

COMPARATIVE ANALYSIS OF TRANS-
BORDER REPUTATION OF WELL-KNOWN
MARKS: A NEED FOR RECIPROCITY

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UNDER SUPERVISION AND GUIDANCE OF

Prof. (Dr.) T. Ramakrishna
Professor, NLSIU, Bengaluru.

SUBMITTED BY

Ashish Tripathi
LLM/927/2020
Business Laws.

CERTIFICATE

This is to certify that the dissertation having the title “COMPARATIVE ANALYSIS OF TRANS-BORDER REPUTATION OF THE WELL-KNOWN MARKS: A NEED FOR RECIPROCITY” has been submitted by Mr. Ashish Tripathi (LLM/927/2020) in the partial fulfillment of the requirements of LLM degree (2020-21) at NLSIU, Bengaluru. This dissertation is the outcome of his research work, done under my guidance and supervision. No part of this research has been published or submitted anywhere else.

Prof. (Dr.) T. Ramakrishna
Professor of Law,
NLSIU, Bengaluru.

DECLARATION

I, Ashish Tripathi, do hereby declare that the present dissertation, having the title “COMPARATIVE ANALYSIS OF TRANS-BORDER REPUTATION OF THE WELL-KNOWN MARKS: A NEED FOR RECIPROCITY”, submitted to the National Law School of India University, Bengaluru, in the partial fulfillment of the requirements of LLM Degree, is the product of my own research work, and the guidance of my supervisor, Prof. (Dr.) T. Ramakrishna. It is the outcome of original research work. I have taken due care and made appropriate efforts to provide due credit and acknowledgment to any and every source referred.

Ashish Tripathi

LLM/927/2020

LLM (Business Laws)

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Place: Prayagraj (UP).

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RESEARCH DESIGN

Aims and Objectives:

The research paper aims to analyze the trans-border reputation of the well-known/famous trademarks. It compares and contrasts the statutory provisions as well as the judicial trends in the three jurisdictions, namely the United States of America, the United Kingdom, and India with respect to recognition and protection of the well-known foreign marks. While the UK takes a hardline approach, India takes a liberal view on the subject. America, on the other hand, takes a position that is somewhat in between but is gradually nearing towards the hardline view. The paper analyses these jurisdictions in the light of present times where the information and communication technology has made the spillover of the reputation really easy, and has caused reputation to transcend the territorial barriers. The paper also analyses the evolution of the concepts of reputation and goodwill, territoriality and universality principles, in these jurisdictions.

The paper also examines how there is lack of reciprocity in giving protection to foreign marks. While Indian jurisdiction readily accords protection to the well-known foreign marks, the other two jurisdictions have a towering standard for granting protection to same marks. The paper argues for establishing reciprocity.

Research Questions

1. Whether the present framework accords protection to the well-known/famous foreign marks in the three jurisdictions?
2. How has the term reputation and goodwill been defined in different jurisdictions?
3. Whether there is reciprocity in granting recognition and protection to the trans-border reputation of well-known/famous marks in the different jurisdictions; if not, is it required?

Scope and Limitations:

The dissertation focuses on the element of protection of trans-border reputation of well-known marks. It does not focus on the passing off action and its essential elements, though it may cursorily refer to it when required. Moreover, the paper focusses mostly on the trademark dilution with respect to the well-known marks. Trademark infringement is not the focus of the paper, though it may cursorily deal with it at some places.

Due to limitations of time and words, the paper focuses specifically on the three jurisdictions: namely, USA, UK, and India. As it would not have been possible to go through all the judgments on the subjects, the author has focused on the seminal decisions on the issue.

Sources Referred:

Primary Sources:

The author referred to primary sources such as International conventions, treaties, and agreements, statutes, case laws.

Secondary Sources:

The secondary sources referred include the law journals, books, articles, blogs and e-newspapers.

Research Methodology:

The research methodology employed is doctrinal. The author, with the help of the primary and the secondary sources present, has analyzed and examined the concept of trans-border reputation of the well-known marks with respect to the three jurisdictions. For achieving the same, the author has employed a descriptive and analytical style of writing.

Citation Style:

The NLS Guide to Uniform Citation.

Chapterization:

Chapter I-----INTRODUCTION

Chapter II-----TRANSBORDER REPUTATION IN THE UK: GOODWILL
OVER REPUTATION

Chapter III-----TRANSBORDER REPUTATION IN THE USA: FOCUS ON
'USE'

Chapter IV -----TRANSBORDER REPUTATION IN INDIA: A LIBERAL APPROACH

Chapter V-----RECIPROCITY IN THE PROTECTION OF THE WELL-
KNOWN MARKS

Chapter VI-----CONCLUSION

Chapter VII-----BIBLIOGRAPHY

LITERATURE REVIEW:

- Frank Schechter, *The Rational Basis of Trademark Protection*, 40(6), HARVARD LAW REVIEW, 813, (1927).

In this seminal piece, the author conceived the idea of trademark dilution. He posits that trademark plays a greater role than identifying goods' origin, and has a value of its own.

- John A. Young, *Gray Market Case: Trademark Rights v. Consumer Interests*, 64 (1), NOTRE DAME LAW REVIEW, 838, 841, (1986).

The paper analyses the apparent opposition between consumerism and trademark rights in the USA, and seeks to provide the remedy to this apparent conflict.

- Frederick W. Mostert, *Well-Known Marks, and Famous Marks: Is Harmony Possible in The Global Village?*, 86(2), THE TRADEMARK REPORTER, 103 (1993).

The article analyses the disruption brought in by modern technology and communication in the *territoriality principle* and calls for changes in the doctrine to incorporate the same.

- Eric A Prager, *The Federal Trademark Dilution Act of 1995: Substantial likelihood of Confusion*, 7(1), FORDHAM INTELLECTUAL PROPERTY, MEDIA AND ENTERTAINMENT LAW JOURNAL, 121 (1996).

The Article analyses the Federal Trademark Dilution Act, 1995, particularly in the light of the substantial likelihood of confusion.

- Nicky Jatana, Did Whirlpool Make Its Mark in India--N.R. Dongre v. Whirlpool Corp., 10(2), GLOBAL BUSINESS AND DEVELOPMENT LAW JOURNAL, 331, (1997).

The paper examines *NR Dongre vs. Whirlpool Corporation* judgement of the Delhi High Court and the Supreme Court, exemplifying the proactive role played by the Indian Judiciary in implementation of TRIPS agreement and Paris Convention, and in doing so, attracting foreign investors.

- David S. Welkowitz, *Protection against Trademark Dilution in the UK and Canada: Inexorable Trend or Will Tradition Triumph?*, 24(1), HASTINGS INTERNATIONAL AND COMPARATIVE LAW REVIEW, 63, (2000).

The author examines the anti-dilution regime in Canada and the UK and points to the conundrum between national regulation and international harmonization.

- Dev Saif Gangjee, *Lots in a Name: Would 'Diluted' Marks Still Sell As Sweetly?*, 15, STUDENT BAR REVIEW, 5, (2003).

The article examines the trademark dilution and contrasts it with the conventional trademark infringement.

- J Thomas McCarthy, *Dilution of a Trademark: European and United States Law Compared*, 94(6), THE TRADEMARK REPORTER, 1163 (2004).

The author in this article examines and compares the trademark dilution doctrine under the US jurisdiction with that under the European Union. He argues for a strong anti-dilution regime in these jurisdictions.

- Alexis Weisseberger, *Is Fame Alone Sufficient to Create Priority Rights: An International Perspective on the Viability of Famous/Well-Known Marks Doctrine*, 24(2), *Cardozo Arts and Entertainment Law Journal*, 739 (2006).

The paper analyses the common law *famous marks doctrine* in the USA, and points that the doctrine is inconsistent with the Lanham Act, and territoriality principle. The paper argues that the grant of protection to the famous marks by the US courts runs against the Lanham Act.

- Soumya Banerjee, *Trans-border reputation*, 11, *JOURNAL FOR INTELLECTUAL PROPERTY RIGHTS*, 274 (2006).

The paper analyses the trans-border reputation, particularly focusing on the concepts of goodwill and reputation.

- Dev Gangjee, *The Polymorphism of trademark dilution in India*, 17(3), *TRANSNATIONAL LAW AND CONTEMPORARY PROBLEMS*, 611 (2008).

The paper evaluates the protection against dilution in India, both under the common law action of passing off and under the statute, and points to the discrepancy between the two.

- Kristin Zobel, *The Famous Marks Doctrine: Can and Should Well-Known Foreign Marks Receive Trademark Protection within the United States?*, 19(1), DEPAUL JOURNAL OF ART, TECHNOLOGY AND INTELLECTUAL PROPERTY LAW, 145, 147 (2008).

The article analyses the *famous marks doctrines* in the light of the US statutory provision. The paper also examines the veracity of the claim of *ITC vs. Punchghini* that *famous marks doctrine* is not part of US federal law.

- TG Agitha, *Trademark Dilution: Indian Approach*, JOURNAL OF INDIAN LAW INSTITUTE, 339 (2008).

The article analyses the trademark dilution, as has been interpreted in the Indian cases, and as is existent under the statute, and argues for a more delineated approach for understanding the same.

- Blake W. Jackson, *Notorious: The Treatment of Famous Trademarks in America and How Protection Can be Ensured*, 3(1), JOURNAL ON BUSINESS, ENTREPRENEURSHIP AND THE LAW, 61, 70 (2009).

The article analyses the famous marks in the USA, and the legal provision for the protection of the same, in the light of complexities of the present times. It prescribes ways to strengthen the protection of these marks.

- Gaurav Mukherjee, and Srishti Kalro, *What is the Confusion Over Dilution?: Towards a Meaningful Understanding of Section 29 (4) of the Trademarks Act, 1999*, 4, INDIAN JOURNAL OF INTELLECTUAL PROPERTY LAW, 139, (2011).

The article analyses section 29(4) of the Indian Trademark Act, 1999, pointing at the lack of proper implementation of the provision. The article points that a judiciary must evolve a pragmatic standard to deal with cases under section 29 (4).

- Arpan Banerjee, *Spillover Reputation in Passing Off Actions: Indian and English Law Compared*, 14(1), OXFORD UNIVERSITY COMMONWEALTH LAW JOURNAL, 21, (2014).

The article compares and contrasts English and Indian law on the trans-border reputation of well-known foreign marks, and spill-over of the same. The paper also examines the scope of passing off in both jurisdictions.

- Eashan Ghosh, *What Should it Take to be Well-Known? Fashioning an Evidence-For Benefits Matrix for 'Well-Known Marks' Under Indian Trademark Law*, 21, JOURNAL FOR INTELLECTUAL PROPERTY RIGHTS, 327 (2016).

The article analyses the protection of well-known marks in India in light of the evidence-for benefits matrix and calls for diversification of well-known marks doctrine.

- Shraddha N. Shah, *A study on Protection of Trans-border Reputation of Trademarks: Issue and Challenges with Special Reference to India*, (D. Phil Thesis, Gujarat University, Ahmedabad, 2018).

The thesis studies the beginning and evolution of the trans-border reputation of well-known marks in prominent jurisdictions and compares and contrasts them with the Indian jurisdiction.

- Srividhya Ragavan, *Spill-Over Reputation: Comparative Study of Indian and the United States*, 14(3), UNIVERSITY OF PENNSYLVANIA ASIAN LAW REVIEW, 326, (2019).

The article does a comparative analysis of India and US legal and judicial trends concerning spillover of the trans-border reputation of well-known/famous marks. The article is critical of the liberal judicial approach of Indian courts on the subject.

- Dominic Riella, *Good Faith Concurrent Trademark Use: How the Ninth Circuit Took a Step in the Right Direction for Broad Protection in a Digital Time*, 72, SMU LAW REVIEW, 327, (2019).

The paper analyses the concurrent trademark use in the United States, and posits, in the light of evolving ICT, that the Ninth Circuit's observation on good faith in the subsequent use of trademark, is more appropriate.

- Nashrah Ahmed, *The Tea-Rose Rectanus Doctrine's Good Faith Test*, 9(1), AMERICAN UNIVERSITY BUSINESS LAW REVIEW, 77, (2020).

The article analyses the genesis of the Tea-Rose Rectanus Doctrine and examines good faith requirements thereunder.

- Ritika Agarwal, *Trademark Series, Concept and Position in India*, (March 13, 2013), available at <https://selvams.com/blog/trademark-series-concept-and-position-in-india/> (last visited on July 31, 2021).

The article deals with the concept of trademark series in India.

- Christiana Aristidou, *Worldwide: Trademark Infringement and Dilution as Causes of Action: The US and UK Framework*, MONDAQ (May 9, 2014) available at <https://www.mondaq.com/cyprus/trademark/312146/trade-mark-infringement-and-dilution-as-causes-of-action-the-us-and-uk-framework> (last visited on August 12, 2021).

The blog analyses the provisions against trademark dilution in the US and the UK.

- Jonathan Griffiths, *Star Industrial Co Ltd v Yap Kwee Kor: The End of Goodwill in the Tort of Passing Off*, (February 12, 2015), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2564045 (last visited on August 19, 2021).

The article examines the *Star Industrial* judgement, particularly on the point of abandonment of the mark.

- Eric Ball, and Carly Bittman, *Almost Famous: Many Trademark Owners Find Dilution Claims Out of Reach*, (December 21, 2016), IPWATCHDOG, available at <https://www.ipwatchdog.com/2016/12/21/almost-famous-trademark-owners-dilution/id=75703/> (last visited on August 1, 2021).

The blog analyses the difficulty that the trademark owners face in bringing the claim for trademark dilution, because of the requirement of a high standard of fame.

- Shamnad Basheer, *Breaking News: Toyota Loses Trademark Battle over Prius at Indian Supreme Court*, (December 15, 2017), available at <https://spicyip.com/2017/12/breaking-news-passing-off-by-prius-reputation->

must-be-proved-rules-indian-supreme-court.html (last visited on August 18, 2021).

This blog details the *Toyota Judosha Kabushiki vs. Prius Auto Industries Ltd.* judgement.

- Ashlie Hughes, *This Bud's for Who? The Battle of 'Budweiser' Spans Centuries, Countries and Courthouses*, (April 12, 2020), available at <https://vinepair.com/articles/budweiser-vs-budvar-name-challenge/> (last visited on July 27, 2021).

The piece analyses the history and development of the *Budweiser* trademark case, as it developed in different jurisdictions.

- Adyasha Samal, *Mountain Dew Trademark Battle: David vs. Goliath or Misapplication of Prior User Rights?*, (October 27, 2020), available at <https://spicyip.com/2020/10/mountain-dew-trademark-battle-david-v-goliath-or-a-misapplication-of-prior-user-rights.html> (last visited on August 20, 2021).

This blog analyses and details the civil court judgement on the trademark Mountain Dew.

- Vicky Butterworth, and Jason Chester, *United Kingdom: Protecting and Enforcing Renowned Trademarks in Non-Registration Jurisdictions*, WORLD TRADEMARK REVIEW, available at <https://www.worldtrademarkreview.com/portfolio-management/united-kingdom-protecting-and-enforcing-renowned-trademarks-non> (last visited on August 13, 2021).

The article deals with the protection of well-known marks in the United Kingdom.

- Trademark Legislation, *available at* <https://iprlawindia.org/trademark-legislation/> (last visited on August 3, 2021).

The piece records the evolution of trademark legislation in India.

Hence, the literature available showcases that the three different jurisdictions follow different approaches as to the recognition of the well-known marks, and they provide different standards for *fame* necessary for according protection. These jurisdictions also have different understandings as to spillover of the reputation. The available literature, however, lacks on comprehending and elaborating the implications of these differential levels of recognition and protection, particularly, as to the lack of reciprocity in according recognition and protection to such marks.

I. INTRODUCTION

“A brand is a voice and a product is a souvenir”

- Lisa Gansky

The well-known marks are the marks that have gained a certain kind of fame, and the consumers of such marks associate certain goods or services with them. Such mark, apart from being an aid to its customers in giving them assurance of quality associated with the brand, “*actually sells the goods*”¹, as it has actuality of its own.

The reputation of such well-known marks generally transcends the territorial borders of its home country and spills over to such countries where the proprietors of the mark do not have any business activities. Now, in modern times, with the internet being at the tip of the hands of the general masses, and the travel and tourism industry booming, the spill-over of such marks has become much more rapid.

The international conventions have put obligations on the general public to protect such well-known marks. However, to what extent the obligations have actually been abided by the member countries, is quite discomfoting. While countries such as India play a proactive role in the protection of such well-known foreign marks, even to extent of protecting them despite the lack of business activities in the country. On the other hand, commercial hubs such as the USA and the UK, are wary of granting protection to such foreign marks, by *inter alia*, requiring a very high threshold of fame for according protection and requiring user of the goods/service wielding such marks within the territory. This lack of reciprocity is something that the paper is critical of.

Before moving to the comparative analysis of the trans-border reputation, it would be pertinent to delve into the relevant provisions in the international instruments.

At the international level, the Paris Convention for the Protection of Industrial Property² (hereinafter, Paris Convention) makes the provision for the well-known marks. Article 6*bis* puts an obligation on the member states to protect well-known

¹ Frank Schechter, *The Rational Basis of Trademark Protection*, 40(6), HARVARD LAW REVIEW, 813, 819 (1927).

² Adopted on July 7, 1884.

marks. The Article, however, does not define the term. Moreover, the article does not protect the non-competing and non-similar goods³. Well-known service marks were still not incorporated in the international convention.

The TRIPS Agreement⁴ fore mostly extended the scope of Article *6bis* to similar services as well as to the non-similar goods and services⁵. Moreover, it also provided certain criteria for determination of well-known marks “*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*”⁶.

The Joint Recommendation of WIPO⁷ was a step further as it delineated certain criteria that need to be considered for deciding as to a mark being well-known. These criteria have been incorporated in various domestic legislations, India being one such example⁸.

Trademark dilution is another relevant concept with respect to trans-border reputation. It is cardinal in understanding the importance of well-known/famous marks. It is a more recent development as compared to trademark infringement. Whereas the trademark infringement focuses on the wrong from the point of view of the buyers and customers, i.e. whether it would cause confusion or likelihood of confusion to the customers, the trademark dilution does not see this problem from the viewpoint of the

³ Srividhya Ragavan, *Spill-Over Reputation: Comparative Study of Indian and the United States*, 14(3), UNIVERSITY OF PENNSYLVANIA ASIAN LAW REVIEW, 326, 329 (2019).

⁴ Agreement on Trade-Related Aspect on Intellectual Property Rights (adopted on January 1, 1995).

⁵ Article 16 (2), (3); Agreement on Trade-Related Aspect on Intellectual Property Rights (adopted on January 1, 1995).

⁶ Article 16 (2).

⁷ The Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, World Intellectual Property Organization (adopted on September 20, 1999).

⁸ Section 11(6), Trademark Act, 1999.

end customers, but it focusses on the mark itself⁹. Hence, dilution needs to be differentiated from trademark infringement.¹⁰

It is a well-known mark that needs protection from dilution. In the Words of Frank Schechter¹¹“*The more distinctive or unique the mark, the deeper is its impress upon the public consciousness, and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used.*”¹²

The dilution is then lowering the sanctity and gravity attached to these marks in the eyes of the end customers. Trademark dilution can happen broadly in two ways: blurring and tarnishment¹³.

Trademark dilution is an important conception because, in the absence of dilution, it would not have been possible for the protection of the well-known marks. The well-known marks have gained an intrinsic value of themselves, and protection against dilution ensures protection of this value.

Another relevant concept is that of the principle of *territoriality*. In a general sense, the laws on intellectual property rights are territorial, i.e., each country has its own set of laws and rules for the same. Trademark law is also part of it. However, the concept of well-known/famous foreign marks brings a challenge to this problem.

The territoriality principle is contrasted with the universality principle, which maintains that:

[I]f the trademark [is] lawfully affixed to merchandise in one country, the merchandise would carry that mark lawfully wherever it went and could not be deemed an infringer although transported to another country where the

⁹ See Gaurav Mukherjee, and Srishti Kalro, *What is the Confusion Over Dilution?: Towards a Meaningful Understanding of Section 29 (4) of the Trademarks Act, 1999*, 4, INDIAN JOURNAL OF INTELLECTUAL PROPERTY LAW, 139, 140 (2011).

¹⁰ Eric A Prager, *The Federal Trademark Dilution Act of 1995: Substantial likelihood of Confusion*, 7(1), FORDHAM INTELLECTUAL PROPERTY, MEDIA AND ENTERTAINMENT LAW JOURNAL, 121 (1996).

¹¹ It was Frank Schechter who evolved the concept of trademark dilution; see Dev Saif Gangjee, *Lots in a Name: Would ‘Diluted’ Marks Still Sell As Sweetly?*, 15, STUDENT BAR REVIEW, 5, 7 (2003).

¹² Schechter, *supra* note 1, at 825.

¹³ Gangjee, *supra* note 11, at 8.

exclusive right to the mark was held by someone other than the owner of the merchandise¹⁴.

The next chapters would analyze the above mentioned concepts in different jurisdictions.

¹⁴ 482 F.3d 135 (2d Cir. 2007).

II. TRANSBORDER REPUTATION IN THE UK: GOODWILL OVER REPUTATION

The UK has been one of the nuclei of modern development and is one of the prominent nurseries of corporations and companies. Its companies are renowned worldwide. From the East India Company to the present corporations, the UK has always stood up for the protection of its companies, be it their physical assets, or their intangible assets as well, such as goodwill.

The jurisdiction has gained a certain level of notoriety for its ‘hardline’ approach regarding the protection of well-known foreign marks. Before delving into the judicial precedents, it would be pertinent to have a glance at statutory provisions there.

The development of trademark law in the UK has a long history. The trademark dilution specifically could be traced back to, though not as distinctly as in the present, 19th Century¹⁵. The “*dilution-like arguments*”¹⁶ were entertained by the courts even before the formal incorporation of the provision under the present statute. At quite an early stage, the development of the common law tort of “passing off” took care of the infringement of the brand symbols¹⁷. It was finally in the year 1875 when the registration of the trademark was brought into being¹⁸.

However, it was only under the present statute (the 1994 Act) that the trademark dilution got the proper recognition¹⁹. The present Trademark Act of 1994, which was the result of many amendments and additions to the predecessor legislations, was legislated, *inter alia*, to comply with the provisions under Article 6*bis* of the Paris Convention²⁰. It contains provisions recognizing the dilution, such as section 10(3), 5(3), etc.

¹⁵ David S. Welkowitz, *Protection against Trademark Dilution in the UK and Canada: Inexorable Trend or Will Tradition Triumph?*, 24(1), HASTINGS INTERNATIONAL AND COMPARATIVE LAW REVIEW, 63, 70 (2000).

¹⁶ See *id.*

¹⁷ However, in the present times, the tort of passing off in the UK has become “*stagnant*”; see Arpan Banerjee, *Spillover Reputation in Passing Off Actions: Indian and English Law Compared*, 14(1), OXFORD UNIVERSITY COMMONWEALTH LAW JOURNAL, 21, 45 (2014).

¹⁸ See Catherine Colston, and Jonathan Galloway, MODERN INTELLECTUAL LAW PROPERTY, (3, 2010).

¹⁹ Welkowitz, *supra* note 15, at 69.

²⁰ Colston, *supra* note 18.

Section 5(3) provides that if a mark enjoys a reputation in the UK, then such mark would foreclose the similar marks from being registered²¹. One other important provision on the subject is section 10(3), which contains provisions regarding trademark dilution²². It provides a safeguard against both blurring, and tarnishment²³. The lack of definition of reputation has resulted in various interpretative exercises by the English Courts. One thing to be noticed here is that the protection under the Section is provided to “*registered marks*”²⁴. Section 94(2) is also a relevant provision concerning trademark dilution.

The most significant provision in the Trademark Act, 1994 regarding the protection of well-known marks is contained in section 56. This provision incorporates Article 6bis of the Paris Convention and seeks protection of well-known marks even if they are not registered in the UK²⁵. It is worth noting that this section does not apply if the goods or services are dissimilar²⁶. The word ‘goodwill’ finds a place in this section but remains undefined. The provision is a positive addition as it protects even the marks that have not undergone formality of registration.

The courts in the UK have been wary of granting protection to the well-known foreign marks, which even though have spillover of the reputation in the UK, but which do not have a localized consumer base. For more than a century, these courts have opined that it is goodwill that deserves protection, and not reputation. The analysis of the judicial development showcases the importance that these courts have given to such concepts. They have interpreted these terms, and have emphasized the distinction between the two: that it is the goodwill that is a ground for according protection to the

²¹ Section prevents recognition of subsequent marks “*to the extent that, the earlier trade mark has a reputation in the United Kingdom*”.

²² See Christiana Aristidou, *Worldwide: Trademark Infringement and Dilution as Causes of Action: The US and UK Framework*, MONDAQ (May 9, 2014) available at <https://www.mondaq.com/cyprus/trademark/312146/trade-mark-infringement-and-dilution-as-causes-of-action-the-us-and-uk-framework> (last visited on August 12, 2021).

²³ It also contains safeguard against free riding.

²⁴ See Section 10(3).

²⁵ Vicky Butterworth, and Jason Chester, *United Kingdom: Protecting and Enforcing Renowned Trademarks in Non-Registration Jurisdictions*, WORLD TRADEMARK REVIEW, available at <https://www.worldtrademarkreview.com/portfolio-management/united-kingdom-protecting-and-enforcing-renowned-trademarks-non> (last visited on August 13, 2021).

²⁶ Banerjee, *supra* note 17, at 23.

well-known foreign marks²⁷. As far as reputation is considered, the term has always been compared with goodwill and its existence has been hyphenated with it.

Lord Macnaghten's interpretation of the goodwill in *IRC v. Muller's and Co. Margarine*²⁸ gives one of the most celebrated definitions of goodwill. Lord Macnaghten observed the difficulty in describing the term. He also noted that goodwill is linked with locality when he mentioned "*I think that if there is one attribute common to all cases of goodwill it is the attribute of locality. For goodwill has no independent existence. It cannot subsist by itself. It must be attached to a business*".²⁹ This localization of the goodwill points to its territorial nature. Lord Brampton also seconded the local character of the goodwill. Lord Lindley further observed that goodwill has no independent existence, apart from and beyond the business or trade it is appurtenant to. It could also include, but is not limited to, reputation. It is worth noting here, however, that the issue in the present case was that of sale of a business, and did not deal with the trademark or reputation of foreign marks. So, the House of Lords did not analyze reputation in the present case.

The genesis of the hard-line approach is the decision of *Maxx vs. Hogg*, decided as early as 1867, where it was observed that mere reputation sans customer base, would not make for a case of passing off³⁰. Different decisions have tried to elaborate on this.

a). Crazy Horse³¹(1967) and the Regret of the Territoriality Principle:

The relationship between goodwill and reputation was discussed in detail in the present case, aka *Crazy Horse*. The court in the present case, concurring with Lord Macnaghten's and Jenkin's interpretation of goodwill, observed that user in the country is *sine qua non* for acquiring goodwill in the country. The court had cited

²⁷ See *id.*

²⁸ [1910] SVC 25, (House of Lords); in his oft quoted observation, Lord Macnaghten defined goodwill as "*What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom.*"

²⁹ *Id.*

³⁰ See *Starbucks (HK) Limited and Anr. Vs. British Sky Broadcasting Group PLC and Others*, [2015] UKSC 31, 11 (Supreme Court of the United Kingdom).

³¹ *Alain Bernardin et Compagnie v, Pavilion Properties Limited*, [1967] RPC 581.

Kerly 9th edition³² where the author had pointed that mere reputation in the country was sufficient, and the user in the country is not required for establishing goodwill in the country. Pennycuick, J, however, did mention his inability to concur with this view and observed that mere reputation sans user in the country would not suffice for bringing an action of passing off³³. The court, therefore, went on to hold, though “*with considerable reluctance*”³⁴, that there was no case of passing off, as the requisite goodwill was not acquired by the plaintiff. The emphasis on the ‘*user in the country*’ was, as Pennycuick mentioned in the case, taken from *Oertli AG vs. Bowman*.

The case showcased the hardships that strict observance of the territoriality principle brings, where even a clear case of deliberate copying and deception was allowed. The “*regret*”³⁵ that the court expressed, was quite observable where the court though acknowledged the wrong but was incapacitated to address the same, which seems to be a negation of the maxim “*ubi jus ibi remedium*”.

The case was also important for showcasing that mere advertisement in the UK, would not amount to spill-over of goodwill or reputation in the UK when the business activity was not carried on in the UK. The case, however, had been a subject of criticism for its overly restrictive interpretation of trans-border reputation.

Later, in *Star Industrial Co. Ltd, vs. Yap Kwee Kor*³⁶, goodwill was subject of discussion, and there as well, the court observed that goodwill does not have an independent existence, apart from the business to which it is affixed and has local character³⁷. Lord Diplock had observed, “[I]f the business is carried on in several countries a separate goodwill attaches to it in each”³⁸.

³² Sir Duncan Mackenzie Kerly, KERLY’S LAW OF TRADEMARK AND TRADENAME, (9th edn., 1966).

³³ In Pennycuick’s words, “*It seems to me that there must be some kind of user in this country*”.

³⁴ *Supra* note 31, at 588.

³⁵ *Id.*

³⁶ *Star Industrial Co. Ltd, vs. Yap Kwee Kor*, [1976] UKPC 2, (Privy Council).

³⁷ *Id.*; see also Jonathan Griffiths, *Star Industrial Co Ltd v Yap Kwee Kor: The End of Goodwill in the Tort of Passing Off*, (February 12, 2015), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2564045 (last visited on August 19, 2021).

³⁸ *Supra* note 38.

b). Budweiser³⁹: The Delineated Distinction Between Goodwill and Reputation:

This case had been a progression from the *Crazy Horse* decision. The case relates to “one of history’s longest-running commercial disputes”⁴⁰. The distinction between reputation and goodwill was made most prominently in this case.

Oliver, LJ, tried to distinguish between goodwill and reputation and opined that the former could not exist in a vacuum, while the latter could exist without the need for the existence of a local business⁴¹. He further opined that reputation is not entitled to legal protection as against goodwill. The same perspective echoed in Lord Dillon’s observation as well, when he opined that reputation in the UK, howsoever broad, is not to be protected, as it is a mere recognition of the goodwill, and does not show goodwill of the business in the country, which is the subject of protection⁴².

This interpretation that Oliver, LJ, had given for goodwill and reputation seems to hold the reputation as subordinate to the goodwill. The reason for not recognizing the action of passing off in the instant case was because of the peculiar arrangement in this case, where the beer, though was exported to the UK and consumed there, was not available to the general public. Hence, this case necessitated the requirement of accessibility of the product bearing the trademark to the general public.

Oliver, LJ, had also opined that the term “customer” should be accorded a restrictive interpretation. This narrow interpretation would mean that it would be difficult to attain goodwill through non-conventional methods. E.g., the advertisement of the trade name in the US magazines circulated in the UK, as in the present case, would heavily fall short of establishing goodwill in the UK.

The enactment of the new Trademark Act, 1994 brought certain important changes to the UK’s trademark regime. Particularly, it brought forth the present section 56. The section, as discussed earlier, provided protection to unregistered well-known marks, and provided the owners of such marks one additional protection, instead of just

³⁹ An Heuser Busch Inc. vs. Budejovicky Budvar, Narodni Podnick (Trading as Budweiser Budvar Brewery) and Others, [1984] WL 281663.

⁴⁰ Ashlie Hughes, *This Bud’s for Who? The Battle of ‘Budweiser’ Spans Centuries, Countries and Courthouses*, (April 12, 2020), available at <https://vinepair.com/articles/budweiser-vs-budvar-name-challenge/> (last visited on July 27, 2021).

⁴¹ *Supra* note 39.

⁴² *Id.*

banking on the action of passing off⁴³. The inclusion of this section has, however, still not solved the problem of establishing user of the marks in the UK for the protection of such marks.

c). *Hotel Cipriani*⁴⁴: A Silver Lining with a *But*:

In this case, the defendant used the claimant's trademark in the UK. The claimant themselves had no business *per se* in the UK, but they had customers there. The court held in favour of the claimants.

The case is relevant for its deviance from hard-line approach, although without unsettling the precedents on the subject. Lloyd, LJ, cited and concurred with Lord Macnaghten's remark on goodwill. He also held that the *ratio* of *Budweiser* still holds good⁴⁵. He, however, also indicated how *Crazy Horse* judgment has been subject to critical analysis in various jurisdictions (including India)⁴⁶.

Taking cognizance of the importance of online presence and website in attaining reputation, Lloyd, LJ observed:

It is fair to say that, especially in the circumstances of the present day, with many establishments worldwide featuring on their own or shared websites, through which their services and facilities can be booked directly (or their goods can be ordered directly) from anywhere in the world, the test of direct bookings may be increasingly outmoded.⁴⁷

One important decision referred to in this case was *Pete Waterman vs. CBS (1993)*⁴⁸ which had distinguished between two important elements: customers and place of business, and held that the presence of the former would be sufficient for determining goodwill, and the existence of a place of business is not required for ascertaining the same.

The judgement has been progressive in the most sense because it recognizes the role of internet in the creation of reputation. However, its unequivocal acceptance of *Budweiser* seems to have put a caveat.

⁴³ Banerjee, *supra* note 17, at 29.

⁴⁴ *Hotel Cipriani Srl v. Cipriani (Grosvenor Street) Limited*, [2010] RPC 16, (Court of Appeal).

⁴⁵ *Id.*, at 516.

⁴⁶ *Id.*

⁴⁷ *Id.*, at 521.

⁴⁸ [1993] EMLR 27.

d). Starbucks⁴⁹: The Flag-bearer of the Hard-line

This decision has consolidated the hard-line stance regarding the protection of the well-known foreign marks.

The court here, citing Lord Oliver’s observations in *Reckitt & Colman Products Ltd v Borden Inc.*⁵⁰ observed that for bringing the action of passing off in the present case, the plaintiff must prove, *inter alia*, the existence of goodwill in the UK⁵¹. The court opined that even before establishing the three elements of passing off as held by Lord Oliver, the claimant had to first establish the existence of goodwill, “*in the sense of customer base, in this jurisdiction*”⁵².

The claimant plaintiffs had argued for a more liberal interpretation of goodwill, particularly in the light of the existence of the internet, and ever-increasing travel culture. The court did recognize these considerations, but it did not consider them to be consequential enough to liberalize its prior position.

Regarding the question as to what amounts to adequate business, Lord Neuberger pointed out that having actual physical offices in the office would not be necessary. But bare reputation, devoid of customers in the jurisdiction would not be worth protecting. What is needed to be proved is goodwill within the jurisdiction, for which the claimant has to establish “*customers within the jurisdiction*”⁵³.

Lord Fraser’s remark in *Erven Warnink BV v J Townend & Sons*⁵⁴, that the reputation of the mark in a foreign country is of no value in the UK, has found resonance in Lord Neuberger’s observation.

The court also pointed at the larger policy behind the present position: the need for harmony and balance between the conflicting interests, “*public interest in not unduly hindering competition and encouraging development, on the one hand, and on the other, public interest in encouraging, by rewarding through a monopoly, originality,*

⁴⁹ *Supra* note 30.

⁵⁰ [1990] RPC 341.

⁵¹ *Supra* note 30; Lord Oliver, in *Reckitt & Colman Products Ltd v Borden Inc.* had held that for bringing the action of passing off, the proprietor of mark had to prove the existence three elements).

⁵² *Id.*, at 7.

⁵³ *Id.*, at 16.

⁵⁴ [1979] AC 739.

effort and expenditure”⁵⁵. And as per Lord Neuberger, granting protection to the well-known foreign marks that only have a reputation and not goodwill would disturb the equilibrium in the favour of the latter.

Regarding the challenges posed to the English position by the other common law jurisdictions such as Ireland, New Zealand, etc., Lord Neuberger did take notice of differing decisions of these jurisdictions. He also pointed out how the common law jurisdictions need to be in harmony on the issue⁵⁶. However, the court, seeing support in the USA’s judicial trend, as well as that of Singapore’s (which, in the view of Lord Neuberger, is also in line with the UK’s present stance), held that there is a lack of clear trend that is opposed to the UK’s stance. It, however, seems debatable.

What really exemplifies the archaic viewpoint is the observation at para 63. The Internet has made the borders porous, and has evolved the concept of “*international goodwill*”⁵⁷. The same has been done by travel. This meant that insistence on establishing ‘*customers within the jurisdiction*’ would be an anachronism. Lord Neuberger, however, has opined that if one thinks so, it means that the “*imbalance between protection and competition which PCCM’s case already involves [...] would be exacerbated*”⁵⁸. This line of argument is highly debatable because recognition of the internet as an agent of spill-over would enhance this balance.

Hence, the evolution and development of trans-border reputation in the UK have been slow and the courts have been apprehensive about providing recognition and protection to the well-known foreign marks. From the very beginning, the courts have considered goodwill above reputation and stressed establishing the user within the territorial limits of the UK to establish goodwill. Doing so, at times, has resulted in unreasonable outcomes. In *Crazy Horse*⁵⁹, the court even permitted the deliberate instance of copying and allowed the use of the foreign mark against the international norms just because the plaintiff in the case had not showcased actual business and

⁵⁵ *Supra* note 30, at 19.

⁵⁶ *Id.*, at 16.

⁵⁷ *Id.*, at 20.

⁵⁸ *Id.*, at 21.

⁵⁹ *Supra* note 31.

user within the English territory. As if to extend it further, in *Budweiser*⁶⁰, the court stressed on establishing that the goods wielding the mark are accessible to the general public, instead of it being accessible to certain limited class (this is somewhat similar to the American stance, according to which, fame in a niche section/market is not adequate for according protection to such mark⁶¹). The court also sought to give a constricted definition of “*customer*”, which further tends to restrict the recognition and protection of the well-known marks, and buttresses the hardline stand. This hardline approach got its eventual expression in *Starbucks*⁶² where the court pointed that providing a liberal approach for recognition or protection of the well-known marks could unsettle the equilibrium between the rights of the traders/proprietors of the marks and the rights of the general public as to use those marks in the favor of the former⁶³. This showcases the fear of the English courts that by granting greater protection to the foreign well-known marks, they would cause exclusion of various foreign marks from being used by the English people.

Though section 56 of the UK Trademark Act seeks to extend Article 6*bis* of the Paris Convention into the jurisdiction of the UK, the requirement that the mark needs to be well-known within the UK jurisdiction means that except for providing one additional remedy, it does not do anything more (as it is still required to be shown that the mark has business activity/user/ customer base within the jurisdiction of the UK), and the issue of establishing business activities and customer base would persist.

The neglect of the UK courts in accepting that internet/social media, advertisements, and travel as the modern means of the spillover of the reputation, sufficient to be granted protection in the marks is also apparent. While other jurisdictions (including India) are moving towards international goodwill and giving importance to these modern means of spillover, UK is still stuck with the age-old and conservative understanding of spillover and goodwill.

The judicial interpretation of the reputation and goodwill can be summarized as
Goodwill = Reputation + business activities/user in the UK.

⁶⁰ *Supra* note 39.

⁶¹ See *infra* note 93.

⁶² *Supra* note 30.

⁶³ *Id.*

III. TRANSBORDER REPUTATION IN THE USA: FOCUS ON ‘USE’

The USA’s approach in recognition of the trans-border reputation of well-known foreign marks is comparable to the UK’s. While the UK insists on establishing the existence of business activity within the jurisdiction, the USA requires the mark to be *used* in the geographical territory, and also stresses the intent of the subsequent user of such well-known marks, to bring the action of passing off.

There are certain peculiarities in understanding the US’s trademark law. The different States tend to have their own trademark laws, and that coupled with the federal laws, makes the analysis a bit complex. Also, there is a lack of consistency as to the concept of trans-border reputation. Certain states are more liberal in their approach towards recognition and protection of trans-border reputation than the others.

The central and recurring concept in the US jurisprudence on the trans-border reputation is the *famous mark doctrine*. As already mentioned, under the US trademark law, protection is provided to the one who *uses* the mark within the territory of the US⁶⁴. But what about the recognition and protection of the marks that are neither registered nor *used* within the territory of the US? As per the *famous marks doctrine*, such marks can be granted recognition provided such marks are famous within the jurisdiction of the US.⁶⁵ *Famous marks doctrine* should, however, be distinguished from the well-known marks in the UK.⁶⁶

As we would see, the doctrine has been the biggest point of debate in the US’s trademark law. It has been termed as a “*controversial common law exception to the territoriality principle*,”⁶⁷. Whether it is a legally recognized concept or not, and if so, which provision deals with it in the State laws, and federal laws? Moreover, what

⁶⁴ Alexis Weissberger, *Is Fame Alone Sufficient to Create Priority Rights: An International Perspective on the Viability of Famous/Well-Known Marks Doctrine*, 24(2), *Cardozo Arts and Entertainment Law Journal*, 739 (2006).

⁶⁵ See *id.*

⁶⁶ Andrew Cook, *Do As We Say, Not As We Do: A Study of the Well-Known Marks Doctrine in the United States*, 8, *THE JOHN MARSHALL REVIEW OF INTELLECTUAL PROPERTY LAW*, 412 (2009).

⁶⁷ *De Beers LV Trademark Ltd. v. DeBeers Diamond Syndicate, Inc.*, [2005]WL 11647083 ; see *ITC Ltd. vs. Punchghini, Inc.* 482 F.3d 135 (2d Cir. 2007), 161 (United States Court of Appeal, Second Circuit).

level of fame does the famous mark doctrine require for getting protection in the US? These are certain legal questions that the US trademark law is still grappling with.

The “*territoriality principle*” is the ruling principle of trademark law in the USA, more prominently than in the UK. In the words of McCarthy, “*priority of trademark rights in United States depends solely upon priority of use in the United States, not on priority of use in anywhere else in the world*”⁶⁸.

If one follows the development of trademark law in the USA, one would note that initially, it was left to the states for the protection of the trademark. However, gradually, federal laws were enacted in this regard. The Lanham Act, 1946 contains various provisions for federal trademark law. The Act originally did not contain the provisions regarding trademark dilution. It was only after the enactment of the Federal Trademark Dilution Act, 1995 that the trademark dilution was made part of the federal law. Thereafter, the Trademark Dilution Revision Act, 2006 brought more requisite changes to the Lanham Act.

The term famous mark is defined under section 43 of the Lanham Act (which was included by the Trademark Dilution Revision Act). It reads as “*a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner*”⁶⁹. The section also provides criteria for the assessing “*requisite degree of recognition*”⁷⁰.

The evaluation of the judicial trends showcases that there is a lack of consistent and coherent view on the trans-border reputation of the famous foreign marks. It, however, points to the prominence and predominance of the territoriality principle⁷¹. Only in sporadic cases have there been deviance from this principle. This principle meant that the first user of a registered trademark would displace and prevent all the subsequent users from using the same mark.

⁶⁸ Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, (4th edn., 2002); see Grupo Gigante SA De CV vs. Dallo and Co., 391 F.3d 1088 (9th Cir. 2004), 1093 (United States Court of Appeals, Ninth Circuit).

⁶⁹ 15 USC 1125 (c)(2)(A).

⁷⁰ *Id.*

⁷¹ See Ragavan, *supra* note 3, at 327.

The *Tea Rose-Rectanus Doctrine* was the initial judicial interpretation that focussed on the priority of *use* of the unregistered marks. It provided an exception to the protection of the first user (senior user) of the marks over the subsequent ones (junior user)⁷². If the subsequent user uses the mark in a distinct geographical area than the first user, the subsequent user could legitimately use the mark, provided it uses the mark in good faith. Hence, good faith of the subsequent user of the mark would absolve it from the liability. Lanham Act has, to a considerable extent incorporated the doctrine⁷³. The doctrine generally (not necessarily) does not apply to the registered marks.⁷⁴

a). *Bourjois Co. vs. Katzel*⁷⁵: Emphasising on Territoriality:

The case was one of the first cases to systematically develop and justify the territoriality principle over the universality principle⁷⁶. The Supreme Court in this case observed that territoriality is the predominant principle under the trademark law and “*a trademark has a separate legal existence under each country's laws*”⁷⁷.

The doctrine of territoriality has since been the regular feature of the judicial decisions on intellectual property rights in general and trademark laws in particular.

b). *Maison Prunier vs. Prunier Restaurant Café*⁷⁸:Analysing the *Famous mark doctrine*:

⁷² See Nashrah Ahmed, *The Tea-Rose Rectanus Doctrine's Good Faith Test*, 9(1), AMERICAN UNIVERSITY BUSINESS LAW REVIEW, 77,79 (2020).

⁷³ Dominic Riella, *Good Faith Concurrent Trademark Use: How the Ninth Circuit Took a Step in the Right Direction for Broad Protection in a Digital Time*, 72, SMU LAW REVIEW, 327, 330 (2019).

⁷⁴ Ragavan, *supra* note 3, at 351.

⁷⁵ 260 U.S. 689 (1923).

⁷⁶ Kristin Zobel, *The Famous Marks Doctrine: Can and Should Well-Known Foreign Marks Receive Trademark Protection within the United States?*, 19(1), DEPAUL JOURNAL OF ART, TECHNOLOGY AND INTELLECTUAL PROPERTY LAW, 145, 147 (2008).

⁷⁷ John A. Young, *Gray Market Case: Trademark Rights v. Consumer Interests*, 64 (1), NOTRE DAME LAW REVIEW, 838, 841, (1986).

⁷⁸ 288 NYS 529.

It was one of the first and foremost cases focussing on *famous mark doctrine*. The case involved the use of a renowned foreign mark of the plaintiff, who were operating restaurants in France.

The court observed that good faith of the subsequent/junior user of the famous mark in the remote jurisdiction could prevent the elder user from using the mark in that location⁷⁹. This meant that the bad faith of the subsequent user (younger user) would negate the territoriality principle, and hold him or her liable⁸⁰. Shientag also opined that the products in question need not be competitive to bring the claim regarding the unfair competition⁸¹. Trademark infringement concerning non-competitive goods, which necessarily implies trademark dilution, was discussed in this case. Citing *Long's Hat Store Corp. vs. Long's Clothes* Sheintag observed that non-competitive goods would also be within the ambit of action⁸².

Regarding territoriality, it was opined that because of the speedy pace of advancement in travel and communication, strict adherence to territoriality might not be appropriate. By addressing the problems in the strict adherence to the principle, the court took a stride towards liberal understanding, which in turn would have enabled greater protection to the foreign marks. By focussing on non-competitive products, it had broadened the scope of protection. However, the good faith or bad faith of the subsequent user might be difficult to establish.

Similar to *Prunier*, the Supreme Court of New York again, in *Vaudable vs. Montmartre*⁸³, dealt with the case of appropriation of, *inter alia*, the mark of a French restaurant by the defendant in New York. Taking note of bad faith of the defendant, the court in the present case recognized the reputation of the plaintiff's mark in New York, even though it had no business as such in there. The fact that the defendant used it for the non-competing purpose was no defence. The court held the plaintiff to be entitled to the injunction and gave recognition to the famous mark of the plaintiff, irrespective of the fact that it did not have business in the US. Moreover, like the last

⁷⁹ *Id.*

⁸⁰ See Zobel, *supra* note 76, at 149.

⁸¹ *Supra* note 78.

⁸² *Id.*

⁸³ 1993 NYS 2d 332.

case, unfair competition was the focus of the present case as well.⁸⁴ . The case, as was observed later, based the origin of the *famous marks doctrine* in the principle of unfair competition⁸⁵ . Both the above-mentioned cases did not, however, consolidate their positions regarding federal laws on the matter⁸⁶ .

c). *Grupo Gigante*⁸⁷: Ninth circuit's Approach to Fame:

One of the oft-cited judgements regarding the position of the US jurisdiction concerning the trans-border reputation of foreign marks, and recognition of famous mark doctrine.

The Ninth Circuit stated the elementary principle of trademark law, “*first in time, equals first in right*”⁸⁸ , which gives importance to the earliest *use* of the mark in the USA. However, the court did concede that the territoriality principle is not a rigid truism, and the famous mark doctrine would be an appropriate exception for the same. The court, however, related the purpose for this exception with confusion to the consumers, instead of an attack on the distinctiveness or repute of the mark itself. The court, however, was averse to the too liberal interpretation given to the *famous mark doctrine* by the district court. It pointed that the territoriality principle flows from the Paris Convention⁸⁹ .

The court opined that for determining a famous mark, ascertainment of the secondary meaning of the mark is one of the determinants and not the sole factor. Apart from that, the court also needs to, *inter alia*, establish other requisites, such as the fact that “*a substantial percentage of consumers in the relevant American market is familiar with the foreign mark*”⁹⁰ .

⁸⁴ The doctrine states that “*commercial unfairness should be restrained whenever it appears that there has been misappropriation, for the advantage of one person, of a property right belonging to the other*”; *id.*

⁸⁵ *Mother's Rests., Inc. v. Mother's Other Kitchen, Inc.*, 218 U.S.P.Q 1046 (United States District Court).

⁸⁶ Blake W. Jackson, *Notorious: The Treatment of Famous Trademarks in America and How Protection Can be Ensured*, 3(1), JOURNAL ON BUSINESS, ENTREPRENEURSHIP AND THE LAW, 61, 70 (2009).

⁸⁷ *Supra* note 68.

⁸⁸ *Id.*, at 1093.

⁸⁹ Article 6(3), Paris Convention for the Protection of Industrial Property; *id.*, at 1098.

⁹⁰ *Supra* note 68.

Regarding the question of bona fide of the defendant in adopting the plaintiff's mark, the court found that the evidence adduced by the plaintiff was deficient. As to the question of the *use* of the mark, the plaintiff had argued that it had, through several promotional works and other activities of similar nature, used the mark in the USA⁹¹. The court, however, did not indulge in this debate and observed that since the actions of the defendant were not laden with bad faith, it was not actionable.

Graber, J observed that for recognizing a famous foreign mark in the USA, a high or strict standard should be used, particularly to such a mark “*that has never been, and perhaps never may be, used in this country*”⁹². Mere acquiring secondary meaning is not sufficient.

The decision elaborated the *famous mark doctrine* and observed that it should be interpreted narrowly. As far as secondary meaning attached to the mark, it observed that it is insufficient in according fame. Moreover, it did not attribute the *famous mark doctrine* to Lanham Act.

d). Board of Regents Ex Rel. vs. KST Electric Ltd.⁹³: Niche fame= no fame:

The court, in the present case, had observed that the greater the strength of the mark, the higher the degree of protection it is accorded⁹⁴.

The Court went through the Trademark Dilution Revision Act (hereinafter, TDRA), which had amended the Federal Trademark Dilution Act. One of the most significant alterations made was the inclusion of the definition of famous mark⁹⁵. Since the TDRA defines famous marks as the ones recognized by the “*general consuming public*”⁹⁶ it, therefore, does not recognize fame in a niche market. The plaintiff in the present case had “*niche fame*”⁹⁷ and the same was considered insufficient.

The TDRA has further narrowed the scope of *famous mark doctrine*. This negation of niche fame would dilute the remedy against trademark dilution. Moreover, narrowing

⁹¹ *Id.*, at 1106.

⁹² *Id.*, at 1108.

⁹³ 550 F. Supp. 2d 657 (W.D. Tex. 2008).

⁹⁴ *Id.*, at 671.

⁹⁵ 15 USC 1125 (c)(2)(A).

⁹⁶ *Id.*

⁹⁷ *Supra* note 93, at 657.

the *famous mark doctrine* would mean that famous mark status would be accorded to the *crème de la crème*, and many of the marks would fall short of proving their fame to the general public of the United States. So, if a product wielding the mark is famous in a specialized market and relatively unknown to the general masses, then such mark would not be “*famous*” within the Lanham Act after the TDRA addition. This has further strengthened the territoriality principle.

This case has, in a way, strengthened the notion that the mark should indeed be a “*household name*” for being accorded the famous mark status⁹⁸, and protection should be accorded to “*those marks with such powerful consumer associations that even noncompeting uses can impinge on their value*”⁹⁹.

The strict and ever-narrowing standard of fame required for protection against trademark dilution was again exemplified in *Arc Soft Inc. vs. CyberLink Corp.*¹⁰⁰

e). ITC vs. Punchghini¹⁰¹: Famous Mark Doctrine Irreconcilable with Lanham Act:

This case defines the present stance of the US courts regarding the trans-border reputation of the foreign marks. It was decided by the Second Circuit.

The court, noting that the territoriality principle is the guiding principle of the US trademark law, opined that, the foreign mark owner must show some kind of use within the territory of the US to “*assert priority rights under the federal law*”¹⁰².

The court traced the *famous mark doctrine* to Article 6bis of the Paris Convention. As far as US law is concerned, the court observed that the doctrine does not spring from the Lanham Act. It observed the difficulty in locating the source of *famous mark doctrine*, and how various judgements have struggled in achieving the same. It opined

⁹⁸ See Eric Ball, and Carly Bittman, *Almost Famous: Many Trademark Owners Find Dilution Claims Out of Reach*, (December 21, 2016), IPWATCHDOG, available at <https://www.ipwatchdog.com/2016/12/21/almost-famous-trademark-owners-dilution/id=75703/> (last visited on August 1, 2021).

⁹⁹ *Nissan Motors Co. vs. Nissan Computers Corp.*, 378 F3d 1002 (9th Cir. 2004) (United States Court of Appeal, Ninth Circuit); see also *Arc Soft Inc. vs. CyberLink Corp.* 153 F. Supp. 3d. 1057 (N.D. Cal. 2015) 1065 (United States District Courts Northern District of California).

¹⁰⁰ *Id.*

¹⁰¹ *Supra* note 67.

¹⁰² *Id.*, at 155.

that *Grupo Gigante*'s recognition of the doctrine was an expedient policy: "An absolute territoriality rule without a famous marks exception would promote customer confusion and fraud"¹⁰³. Concurring with Judge Rakoff's opinion in *Almacenes Exito S.A. v. El Gallo Meat Market, Inc.*¹⁰⁴, the court observed that Lanham Act does not contain famous mark doctrine, and its inclusion in the same is the prerogative of the Congress¹⁰⁵. Moreover, it held that section 44 of Lanham Act does not incorporate Article 6bis of the Paris Convention or Article 16(2) of the TRIPS agreement, contrary to common understanding. As far as provision in TRIPS agreement and Paris Convention concerning well-known marks are concerned, the court observed that since these conventions are not self-executing and the US legislature has not passed any statute enforcing them, the courts are not bound to enforce the same.

The court also gave its opinion on the standard of fame required for establishing the mark to be a famous mark¹⁰⁶. The New York Court of Appeal, responding to the certified questions of the Second Circuit, also held that *famous mark doctrine* is not part of the State law¹⁰⁷.

The court, though mentioned the judicial decisions maintaining that *use* of the mark in the US is not *sine qua non* for establishing priority of use of well-known foreign marks, it did go on to do just the opposite. The court's insistence that only Congress should incorporate the famous mark doctrine in the Lanham Act seems to question as well as negate certain previous judgements that had held *famous mark doctrine* as part of US federal law. Another important point that the case discussed was that of enforcement of the international conventions: the Paris Convention and the TRIPS agreement. Pointing to the fact that these instruments are not self-executing in nature, they do not hold the court under obligation to abide by its provisions.

This case, in many senses, is comparable with the *Starbucks* judgement. Both the judgements consolidated the hard-line approaches in their respective jurisdictions (though *Starbucks* was much more entrenched on the subject). Moreover, both the

¹⁰³ *Id.*, at 160.

¹⁰⁴ 381 F. Supp. 2d 324 (SDNY 2005).

¹⁰⁵ *Supra* note 67.

¹⁰⁶ It is ironical, however, that the court dismissed the doctrine from being a part of federal law, but went on to discuss the standard of fame required.

¹⁰⁷ 518 F.3d 159 (2nd Cir 2008).

judgements, though, were cognizant of the fact that how internet, international travel has transcended the principle of territoriality, stuck to the age-old principle¹⁰⁸.

Hence, the US has taken the approach that the priority of the use of the mark within its jurisdiction is what entitles the foreign mark recognition and protection. Further, the requirement of fame in the general market and to the accessibility of the product wielding the mark to the general public means denial of recognition to many marks and restricting the protection to just a handful of marks.

While the *Bourjois Co. vs. Katzel*¹⁰⁹ stressed the predominance of territoriality principle, *Maison Prunier*¹¹⁰ took a bit liberal position when it extended the recognition concerning non-competing products (as was later provided in the TRIPS Agreement as well), and was apprehensive of the strict observance of the territoriality principle. The Ninth Circuit's analysis of the *famous mark doctrine*, particularly in *Grupo Gigante*¹¹¹, pointed to a restrictive evaluation of the concept. *Punchghini*¹¹² took a further non-liberal stride when it foreclosed the possibility of inclusion of *famous marks doctrine* within the Lanham Act. The judicial intervention seems to have constricted the *famous mark doctrine* as an exception to the territoriality principle. Moreover, the courts are still grappling with the issue of the extent of fame required for considering the mark famous (though Lanham Act does provide certain criteria for determining fame).

The judicial precedent also shows the problem that strict adherence to the territoriality principle brings in. Moreover, the literature available as well as the judicial interpretation also maintains that since the Paris Convention is not a self-executing treaty, and it has not been expressly enforced by any Statute, its provision is not binding on the US courts¹¹³. However, the USA was one of the central figures in the enactment of these instruments, and it seems wrong on their part to escape its liability under such instruments.

¹⁰⁸ It observed “*The fact that a doctrine may promote sound policy, however, is not a sufficient ground for its judicial recognition, particularly in an area regulated by statute*”; supra note 61, at 165.

¹⁰⁹ Supra note 75.

¹¹⁰ Supra note 78.

¹¹¹ Supra note 68.

¹¹² Supra note 67.

¹¹³ Weissberger, supra note 64.

IV. TRANSBORDER REPUTATION IN INDIA: A LIBERAL APPROACH

The Indian law on Trademark has borrowed its fundamentals from the UK law¹¹⁴. Even before the enactment of the legislation, the protection of the marks was granted by resorting to the common law tort of passing off¹¹⁵. The enactments of the Trademark Act, 1940, the Trademark and Merchandise Act, as well as the present statute, the Trademark Act, 1999 are based on the English statutes as well. The present Trademark Act contains the definition of the term ‘well-known trademark’¹¹⁶, as well as the criteria for determining the same¹¹⁷. It also contains provisions regarding protection against dilution¹¹⁸. How these have actually been used would become evident from the judicial interpretation of the same.

India is one of the stalwarts in the liberal approach towards recognition of the trans-border reputation of well-known foreign marks. Even though the UK laws have played a key role in the statutory development of the intellectual property law in India, the Indian judiciary has not followed the English judicial trends on the trans-border reputation. It Indian courts have been wary of the strict territorial approach of the US courts as well. Indian courts have, therefore, not followed either of these jurisdictions on their uncompromising stands.

a). Initial Judicial Trend:

One of the first significant decisions on the subject was *Kamal Trading Co. and Ors. vs. Gillette*¹¹⁹. The Bombay High Court made a significant observation on goodwill and reputation: “[T]hough the goods are not available in the country, the goods and

¹¹⁴ Ritika Agarwal, *Trademark Series, Concept and Position in India*, (March 13, 2013), available at <https://selvams.com/blog/trademark-series-concept-and-position-in-india/> (last visited on July 31, 2021).

¹¹⁵ Trademark Legislation, available at <https://iprlawindia.org/trademark-legislation/> (last visited on August 3, 2021).

¹¹⁶ Section 2(1)(zg), Trademark Act, 1999.

¹¹⁷ See section 11(6); based on the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks.

¹¹⁸ See Mukherjee, *supra* note 9.

¹¹⁹ 1988 (8) PTC 1 (BOM).

*the marks under which they are sold acquires widespread reputation... [G]oodwill or reputation of goods or marks does not depend upon its availability in a particular country*¹²⁰. Hence, the Indian judiciary has from the early stage, shed the English court's insistence of establishing the factum of '*carrying of business activities*' within the jurisdiction.

The Court rejected *Budweiser*¹²¹ on the issue of the extinguishing of goodwill and held that temporary suspension of the business in a particular country does not put an end to reputation¹²². The court unequivocally negated the *Budweiser*, when the UK courts are struggling even today to question it¹²³. Even before the present judgment, Hidayatullah, J had diverged from Macnaghten's observation on goodwill in *IRC vs. Muller*, which was the governing principle in the common law countries at that point in time¹²⁴. The case posits the liberal approach of Indian courts.

Later, the Delhi High Court, in *Apple Computer Inc. vs. Apple Leasing and industries*¹²⁵, being in line with *Gillette*, held that the English Court's insistence on establishing the presence of business activities within English territory for establishing goodwill is not apt in modern times, particularly in the light of "*movement of newspapers, magazines, videos, motion pictures and movement of people*"¹²⁶.

The *Budweiser* was again debated and the court found it difficult to concur with the findings of Justice Whitford, particularly the excessively high standard required for establishing goodwill. Also, the court looked into how the Canadian judgment in *Orkin*¹²⁷ has not followed the English precedents on the issue of goodwill and reputation. The straitjacket meaning of goodwill proposed by Lord Macnaghten was subject to criticism by the Ontario Supreme Court. Also, the requirement of business

¹²⁰ *Id.*

¹²¹ *Supra* note 39.

¹²² *Supra* note 119.

¹²³ See, for example, in *Hotel Cipriani*, although the observation seemed to be at variance with *Budweiser*, it still accepted *Budweiser* as the governing standard.

¹²⁴ He had opined that goodwill need not be local in character; see *M/s SC Cambatta & Co Pvt Ltd v The Commissioner of Excess Profits Tax*; see also Banerjee, *supra* note 17, at 33.

¹²⁵ 1992 (1) Arb. LR 93.

¹²⁶ *Id.*

¹²⁷ *Orkin Exterminating Co. Inc. v. Pestco Co. of Canada Ltd.*, 50 Ontario Reports 726, (Ontario Supreme Court).

activity within the jurisdiction has not been accepted by other common law jurisdictions such as New Zealand, Australia, Ireland, to name some¹²⁸.

b). N.R.Dhongre¹²⁹: Reputation vis-à-vis Goodwill:

The case is of great significance as far as the development of India's jurisprudence on trademark and reputation is concerned. The apex court's observations, in this case, are oft-quoted regarding trans-border reputation.

Giving a liberal interpretation as to *use* of the mark, the division bench of Delhi High Court opined "*Even advertisement of trade mark without existence of goods in the market is also to be considered as use of the trade mark.*"¹³⁰ The court's opinion meant that the product need not be a sensation in the country to establish a *use*. The case emphatically maintained that the lack of actual *use* of the goods in India would not make the mark/brand of such goods ineligible for being protected from infringement. The reputation of the goods can exist in India even without the physical presence of the goods. Mass communication and advertisements could easily cause the reputation to transcend the borders.

The decision has also been subject to criticism as well for its overly liberal observations for well-known foreign marks¹³¹. However, this liberal observation is in line with the international obligations and as per the changing scenarios.

The decision has been followed in many cases thereafter¹³². Bombay High Court, in *Aktiebolaget Volvo of Sweden v. Volvo Steels Ltd. Of Gujarat*,¹³³ remarked that trans-border reputation sans sale of the product is validly recognized in India: "*it is not necessary to prove the actual sale, if by other material, presence of the plaintiffs in India and goodwill and reputation in India is demonstrated*"¹³⁴.

However, this liberal approach did not mean that alien users could take undue advantage of their trans-border reputation, and foreclose the genuine users of the mark

¹²⁸ *Supra* note 125.

¹²⁹ NR Dhongre vs. Whirlpool Corporation and Anr., (1996) 5 SCC 714, (Supreme Court of India).

¹³⁰ *Id.*

¹³¹ Ragavan, *supra* note 3, at 339.

¹³² AlfredDunhillLtd v Makkar, Jolen Inc. vs. Doctor Co.,; see Banerjee, *supra* note 17, at 35.

¹³³ 1998 PTC 18.

¹³⁴ *Id.*

from using the same in India when such foreign users had no intent of coming in the country for its business. The Apex court, in *Milmet Oftho Industries and Ors. a. Allergan Inc*¹³⁵ gave a warning of such abuse by big corporations. It held “*ultimate test should be who is first in the market*”¹³⁶.

The court, thus, became cognizant that an overly liberal approach could lead to hardships, and consequently amended the stance to avoid the abuse of the universal approach. One another important observation was that the first user in the world would get the actual priority¹³⁷, which exemplifies the universality principle.

c). Cadbury vs. Lotte India Corp. Ltd.¹³⁸: A Novel Means of Establishing Spillover:

In the instant case of Delhi High Court observed the necessity for recognizing novel means of establishing spillover in the present times. The Court observed, “*The proof of reputation can be in the form of advertisements in the media and general awareness which in the modern day context would include advertisements or display on the internet and social media*”¹³⁹. Hence, the existence of an internet site displaying the product with the trade name, which the Indians could access, could cause spillover of the trade name in India, even if the product did not have an actual presence in India. Interpreting the relationship between reputation and goodwill, the court remarked “*The concept of goodwill is derived from reputation but the reputation need not be necessarily a local reputation.*”¹⁴⁰ This meant that if the party can establish that reputation has spilled over in India, then it is exempt from showing actual business being carried out in the territory.

d). Toyota Judosha Kabushiki vs. Prius Auto Industries Ltd¹⁴¹: Apparent Deviance:

The case is important for its deviance from the earlier judicial stand.

In the present case, the debate was concerning the use of the mark ‘PRIUS’. The

¹³⁵ (2004) 28 PTC 585 (SC).

¹³⁶ *Id.*

¹³⁷ *Supra* note 129.

¹³⁸ 2014 (57) PTC 422 (Del).

¹³⁹ *Id.*

¹⁴⁰ *Id.*

¹⁴¹ 2018 (1) SCC 1.

plaintiff Toyota had used it outside India and had it registered in many countries outside India. The defendant had, on the other hand, used it in India, and had got it registered there. So, the plaintiff brought an action against the defendants for, *inter alia*, passing off regarding its mark 'PRIUS'¹⁴². The trial judge and division bench held that Toyota was not able to prove spillover of reputation in India, and Supreme Court upheld their findings.

The Supreme Court held that the territoriality principle has attained a global acceptance, and held “*we do not see why the same should not apply to this Country*”¹⁴³. However, the court seems to have not taken into account the Indian judgments, which have been quite consistently averse to the strict territoriality principle.

The division bench had opined that lack of prominence to the news and advertisements of PRIUS in India meant that its reputation had not spilled over in India. Its observation that globalization and increase in ICT favor the territoriality principle seems a bit counter-intuitive. If only, it favors the universality principle, because it tends to transcend the geographical boundaries, and tends to show that fame/reputation in one part of the world means reputation in another part, without the actual existence of the product in that part. The case seems to have negated the notion that first in the world would have priority.

Pratibha, J had opined that the seemingly different position in the instant case is due to the peculiar facts of the case and that Toyota did not establish the reputation of Prius beyond Japan¹⁴⁴.

Adherence to *Prius* could slow the progress that the Indian courts were making concerning the liberal approach towards the trans-border reputation.

¹⁴² See Shammad Basheer, *Breaking News: Toyota Loses Trademark Battle over Prius at Indian Supreme Court*, (December 15, 2017), available at <https://spicyip.com/2017/12/breaking-news-passing-off-by-prius-reputation-must-be-proved-rules-indian-supreme-court.html> (last visited on August 18, 2021).

¹⁴³ *Supra* note 141, at 36.

¹⁴⁴ Pratibha, J, in the webinar conducted on the topic “*Internet Infringement Impacts: Transborder Reputation and Jurisdictional Issues*”, CAN Foundation, available at <https://www.youtube.com/watch?v=TsvtwCdXovc> (last visited on August 20, 2021).

e). Mountain Dew case: furthering PRIUS?:

It is one of the most talked-about legal battles, where the Indian Company (Magfast Beverages) was against the American giant PepsiCo. The issue was for the use of the trade name MOUNTAIN DEW. Globally, the mark was first used by PepsiCo¹⁴⁵ and was registered in many jurisdictions, including in India in 1985. However, in India, Magfast used the name first, when it started using it for packaged water and had achieved some level of recognition in the early 2000s. The Indian entity was registered, licensed, and it also showed that it had gained a reputation in India¹⁴⁶. The Hyderabad Civil Court recently decided in favour of the Indian entity and held that the Indian entity is the owner of the trademark.

The plaintiff's contention that PepsiCo's Mountain Dew did not deal in packaged drinking water seems to be at fault because the dilution could be of non-competing goods as well. Moreover, the court did not properly deal with the issue of the trans-border reputation of PepsiCo's Mountain Dew. These issues could be seen to be debated at the appellate stage.

f). Singh & Singh LLP vs. Singh + Singh Lawyers LLP:

The Delhi High Court in the instant case was to decide on the question of deceptive similarity. The plaintiff "Singh and Singh Law Firm LLP" were a reputed law firm in India, and the defendant "Singh+Singh Lawyers LLP" were a law firm in Canada. The plaintiff had brought an action against the defendant¹⁴⁷.

The defendant had their office in Canada and did not practice in India. On the other hand, the plaintiff mainly practiced in India. However, the plaintiff had a prominent online presence overall. So, the issue was whether the plaintiff's reputation had spilled over beyond India, even though it had no business in there? Did the

¹⁴⁵ Since 1940, it had been selling soft drinks under this name; see Adyasha Samal, *Mountain Dew Trademark Battle: David vs. Goliath or Misapplication of Prior User Rights?*, (October 27, 2020), available at <https://spicyip.com/2020/10/mountain-dew-trademark-battle-david-v-goliath-or-a-misapplication-of-prior-user-rights.html> (last visited on August 20, 2021).

¹⁴⁶ Syed Ghaziuddin and Ors. Vs. PepsiCo and Ors, December 31, 2019, (Additional Civil Judge, City Civil Court: Hyderabad).

¹⁴⁷ Adyasha Samal, *Singh and Singh Strikes to become King...Once Again: Trademark Infringement, But from Canada?*, (June 21, 2021), available at <https://spicyip.com/2021/06/singh-singstrikes-to-become-king-again-trademark-infringement-but-from-canada.html> (last visited on August 20, 2021).

defendant's mark cause confusion to the plaintiff's foreign clientele?¹⁴⁸. The court remarked "In this internet-driven world, law firms such as Plaintiff No. 1 would have a reputation which is not limited by geographical boundaries"¹⁴⁹.

The present case seems to have cemented the observation that actual presence is not needed for the establishment of trans-territorial reputation, and how has the internet permeated the geographical nature of the trademark. The case is yet another instance of acceptance of modern means of spillover.

Hence, it can be said that the Indian courts have, time and again, maintained that the existence of business activities within the jurisdiction is not required for the protection of the reputation of the marks. It did not insist on establishing the existence of the goods or services wielding such marks within the jurisdiction. From *Gillette*¹⁵⁰ to *NR Dongre*¹⁵¹, to *Groupon, Inc v. Mohan Rao and Another*¹⁵², courts have maintained that establishing the existence of the products or the services wielding the mark, or sale or purchase of the products, or existence of any kind of office or warehouse of the product is not a necessity. The advertisement of the goods or services within the jurisdiction causes sufficient spillover of the reputation within the jurisdiction. The *Prius*¹⁵³ judgment seems to be an aberration to the cogent and almost consistent and liberal judicial interpretation of the trans-border reputation of the well-known marks. *Prius*, if followed in the future case, could undo the development of the liberal interpretation of the well-known foreign marks. The recent *Mountain Dew* dispute¹⁵⁴, where the local use of one of the most renowned foreign marks has been allowed by the court, seems to have not considered the issue of the trans-border reputation, and the same seems highly probable to be rectified on appeal.

As compared to the English counterpart, the Indian jurisdiction seems to be much more accommodative of the modern means of the spillover: such as the internet, television, and travel. This is one of the biggest reasons for a greater level of protection and recognition of foreign marks.

¹⁴⁸ *Id.*

¹⁴⁹ *Id.*

¹⁵⁰ *Supra* note 119.

¹⁵¹ *Supra* note 129.

¹⁵² 2014 (58) PTC 392 (Del).

¹⁵³ *Supra* note 141.

¹⁵⁴ *Supra* note 146

As compared to the US jurisdiction, the Indian counterpart does not insist on the priority of the *use* within the jurisdiction for according recognition to the foreign well-known marks. By focusing on the priority of the use of the marks anywhere in the world be, instead of insisting on use within the jurisdiction, India has addressed the hardships with the strict adherence to the territoriality principle brings. To sum up, it can be said that Indian Courts rely on the reputation of the trademark, and spill-over of the same in India, without the need to establish the user/ customer base within the territory.

V. RECIPROCITY IN THE PROTECTION OF THE WELL-KNOWN MARKS

The three jurisdictions have taken a differing stance on the subject. While the US and the UK seem to be wary of providing protection to these marks, India has shown all the zeal in the world for the protection of these foreign marks. The dichotomy in the approach by these Anglophone nations and India is apparent.

Owing to the liberal approach taken by certain jurisdictions, India one amongst them, there arises a situation that American marks, which are sufficiently famous in the US, but does not have any business activity, or physical presence in India, would easily end up getting recognition in Indian jurisdiction and can bring an action of passing off (owing to the liberal approach taken by the Indian Jurisdiction). However, similarly placed Indian marks would not get recognition in the US or UK jurisdiction (owing to their hard-line approach)¹⁵⁵. This is the lack of reciprocity¹⁵⁶. This lack of reciprocity causes distrust in the systems.

*Punchghini*¹⁵⁷ and *Starbucks*¹⁵⁸, have both set the trend in their respective jurisdictions as to the recognition of the reputation of the well-known marks. Judicial interpretation in both these cases has made it quite onerous for the foreign well-known mark to bring an action of passing off. Moreover, judicial interpretation has meant the entrenched level of fame required for establishing well-known/famous marks. All these steps would mean inequitable treatment of the proprietors of well-known foreign marks when contrasted with the local trademarks owners. Moreover, this could instead of deterring the deliberate copying of the trademark, would enable them. Further, the court in *Starbucks* had observed that common law jurisdictions need to be consistent in their understanding and judgments, particularly on the trans-border reputation of well-known marks. However, it seems like English courts are not keen on changing their stand for trademark protection. Until it does so, achieving such consistency would not be possible.

The UK and the USA played a crucial role in the development of the international instruments on the trademark¹⁵⁹. Now, by not according protection to the well-known

¹⁵⁵ *Supra* note 134.

¹⁵⁶ *Supra* note 144.

¹⁵⁷ *Supra* note 67.

¹⁵⁸ *Supra* note 30.

¹⁵⁹ i.e., Paris Convention and the TRIPS Agreement.

foreign marks in the sense of provisions of these instruments, they are taking a step backward instead of forward. Moreover, related instruments and relevant provisions have not been contested and objected to by these countries. But the judicial interpretation points to the non-enforceability of these instruments because the instruments are not self-executing. The judicial interpretation should have accorded broader interpretation, instead of such restricted evaluation. Moreover, they being the developed countries, should lead by example instead of being the exception.

To conclude, the US and the UK, which are one of the biggest business hubs, where companies from all over the world thrive, one would assume that it would play a proactive role in protecting the various foreign well-known marks, even if they do not have actual business activities in the UK. However, that does not seem to be the case.

To a certain extent, this problem of lack of reciprocity could be resolved concerning US jurisdiction if the *famous marks doctrine* is incorporated within the federal and state laws there. In the UK, the above mentioned problem could be mitigated by considering reputation within the territory as sufficient ground for granting recognition to the well-known unregistered foreign marks, instead of insisting on establishing the existence of business/consumer base within the territory as an additional requirement.

VI. CONCLUSION

The three jurisdictions portray three different pictures regarding recognition and protection of the well-known foreign marks. While the UK has taken an uncompromising and entrenched approach in recognizing such foreign marks, the Indian courts are liberal in their approach to recognition of such marks. The USA's approach leans more heavily towards the UK's. These jurisdictions insist on establishing business activities with the jurisdiction. India, on the other hand, does not do the same.

The term reputation has been defined in a narrow sense in the UK and is construed to be subordinate to goodwill. It is the goodwill within the jurisdiction that is accorded protection. Reputation is not accorded protection. It is only when followed by an instance of user/business activities within the territories, that it is accorded protection. The narrow interpretation is the feature of the American court as well. In Indian jurisdiction, the term has been accorded a broader interpretation.

In the UK, the recognition of well-known foreign marks is contingent on the factum of the existence of business activities within the jurisdiction. Section 56 of the UK Trademark Act, which has its objective to extend Article 6bis protection within the British jurisdiction, seems to have fallen short of that aim. From *Crazy Horse*¹⁶⁰ to *Budweiser*¹⁶¹ to *Starbucks*¹⁶², in one way or another, the English courts have time and again pointed out that reputation sans the user/ business activities within the jurisdiction is non-protectable.

In the US, the analysis has been much more complex. The use of the mark within the territorial jurisdiction is given priority over the use beyond such jurisdiction (even if the mark has been used earlier in point of time outside the jurisdiction). Moreover, the prominent judicial decisions have provided for adherence to the territoriality principle. Further, judgments like *Punchghini*¹⁶³ have ousted the *famous marks doctrine* from the federal laws, and have pointed that international obligations to protect well-known foreign marks are not binding on the US.

¹⁶⁰ *Supra* note 31.

¹⁶¹ *Supra* note 39.

¹⁶² *Supra* note 30.

¹⁶³ *Supra* note 76.

Hence, the UK and the USA fail to grant protection to the foreign famous/well-known marks, particularly if they are unregistered and are not used within their jurisdiction (even if they have acquired a reputation within their territories).

The different levels of protection in these three jurisdictions mean that there is a lack of reciprocity in granting recognition and protection to the well-known foreign marks. In *Starbucks*, the court talked about the balance between the rights of the proprietors of the well-known marks and the rights of the general public in using such marks. The other balance that is equally important to be established is the balance between the level of protection that its marks are endowed within the foreign jurisdictions, such as India, and the level of protection provided by it to such comparable foreign marks. Establishing this equilibrium would lead to reciprocity within the jurisdictions. Lack of reciprocity can create distrust in the jurisdictions not according protection to the trademark. It is the need of the hour that this reciprocity is achieved.

The recognition of the *famous marks doctrine* in the USA would bring the level of protection of foreign renowned marks at par with other jurisdictions, including India. Although *Punchghini* has made it difficult to argue for *famous marks doctrine*, for establishing the reciprocity, it is important to establish the same. Further, doing so would also mean that recognition and acceptance of the obligation under the relevant international instruments.

In the UK, the hardline approach exists due to the insistence of the courts to establish user/business activities within the jurisdiction. A liberal position could be achieved if reputation within the jurisdiction (instead of goodwill) is considered by the courts to be sufficient for granting recognition to the well-known foreign marks. This would ensure reciprocity as well.

Moreover, in the era of the internet and technology, where the world is becoming a global village, sticking to the age-old interpretation of territorial principle would be wrong. Due to the internet and social media, we encounter various brands virtually without them being present in the country. In the light of these rapid developments, the territoriality principle should be given a liberal interpretation in the present times.

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