well-known marks transcends the traditional standards and objectives of trademark protection. In Hindu philosophy, “Nirvana” refers to a state of bliss achieved by liberating oneself from desire, jealousy, ignorance, and anything holding one back. The state of Nirvana is believed to free the self from fear and death. The protection of well-known marks departs from the basic objective of trademark protection, namely, protecting consumers against deception; rather, it focuses on preserving the distinctiveness of a mark<sup>2</sup> by protecting it against free-riding and tarnishment. Hence, proof of confusion and deception, which is one of the traditional requirements of trademark infringement actions and passing-off actions, becomes a secondary consideration in the protection of well-known marks.

So when is a mark eligible for protection as a well-known mark? 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”).<sup>3</sup> The WIPO Resolution lists several factors for determining whether a mark falls into the category of well-known marks. These factors include the degree of renown of the mark, the duration and geographical extent of its use, the extent of publicity

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\* Partner, K&S Partners, Gurgaon, India, Associate Member, International Trademark Association. The author’s views are personal and do not reflect the views of her law firm. Ms. Nair may be contacted at [latha@knspartners.com](mailto:latha@knspartners.com).

1. Webster’s Encyclopedic Unabridged Dictionary of the English Language at page 698 (1996) gives one of the meanings of “Nirvana” as “a place or state characterized by freedom from or oblivion to pain, worry and the external world.”

2. The opening line of the United States Supreme Court decision in *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003), read: “Unlike traditional infringement law, the prohibitions against trademark dilution are not the product of common-law development, and are not motivated by an interest in protecting consumers.”

3. WIPO Document No. SCT/3/8 dated Oct. 7, 1999, available at <http://www.wipo.org>.

associated with the mark, the number of trademark registrations worldwide, and the instances of successful enforcement.

India is a member of the World Trade Organization (WTO) and a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs Agreement). In 2003, India made effective its new Trade Marks Act, 1999 (the TM Act), which contains provisions for the protection of well-known marks. The language of the provisions dealing with well-known marks under this Act may be traced back to the WIPO Resolution.

Since the Act went into effect in 2003, the protection of well-known marks has raised several issues in India, such as the requirement that the degree of reputation reach beyond the plaintiff's actual field of trade versus the high vulnerability of these marks; the potential harm to competition versus the potential harm to the plaintiff's mark; the nature of the use of the well-known mark and the challenged mark, etc. Judging from recent court decisions, it would appear that the protection of well-known marks in India is a high balancing act because it involves many competing considerations.

This article will critically review the protection of well-known marks in India to date, by examining the evolving case law under the old trademark statute, the Trade and Merchandise Marks Act, 1958 (the TMM Act) and the new statute, the TM Act.

## II. WHAT IS A WELL-KNOWN MARK?

A regime for the protection of well-known marks was first introduced by the Paris Convention in Article 6*bis*:

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a 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 this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

Subsequently, during drafting of the TRIPs Agreement, provisions to accommodate protection of well-known marks as envisaged by Article 6*bis* of the Paris Convention were incorporated as TRIPs Articles 16.2 and 16.3:

16.2—Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the

knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.

16.3—Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that 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 provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

The provisions addressing protection of well-known marks evolved somewhat from the Paris Convention to the TRIPs Agreement. The Paris Convention deals with well-known marks in respect of goods alone, and provides protection only against use in connection with identical or similar goods. The TRIPs Agreement mandated that protection be extended by Member Countries to *registered* trademarks against use in connection with goods *and services*; it also covers *dissimilar* goods and services to the extent the disputed third-party use is found to indicate a connection between such dissimilar goods or services and the owner of the registered mark, which is likely to harm the owner's interests. Notably, both conventions do not define what constitutes a well-known mark, thereby leaving its definition to the individual Member States.

It is also of significance here that although the expression used in the Paris Convention and the TRIPs Agreement is “well-known mark,” different jurisdictions use different expressions to denote marks falling into the category of well-known marks such as “famous marks,” “marks having a reputation,” or “notorious marks.” Under the TM Act, while there is a definition of “well-known mark,” the expressions “well-known marks” and “[a] registered mark [that] has a reputation” are also used.

### III. PROTECTION OF WELL-KNOWN MARKS UNDER THE OLD INDIAN TRADE MARK STATUTE

Before the enactment of the TM Act, the statute governing trademarks in India was the TMM Act. The TM Act came into force in September 2003. Prior to that date, well-known marks were protected under Section 47 of the TMM Act, which provided for defensive registration of well-known marks as well as passing-off actions.

Section 47(1) of the TMM Act read:

47(1)—**Defensive registration of well-known trade marks**—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.

The test for eligibility for defensive registration of a well-known mark under Section 47(1) was whether the use of the mark in connection with goods other than the registered goods or goods in use would likely be perceived as indicating a connection in the course of trade between such goods and the well-known mark's proprietor. In other words, likelihood of deception was the decisive factor in determining whether a well-known mark was eligible for registration under this section. Owners of well-known marks often availed themselves of this provision by registering their marks either in all classes or in selected classes of interest.

However, even without a defensive registration, Indian courts have upheld rights in several well-known marks asserted by trademark owners through passing-off actions. These court decisions and India's international obligations to implement protection of well-known marks led to the codification of the well-known marks provisions under the TM Act. Before examining the TM Act, it is important to review some of the court decisions under the old statute, the TMM Act, which are considered milestones in the evolution of Indian case law on well-known marks and paved the way for its codification under the new statute.

#### A. *The Caltex Case*<sup>4</sup>

The first well-known marks case was decided by the Division Bench<sup>5</sup> of the High Court of Bombay in 1965 on appeal from the Order of the Single Judge of the same Court. The Single Judge had allowed the appeal of the opponent Caltex (India) Limited's (Caltex) of an order of the Deputy Registrar of Trade Marks rejecting Caltex's opposition to a third-party registration of the mark CALTEX for "Horological and other Chronometric instruments and parts thereof" in Class 14.

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4. Sunder Parmanand Lalwani & Ors v. Caltex (India) Ltd. [AIR 1969 Bom. 24].

5. A two-judge Bench of an Indian High Court is referred to as a "Division Bench."

The Deputy Registrar had rejected Caltex's opposition on grounds that the competing goods and trade channels were different; hence there was no connection in the course of trade between the competing goods; the opponent's reputation was established only in respect of the goods for which its marks were used and therefore, despite the reputation of the opponent's mark CALTEX, the use of the applicant's mark would not be likely to deceive the public. The opponent's contention that the applicant adopted the offending mark in bad faith was rejected by the Deputy Registrar. The Single Judge allowed the appeal and affirmed the Deputy Registrar's finding that there had been no likelihood of confusion. However, the Court found that the applicant selected the mark in bad faith and hence it granted the opposition.

It should be noted that at the time of the proceedings, the opponent's mark CALTEX enjoyed no defensive registration in Class 14—although Caltex had applied for defensive registration in Classes 2, 3, 5, 11, 16, 18, 24, 25, and 26; and it owned registrations for this mark in Classes 4 and 19. While rejecting the second appeal, the Division Bench found in the opponent's favor that if the application for registration were granted and the mark were allowed for use in connection with the goods for which the application was filed, it would be likely to cause deception and confusion. The Court found that the respective goods and the trade channels were different and that there were factors against holding that there would be any danger of deception or confusion. However, it found:<sup>6</sup>

But we must consider the factors which tend to show that there is a likelihood of creating deception or confusion. . . . The class of goods in respect of which the applicant seeks registration is wider than watches and watches can be both costly and cheap. . . . The goods of the opponents are used by persons all over India, in cities and in villages, in different walks of life, rich or poor, literate or illiterate. The goods of the applicant are different in nature. . . . The potential market for them is, therefore, similar to that of the existing market of the opponents, in the sense that the goods of both the parties are not special goods. . . . The opponents are a large company known by many as having large resources, and therefore, capable of starting any new industry or trade. Because of that reason, there is a greater probability of the public believing that any goods with the mark "Caltex" on them would be the goods of the opponents. . . .

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6. See *Sunder Parmanand Lalwani & Ors v. Caltex (India) Ltd.* [AIR 1969 Bom. 24, 36].

The Court had no hesitation in holding that the trade and public would be led to think that the “Caltex” watches of the applicant were in some way connected with the opponent’s or originated from the opponent. Accordingly, it was held that the applicant’s mark was likely to cause deception and confusion.

Because no explanation was given for the adoption of the mark CALTEX, the applicant’s bad faith in adopting the mark was another factor in finding against the applicant in its appeal. This holding is often cited in cases involving the protection of well-known marks even under the new statute, the TM Act.

### ***B. The Bata Case***<sup>7</sup>

The *Bata* case was an appeal decided by the High Court of Allahabad from an order of the Additional District Judge Meerut. The District Court rejected an injunction requested by the plaintiff, Bata India Limited (Bata), against passing off by the defendants, who were using the mark BATAFOAM for rubber foam used in manufacturing mattresses, sofas, cushions, and automobile seats. Bata’s mark BATA is a famous brand in India for quality footwear. The plaintiff held registrations for this mark for a variety of goods including, e.g., canvas, rubber, rubber plates, and leather shoes. Taking abundant caution, Bata obtained registration of the mark BATA in all major Indian languages in addition to English.

Bata’s suit before the District Court alleged that by using the challenged mark BATAFOAM, the defendants had been deceiving customers and that such fraudulent and bad-faith conduct amounted to unjust enrichment by trading off the plaintiff’s goodwill and reputation. The defendants, however, denied these allegations and argued that the parties’ respective businesses were different, and that because their product was sold as BATAFOAM, there could not be any confusion or deception. The District Court rejected the plaintiff’s claim by holding that the plaintiff had no registration for the mark BATA for mattresses, sofas, cushions, automobile seats, etc., and that because the defendants’ trademark BATAFOAM was not identical in appearance to the plaintiff’s mark BATA, there could be no passing off.

On appeal, the High Court of Allahabad reversed these findings and found in favor of the plaintiff. It found that there was no plausible explanation as to why the name “BATA” was being used by the defendants and that the user of the name “BATA” to any product may give rise in the mind of the unwary purchaser of average intelligence and imperfect recollection that it was a product of the plaintiff. It held:<sup>8</sup>

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7. *Bata India Ltd. v. Pyarelal & Co.*, Meerut City & Ors [AIR 1985 All. 242].

8. *See id.* at 252.

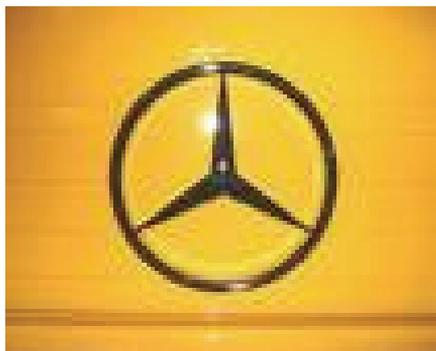
It is this impression which may ultimately cause damage to the reputation of the plaintiff. It amounts to an invasion of his right vis-a-vis the name “Bata.”

... The name “Bata” is neither a fancy name nor paternal name nor in any way connected with the defendants. It is not the name of a flower or fauna. It is a fancy name of a foreigner who has established his business in making shoes and the like products in this country. The name is well known in the market and the user of such a name is likely to cause not only deception in the mind of an ordinary customer but may also cause injury to the plaintiff-Company.

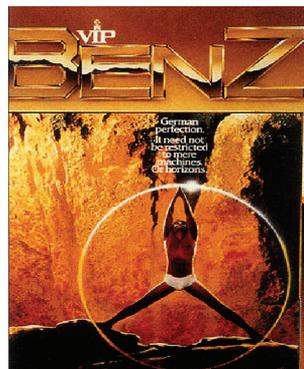
It is notable here that while the Court considered likelihood of confusion and deception by the defendants’ mark BATAFOAM as a factor in granting relief to the plaintiff, it also took into account the “injury” that the defendants’ use of their mark might cause to the plaintiff, whose name was well-known in the market.

### C. *The Mercedes Benz Case*<sup>9</sup>

Decided in 1993 by the High Court of Delhi, this was perhaps the first Indian ruling that looked in detail into the concept of dilution of well-known marks. The issue in this case was the use of the mark BENZ along with a “three pointed human being in a ring” and the words “German perfection. It need not be restricted to mere machines. Or horizons,” in connection with underwear made by an Indian company.



Plaintiff's mark



Defendant's mark

Daimler Benz Aktiegessellschaft, Germany, the plaintiff, who owns the famous three-pointed star BENZ logo depicted above, sued the Indian underwear company for passing off. The plaintiff's logo was registered in India in 1951.

9. Daimler Benz Aktiegessellschaft & Anr. v. Hybo Hindustan [AIR 1994 Del. 239].

Ignoring the defense of honest concurrent use by the defendant, the High Court of Delhi granted the plaintiff's injunction and found that it would be a great perversion of the law relating to trademarks if a mark such as MERCEDES BENZ with the three-pointed star were humbled by indiscriminate imitation by anyone including persons like the defendant who made undergarments. The Court held:<sup>10</sup>

Such a mark is not up for grabs—not available to any person to apply upon anything or goods. That name . . . is well known in India and world wide, with respect to cars, as is its symbol a three pointed star.

It was further held by the Court that trademark law was not intended to protect a person who would deliberately derive the benefit of someone else's reputation with reference to goods, especially when such reputation extended worldwide. The Court further went on to hold:<sup>11</sup>

18. In the instant case, "Benz" is a name given to a very high priced and extremely well engineered product. In my view, the defendant cannot dilute that by user [sic] of the name "Benz" with respect to a product like under-wears.

This judgment is still regarded as a milestone decision on trademark dilution in India and its findings continue to be cited in trademark disputes involving well-known marks. This is perhaps the first and only case in India enjoining a defendant from using the plaintiff's well-known mark on the sole ground of free-riding, without analysis of likelihood of confusion or deception. In fact, the High Court ruled out confusion and deception by acknowledging the ubiquitous reputation of the name BENZ in connection with cars.

#### ***D. The Kirloskar Case***<sup>12</sup>

"Kirloskar" is a surname in India. The plaintiffs in this case adopted this term as part of their trade name and trademark in 1888 when they started a small bicycle repair business. The business grew and in 1920 the founders converted their company into a public limited company. Over time, they expanded their business and incorporated several companies. The "Kirloskar Group of Companies" had continuously used the trade name and trademark KIRLOSKAR over several years to denote quality, and the mark had acquired distinctiveness, reputation, and goodwill.

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10. *See id.* at 240.

11. *See id.* at 242.

12. *Kirloskar Diesel Recon Private Ltd. & Anr. v. Kirloskar Proprietary Ltd. & Ors* [AIR 1996 Bom. 149].

In this case before a District Judge in Pune, the plaintiffs complained that the defendants had been using the trademark KIRLOSKAR as part of their corporate name and that such use amounted to passing off. It was also alleged that the defendants' adoption of this mark was in bad faith because one of the defendants had worked for the plaintiffs at one point in time and had even been involved in the plaintiffs' image-building campaign. After the District Judge issued an interim order enjoining the defendants from using the corporate name KIRLOSKAR, the defendants appealed before the High Court of Bombay.

In their appeal, the defendants argued that the nature of the parties' respective businesses was different and, therefore, there was no likelihood of confusion or deception. The defendants further denied that KIRLOSKAR had any reputation or that it was used by many companies in the "Kirloskar Group of Companies." They argued that being a surname, any person with that surname—including the defendants—was entitled to use it. The plaintiffs, who were respondents in the appeal, on the other hand, argued that a trade name's exclusive reputation was entitled to protection from tarnishment, and that in a passing-off action the defendants could not have successfully argued that they were entitled to use their surname as part of their corporate name. The plaintiffs also pointed out that the adoption of the surname by the defendants was not *bona fide*.

In rejecting the appeal, the High Court of Bombay relied on the *ratio* and holding of the *Mercedes Benz* case<sup>13</sup> discussed above. The Court affirmed that the law on passing off protected goodwill in a trademark against erosion, and that it was not intended to protect a person who deliberately set out to take advantage of somebody else's commercial reputation. Noting that one of the defendants had been involved in the plaintiffs' image-building program, the High Court of Bombay found that the facts of this case showed no apparent reason why the defendants adopted the name KIRLOSKAR, except that it was deliberately used to cash in on the goodwill and reputation of the plaintiffs and the Kirloskar Group of Companies. Accordingly, the Court rejected the defendants' appeals and affirmed the order of the District Judge by observing:<sup>14</sup>

18. In passing off action, the plaintiff is not required to establish fraudulent intention on the part of the defendant and as such, it was not necessary for the respondents to establish fraudulent intention on the part of the appellants in incorporating the word "Kirloskar" as part of corporate names

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13. Daimler Benz Aktiegessellschaft & Anr. v. Hybo Hindustan [AIR 1994 Del. 239].

14. Kirloskar Diesel Recon Private Ltd. & Anr. v. Kirloskar Proprietary Ltd. & Ors [AIR 1996 Bom. 149, 166].

of 1st appellant in each of the appeals. It was even not necessary for the respondents to prove causing of actual confusion amongst the customers or public at large by the appellants adopting the word “Kirloskar” as part of corporate names of 1st appellant in each of the appeals. What the respondents were required to establish, which the respondents have established, is a likelihood of deception or confusion.

In addition to the defendants’ bad faith adoption of the mark, likelihood of confusion and deception were decisive factors in this case.

### *E. The Caterpillar Case*<sup>15</sup>

In 1998, CATERPILLAR, the famous trademark of Caterpillar Inc., USA, came under attack when a local defendant in Delhi adopted it in connection with footwear. The plaintiff company, Caterpillar Inc., established in 1904 in the United States, sued the local defendant before the High Court of Delhi for passing off and copyright infringement. Notably, at the time of filing the suit, the plaintiff had no registrations in India for its trademarks CATERPILLAR and CAT and for the logo marks incorporating these two trademarks.

After receiving service of summons, the defendant chose not to answer and allowed the case to proceed on default. The Court framed two issues for consideration, namely, whether the trademarks CAT and CATERPILLAR, being the names of animals, could be monopolized by anyone; and whether the plaintiff was required to prove use of the mark by showing sales of its goods under the mark in the country where it alleged passing off.

Although this was a default proceeding, the Court went into a detailed trademark dilution analysis and found that an important aspect of protecting well-known marks was to avoid the weakening or dilution of the concerned mark. It found that if a subsequent user adopted a similar or near-similar mark even in respect of same goods, it would, besides decreasing the value of the trademark of the prior user, result in dilution of the mark itself. In the opinion of the Court, it was a commercial invasion by the subsequent user and such kind of dilution or weakening of the trademark need not be accompanied by an element of confusion. The Court further held that such use resulted in smearing or blurring the descriptive link between the mark of the prior user and its goods and reduced the force or value of the trademark. It found that such kind of dilution was not a fair practice that was expected in trade and commerce. It further found on dilution as follows:<sup>16</sup>

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15. *Caterpillar Inc. v. Mehtab Ahmed* [2002 (25) PTC 438 (Del.)].

16. *See id.* at 442.

17. Another kind of dilution is by way of sullyng or impairing distinctive quality of a trade mark of a senior user. This in common parlance is known as dilution by tarnishment. The object of such an invasion is to tarnish, degrade or dilute the distinctive quality of a mark. . . . The act of dilution of mark by way of tarnishment is always with regard to well-recognised, strong and famous marks; it should have effect to diminish or weaken the strength and identification value of the mark. There is no need to establish likelihood of confusion as to source, affiliation and connection.

Interestingly, after holding that confusion and deception were irrelevant to a finding of dilution, the Court decided the case *ex parte* in favor of the plaintiff and held:<sup>17</sup>

The only object of the defendants is to create deception amongst the trade and public by clearly misrepresenting that their goods are either licensed by the plaintiff or they are passing off these goods as the goods of the plaintiff. Since the goods are identical it has immense effect of diluting the identification value of plaintiff's mark. Such dilution is accompanied with confusion as to source, affiliation or connection. . . . Potential purchasers are bound to be confused as to source, sponsorship, connection or license.

Needless to say, the concept of dilution is usually associated with use of a well-known mark in respect of dissimilar goods. In this case, the Court not only found that there was dilution in respect of identical goods, but also that such dilution was bound to confuse potential consumers.

### ***F. The Honda Case***<sup>18</sup>

Decided by the High Court of Delhi in 2002, this case concerned the use by a local defendant of the mark HONDA in connection with pressure cookers. Even before the filing of the lawsuit, the parties had locked horns in 1991 before the Trade Marks Office. An opposition by the plaintiff, Honda Motors Co. Ltd., Japan, was granted by the Registrar of Trade Marks against the defendant's application to register HONDA in connection with nonelectric pressure cookers. The plaintiff assumed that after rejection of its application, the defendant stopped using the mark HONDA in connection with pressure cookers. However, in 1999, the plaintiff came across another application for registration of the mark HONDA in Class 21 with respect to "pressure cookers."

In addition to filing an opposition, the plaintiff filed an instant suit for passing off, claiming, *inter alia*, prior rights based on use

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17. *See id.* at 443.

18. *Honda Motors Co. Ltd. v. Charanjit Singh & Ors* [2003 (26) PTC 1 (Del.)].

in India going back to the 1950s and international reputation and goodwill including in India. The defendant challenged the plaintiff's preliminary injunction request on various grounds, alleging, *inter alia*, that: its use of the mark at issue dated back to 1985; that the defendant was the prior user of the mark in connection with pressure cookers; that the parties' respective goods were different and hence there would not be any confusion or deception; and that the plaintiff's claims were barred by laches as a result of its delay in filing the suit.

Holding in favor of the plaintiff and enjoining the defendant, the Court found that HONDA had a reputation for superior quality products in the field of automobiles and power equipment and that the defendant's use of this mark in connection with pressure cookers would mislead the public into believing that the defendant's business and goods originated from the plaintiff. The Court found that such user by the defendants had also diluted and debased the goodwill and reputation of the plaintiff. Further, the Court held:<sup>19</sup>

. . . I have no hesitation in taking a prima facie view that the defendants have adopted the mark HONDA deliberately with an intention of creating a subtle association between their activities and that of the plaintiff. . . . The trade mark HONDA being of global reputation, its user by the defendants is likely to cause not only deception in the minds of ordinary customers but may also cause injury to the plaintiff company. . . .

The Court's findings were, therefore, based on two factors, first being deception of the public, and second dilution of the plaintiff's goodwill and reputation in the mark HONDA.

#### IV. PROTECTION OF WELL-KNOWN MARKS UNDER THE TM ACT

While there have been other decisions issued under the TMM Act regarding the protection of well-known marks, the case law discussed above remains the most significant and most relied-upon in later decisions. As can be seen from the discussion above, Indian courts have applied passing-off principles to reach findings of dilution, which is an act of unfair competition. In addition to dilution of goodwill and reputation, most cases also placed reliance on the elements of confusion and deception to find in favor of the plaintiff. It is interesting that, under Section 47 of the TMM Act itself there is no reference to dilution of a mark's distinctiveness; rather, express reference is made to the challenged use on dissimilar goods being "taken as indicating a connection in the

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19. See *Honda Motors Co. Ltd. v. Charanjit Singh & Ors* [2003 (26) PTC 1, 20 (Del.)].

course of trade between those goods and a person entitled to use the trademark in relation to the first mentioned goods.” In other words, the reference is to consumer confusion and deception caused by the defendant’s use. Perhaps, this explains the courts’ need to rely on consumer confusion and deception while finding in favor of the plaintiff. With the exception of the *Mercedes Benz* case,<sup>20</sup> all the other cases relied on the elements of confusion and deception caused to consumers by the defendants’ offending use, apart from the dilution caused by the harm to the mark’s reputation.

It is also of significance that under the TMM Act, there would be no standing for an infringement action unless the well-known mark had a defensive registration in the class of goods for which the defendant chose to use the mark. However, the remedy of passing off was still available to an aggrieved trademark owner even in the absence of a defensive registration. All the cases discussed above were either appeals from the Trade Marks Office’s orders in opposition proceedings or passing-off court actions.

When the TM Act became effective in September 2003, the protection of well-known marks acquired a new hue in India. The TM Act contains essentially five provisions referring to well-known marks, namely, Sections 2(1)(zg), 11(2), 11(6), 11(7), and 11(9).<sup>21</sup>

20. See *Daimler Benz Aktiegessellschaft & Anr. v. Hybo Hindustan* [AIR 1994 Del. 239].

21. Section 2(1)(zg) states:

“well-known trade mark,” in relation to any goods or service, 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 services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.”

Section 11. Relative grounds for refusal of registration

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.

11(6)–The Registrar shall, while determining whether a trade mark is a well-known trade mark, take into account any fact which he considers 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.

Also, under Section 29(4)<sup>22</sup> of the TM Act, dealing with trademark infringement, there is a specific provision to protect registered trademarks that have “a reputation in India” against third-party use in connection with dissimilar goods and services.

It is instructive to take a closer look at these provisions to understand their judicial interpretation under the TM Act.

To begin with, these provisions raise issues about the definition of well-known marks. In defining a “well-known mark,” Section 2(1)(zg) uses, in part, language that is closely similar to that used by Section 47 of the TMM Act to outline the parameters

- (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 publication 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.

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.

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

## 22. Section 29 – Infringement of registered trade marks

29(4) – A registered trade mark 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
- (c) 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.

for defensive registration of a well-known mark. The gist of Section 2(1)(zg) lies in the portion dealing with the use of a plaintiff's mark in connection with other goods or services that 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." Sections 11(6), (7), and (9) of the TM Act provide certain guidelines to the Registrar of Trade Marks for deciding whether or not a mark is well-known.

However, while Section 11(2) of the TM Act, dealing with relative grounds of refusal of trademark registration, provides that a trademark that is identical or similar to a "well-known mark" cannot be registered for dissimilar goods or services, its counterpart under Section 29(4), dealing with trademark infringement, does not mention "well-known marks" and merely refers to a mark having "a reputation in India." Could it have been the intention of the legislature to protect well-known marks only at the stage of registration? If not, why is there a discrepancy in the respective language used in Sections 11(2) and 29(4)? It is useful to review the case law that has been evolving under these sections to see how the courts have been dealing with these discrepancies.

### A. *The Hamdard Case*<sup>23</sup>

The first of these cases is a suit for passing off and infringement filed before the High Court of Delhi. The plaintiff in this case owned the mark HAMDARD accompanied by an eye design, used in connection with the practice and manufacture of Unani medicines, a form of alternative medicine in India since 1906. The plaintiff's complaint alleged that the defendants were using the plaintiff's well-known mark HAMDARD for Basmati rice in Class 30. The plaintiff argued that the trade channels of the respective products overlapped because the plaintiff also sold beverages under the mark HAMDARD, hence the defendants' use created likelihood of confusion and deception. Infringement of the mark under Section 29(4) of the TM Act was also specifically pleaded. The defendants opposed the lawsuit on various grounds, *inter alia*, dissimilar products and *bona fide* adoption.

In finding trademark infringement under Section 29(4) of the TM Act, the High Court relied on several cases discussed above, namely, the decisions in *Bata*, *Caltex*, and *Honda*, in addition to considering case law on this point from the United States and Canada. In particular, the Court considered the decision of the Canadian Supreme Court in the case *Mattel, Inc. v. 3894207*

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23. *Hamdard National Foundation v. Abdul Jalil* [2008 (38) PTC 109 (Del.)].

*Canada Inc.*,<sup>24</sup> and that of the United States Supreme Court in *Moseley, Victor's Little Secret, Petitioners v. V Secret Catalogue, Inc.*<sup>25</sup>

The Canadian Supreme Court in *Mattel* rejected an opposition to the use and registration of BARBIE in connection with restaurant services. In doing so, it reasoned that the mere fact that a mark was famous did not entitle its owner to a monopoly in connection with unrelated products and services. The Canadian court went on to affirm that there should be certain objective markers, which the “famous” mark must satisfy if the monopoly is to be granted. These should regard, for example: the inherent distinctiveness of the mark and the extent to which it has become known; the duration of the trademark use; the nature of the goods and the trade; and the degree of resemblance between the respective marks.

The U.S. Supreme Court, in *Moseley*, reviewed a Court of Appeal's order holding that the mark VICTORIA'S SECRET was distinctive and that the evidence established dilution even though no actual harm had been proved. The U.S. Federal Trademark Dilution Act (FTDA)<sup>26</sup> defines “dilution” as “the lessening of the capacity of a famous mark to identify and distinguish goods or services.” Reversing the concurrent findings of the district court and the court of appeals, the U.S. Supreme Court held that the standard contemplated by the U.S. Lanham Act<sup>27</sup> was not “likelihood” of dilution, but “actual” dilution. The consequence of the Supreme Court judgment was a swift congressional intervention by amendment to the Trademark Dilution Revision Act (TDRA)<sup>28</sup> (effective October 6, 2006), by which the standard of “likelihood of dilution” was affirmed. The amendment provided, *inter alia*, that the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

The High Court of Delhi considered the recent trends in Canada and the pre-2006 decisions in the United States that showed that the mere advertence to existence of a famous mark, by

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24. [2006] 1 S.C.R. 772.

25. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

26. Federal Trademark Dilution Act of 1995 (FTDA), 15 U.S.C. § 1125(c), repealed by TDRA.

27. U.S. Trademark (Lanham) Act of 1946, Pub. L. No. 79-489, 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. §§ 1051-1129).

28. The Trademark Dilution Revision Act of 2006 (TDRA), 15 U.S.C. § 1125(c).

itself, was insufficient to guarantee an injunctive relief. Courts, particularly in Canada, had insisted on the plaintiff establishing injurious association, in the case of dissimilar goods. It found:<sup>29</sup>

29. The goods are to some extent dissimilar; yet there is likelihood of confusion or deception, on account of overlapping trade channels. The plaintiff's argument that both its goods and those of the defendant can be purchased from the same traders, cannot be brushed aside. If this is taken together with the fact that the plaintiff's Hamdard brand is also host to an entire range of food products such as soft drink concentrates and recipes, like Rooh Afza, etc, which are sold commonly across the country, even in grocery or small departmental and utility stores, which also sell foodgrains, the plaintiff's apprehensions are not fanciful. In these circumstances, the court is of the opinion that the plaintiff has been able to establish, prima facie, that though the goods are dissimilar, the degree of resemblance, and nature of products is such that the defendant's goods are likely to be confused with that of those of the plaintiffs, and the latter is likely to suffer from such injurious association.

The High Court, therefore, held that the standard for deciding what amounted to trademark infringement in connection with dissimilar goods and products was "likelihood of deception."

In order to interpret the parameters set forth by Section 29(4) of the TM Act, namely, taking unfair advantage of the senior mark and causing detriment to the senior mark, the High Court of Delhi chose to take into account U.S. case law on dilution and came to the conclusion discussed above. It is particularly notable that in the language of Section 29(4) there is no indication that the test for infringement in the case of dissimilar goods is "likelihood of deception."

### ***B. The Ford Case***<sup>30</sup>

This case came on appeal before the Division Bench of the High Court of Delhi from an order of the Single Judge granting the defendants' motion to dismiss the plaintiff's complaint. The defendants filed their motion on several grounds, alleging *inter alia* that the defendants were not subject to the jurisdiction of the High Court of Delhi, that there was no infringement and that the plaintiff's complaint did not state a claim for which relief could be granted. The order of the Single Judge contained observations about the merit of the plaintiff's case under Section 29(4) of the

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29. See *Hamdard National Foundation v. Abdul Jalil* [2008 (38) PTC 109 (Del.)] at ¶ 29.

30. *Ford Motor Co. & Anr. v. Mrs. C R Borman & Anr.* [2008 (2) CTMR 474 (Delhi) (DB)].

TM Act to the effect that the very purpose of a single-class trademark registration was to reserve the opportunity for registration in other classes. Further, the Single Judge held that if the legislature intended that once a trademark was registered only in one class of goods, the same trademark could not be used by any other person for any other class, then there would have been no classification of goods under the TM Act.

The facts of the case revolved around the defendant's use of the mark FORD in connection with footwear, which was objected to by the plaintiff in the suit before the Single Judge. The plaintiff's infringement case rested on Section 29(4) of the TM Act. Allowing the appeal and remanding the suit to the Single Judge, the Division Bench issued the following decision bearing on Section 29(4) of the TM Act:<sup>31</sup>

The learned Single Judge has opined that the primary objective of the Act is to restrict protection to trademarks in respect of the Class under which it has been applied and registered. The view of the learned Single Judge is that the intendment of the Act could not be for a blanket protection to be made available to a trademark in respect of the entire gamut of Classes. What should not be lost sight of is the fact that Section 29(4) is palpably an exception to the scheme of the Act and applies only to those trademarks which have earned a reputation in India. If it is, prima facie, clear or it is proved through evidence that the concerned trademark enjoys and commands a reputation in India, the Plaintiffs do not have to prove deception on the part of the Defendants or likelihood of the customer being misled because of the use of the challenged trademark. Once the Plaintiffs have made out a case that the offending trademark is identical with or similar to its registered trademark, relief would be available even if the purveyed goods are not similar and/or fall in the same category or class.

Comparing this holding with that in the *Hamdard*<sup>32</sup> case discussed above, the difference in opinion between the courts on the requirement of actual deception in these cases is noteworthy. While in *Hamdard* the Court held that the test for infringement in the case of dissimilar goods is "likelihood of deception," in this case the Court goes by the letter of Section 29(4) and finds that if the mark enjoys a reputation in India, the plaintiff does not have to prove the defendant's deception.

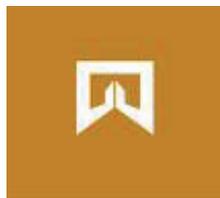
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31. *Id.* at 483.

32. *See Hamdard National Foundation v. Abdul Jalil* [2008 (38) PTC 109 (Del.)].

### C. *The Welcomgroup Case*<sup>33</sup>

ITC Limited (ITC), one of the largest private-sector companies in India, locked horns with Philip Morris Products SA (Philip Morris) before the High Court of Delhi over Philip Morris's use of a roof design logo containing the inverted letter "M." The respective logos are depicted below:



Plaintiff's mark



Defendant's mark

The lawsuit was sparked by the alleged similarity between the two logos and was based on ITC's claim that the M logo of Philip Morris had the effect of blurring the distinctiveness of ITC's W-Namaste logo, which ITC had been using for 34 years. Specifically, ITC alleged that the use of the M logo by the defendant breached Section 29(4) of the TM Act. While plenty of evidence of use of its W-NAMASTE logo in the hospitality and restaurant businesses was made of record by ITC, there was no evidence of use of this logo in connection with cigarettes. The defendant primarily argued that while the W-NAMASTE logo was registered for cigarettes in Class 34, there had been no use in connection with these goods by the plaintiff. In fact, the defendant argued that all of the plaintiff's cigarettes were sold under several other brand names without the use of the W-NAMASTE logo. The defendant also pointed out the relatively inconspicuous use of this logo compared with use of the house mark of the plaintiff and other plaintiff's registered marks, as well as other evidence filed by the plaintiff, arguing that the only reason for the plaintiff's suit was to kill the defendant's competition because the consumers who bought the defendant's cigarettes were rather discerning as a result of the market placement and price range of its products.

After hearing lengthy arguments, the High Court of Delhi declined the plaintiff's request for preliminary injunction and noted that even assuming that the plaintiff proved similarity of the two marks and associated reputation, the record evidence showed that ITC's W-NAMASTE logo was associated mainly with the hospitality and restaurant sector, and that such reputation could not possibly transcend the hospitality business. There was nothing to suggest that such association extended to mid- or high-priced

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33. ITC Ltd. v. Philip Morris Products SA & Ors [2010 (42) PTC 572 (Del.)].

cigarettes. The High Court considered this element to be crucial, because the plaintiff did not deny selling cigarettes, although under different brands without the logo in question. Therefore, it found no connection between the defendant's mark and the plaintiff's services that could cause harm to the plaintiff or undue advantage to the defendant. The Court held:<sup>34</sup>

This Court is of opinion that the test here (for dilution) is not exactly the same. For one, Parliament has consciously eschewed the “deceptively” similar standard—which is defined by Section 2, in relation to infringement claims under Section 29(4). This would mean that the identity or similarity standard is a notch higher—the claimant has to prove or establish that the two marks are identical with or similar to each other. The question of deception does not arise here. There must be a near identification of the two marks or they must have the closest similarity. The second aspect is that the other elements necessary to establish dilution—dissimilarity of goods, the claimant mark having a reputation in India; the use of the mark without due cause, resulting in detriment to it, or the defendant taking undue advantage, have to be established. These ingredients are all to be established, as the conjunctive “and” is used, in Section 29(4).

The plaintiff appealed before the Division Bench of the High Court of Delhi; however, it was not successful in reversing the findings. While this holding correctly analyzes the requirements under Section 29(4), it is interesting that the opinion was written by the same Judge who issued the decision in the *Hamdard* case<sup>35</sup> discussed above. While in *Hamdard* the test for infringement in the case of dissimilar goods was found to be “likelihood of deception,” this decision steers clear of the requirement of deception in such circumstances.

#### ***D. The Raymond Case***<sup>36</sup>

Although this case went up to the Supreme Court of India, the findings pertaining to Section 29(4) of the TM Act that merit discussion are found in the order of the Division Bench of the High Court of Bombay, which will be reviewed here. The plaintiff's mark RAYMOND is a popular Indian brand of men's formal wear, both for ready-made suits and suit fabrics. The plaintiff's complaint before the Single Judge and on appeal before the Division Bench was that the defendant, a pharmaceutical company, used the

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34. *See id.* at 601.

35. *See Hamdard National Foundation v. Abdul Jalil* [2008 (38) PTC 109 (Del.)].

36. *Raymond Ltd. v. Raymond Pharmaceuticals Private Ltd.* [2010 (44) PTC 25 (Bom.) (DB)].

plaintiff's registered trademark RAYMOND as part of the defendant's corporate name, allegedly amounting to infringement under Section 29(4).

While rejecting the plaintiff's claim, the Single Judge held that the use of the mark RAYMOND by the defendant appeared quite appropriate for a company that manufactured medicinal products and that it was unimaginable how the defendant, by using this mark in its corporate name, could *take unfair advantage of* [the third condition under Subsection (4) of Section 29 of the TM Act] the plaintiff's mark, which was used for entirely different products. It further held that from the consumer's perspective, there could be no association between the parties' respective products because the two marks were available through different trade channels. On appeal, the Division Bench deemed the plaintiff's case to fall under Subsection (5) of Section 29 of the TM Act, holding that this subsection precludes the applicability of Subsection (4) when a defendant has adopted a plaintiff's registered trademark as its trade name or corporate name. Section 29(5) of the TM Act reads:

Section 29(5)—A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

On further appeal, the Supreme Court declined to interfere with the order of the Division Bench and remanded to the Single Judge to decide the case within nine months without regard to the Division Bench's findings. Needless to say, by refusing to go into the merits of the case, the Supreme Court missed an apt opportunity to settle the confusion over the discrepancy between "well-known marks" and marks having "a reputation in India" under the TM Act.

Two of the main issues raised by the plaintiff for consideration by the Supreme Court were:

- (a) whether Section 29(5) of the TM Act precludes a court from examining the claim of infringement of a registered trademark having a reputation in India as described under Section 29(4), if such infringement arises from the unauthorized use of such trademark as a trade name in respect of dissimilar goods or services; and
- (b) whether the reference in Section 29(4) to a "registered trademark" that "has a reputation in India" means "well-known trade mark" as defined under Section 2(1)(zg) of the TM Act, and meets the parameters set forth in Sections 11(6) and 11(7) of the TM Act?

The effect of the Division Bench decision in *Raymond* is that, in a situation where a registered well-known mark is adopted as a

trade name or a corporate name by a defendant in connection with dissimilar goods, a plaintiff would not be able to rely on the wider protection offered under Section 29(4), which protects well-known marks against use on dissimilar goods. Rather, such a plaintiff would have to rely on the narrower protection offered under Section 29(5). Because Subsection (5) deals only with infringement of an identical registered mark for identical goods or services, the only remedy available to a plaintiff in the case of a defendant's use of a plaintiff's mark in a trade name or corporate name in connection with dissimilar goods would be a passing-off action. In short, the findings of the Division Bench in this case offered well-known marks much more limited protection than that previously available even under the old TMM Act in the form of defensive registration.

It would have been important indeed for the Supreme Court to settle this issue especially in view of the limited application of Subsection (5) of Section 29 to identical marks and identical goods or services, while deciding infringement in the context of use of a plaintiff's mark as part of a defendant's trade name or corporate name. It could not have been the intention of the legislature to encompass under Subsection (5) of Section 29 situations of infringement of trademarks having a reputation when adopted as trade names or corporate names for dissimilar goods, especially because there is a specific provision under Subsection (4) to protect such marks.

Further, Section 11(2), which deals with the relative grounds of refusal of registration, provides that a trademark that is identical or similar to a "well-known mark" cannot be registered for dissimilar goods or services, while its counterpart under Subsection (4) of Section 29, dealing with infringement, does not refer to "well-known" marks. The Supreme Court ought to have noticed this discrepancy and settled this issue as well, in view of the fact that the reference to a "registered trademark" that "has a reputation in India" under Subsection (4) of Section 29 is very vague when a "well-known mark" is specifically defined under the Act. Would it not have been more appropriate to use the expression "well-known mark" in Section 29(4)? Because one of the specific objectives of the TM Act was to codify the protection of well-known marks, could the legislature have intended different degrees and standards for the purposes of registration as opposed to use of well-known marks?

### *E. The Noddy Case*<sup>37</sup>

Decided by the High Court of Delhi, this case involved the trademark rights in the famous character "Noddy," a little wooden

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37. Chorion Rights Ltd. v. Ishan Apparel & Ors [2010 (43) PTC 616 (Del.)].

boy with a jingly blue hat who lived in Toy Land, created by Enid Blyton in the late 1940s. The plaintiff was the owner of the mark NODDY and the character's image. It sued a local defendant for infringement of its trademark rights in the well-known mark NODDY, which the defendant was using for low-quality ready-made apparel for children. The plaintiff alleged that the defendant's products targeted little children who read the plaintiff's books.

It was not disputed that in 2000, the plaintiff had opposed the defendant's trademark application for the mark NODDY in Class 25; that despite the opposition proceedings, the mark mistakenly proceeded to registration; and that the plaintiff had made continuous efforts to revive the opposition at the Indian Trade Marks Registry. However, despite having known about the defendant's application since 2000, the plaintiff never approached the Court to seek injunctive relief.

While the plaintiff proved high sales volume in India and abroad between 2002 and 2008, it failed to establish use of the mark prior to 1995, the year the defendant was granted registration and commenced its use of the disputed mark. Giving particular weight to the plaintiff's lack of trademark use in India prior to 2002 and its uncharacteristic lack of vigor in pursuing the defendant's disputed use (of which the plaintiff was aware since 2000), the Court found against the plaintiff:<sup>38</sup>

The plaintiff has not adduced any evidence to show prior user in India, it is even not the prior registered owner of the said trademark in India. A claim of dilution cannot sustain against a registered owner of the trademark, as is clear from Section 29(4). In this case the defendant has not only established prior user, at least from 1995, but also prior registration of the mark. While it may be true that some sections of the public, especially those exposed to a certain kind of education, and having access to imported books were aware of Noddy and were reading about his escapades in Toyland, so vividly created by Enid Blyton, (the author of this judgment being one such) and even retaining fond memories, yet the Court is not unmindful of the fact that there is not even a shred of evidence disclosing sales figures, as to importation of such books, authorized stockists, periodicity of such sales, advertisements, areas where such sales took place, and their volume, etc.

While the Court's remarks concerning the legal propriety under the TM Act of a registered trademark owner's infringement action against another owner cannot be faulted, this decision raises two pertinent questions for well-known marks. The first of

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38. *See id.* at 624.

these is whether it is correct to require prior use in India by the plaintiff—ironically, the Judge acknowledged the fame of the mark in stating that he himself was, as a child, an ardent young fan of the books by Enid Blyton, featuring “Noddy,” but then went on to hold against the plaintiff on the basis of lack of use in India. The law on prior use in India today provides that the first party to use the mark in the world market would be regarded as the first user of the mark in India.<sup>39</sup> In this connection, it is also relevant to note that Section 11(9) of the TM Act quoted above, dealing with relative grounds of refusal of an application, provides that use of a mark in India is not a factor the Registrar of Trade Marks is required to consider while determining whether or not a mark is well known. Secondly, the Court’s failure to analyze the reasons for the defendant’s adoption of the mark NODDY is rather disconcerting. Why would a defendant choose a mark such as NODDY, which is neither a surname, nor a word in any Indian language, to describe its business for children’s apparel if not to target children who read the plaintiff’s books or watch the plaintiff’s cartoons?

## V. A BEFUDDLED PATH TO NIRVANA?

When a mark is recognized as a well-known mark, the range of protection is very broad, extending to dissimilar goods and services. Hence, such protection often gives rise to the criticism that the owners of well-known marks are reaping where they have not sown. Without the assistance of a set of objective parameters, it would, therefore, be arbitrary or impossible to reach a conclusion that a particular mark is a well-known mark. Even with a set of well-established parameters for well-known marks, the courts might have to take into account other considerations<sup>40</sup> to reach a decision, and the requirement that each individual case should be judged based on its own facts is stipulated even in the WIPO Joint Resolution on well-known marks mentioned above.<sup>41</sup>

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39. See *Milmet Oftho Industries & Ors v. Allergen Inc.* (2004) 12 SCC 624, 628.

40. For instance, in the *Noddy* case (see *supra* note 37), the Judge was swayed toward the defendant because of the lack of diligence on the part of the plaintiff in pursuing the violation, despite having knowledge of the adoption and use of the impugned mark by the defendant since 2000.

41. See *supra* note 3. Article 2(1)(c) of the Resolution reads as follows:

2(1) (c) —The above factors, which are guidelines to assist the competent authority to determine whether the mark is a well-known mark, are not pre-conditions for reaching that determination. Rather, the determination in each case will depend upon the particular circumstances of that case. In some cases all of the factors may be relevant. In other cases some of the factors may be relevant. In still other cases none of the factors may be relevant, and the decision may be based on additional factors that are not listed in sub-paragraph (b), above. Such additional factors may be relevant, alone, or in combination with one or more of the factors listed in sub-paragraph (b), above.

Prior to 2003, courts dealing with passing-off actions concerning well-known marks relied on confusion and deception (with some notable exceptions<sup>42</sup>) to find dilution. With the codification of the law governing well-known marks into the TM Act, Indian case law took a new turn. Until then, the principles of passing off were applied in these cases for determining the rights of the parties. Aside from fleeting references to the harm that could be caused to a mark's reputation, in most of the cases decided under the old law, heavy reliance was placed on a defendant's misrepresentation and the ensuing confusion and deception. The test set forth by Section 29(4)<sup>43</sup> of the TM Act, on the other hand, requires three cumulative conditions to be met, namely that: (i) the disputed mark is identical with or similar to the registered trademark; (ii) the disputed mark is used in connection with goods or services that are not similar to those for which the registered trademark is registered; and (iii) the registered trademark has a reputation in India and the use of the disputed mark is without due cause and takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trademark. While it is not difficult to determine whether the first two conditions are met, a set of guidelines would have made determining the third condition less complicated. In the absence of guidelines and constrained by the subjectivity of the language in the third condition, namely, "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," courts have been looking elsewhere for guidance.<sup>44</sup>

In addition to the lack of guidance in Section 29(4), the statute presents other notable inconsistencies that could hamper a correct interpretation of the relevant provisions for the protection of well-known marks. Some of these inconsistencies are discussed below:

- The definition of a "well-known mark" under Section 2(1)(zg) of the TM Act offers no parameters to determine whether a mark is well-known and it is rather ambiguous because the words "a mark which has become so to the substantial segment of the public which uses such goods or receives such services" are left open for interpretation. This definition may not be of much assistance in reaching a conclusion of whether a mark is well-known and it appears to have been included in the TM Act for the sake of form.

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42. The *Mercedes Benz* case decided by the High Court of Delhi (Daimler Benz Aktiegessellschaft & Anr. v. Hybo Hindustan [AIR 1994 Del. 239]).

43. See *supra* note 22.

44. See the heavy reliance placed by the Court in the *Hamdard* case (*Hamdard National Foundation v. Abdul Jalil* [2008 (38) PTC 109 (Del.)]) and the *Welcomgroup* case (*ITC Limited v. Philip Morris Products SA & Ors* [2010 (42) PTC 572 (Del.)]) on foreign case law.

Unless the parameters for concluding whether a mark has become well-known to a substantial segment of the public are streamlined, different courts could rely on different considerations while deciding the rights of parties staking claim to well-known marks.

- Section 11 of the TM Act deals with relative grounds of refusal of a mark. Subsections (6), (7), and (9) thereof provide guidelines to the Registrar of Trade Marks for deciding whether or not a mark is a well-known mark. Further, under Section 11(10), while considering an application for registration of a trademark and an opposition filed against it, the Registrar may protect a well-known mark against identical or similar trademarks and also take into consideration any bad faith, either on the part of the applicant or on that of the opponent, affecting the rights in the trademark.<sup>45</sup>
- Section 29(4) of the TM Act, dealing with infringement of a mark by use in connection with dissimilar goods, however, uses the expression “registered trade mark has a reputation in India” to refer (perhaps) to a well-known mark. Going by the use of the term “well-known mark” in relation to infringement cases under Section 29(4), it appears that the reference to a “registered trade mark” that “has a reputation in India” is meant as a reference to well-known marks. However, this raises a question as to why the Parliament used two sets of expressions for protecting well-known marks, namely, the expression “registered trade mark has a reputation in India” in respect of enforcement proceedings under Section 29(4); and the expression “well-known mark” in respect of prosecution proceedings under Section 11(2) of the TM Act.
- Further, in the absence of a clear definition for well-known marks under the TM Act, the sections dealing with enforcement ideally should have similar guidelines for determining whether a given mark is a well-known mark. Currently, in enforcement proceedings, there is occasional reference to the guidelines provided under Subsections (6), (7), and (9) of Section 11, despite the expression “The Registrar shall,” which indicates that these guidelines are meant for consideration by the Registrar in opposition proceedings. In the absence of such guidelines for enforcement proceedings, the scope of protection afforded to

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45. Under Article 3(2) of the WIPO Resolution (*supra* note 3), bad faith is an important element for determining the conflicting interests of parties involved in a proceeding. The article reads: “3(2) [Consideration of Bad Faith] Bad faith may be considered as one factor among others in assessing competing interests in applying Part II of these provisions.”

well-known marks under the TM Act could be adversely affected.

- Additionally, Section 29(4) does not make any reference to bad-faith adoption of a mark by a defendant as a factor in deciding the rights of the respective parties.

In the absence of judicial clarification or legislative amendment to bring consistency to the language of Sections 11 and 29(4), well-known marks could receive different treatment by the Registrar and the courts. For illustration purposes, in an opposition proceeding against a third-party mark, the Registrar may consider all the parameters and guidelines in Section 11 and find in favor of the opponent that its mark is well-known. However, if the same opponent were to sue for infringement of its registered mark under Section 29(4) and claim that its mark is well known, the court would be looking for evidence that “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 trademark.” In the absence of specific guidelines, a court may not be in a position to consider the plaintiff’s rights against the same guidelines provided under Section 11 for the Registrar’s analysis and may look elsewhere for guidance. It is, however, interesting that despite the different language, most of the infringement cases under Section 29(4) discussed above have used the expression “well-known mark” to refer to marks that are given protection against infringement under that Section. Perhaps with the exception of the appeal filed before the Supreme Court in the *Raymond* case, the issue of the discrepancy in the language of Sections 11(2) and 29(4) may not have been raised in any other case. Considering that these issues are already being raised before courts in other jurisdictions,<sup>46</sup> whose applicable laws also use

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46. See *General Motors Corp. v. Yplon SA*, Case C-375/97 (ECJ). General Motors Corporation, the owner of the Benelux mark CHEVY for motor vehicles, claimed that the use of the mark CHEVY by Yplon on detergents and cleaning products amounted to dilution of its trademark. The European Court of Justice was essentially asked to explain the meaning of the expression “has a reputation” used in Article 5(2) of the European Directive 89/104. Article 5(2) reads as follows:

5(2)—Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

The only reference to well-known marks in the directive is in Article 4(2)(d) (in the context of defining an “earlier trade mark”) to mean a well known mark as used in Article 6*bis* of the Paris Convention. General Motors contended that in order to have a reputation within the meaning of Article 5(2) of the Directive, the earlier mark must be known by the public concerned, but not to the extent of being “well-known” within the meaning of Article 6*bis* of

various expressions, it is only a matter of time before such issues are revisited before the Indian courts.

Given that India incorporated the recommendations and guidelines of the WIPO Joint Resolution mentioned above, it is intriguing how the expression “registered trade mark has a reputation” was chosen for Section 29(4), while the expression “well-known marks” was used in subsections (2), (6), (7), and (9) of Section 11. By choosing the expression “registered trade mark” that “has a reputation” in Section 29(4), the legislature has injected shades of gray into the law relating to protection of well-known marks, especially because the protection of a well-known mark is primarily intended to benefit the mark and its owner—rather than consumers. Creating such categories of marks could be regarded as anti-competitive in some cases. Without consistency in the language of the provisions dealing with prosecution and enforcement, the aura of a well-known mark is bound to fade and eventually dilute the protection afforded to well-known marks under the TM Act.

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the Paris Convention. It was argued by the Belgian Government that a “trade mark having a reputation” should be construed flexibly and that there is a difference of degree between a mark with a reputation and a well-known mark; and that the degree to which a trade mark is well known cannot be evaluated in the abstract by setting a percentage. The ECJ held that Article 5(2) must be interpreted as meaning that, in order to enjoy protection extending to dissimilar goods or services, a registered trademark must be known by a significant part of the public concerned by the products or services which it covered.