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# Abandonment of Well-Known Trademark

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## ABSTRACT

*Well-known trademarks are a subset of the trademark regime that have been given a higher degree of protection due to their reputation gained among the consumers and the business circle. The Indian trademark Act lays down criteria for determining a well-known trademark. This part has been dealt with extensively by the legislature and the judiciary. Whereas issues like the duration of this special status granted and cases, where the owner stops using the well-known marks, are still unanswered as the law is silent and there are few judicial pronouncements on this matter.*

*The paper examines judicial decisions by the Indian, U.S, U.K and Singapore courts to determine the duration of the well-known mark. Next, the paper focuses on the non-use of the mark. A well-known trademark is said to be abandoned if it is not used in goods or services for over a period of time. This 'period of time' has not been clearly defined in law or statute. It has been discussed in few judgments in different jurisdictions. Test accepted by the courts, when the question of abandonment is being raised is that the owner should prove genuine use of the mark or else it is deemed abandoned. There still needs a lot more clarity on this topic by way judiciary or the legislature but for now it is at the development stage and the importance is being recognised slowly. The paper shows what could be the way forward on this matter.*

## I. INTRODUCTION

Due to the emergence of market economy, manufacturers to distinguish their products from that of others started using certain symbol to represent their product. The sellers to advertise their product or service they had to build goodwill among the consumers, for that they started advertising their trade names along with the product. This led to people associating these names to the products, which in turn increased sales, quality of the product, consumer satisfaction & the most important of them all reputation. The reputation built by the trademark is a long and tedious process, realising the economic worth of these trademark lots of competitors entering into similar business started copying the well-known marks in trade to earn profit and benefit from the goodwill built by the owner. A mark is a symbol, name, or

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other identifier; it distinguishes someone, or something from other people or things. For a mark to be adopted as a trademark, it should be distinctive of the goods or services it wishes to represent. Well known mark means a mark which is well known to the public who use the particular good or service, when the same mark is used in relation to another good or service of the same or different nature, they are likely to associate it with the former trademark. Once the mark gains the status of well known trademark then the question arises as to what is the time period of this status given to the trademark.

In this research paper a brief overview of the concept of well-known trademark will be discussed, for a trademark to be considered as a well known trademark there are certain determining ingredients to be satisfied. Only after satisfying these conditions the status of well known mark is granted. A trademark is renewed every 10 years, so what is the position of the well-known trademark? The owner sometimes does not use the well known trademark for a period of time and what happens then? These issues has been left unanswered in every jurisdiction. There has been certain judicial pronouncements on the same. The legislation and case laws in major jurisdiction like the U.S, U.K and India will be taken into consideration in this paper.

## II. INTERNATIONAL AGREEMENTS ON WELL-KNOWN TRADEMARK

The first international agreement to talk about well-known trademark was in Paris convention in Article 6bis. It mentions 5 ingredients for a foreign mark to be considered as WKTM, they are: it should be a valid mark in that foreign jurisdiction 2) but that mark is not registered in the country where the local person wants to register 3) such registration involves identical or similar goods for which the foreign mark is registered 4) the mark should be well-known in the member nation 5) confusion should arise among the public due to the registration of similar mark. The protection given to well-known marks is given to prevent piracy and unfair exploitation.<sup>2</sup> TRIPS is one of the main document, which instituted the world trade organisation. It incorporated article 6bis<sup>3</sup> and also introduced Article 16(2). It states that “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

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<sup>2</sup> Cf, Leah Chan Grinvald, *A tale of two theories of well-known mark*, [http://www.jetlaw.org/wp-content/uploads/2011/08/Grinvald\\_online-1.pdf](http://www.jetlaw.org/wp-content/uploads/2011/08/Grinvald_online-1.pdf), last accessed on: 1.6.20 (this article focuses two theories namely passive perception theory and international theory of consumer recognition. They talks about situation in the U.S and U.K.)

<sup>3</sup> See, TRIPS agreement, additionally, article 16 (2) provides clarity surrounding other limitation on article 6bis language. As 6bis talks only about trademark it provides scope even for service marks. It also narrows down the scope to the relevant sector of the public.

trademark.” The WIPO joint recommendation, 1999 lays down 6 factors for determining whether a mark is well known or not.<sup>4</sup> The Indian law & most of the jurisdiction is in compliance with that of the WIPO recommendations.

### III. WELL-KNOWN TRADEMARKS UNDER THE INDIAN LAW

The trademark Act, 1999 has 2 main object: 1) to protect the consumers from confusion by finding out the source or origin of a product 2) protecting the goodwill and reputation of the trademark.<sup>5</sup> the Act also protects well-known trademarks from infringement and prevents registration of similar marks. The concept of well-known mark in trade was introduced in India only in the trademarks act, 1999. Well-known trademark are generally given higher protection than normal trademarks. It is not necessary for a WKTM to get protection under the trademark law. In *Daimler benz akietgesellschaft v. hybo Hindustan*<sup>6</sup>- in this case the defendants were using three point star and the word Benz for selling apparel (undergarments). So Daimler Benz sought for injunction against the defendants. The court granted injunction against the defendants, as Benz was a well-known mark in trade.

In *Carrefour v. subburaman & others*<sup>7</sup> the appellant owned the trademark CARREFOUR that was registered in India for a variety of goods except furniture. The respondents used the name Carrefour for furniture. The appellants claimed that it was a well-known mark. The court found that they had developed a goodwill in several countries as well as in India and had over 2500 registrations of their trade mark in several countries including furniture. so their claim was justified.

Where a trademark is considered to be a well-known mark in trade at least in section of the public determined by a court or the registrar, then it is considered as well-known mark all over India.<sup>8</sup> WKTM enjoys transboundary reputation and this has been upheld in the whirlpool case<sup>9</sup>.

#### (A) Determining factors:

Under section 11(6) & (7) the Indian trademark Act, 1999 laid down criteria for determining well-known trademark. They are:

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<sup>4</sup> See, WIPO joint recommendation, concerning provisions on the protection of well-known marks article 1-4, September 20-29, 1999 or see also <http://www.wipo.int/edocs/pubdocs/en/marks/833/pub833.pdf> last accessed on: 30.6.20

<sup>5</sup> V.K. AHUJA, LAW RELATING TO INTELLECTUAL PROPERTY RIGHTS 278 (lexis nexis, 2<sup>nd</sup> edition 2013)

<sup>6</sup> *Daimler Benz Akietgesellschaft v. Hybo Hindustan* AIR, 1994 DEL 239

<sup>7</sup> *Carrefour v. Subburaman & others* 2007 (35) PTC 225 (mad)

<sup>8</sup> *Canon kabushiki kaisha v. Assistant Registrar of Trade Marks*, 2009 (39) PTC 530 (IPAB).

<sup>9</sup> *Whirlpool co & Anr v. N.R.Dongre* (1996) PTC 415 (Del)

1. The knowledge or recognition of that trademark in the relevant section of the public including knowledge in India obtained as a result of promotion of trademark. This section should be read with section 11(7) which states that the registrar should take into account actual number of consumers, the number of people involved in the channel of distribution and the business circle.
2. The duration, extent and geographical area of any use of that trademark; The section does not specify the actual number of years for a mark to become well-known mark but it has been set through precedent.<sup>10</sup>
3. The third step is the extent and geographical area of promotion of the trademark by the owner like ad, presenting at exhibition, fairs of the goods or services to which the TM applies.
4. The duration and geographical extent of the application or registration of the trademark is seen and also the use or recognition of the trademark.
5. Any successful enforcement of the rights in the trademark, mainly where the trademark has been recognised as a well-known trademark by any court or registrar.

To see whether a trade mark is known to public there certain relevant factors to be considered they are: i) the number of actual potential customers who use the product, ii) the number of people involved in distributing the goods or services and iii) the business circle in relation to that goods or services. Currently as per the trademark rule, 2017 one can apply to the registrars office to recognise their TM as WKTM.

Likewise in the united states Article 43(c)(1) of the lanham Act defines what constitutes as famous mark. It is similar to that of India, but there's another component to it which is "the degree of inherent or acquired distinctiveness of the mark". There is no clear distinction between well-known trademarks and famous trademarks in any international or regional laws. In the U.S famous marks are considered having higher degree of reputation more than well-known trademarks. It is considered as special category under WKTM.<sup>11</sup>

In the United Kingdom section 56 of the trademark Act talks about WKTM it has the criteria as India and it also says that actual use is not necessary to prove well-known mark status. The

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<sup>10</sup>See, Shilp Sharan, *well-known trademarks in India: law and leagilites* (jan 15, 2018), [https://www.vakilno1.com/legal-news/well-known-trademark-india.html#\\_ftn21](https://www.vakilno1.com/legal-news/well-known-trademark-india.html#_ftn21) last accessed on 14.3.18 (stating each and every factor for the determination of well-known mark in trade under the Indian law with case laws)

<sup>11</sup> Mr. Frederic Mostert, president of INTA, *The Trademark Reporter*. Vol. 86 2011

ECJ in the canon case<sup>12</sup> interpreted article 4(1)(a) & 4(4)(a) of the EEC council directive and held canon is internationally recognised and even though the defendant seeks registration in different class it is not allowed.

#### **IV. LIFE TIME OF A WELL-KNOWN TRADEMARK**

For any mark to be given protection it should be used in a trade. This is one of the condition which needs to be stified to register and for well-known marks it is not necessary for it to be registered to get protection but what happens when the owner stops using the well-known mark in any trade. The mark may even lose its distinctiveness over time. For example a product which was well-known in 1990's would not be in the year 2020, due to the fact many other advanced products would replaced it. So if once the WKTm status is granted does it stay forever. This concept is also known as zombie trademark which will be discussed later.

Under trademark rules 2017, Once a trademark is given the status of WKTm, either by the registry or court, the registry has a duty to not to grant similar TM across all goods and services. So is the law implying that the status is granted for ever. But it collides with the issue of well-known to the relevant public at the relevant time. But the courts have said that the prior user has the right over the mark and injunction will be granted against the defendant.<sup>13</sup> In case of passing off where both the marks are unregistered, prior user of the mark would entitle it's owner or licensee to claim its exclusive use. It does not matter whether a particular product is actually sold in a particular market. reputation of a product may precede it's introduction and may exist without trade in such product in the country.<sup>14</sup> if at an earlier point of time, the mark is able to establish some kind of reputation in the market then owner of the mark can claim its exclusive use. The prior user must have used the mark in commercial activity. This part is dealt in the next chapter.

A trader acquires a right to property in a distinctive mark irrespective of the length of user or extent of trade. The question is who gets there first. <sup>15</sup> in Indian caterpillar case, the plaintiff is a US a based company and they have been using the trademark since 1904 in construction, mining, garments, footwear, but they have neither registered nor used the logo in India. Defendants were using the similar trademark in India but the court said that trademark is like a property and no can trespass it and observe that "The underlying object of this doctrine is that there is presumption that the relevant customers start associating the mark with a new

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<sup>12</sup> Canon K.K (JP) v. Pathe Communication (US), European Court Reports 1998 I-05507

<sup>13</sup> chorion rights ltd v. Ishan apparel, ILR (2010) 5 del 481.

<sup>14</sup> allergan inc v. Millment oftho industries, AIR 1998 cal 261

<sup>15</sup> consolidated foods corn v. Brandon co. (p) Ltd., AIR 1965 Bom 35.

and different source. It results in smearing or partially affecting the descriptive link between the mark of the prior user and its goods. In other words, the link between the mark and the goods is blurred. It amounts to not only reducing the force or value of the trademark but also it gradually tapers the commercial value of the marks slice by slice. Such kind of dilution is not a fair practice that is expected in trade and Commerce". This doesn't mean that courts are supporting even when the mark has not been used for not relevant at the time. The courts apply the determine factors again to see whether it is still relevant.

The first factor is that the trademark should be recognized by the relevant sector. To identify the degree of knowledge or recognition of a mark can be determined through consumer surveys and opinion polls as well.<sup>16</sup> The point under consideration recognizes such methods without setting any standards of methods to be used or quantitative results to be obtained. Hence, whether a mark is well-known or not in the relevant section of public has to be deciphered in view of facts and circumstances of each case. The US district court in *Frederick Warne & Co v. Book Sales Inc*<sup>17</sup>, j. Softer was of the opinion that even though the content has passed into the public domain the cover picture can be protected, as it has goodwill and reputation and identified to a particular source. In *Societies Des Produits nestle*<sup>18</sup> the court opined that the qualification of a mark as a well-known mark is decidedly a question of evidence. Likewise when the issue is present then the burden of proof is on the owner that it is still recognised by the relevant public. If the mark has lost its appeal then consumers tend to move onto other brand, in that case it cannot be a well-known trademark.

The Singapore model has brought down the threshold to the basic necessity that a mark would be considered well-known if it is "well-known to the relevant public". The key ingredient to show is that the mark is still in use and that it is well-known to the relevant sector of the public at the relevant date. A similar is present in the European Union in respect of trade marks "with a reputation." The ECJ has, in *General Motors case*<sup>19</sup>, slightly touched upon a trade mark "with a reputation" may have achieved its reputation among a "specialised public." This can be used for interpreting as a sub-class under trademark.

The second factor to be seen is the duration and extent and geographical use of the trademark and any promotion of the trademark such as advertisements, publicity. If there is no business, then there is no promotion of the mark. Under this factor the two important things is to be

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<sup>16</sup> Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, WIPO Geneva 2000; Notes on Article 2

<sup>17</sup> 481 F. Supp. 1191 (1979)

<sup>18</sup> *Societes Des Produits Nestle v. Swaraj Industrial and Domestic Appliances* [2013(56) PTC 94 IPAB]

<sup>19</sup> All E.R. (EC) 865 para. 24

seen: *firstly* Distinctiveness and *secondly* secondary meaning. Well known status will be granted only if the trademark has acquired a distinctive character as a result of the use made of it. The U.S SC opined that in “s. 43(a) action for infringement of unregistered trade dress, a product's design is distinctive, and therefore protectable, only upon a showing of secondary meaning.”<sup>20</sup> Converse had to show “that its mark has acquired distinctiveness, i.e., secondary meaning.” The Federal Circuit disagreed with this approach and found that it needed, “a specific determination of secondary meaning as of the relevant date” so that a court could determine whether or not there had been infringing activity. The court laid down six factors to determine and all the factors should be considered together. As far as the evidence was concerned the court looked into the last five year period. This was because the “critical issue for this factor is whether prior use has impacted the perceptions of the consuming public as of the relevant date.”<sup>21</sup>

Zombie trademarks are trademarks which are abandoned but the name has still got distinctiveness and still remembered. These trademarks does not cover that still has pulse i.e. non use but intent to use by owner or revived by original owner. It suddenly resurrects by another person for little or no cost and the people still link it with the original goods services. A business will spot an abandoned TM with existing goodwill. It will file its intent to use in the TM office and pay the owner to get quit-claim assignment. The public having the memory of the original mark, is known as residual goodwill, one advantage is that it can increase the demand for the new product of that mark. Zombie trademark still resides in many places and thrive by feeding on the residual goodwill and. So answering to the question once abandoned, you can't claim right over it as it is first come, first serve.<sup>22</sup> people can be easily deceived and confused when a new product emerges with the same name. Can you save the consumers from this? As the law and previous owner has no say in this. The famous LA SALLE case Aristide & Co. a company in Paris, deals with antique brands. In their website they said that marks “FINDUS, ATARI, LA SALLE, etc..” have disappeared but not in the minds of consumer. So they registered these brand in USPTO and they either license it or sell the brand. No general motors claim that they shouldn't be given registration as they sold LASALLE automobiles in 1927 to 1940 and still license them to sell auto parts. It claimed the auto enthusiast would still remember it. The appeal board was of the view that there was

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<sup>20</sup> Wal-Mart Stores, Inc. v. Samara Brothers, Inc., 529 U.S. 205 (2000)

<sup>21</sup> Converse v. ITC and Sketchers, New Balance, et al. (Fed. Cir. 2018); the court relied on the Wal-Mart judgment.

<sup>22</sup> Cumulus Media, Inc. v. Clear Channel Commc'ns, Inc., 304 F.3d 1167, 1173 (11th Cir. 2002) (holding that “a defendant who successfully shows that a trademark plaintiff has abandoned a mark is free to use the mark without liability to the plaintiff”)

evidence of 65 years of non use and no intend to resume to use no right can be claimed by general motors.<sup>23</sup>

One thing clear from this is that nothing is permanent. So the only possible way to define the life time of the well known trademark is until the register removes it from the list or the court pronounces in an order or judgement that it is not a well-known trademark by applying the determine factors again at the relevant time.

## V. NON USE OF WELL-KNOWN TRADEMARK FOR A PERIOD OF TIME

A well-known trademark is said to be abandoned if it is not used in the goods or services for over a period of time. This 'period of time' has not been clearly been defined in law or statute. It has been discussed in few judgment in different jurisdictions. So there is not yet a clear position on the same. So when the well-known trademark is deemed abandoned does it fall in the public domain or is it still a private property of the owner. It has been argued that even though the owners have not used it for sometime, it doesn't mean that it has lost its reputation. The object of the Act is not to facilitate monopoly. A trademark has no meaning, even if it is registered, unless it is used in relation to goods and/or services. A Trademark, which drops out of the use, dies when there are no goods offered for sale, as there is no use of the trademark. The mark can lose its distinctiveness by non-use, where non-use is on the part of registered trademark holder but not on account of external factors beyond the control of such registered trademark holder.<sup>24</sup>

*India* - Section 47 states that "A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on the grounds that (a) the trade mark was registered without any bona fide intention on the part of the applicant and (b) that the mark had not been used up to three months prior to the application or if the mark was not used on the goods for more than five years starting the three months prior to the application." In *J N Nicholas Ltd v. Rose and Thistle*, the court held that physical sale is not needed, mere advertisement amounts to use. But many other cases and jurisdiction shave different opinion of the case.

Section 47 of the Trademark Act provides for the rectification of register of trademark due to non use of the trademark. Relevant Decisions: The landmark case of *In Hardie Trading*,<sup>25</sup> Supreme Court laid down a test for revoking trademark for non-use. The test is:

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<sup>23</sup> Jerome Gilson, *The zombie trademark: a windfall and pitfall*, vol 98 TMR

<sup>24</sup> *Fedders Lloyd Corporation Ltd. & Anr. Vs. Fedders Corporation & Anr.*, 119 (2005) DLT 410

<sup>25</sup> *Hardie Trading Ltd. and Anr. v. Addisons Paint and Chemicals Ltd* (2003) 11 SCC 92.

- The application be filed by a person aggrieved.
- Trademark must be unused for a period of five or more years.
- Absence of special circumstances which affected the trademark owner's business.

In the case of *M/S. J.N. Nichols (Vimto) Limited vs Rose & Thistle*<sup>26</sup>, it was held that the trademark can be revoked for non use when the mark in question was last used five years prior to the date of filing the application and further held that if the non use is an voluntary act, then the mark can be revoked. Stoppage of use of trademark must be voluntary act and if it is voluntary, other defences such as special circumstances have to fail. It is further held over long passage of time if the trademark has been in non use due to the stoppage of business by the owner, then the mark can be revoked. (mark in question was in non-use for about 50 years).<sup>27</sup> In the case of *M/s Pops Foods Products (P) Ltd. v. M/s Kellogg Co.*<sup>28</sup>, the trademark was registered and it has ceased operations for more than 22 years and it was later revoked for non use. The court observed that the mark was registered in 1989 by the famous cereal maker Kellogg Company but was unused for more than 22 years and once there are no business activities, the mark can be revoked for non use. In *Kabushiki* case<sup>29</sup> the trademark tribunal held that “ TOSHIBA is a well-known mark and registration cannot be rectified for non-use. The defendant had to prove the use through sales in another country, international promotion, them ark becoming a house name over use of the mark for a long time and intent to use”. So generally the courts use normal non use procedure for WKTm as well.

U.S - The U.S law allows for registration of an abandoned mark. Section 2(d) of the Lanham Act states that a mark will be refused registration if there is likelihood of confusion with the previously registered marks or non abandoned marks. Section 45 of the Lanham Act- when the mark is not used with an intention of not using it for continuous 3 years then it is abandoned. Intention can be identified through surrounding circumstances. Only bona fide use of the mark in the trade is allowed, reserving the right of a mark is not valid. Section 45 clearly explains what amounts to bonafide use.<sup>30</sup> This definition has been accepted to test abandonment for commercial use.<sup>31</sup> The right over the mark is obtained by the use in any connection of business or trade.<sup>32</sup> the owner of the mark should have the intention to use it

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<sup>26</sup> AIR 1994 Cal 43, at para 13.

<sup>27</sup> *Exide Technologies vs Exide Industries Ltd.*, CM APPL.1673, 6324/2013 & 9066/2014 at para 34.

<sup>28</sup> W.P.(C) 2828/2013 & CM No. 5325/2013 at para 18.

<sup>29</sup> *Kabushiki Kaisha Toshiba vs Tosiba Appliances Co.* 2005 (30) PTC 188 Reg

<sup>30</sup> 15 U.S.C. B 1127.

<sup>31</sup> “*Emergency One, Inc. v. American FireEagle, Ltd.* 228 F.3d 531, 539 (4th Cir. 2000); *MB Financial Bank, N.A. v. MB Real Estate Services, LLC*, 2003 WL 21462501, No. 02 C 5925, \*9 (N.D. Ill. June 23, 2003).”

<sup>32</sup> *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918)

commercially or else it he can lose the mark.<sup>33</sup> Be it registered trademarks or unregistered trademarks, it was held in the case of the Cumulus Media, Inc. v. Clear Channel Communications, Inc.<sup>34</sup> In *Exxon case*<sup>35</sup> the U.S. Court of Appeals for the Fifth Circuit held that the statute is stricter than the common law. A mere wish not to abandon the mark is not enough; in the absence of actual use, an owner must show that it has “plans to resume commercial use” of the mark. This rule has been universally followed by federal courts - there have to be “actual and concrete plans” to resume use within “a reasonable time” or within “the reasonably foreseeable future.”

Secondly use of a trademark must for bonafide commercial use in the course of trademark. Mere usage though internal mechanism amounts to non commercial use. This position of law has been reiterated several decisions. One of the landmark decisions being the case of Procter & Gamble Co. v. Johnson & Johnson, Inc.,<sup>36</sup> where the court held the use of the mark by P&G in mere 50 packs and amongst other minor usage among themselves fails to give any commercial usage to the mark as the per the wordings of Section 45 of the Lanham Act. In another case of *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*<sup>37</sup>, the trademark was revoked on the grounds of non use for more than 7 years and small quantities of products were imported with the trademark in question and Court held that small quantities with import amounts to non use commercially. Moreover, even after the non use of three years there must be an intent to resume commercial use. In the absence of the any intention, the trademark has been said to be abandoned.<sup>38</sup>

The same was reiterated in the case of *Anvil Brand, Inc. v. Consolidated Foods Corp.*<sup>39</sup>, where the production of the goods were stopped and few goods were used for non commercial purpose such as promotional activities were held to insufficient commercial use and trademark was abandoned. *General Cigar Co., Inc. v. G.D.M, Inc.*,<sup>40</sup> “Once abandoned, the mark reverts back to the public domain whereupon it may be appropriated by anyone who adopts the mark for his or her own use.”

Europe - E.U laws lay down non use of trademark for a period of 5 years shall be a ground for losing rights over the mark. The term used is revocation of rights of the man holder. The term used in the EU Directive is genuine use. Genuine use has been defined in the case of in

<sup>33</sup> “La Societe Anonyme des Parfums Le Galion v. Jean Patou, Inc., 495 F.2d 1265, 1271 (2d Cir. 1974).”

<sup>34</sup> “304 F.3d 1167, 1172 n.3 (11th Cir. ) 2002”

<sup>35</sup> *Exxon v. Humble Exploration*, 695 F.2d 96 (5th Cir. 1983)

<sup>36</sup> “485 F. Supp. 1185, 1205-06 (S.D.N.Y. 1979) at Para 18 and 19.”

<sup>37</sup> “892 F.2d 1021, 1024 (Fed. Cir. 1989). at page 1022.”

<sup>38</sup> “*Exxon Corp. v. Humble Exploration Co.*, 695 F.2d 96, 102-03 (5th Cir. 1983).”

<sup>39</sup> “464 F. Supp. 474, 477 (S.D.N.Y. 1978) at page 481.”

<sup>40</sup> 988 F. Supp. 647, 658 (S.D.N.Y. 1997)

Ansul BV vs. Ajax Brandbeveiliging BV<sup>41</sup> 'genuine use' of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned and Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. In short, it can be summarised to include only commercial activities.

The ECJ stated that The legislation makes it clear, the threshold that the properties must cross if he is to show that the mark in question is not indeed an abandoned vessel is to show 'genuine use 'of the mark within the relevant time, a generous period of five years.<sup>42</sup>

The Italian SC has held that the non use of the famous mark LAMBRETTA amounted to abandonment of the trademark due to non use of the mark for 30 years even though the mark enjoys some reputation among vehicle buyers.<sup>43</sup>

The High Court of Singapore in the case of Hugo Boss case<sup>44</sup>, the court struck down the trademark BOSS belonging to the famous company Hugo Boss due to non use of the same and the brand registered the trademark for cigarettes but it wasn't used for 5 years and court revoked in full and evidence of scanty sales were filed but is was unsatisfactory for the Court.

Based on the decision of the various courts it can be understood that whether it be regular TM or WKTM the law intends to give protection only when it is in continuous usage by the owner. Once it is stopped from usage for the purpose it was created then it is deemed to be abandoned.

## **VI. REMEDIES**

Over the years the following overriding rules and standards for protection of well-known marks have arisen from the interpretation of treaties such as the Paris Convention and the TRIPS Agreement. If the remedy is sought by the owner of the WKTM, then first he has to show that the mark is still in use. If the court is satisfied that the mark has not been abandoned then he can claim remedy. This being a special case there might be instances where the mark was well known years back or that it has not been extensively used in trade. In that case the owner has to prove that his mark has acquired secondary meaning. The mark has acquired secondary meaning. Secondary meaning is acquired when the consumers associate the mark/source with a particular product over time. One of the next examples would be Mickey

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<sup>41</sup> "Reemtsma Cigarettenfabriken GmbH v Hugo Boss AG at para 37-38."

<sup>42</sup> BLACKBURN J. La Mer Technologies Inc v Laboratoires Goemar SA, 2005 FSR 668, 682

<sup>43</sup> Brandconcern BV v EUIPO and Scooters India Ltd., Italian Supreme Court, No. 7970/2017.

<sup>44</sup> [2003] SGHC 205, at para 20.

Mouse, everyone knows that its source is Disney. A mark develops secondary meaning “when, in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.”<sup>45</sup> once has to keep in mind that these remedies are available only when it is proved to the court that the mark has not been abandoned.

**(A) Dilution:**

Dilution grants stronger protection to well known marks even when there is no confusion.<sup>46</sup> Section 29(2) of the TM Act deals with likelihood of association, when the consumers believe that the defendant's mark is associated or linked with the actual TM owner. This section is based on the concept of dilution. So when the infringing mark is similar or identical to the well-known mark but the goods or services are of different nature then one can invoke this section. The owner can show that even though the registration has lapsed, the mark is still considered as a well known mark in trade. Dilution, in fact, was defined in section 45 of the Lanham Act, 1946 of USA as “The lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of competition or likelihood of confusion”, it may be by selling inferior quality. Unlike other types of infringement, likelihood of confusion is not required, but it depends on the court.<sup>47</sup> currently the US has federal trademark dilution Act specially dealing with this matter. In *Mead Datacentral v. Toyota*<sup>48</sup> Justice, in his concurring opinion, has laid down a six factor test to determine dilution. The six factors are: similarity of marks, similarity of products, consumer sophistication, predatory intent, and renown of the senior and junior marks. From these it could be construed as products which are existing in like this party stores and in online even though it is not sold by the owner anymore.

The UK court in the *EVERREADY* case<sup>49</sup> held that since it is a case of dilution the issue of confusion of origin need not be seen. From the above decision of the courts it is clear that confusion need not be shown but there is still a component of the usage of the mark.

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<sup>45</sup> *Test Masters Educ. Servs., Inc. v. Robin Singh Educ. Servs., Inc.*, 799 F.3d 437, 445 (5th Cir. 2015)

<sup>46</sup> Prof. A. Thomas McCarthy in his “*Trademark and Unfair Competition* (4th edition)

<sup>47</sup> Narendra Goyal, Mukesh Kumar Singh, *Doctrine of dilution under law of trademark- a comparative analysis of law in United kingdom and United States of America (jan 5 2011)*, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1756741](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1756741) last accessed on: 26.6.20 ( the history and development of the dilution doctrine was explained in this article. The protection from dilution given in the countries like United States and United Kingdom was explained)

<sup>48</sup> *Mead Datacentral v. Toyota* 875 F.2d 102

<sup>49</sup> *EVERREADY for battery v. EVERREADY for condom* [1998] RPC 631

**(B) Passing off:**

Passing Off occurs where a person uses the mark of the other on his good / services to cause confusion amongst the public and deceive the public about the origin of the goods. In the context of this paper the owner may claim passing off action when the defendant has adopted the WKTM. To get remedy under this owner should show that this the goodwill and reputation still exists. Passing off is the common law right given for the unregistered trademark to their right of exclusivity in the market when their goodwill and reputation has been tarnished and damaged. There are basically three things: 1. There must be a reputation 2. Misrepresentation of the reputation by causing confusion 3. Damage or loss incurred due to that. This can be easily even when the owner has not used the mark in trade and can show that the reputation still exists. "Passing off" is not defined in the Act, but it's been used in few provisions. This can be brought under section 27(2) against a registered owner. The important factor to be proved is that the claimant should show that his mark has acquired distinctiveness and that he was prior user. Fraud is not necessary to prove, just that whether the offending goods are likely to cause injury or damage to the interest of the plaintiff have to proved. It is to protect the traders from unfair competition.<sup>50</sup> since the requirement is just to show distinctiveness it can cause unfair advantage to the defendant. This would create a monopoly over the mark which has not been used in trade.

In case of deciding deceptive similarity in case of passing off, the factors mentioned in the *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.* (2001) SCL 534 is followed Factors such as

- the nature of the marks (word, label or composite) and
- Nature of goods in respect of which they are used as trademarks,
- Degree of resemblances between the marks, phonetically similar .
- similarity in nature, character and performance of goods,
- class of purchasers likely to buy the goods and
- the mode of purchasing the goods,
- Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

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<sup>50</sup> Laxmikant V. Patel Case

The court must understand that while considering the action for passing off it should also consider whether the TM is well-known at the relevant time and that it has been in 'use' according to the law.

**(C) When remedy is not available:**

Though high protection is given to well-known marks in trade there are some cases where it may not be given protection. When the WKTm is not relevant at the time or it has been abandoned, then no protection to the previous owner. If the trademark owner knows that a person is using his mark and if he/she delays in filing a case then protection cannot be given. In the Khoday distilleries case<sup>51</sup> the respondents knew that the appellants were using the name Peter Scot and didn't oppose for 14 years. The court held that as the petitioners could not give a proper reason for the delay in filing a case and also the class of people who knows the value of money, quality of the product, manufacturing process could identify the difference between two products. so it was not an infringement.

Once the mark is abandoned, it goes back to the public domain.<sup>52</sup> The first party to use an abandoned trademark for commercial purposes after its abandonment, is entitled to make use of that mark.<sup>53</sup> If the defendant successfully shows that the plaintiff has abandoned a mark, then he is free to use it without any liability.<sup>54</sup>

## VII. CONCLUSION & SUGGESTION

It is the fundamental rule that the TM denotes a source, quality or goodwill and makes consumers purchase a product. This abandonment and re use of the mark by new party is a deviation from what's normal. The intention of the law is to give protection only to the person who satisfies the conditions laid down in the legislation. As long as the well-known trademark is in use it can claim protection either under any legislation or common law remedy. If the law or the court come to a conclusion that the mark has been abandoned, then no protection will be given, as it would create a monopoly over the mark. In the fast moving world a mark may have relevance at one point and may lose it at some point, so by determining whether it is a WKTm at the relevant time, appropriate decisions should be made. For a mark which once had relevance cannot be given the same protection.

At the same time if the mark has acquired distinctiveness and secondary meaning and if it is deemed abandoned, should it be allowed for another party to trademark it? If so, it can cause

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<sup>51</sup> "Khoday distilleries limited v. The scotch whisky association and Ors, AIR 2008 SC 2737"

<sup>52</sup> "General Cigar Co., Inc. v. G.D.M, Inc., 988 F. Supp. 647, 658 (S.D.N.Y. 1997)"

<sup>53</sup> California Cedar Prods. v. Pine Mountain Corp., 724 F.2d 827, 830 (9th Cir. 1984)

<sup>54</sup> Cumulus Media, Inc. v. Clear Channel Commc'ns, Inc., 304 F.3d 1167, 1173 (11th Cir. 2002)

confusion among the public. The source or goodwill is designated to the previous owner. There needs to be a set of rules for using abandoned WKTm to protect the interest of the consumers. It all depends on case-to-case basis. It is difficult for the legislature to make appropriate laws on this issue, it is best to leave it to the court to determine on case-to-case basis. In the end either abandonment or zombie trademark needs to be modified in a way to incorporate the core values of the Trademark Act and its steady policy to protect consumers from confusion. It is the duty of the legislature and the judicial to strike a balance between the two.

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