

Introduction

With Indian Globalization Policies creating swift progress in the country, the IP laws have also facilitated foreign investors by permitting the use of foreign brand names in India. Investment in India is now being explored by a number of globally well-established brands. However, there was no specific provision in the old Trademark Act for the protection of well-known marks and for keeping a check on different infringement issues in this market.

The new Trade Marks Rules, 2017 have generated a lot of buzz for creating a new procedure that allows the Registrar to declare a trademark 'well-known'. The new Rule 124 allows any trade mark owner to file a request in Form TM-M requesting the Registrar to declare a trademark 'well-known'.

Well-known Marks

The term "Well-Known trade mark" has been defined under the Trade Marks Act, 1999 as "a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken indication a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first mentioned goods or services."

Once the trademark is declared to be "well-known", by a Registrar of Trademarks or a court of law, it becomes binding on the Trade Mark Registry to prohibit any trademark that is deceptively similar/identical to the "well-known" mark across all classes of goods and services. Rule 124 has created a new procedure to recognize well known trademarks rather. Before the enactment of this Rule, a Registrar could only declare a trademark as a well-known mark during the proceedings of Opposition or rectification or Infringement.

With the implementation of the new rule, the owner of the Trademark does not need to wait for official legal proceedings to being in order to get their trade mark registered as well known. Rule 124 allows the owner to get the mark registered as well known without anyone asserting their rights on it prior to the application. However, there is an invite published by the Registry for objections from the general public but this process is fundamentally different from opposition, rectification or infringement proceedings.

Criteria of Well-Known Marks

The factors that affect the determination of a well known mark are:

- The number of actual or potential consumers of the goods or services;

- The number of persons involved in the channels of distribution of the goods or services;
- The business circle dealing with those goods or services'
- That the trade mark is well known to the public at large in India.

The Registrar shall also consider the provisions of Section 11(6) to 11(9) of the Trade Marks Act, 1999, while determining the status of a mark is well-known. These other factors are:

- The knowledge or recognition of the trade mark in the relevant section of the public, including knowledge in India of the mark;
- The duration, extent and geographical area of any uses of such trade mark;
- The duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trade mark applies
- The duration and geographical area of any registration of or any application for registration of that trade mark under the Act to the extent they reflect the use or recognition of the trade mark;
- The record of successful enforcement of the rights in that trade mark, in particular, the extent to which the trade mark has been recognized as a well - known trade mark by any court or Registrar under that record.

Registrar is at liberty to invite objections from the public, before declaring the said mark as well-known trademark. If there are no such objections, then the mark shall be advertised in the Trademark Journal and become part of the well-known trademark list. The fee for making such an application online is INR 100,000. There is no offline filing facility for the said application.

Section 11(9) specifically lays down that it is not mandatory for a mark to be registered or application pending in India or have usage in India to be declared well-known trademarks. Similarly as per the same clause, it is not even mandatory that a mark to be considered well-known trademark, has to be popular and well-recognized by the public at large in India.

Summary of the Procedure

When an applicant wants to file an application for getting their Trade Mark registered as a Well-Known mark, following are the summarized steps:-

1. Form TM-M: The form for filing the said application is Form TM-M. The registration status of the trademark does not affect this application. In order to get one's mark registered as a well-known trademark there needs to be an application for registration of the said trademark filed in India.
2. The fees for Form TM-M is INR 1,00,000
3. Application should be accompanied with the evidence towards the

use of the Trademark over a long period of time.

4. Other documents supporting its claims that the mark has a unique reputation in the mind of the consumers. It should be presented at the time of application filing.
5. The Registrar, after receiving application, can give relative grounds of refusal of registration and/or he may also call for further documents/evidences to reach a conclusion whether the mark is a well-known trademark.
6. The Registrar before declaring a mark as a well-known trademark would invite objections from the general public. Publication in Journal – Once the trademark is declared a well-known trademark; it would be published in the journal.
7. A well-known mark shall be also included in the list of well-known trademarks maintained by the Registrar.
8. The mark, if found to be erroneously included in the list and not justified, may even be removed after providing an opportunity to the party for a personal hearing adhering to the principles of natural justice.

Validity of Rule

124

At this point, the main question that arises is whether Rule 124 is constitutional. Since the Trade Mark Rules are delegated to their parent legislation The Trade Marks Act, 1999, they are bound to draw their legitimacy from the parent statute. In this case, however, the Rules do not delegate to the Central Government the power to create an entirely new procedure to recognize well known trademarks. The rule making power of the Central Government under Section 157 of the Trade Marks Act, 1999 is silent on the issue of well known trademarks. There is a residuary provision in Section 157 (xli) that gives the Central Government the power to make rules for "any other matter which is required to be or may be prescribed". However, the residuary provisions are governed by two principles: The first principle is that delegated legislation cannot be in conflict with the provisions of the parent legislation. Secondly, an essential legislative function cannot be delegated by Parliament to the Executive.

The rule reflects an entirely new policy to recognize "well-known" trademarks through a procedure that is not an adversarial proceeding (as is the case currently). In fact, the new procedure is in conflict with the adversarial procedure recognized in Section 11 for a trademark to be recognized as well known.

Conclusion

While it is redundant to say that a trade mark having brand value, reputation and goodwill in India should get itself included in the list of well-known trademarks to safeguard itself from future probable infringements and claim benefits as provided to other well-known trademarks.

However, the new Rule 124 gives immense power in the hands of the Trade

Mark Registry with this new procedure. This procedure has a lot of room for several human errors, intentional or unintentional. The other drawback of the new rule is that it is vague and its meaning is ambiguous. The entire point of granting “well-known” trademark such vast protection is that it has attained recognition amongst a large section of the public not just a “relevant section of the public”.

Unlike the Section 11 procedure which required an opposition, rectification or infringement proceeding to trigger a adjudication on whether the trademark is well-known, Rule 124 allow a trademark to be recognized as well known by simply making an application to the Registry. The requirement to “invite objection” is fundamentally different from an opposition or rectification hearing because it does not guarantee a right to be heard. This entire procedure is alien to the scheme of the Trade Marks Act, 1999. These provisions of the Trade Mark Act needs to be amended properly keeping in mind the complexity and awareness of this new procedure. No person should get an undue advantage.

Feedback

Your feedback is appreciated by the Firm.

We are available for any Clarification/Information needed.

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