



REVISITING THE QUESTION OF DILUTION AS TRADEMARK INFRINGEMENT THROUGH A COMPARATIVE LAW LENS (INDIA, USA, UK AND EU)

By Arusmita Acharya

Designation: Advocate, Intellectual
Property Associate, Agnihotri & Jha
Associates, Mumbai

ABSTRACT

The paramount of trademark as a value driver in the economy is widely acknowledged by the business, academic, market, and practitioner communities. The term dilution though known internationally is not yet able to achieve its desired place in the international conventions and treaty arrangements. Dilution has found its place in a number of soft laws, however, such policy initiatives are not binding on the states and as a result different approach is followed by different countries for the same. The article explores the concept of Trademark dilution and its development in various international and regional jurisdictions namely India, The United States, and The United Kingdom. It also analyses the scope of protection provided among the jurisdiction for such 'dilution.' Further, it includes the interest-based dilution by registration of the confusingly similar domain names. The paper further breaks down elucidating on International Regime on trademarks Dilution by highlighting The Paris Convention for the protection of industrial property and protection of trademark under TRIPS. The

research deals with development of dilution and its need and also looks into the question as to why the 'likelihood of confusion' test was not enough and a dilution test was required to fulfil the wide in the area of trademark misappropriation and infringement. The application of one's mark on non-competitive marks was not protected within the likelihood of confusion and hence the separate standards were required.

The paper will also highlight evolution and history of dilution in U.S and U.K which started from 1927 and ended up to 2013. How In the European Union, the debate over the actual dilution requirement has not attracted the same level of attention as in the US, hence there is not much dispute about the applicability of multifactor test in EU. How The United Kingdom courts are in consonance with the decision of ECJ in General Motors case. In the case of DaimlerChrysler AG v. Alavi, where the issue of actual confusion was considered by Justice Pumfrey, the court while assessing Section 10 (3) of the UK Trademark Act which is similar to Article 5(2) of the EC directives stated. The article conclusively moot about the protection of trademark under dilution in India and the legal remedies available to the trademark owner

1. AN OVERVIEW OF CONCEPT OF DILUTION

This introductory section aims at familiarising the background of need and importance of trademark and how trademark infringement and protection are very vital with regard to consumer protection. Further, by linking this importance of trademark, this chapter will introduce the concept of dilution and how it has evolved. Over all this section aims at providing the basic fundamentals of



all the relevant concepts that will be discussed in the research.

1.1. IMPORTANCE OF TRADEMARKS

Trademarks play a vital role in the realm of intellectual property; they are one of the most important components when it comes to public interest since they protect not only the inventor but also the customer from product or service confusion. Whereas copyright and patent law are concerned with incentivizing innovation, trademark law is concerned with preventing companies from deceiving and confusing customers about the origins of their goods. *In the case of Westchester Media v. PRL USA Holdings, Inc¹, it was determined that the primary goal of trademark law is to "minimise confusion in the customer's mind and to allow the consumer to pick a brand based on past experiences with a manufacturer's particular product."²*

i. WELL-KNOWNNESS & NEED OF THEIR HIGHER PROTECTION

As a result, we might propose that one of the social benefits of trademark protection is consumer protection, as it reduces customer uncertainty and search costs. As a result, consumer uncertainty was previously required for proving actionable injury. Furthermore, we can say that the benefits of customers and trademark owners are conceptually linked to the greatest extent possible in these actions: whenever the court restricts violation, buyers profit because they

¹ *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 663-64 (5th Cir. 2000)

² *Ibid*

³ Julie C. Frymark, 'Trademark Dilution: A Proposal to Stop the Infection from Spreading' 38 Val. U. L. Rev. 165

⁴ *Badger Meter, Inc. v. Grinnell Corp.*, 13 F.3d 1145, 1155 (7th Cir. 1994)

are no longer conned into and out of making purchases they do not intend to make, and trademark owners benefit because they are no longer minimising gains and having their credibility adversely affected by cheap products considered synonymous. In contrast to Dilution, there is no such thing. Plaintiff has suffered no significant financial loss. The price of trademark law is higher.³ Customers are frequently forced to deal with unfavourable conditions, both in terms of pricing and product misunderstanding.⁴ The great desire to overcome these limitations gave rise to the concept and idea of trademark dilution.

1.2. ROLE OF DOCTRINE OF TRADE MARK DILUTION IN TRADEMARK INFRINGEMENT DISPUTES

Doctrine of Dilution is a concept whereby a trademark which is due to its popularity starts losing the distinctive feature (which is primarily the function of the trademark) and gets merged with the goods or service, such that the goods or service will start getting referred generically to by the trademark itself.⁵ A trademark is said to be diluted when a trade mark that is comparable, identical or similar is used in anti-competing facets, the trademark loses its ability to represent a valid source.⁶ This notion may be traced back to Frank Schechter's 1927 article. In that article, Schechter said that "the establishment and protection of custom should be acknowledged as the fundamental purpose of the trademark." Essentially, he highlighted

⁵ Klieger and Robert, 'Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection' [1996] U. Pitt. L. Rev. 58

⁶ Bhaskar and Brajendu, 'Trademark Dilution Doctrine: The Scenario Post TDRA' [2008] NUJS L. Rev. 637.



the limitations of trademark law, stating that it did not provide protection where the mark was used by someone on noncompeting or unrelated goods.⁷ According to him, "the advertising power of a trademark was the main source the only—real value of a brand worth preserving." Trademark is more than just the owner's business signature; it is a silent salesman who establishes and maintains direct contact between both the owner of the mark and the consumer. As per him, "the mark sells things, thus the use of trademarks on completely unrelated goods may cause the trademark owner harm."⁸

As a result, the usage that tended to reduce the public's connection of the mark with a given degree of satisfaction in specific products and services carrying that mark would need to be avoided. Schechter defined the issue as the slowly chipping away or diluting of the mark's distinctiveness and grip on the public consciousness.⁹ This characteristic of mark degradation has come to be recognised as trademark dilution.

ii. UNDERLYING RATIONAL BEHIND THE DILUTION DOCTRINE

Dilution of a registered trademark is said to have occurred when a defendant's use of a registered trademark is able to endanger the mark's credibility, repute and distinctiveness. If an infringing mark is permitted to be used on items that do not come from the real owner, it may reduce the Mark's capacity to figure out where the goods came from., as

⁷ Schechter and Frank I, 'Rational Basis of Trademark Protection' [1926] Harv. L. Rev. 40 813.

⁸ Ibid

⁹ David Welkowitz, 'Reexamining Trademark Dilution' [1991] VAND. L. REV. 531

¹⁰ Singh M. & Kapoor D., "BMW Curbs Threat Of Trademark Dilution From Rickshaws", Lexorbits <https://www.lexology.com/library/detail.aspx?g=f8f>

well as reducing its reputation if the quality is not up to expectations.¹⁰ Unlike the usual trademark infringement litigation, trademark dilution gives some well-known trademark owners more extensive rights, and can even avoid non-confusing uses to protect the uniqueness of their trademarks from blurring and tarnishment. But because trademark dilution can exist even when products do not compete, and even when there is little possibility of ambiguity, it is even more important that the universe of activities that might lead to dilution be limited by an efficient and unambiguous trademark usage doctrine.¹¹

1.3. DIFFERENTIATING TRADEMARK DILUTION FROM OTHER FORMS OF INFRINGEMENT

The theory of dilution differs from other types of infringement in a way that it affords the trademark proprietor the authority to restrict anyone from utilising his brand even within non-competitive marketplaces or in the products that are distinctive to the owner's goods.¹² A well-known trademark utilised by one enterprise pertaining to cosmetic items, for instance, may be diluted by another manufacturer's use of a similar mark to draw attention to sanitary products.

It is critical to distinguish between dilution of trademark and its violation. It is considered as trademark violation when someone other than the registered proprietor utilises the label in circumstances that are likely to cause

b0774-9825-4068-ba41-e1264a19b2de accessed on 16th June 2021.

¹¹ Stacey L. Dogan and Mark A. Lemley, 'Grounding Trademark Law Through Trademark Use' [2007] 92 IOWA L. REV. 1669

¹² J.T. McCarthy, 'Proving a Trademark Has Been Diluted: Theories or Facts?' [2004] 41 Houston L. Rev. 713, 726.



confusion to consumers.¹³ On the other hand, dilution of trademark arises when somebody else uses the mark, not being the owner of trademark, in conjunction with non-competing items, thereby trying to weaken the correlation between the mark and the goods/service.¹⁴

1.4. VARIOUS TYPES OF DILUTION

It is said to be of several types, mainly, the dilution:

1. By Blurring

2. By Tarnishment

In both cases, trademark dilution has the consequence of limiting and significantly impairing the trademark's efficacy in guiding the public towards its branded goods. The product's reputation suffers, if such a scenario takes place. Each would be discussed in depth in the research..¹⁵

i. DILUTION BY BLURRING

The most frequent dilution claim is dilution by blurring. Dilution through 'blurring' happens when an apprentice mark is equivalent or adequately similar to a renowned symbol that people who see both, immediately, establish a "mental link" in between them.¹⁶ "Dilution through blurring is the conventional, or typical harmful consequence of the dilution hypothesis as envisioned by its initial proponents," McCarthy explains.¹⁷ The consumers or potential customers will notice the plaintiff's label being utilised by others to recognise

the other distributors on a broad variety of goods and services.

The mark's distinguishable and distinctive value in identifying and distinguishing one source may be diluted and degraded. However, there has been no misunderstanding regarding the source, sponsorship, relationship, or link.¹⁸

ii. DILUTION BY TARNISHMENT

Tarnishment can be explained to be unlawful utilization of a label that adjoins it to the items of questionable efficiency, that are depicted in an unseemly or unpleasant setting, which is highly probable to cast a negative light on the product of the owner..¹⁹ For example, assume there is a well-established brand of cold beverages under the trademark Cocolala, and now suppose another pesticide company releases its product under the name COCO-LALA INSECT KILLER. Here the brand image of cold Cocolala is being tarnished and affected. If we refer to one of the United States case "Community Federal Savings and Loan Association v Orordoff"²⁰ On its ATMs, the petitioner, a savings bank, used the label "Cookie Jar and a jar logo". The responded also began utilising the labels "Annie's Cookie Jar, Cookie Jar, and a jar device with a silhouette of a lady lying on top of the jar device on its topless go-go bar on its topless go-go bar." The plaintiff requested an injunction against the defendant for the use of the "Cookie Jar mark" and related equipment

¹³ Ibid

¹⁴ Ibid

¹⁵ Supra f.n. 12

¹⁶ Robert Klieger, 'Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection' [1997] 58 U. PITTS. L. REV. 789

¹⁷ Supra f.n. 15

¹⁸ Ibid

¹⁹ Michael Handerl. 'Recoding famous brands in advertising and in entertainment products: case studies on the so-called harms of trade mark dilution' [2017] Research Handbook on Intellectual Property in Media and Entertainment. Edward Elgar Publishing 123.

²⁰ Community Federal Savings and Loan Association v Orordoff , 215 USPQ 26 (11th Cir, 1982).



under “Florida’s anti-dilution statute.” The Court of Appeals “remanded the proceedings for a further hearing after finding that defendant’s use of the Cookie Jar mark and associated devices for use in respect of a go-go bar was likely to tarnish and degrade plaintiff’s mark for use in respect of its banking activities”.²¹

1.5. JURISDICTIONS RECOGNIZING THE CONCEPTION AND UNDERSTANDING OF DILUTION

It can be rightly asserted that many countries recognise some of trademark dilution, however, this concept, as well as the associated requirements and penalties, vary by state. The US, the EU, South Africa, India, and Japan, and numerous Central and South American nations, specifically recognise trademark dilution. Others, like Canada and Australia, lack a specific dilution statute but give comparable protection under other trademark laws. The use of well-known trademarks that is likely to cause potential customers to infer a correlation between mark holder and unrelated goods/services is prohibited in Canada, and trademark infringement is defined in Australia as the use of well-known trademarks that is likely to cause consumers to deduce a connection between the owner of the mark and unrelated goods or services.²²

1.6. VARIOUS COMPONENTS OF DILUTION

²¹ Community Federal Savings and Loan Association v Orordoff , 215 USPQ 26 (11th Cir, 1982).

²² Farley and Christine Haight, ‘Why we are confused about the trademark dilution law’ [2005] Fordham Intell. Prop. Media & Ent. LJ 16

²³ Brown, Katie M, and Natasha T Brison, ‘A Tale of Two Trademarks: A US Analysis of the Protection Strategies of adidas and Converse’ [2018] ESLJ 16.

A trademark has to be well-known to be diluted. In the US, for a mark deemed to be renowned, it must be recognised by the general consuming public.²³ While in the EU, a mark must be well-known, with authorities judging how well-known. In most nations, courts and trademark authorities decide on a case-by-case basis.²⁴

In certain countries, protection from dilution changes depending on how famous a mark is. Because popularity is not static, mark owners may have to show renown as of the date of the dilution proposition or as of when the alleged diluter began using the mark.²⁵ Furthermore, a positive finding of renown may deteriorate with time, to the point that it is no longer recognised as evidence of famous in subsequent disputes.²⁶ The probability that unauthorised third-party usage will erode or degrade the uniqueness of the renowned mark. The unlawful use must be likely to undermine the famous mark's capacity to identify and differentiate the famous products or services, or it must tarnish the famous mark. The owner of a well-known mark must only demonstrate the possibility of dilution, not actual dilution.²⁷

1.7. PRACTICAL PROBLEMS IN INTERPRETING AND IMPLEMENTING THEORY OF DILUTION

According to Jonathan E. Moskin, “dilution is a phenomenon that has proven wholly

²⁴ Fhima amd Ilanah Simon, “Trade mark dilution in Europe and the United States” [2011] Oxford University Press.

²⁵ Farley and Christine Haight, ‘Why we are confused about the trademark dilution law’ [2005] Fordham Intell. Prop. Media & Ent. LJ 16.

²⁶ Ibid

²⁷ McCarthy and J. Thomas, ‘Proving a trademark has been diluted: theories or facts’ [2004] Hous. L. Rev. 41



resistant to analysis. This confusion surrounding the concept is the main focus of criticisms posed against it.” Some others opine that the deficiency which lies viz-a-viz dilution is a conception in nature and does not have proper definitions.²⁸ The reason for this might be because, in their eagerness to protect their investment in acquiring “goodwill” through compelling advertising, they fail to consider the legal restrictions on trademark law. There are several misunderstandings in this area, beginning with the definition of well-known and ‘renowned’ marks. As seen by the debates on Indian case law that follow, there is a great deal of ambiguity around the definitions of “well-known and famous”.²⁹ In India, the courts make no distinction between well-known and famous' marks, and they impose the renown requirements that apply to well-known marks or even lower standards to dilution case.³⁰

The dilution hypothesis is only relevant in the situation of renowned marks under US law. According to some schools of thought, renowned marks are a subset of very excellently known marks and have greater levels of credibility than these excellently known marks. As a result, it is believed that they require enhanced protection, which would include safeguard toward the usage of

the label on quasi competing goods.³¹ Some facts show that this wide protection is an exception to the “principle of expertise”, which states that a trademark can only be safeguarded for the same or comparable products or services for which it is registered or utilised. As a consequence of the greater protection afforded to famous marks, the conditions for becoming a renowned mark are more stringent than those for being included in the 'well-known' mark category.³² The level of protection provided in situations of trademark dilution supports the need that the mark is ‘famous’ rather than ‘well-known’ to seek protection against trademark dilution.³³

Mostert suggests that “knowledge of the public at large or of non-consumers may be relevant in assessing the commercial magnetism of a famous mark in contrast to the requirement of a well-known that it should be known to the relevant sector of the public.”³⁴ However, international practice seems to lack uniformity. Different countries have different standards. It is also unclear whether the dilution principle applies to competitive products and non-competitive products. Its use in unrelated products does not even create associations in consumers' minds. Another major issue that must be addressed by the judiciary in every

²⁸ Moskin and Jonathan E, ‘Dilution or delusion: the rational limits of trademark protection’ [1993] Trademark Rep. 83.

²⁹ Agitha TG, ‘Trademark Dilution: Indian Approach.’ [2008] Journal of the Indian Law Institute 50 339-366.

³⁰ Kumar and Ashutosh. ‘Patent Protection through Interim Injunctions: Adding Sting to the Enforcement of Indian Patent Law’ [2008] National Law School of India Review 202-219.

³¹ Safro, Bella I and Thoams S Keaty, ‘What's in a Name-Protection of Well-Known Trademarks under

International and National Law’ [2004] Tul. J. Tech. & Intell. Prop. 6 33.

³² Grinberg and Maxim, ‘The WIPO joint recommendation protecting well-Known marks and the forgotten goodwill’ [2005] Chi.-Kent J. Intell. Prop. 5 1.

³³ Ibid

³⁴ Mostert and Frederick, ‘Well-Known and Famous Marks: Is Harmony Possible in the Global Village’ [1996] Trademark Rep. 86 103.



jurisdiction is the request of nearly every well-known trademark owner that his mark is recognised as famous. There is a strong suspicion that this legal doctrine is being exploited to accomplish goals that are not supported by trademark theory.³⁵

2. STATUS OF TRADEMARK DILUTION UNDER INTERNATIONAL LAW

The protection of well-known brands is becoming increasingly important as trade becomes more global. Many global trademarks, however, are not used or registered in all countries. What about safeguard in countries in which the trademark is not utilized or enrolled? In this context, it is also necessary to investigate issues concerning the safeguard of excellently known or popular trademarks, including the overview of major international treaties. The international trademark legislation is a lawful agreement among member countries wherein they consent to grant residents of other signatory countries the same trademark rights that they grant to their own people.³⁶ The notion of an excellently known or registered one, where member states are obligated by international trademark legislation aimed at providing dilution safeguards within the domestic jurisdictions, has not been strictly outlined in international trademark

treaty law and has been stated separately in various jurisdictions.³⁷ The debate about whether different records of renowned marks are necessary will keep going, and states will continue developing their own cases, evaluating state ordinances and enforcing adherence with "*The Paris Convention and the TRIPs Agreement.*" Owners of global brands must take into account enrolling their marks in whatsoever jurisdiction in which unapproved usage of the marks by third parties would be regarded a legal issue seeking redress.³⁸

Given the importance of global trade and the need for efficient preservation of excellently-known marks, developing a series of criteria to determine if a mark is excellently-known has become extremely releva.³⁹ Almost as essential is the requirement to establish a precise definition of the phrase "well-known mark". Some constraints are necessary to outline the limits and provide the benchmarks against which the aforementioned criteria may be applied.

According to WIPO, "*since the Paris Convention itself does not define the criteria under which a trademark is to be regarded well-known, substantial doubt arises as to the circumstances under which a trademark owner can depend on Article 6 of the Paris Convention*".⁴⁰ As a result, the qualities, properties, and common aspects of well-

³⁵ Ibid

³⁶ Summary of the Paris Convention for the Protection of Industrial Property (1883), WIPO Publication(Available at: https://www.wipo.int/treaties/en/ip/paris/summary_paris.html, last accessed on 24th March 2021 at 22:22pm)

³⁷ Dinwoodie and Graeme B, 'Trademarks and territory: Detaching trademark law from the nation-state' [2004] Hous. L. Rev. 885.

³⁸ Lackert, Clark W and Maren C Perry, 'Protecting well-known and famous marks: a global perspective' [2008] Building and Enforcing Intellectual Property Value 64.

³⁹ Schmidt-Szalewski, Joanna. "The International Protection of Trademarks After the TRIPS Agreement." *Duke J. Comp. & Int'l L.* 9 (1998): 189.

⁴⁰ Frederick W. Mostert, "Well-Known and Famous Marks: Is Harmony Possible in the Global Village," *The Trademark Reporter* 86, no. 2 (March-April 1996): 103-141



known markings will be studied and researched to offer a more lucid substance to the concept of a well-known mark.⁴¹ Therefore, this chapter will examine how different international trademark law frameworks impose responsibilities on states to provide trademark dilution protection under their domestic laws.

2.1. PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY,1883

The Paris Convention is the fundamental pillar of worldwide intellectual property protection, including trademarks. *Paris Convention's Article 6bis* establishes a *ius gentium*. *Ius gentium* is a cardinal principle in International law that pertains to accepted principles on well-known brands. It is greatly a confluence of Western and Roman legal systems. Under the said Article, countries are prohibited to use of a well known mark if the mark has already been registered in another name and has been earlier admitted to benefits of the Convention for identical goods. If a conspicuous element of any well known mark is found to be a replicated in any mark, the provisions of the Convention are again attributable.⁴²

This provision doesn't make the protection for dilution, particularly, but it acknowledges the need to offer protection of *well-known marks* against duplication, over and above the usual protection offered when the two marks are likely to be mistaken for one another.⁴³ Some opponents argue that the Paris

Convention merely protects renowned marks from being mistaken for each other, which is provided by existing infringement rights in the field of trademark. India, USA, UK & most of the European Union Countries are also party to it."⁴⁴

2.2. THE MADRID AGREEMENT AND PROTOCOL,1989

Both the *Madrid Agreement and Protocol* make no provisions for the protection of perceived usefulness of a trademark in the face of dilution. In addition, unlike the Paris Convention, they do not create a worldwide trademark consisting of a separate category for the brand.⁴⁵ To qualify as an international registration under the Madrid Agreement, registration in the country of origin is a must and the application under the Protocol must have been first lodged in the originating country. Both agreements are thus procedural rather than substantive, and are intended to merely make mark registration simpler in all contractual countries.⁴⁶ As such, they are only of limited use in establishing the protection of a brand's promotional value against dilution under international trademark law.

2.3. TRIPS AGREEMENT,1996 & ISSUE OF DILUTION

Although Article 6bis expresses the first acknowledgment of the idea of a well-known mark," the Paris Convention has no specific definitions or criteria for the determination of whether trademarks qualify as well-known

⁴¹ Ibid

⁴² Art. 6 Paris Convention for the Protection of Industrial Property

⁴³ Ibid

⁴⁴ Whittaker, Keola R. "Trademark dilution in a global age." *U. Pa. J. Int'l Econ. L.* 27 (2006): 907.

⁴⁵ Klein, Thorsten. "Madrid Trademark Agreement vs. Madrid Protocol." *J. Contemp. Legal Issues* 12 (2001): 484.

⁴⁶ Ibid



marks.⁴⁷ Some signposts which can aid in clarifying the situation are included under *Article 16.2 and Article 3* of the *Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement)*. In Article 16 “provides that to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use”.⁴⁸ This serves as a fine harbinger for anti dilution provisions. As a result, TRIPS Agreement includes an essential component that must be considered when establishing what constitutes a well-known mark. In other words, the marks’ awareness could be measured through juxtaposing market participants who got aware about the mark through ads.⁴⁹

Furthermore, the *TRIPS Agreement*, in effect, broadens the scope of *Article 16bis* and provides a legal foundation for the protection of well-known marks on non-competing goods.⁵⁰ As a result, the TRIPS Agreement provides requirements for the recognition and protection of well-known marks, beyond the legal sphere. It establishes looking for proof

of suchg a reputatiob but what elements should be examined in determining whether a mark qualifies as well-known are left open to discretion.⁵¹

The TRIPS Agreement includes two significant changes regarding *well known service and registered marks*, under a certain set of circumstances.⁵² Equally notable is the TRIPS Agreement's extension of Paris Convention protection to all WTO nations following Article 2(1), which is a significant accomplishment. As a result, while the *TRIPS Agreement* is not necessarily executable, the WTO enforces obedience, and so its authority has been substantially enlarged by global compliance.⁵³ Since the TRIPS Agreement is considered a fundamental ground of protection, WTO members have a free hand to expand protection, for example, by extending protection to unregistered famous marks against infringement through use on different goods.

2.4. THE WIPO JOINT RECOMMENDATION REGARDING THE PROTECTION OF WELL-KNOWN MARKS, 1999

A well-known mark focuses on the preservation of a mark's distinctive character against dilution, free-riding, and tarnishment. It also departs from the usual notion of deceit. In the event of “*infringement*” and “*passing*

⁴⁷ “The Introduction of Trademark Dilution: The Review of Dilution Concept in ASEAN” (Thailawforum.com2014)

⁴⁸ Art.16 , TRIPS

⁴⁹ Bereskin, Daniel R. "A Comparison of the Trademark Provisions of NAFTA and TRIPS." *Trademark Rep.* 83 (1993): 1.

⁵⁰ Kur, Annette. "The WIPO recommendations for the protection of well-known marks." *IIC* 31, no. 7 and 8 (2000): 824-845.

⁵¹ Grinberg, Maxim. "The WIPO joint recommendation protecting well-known marks and

the forgotten goodwill." *Chi.-Kent J. Intell. Prop.* 5 (2005): 1.

⁵² Lackert, Clark W., and Maren C. Perry. "Protecting well-known and famous marks: a global perspective." *Building and Enforcing Intellectual Property Value* (2008): 64.

⁵³ Antons, Christoph, and Kui Hua Wang. "Well-known trade marks, foreign investment and local industry: A comparison of china and Indonesia." *Deakin L. Rev.* 20 (2015): 185.



off,” proof of misunderstanding acquires an ancillary character.⁵⁴

The Joint Recommendation serves as an attempt by WIPO to serve as a conduit between *Article 6b of the Paris Convention* and *Articles 16(2) and 16(3) of TRIPS*. The Joint Recommendation has not been successful in defining a well-known mark, but it lays out detailed rules for evaluating whether or not a mark is well-known.⁵⁵ According to the *Paris Convention*, in concluding whether a mark is well-known or not, the Member States have all the discretion. But the pointers to be employed while evaluating a trademark are specified under TRIPS Agreement. Additionally, the Joint Recommendation provides for the various factors to be kept in mind by the member states to avouch a trademark as a well-known mark, in their respective territories.⁵⁶

Due to the extreme lack of a consistent worldwide criterion for what would be well-known, various nations use varying criteria. In certain nations, a numerical recognition threshold was necessary to show that it is a well known mark, but in others, a less mathematical method was employed.⁵⁷ As a result, the Joint Recommendation attempts uniformity by proposing an inclusive criteria to help the member states of WIPO in

⁵⁴ Frederick W. Mostert, “Well-Known And Famous Marks: Is Harmony Possible In The Global Village?”
⁸⁶ The Trademark Rep 103 (1993).

⁵⁵ Kur, Annette. "The WIPO recommendations for the protection of well-known marks." *IJC* 31, no. 7 and 8 (2000): 824-845.

⁵⁶Orja Jain, India: Protection Of Well-Known Marks: WIPO Joint Recommendation, Mondaq Blog Article (Available at:
<https://www.mondaq.com/india/trademark/887696/protection-of-well-known-marks-wipo-joint->

understanding the tenants of how a mark constitutes the label of well-known trademark.⁵⁸ The Joint Recommendation states that all relevant pointers must be given due credence in concluding if or if not a particular mark is to be called a well-known mark⁵⁹ Markers to consider a trademark as well-known, as per the Recommendation are as follows:

1. “The extent to which the brand is known or recognised in the given public sphere,
2. Length, scope, and territorial scope of the use
3. The length, scope, and territorial precisions of any mark including advertisement or publicity, as well as display of products and/or services to which the mark relates at exhibits.
4. The geographical region of registrations or applications for registration of any mark to the degree of showing established use of the mark.
5. A track record of effective implementation of trademark rights, particularly the recognition of the mark by the designated regulatory bodies
6. The repute and value banked by the trademark.⁶⁰

The parameters listed above form the recommendations to help the relevant

recommendation, last accessed on 25th March 2021 at 11:17pm)

⁵⁷ Brajendu Bhaskar, “Trademark Dilution Doctrine: The Scenario Post TDRA”, 2005 1(4) NUJS L. Rev. 637 (2009).

⁵⁸ *Supra* f.n. 56

⁵⁹ International Trademark Association’s Board of Directors Resolution on Well-Known Marks Protection of 18 September, 1996, (Available at: www.inta.org/boardresolutions, last accessed on 26th March 2021)

⁶⁰ Art.2, WIPO Joint Recommendation 1999



authorities to establish a trademark as well known. Rather, the decision in each instance will be based on the facts of that individual situation. All of the criteria may be important in some circumstances.⁶¹ Some of the considerations may be significant in other instances. In other situations, none of the considerations may be applicable, and the choice may be based on variables not stated. Such extra variables may be significant on their own or in conjunction with one or more of the mentioned factors. The burden of proof lies upon the owner of the well-known mark to establish and adduce evidence that the mark is well-known.⁶² Furthermore, the Joint Recommendation unequivocally advocates for *anti-dilution Laws*.⁶³

As already mentioned, general principles for setting standards and parameters for well-known marks and evaluating the importance of malicious elements and damage issues are emerging worldwide. These general principles are likely to form the basis of a unified approach that can be incorporated into multilateral treaties and the nascent universal law, which in turn helps achieve the uniformity and security required by today's international market demands.

2.5. THE ISSUE OF DOMAIN NAME DISPUTES & THE INTERNATIONAL LAW

Domain names are governed internationally by *WIPO (World Intellectual Property Organization)* and *ICANN*" (*The Internet Corporation for Assigned Names and Numbers*). WIPO created venues to govern formulation, execution and governance for "intellectual property" policy worldwide, among member nations, via treaties, in order to foster the protection, distribution, and use of the *intellectual property* across globe.⁶⁴ WIPO has established a system of domain name registration with approved registrars, as well as the "*Uniform Domain Name, Disputes Resolution Policy (UDNDR Policy)*". *The Internet Corporation for Assigned Names and Numbers (ICANN)* established the "*UDNDR Policy*" in response to WIPO recommendations.⁶⁵ This regulation states that, "*a trademark holder may begin an action against owner of a domain name, if the likelihood of infringement of Trademark, arises*".⁶⁶ As a result, while registrations are still given on a 'first come, first served basis', domain name conflicts involving *gTLDs* (*Generic top-level domains*) run in tandem and in continuum with "*Uniform Domain Name Dispute Resolution Policy (UDNDR Policy)*".⁶⁷

⁶¹ Ibid

⁶² Ibid

⁶³ Art. 4(1)(a) of the Joint Recommendation

⁶⁴ Pommerening, Christine. "The development of governance structures for the Internet. principles and practices in the case of the internet corporation for assigned names and numbers (ICANN)." PhD diss., George Mason University, 2004.

⁶⁵ Endeshaw, Assafa. "Domain Names: Wipo's Proposals For The Resolution Of Domain Name

Disputes." *Computer Law & Security Review* 16, no. 3 (2000): 173-179.

⁶⁶ Greene, Kevin J. "Abusive trademark litigation and the incredible shrinking confusion doctrine-trademark abuse in the context of entertainment media and cyberspace." *Harv. JL & Pub. Pol'y* 27 (2003): 609.

⁶⁷ Helfer, Laurence R., and Graeme B. Dinwoodie. "Designing Non-National Systems: The Case of the Uniform Domain Name Dispute Resolution Policy." *Wm. & Mary L. Rev.* 43 (2001): 141.

**iii. UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY ,1999**

In the case of domain name conflicts, this policy “provides for arbitration rather than litigation.” According to this policy, any person (complainant) may lodge a complaint, when:

- The complainant’s trademark is deceptively similar to the domain name of the alleged infringer,
- There are no reasonable interests of the domain owner in the domain name under scanner,
- The impugned registered domain name’s usage is fraudulent.⁶⁸

However, the complainant is needed to establish all of these components if his lawsuit for succeeding in the case. On proving unfair registration, the complainant's domain name registration is revoked or moved, but no financial remedies are offered. The second and third aspects go beyond Trademark Law and are set by the UDRP.⁶⁹ This contains a an inclusive list of elements indicating the presence of a legitimate interest⁷⁰ and the *bona fide* in usage⁷¹

Bias Towards Trademark Holders

⁶⁸UniformDomain-NameDispute-ResolutionPolicy, ICANN,1999
<https://www.icann.org/resources/pages/policy-2012-02-25-en>

⁶⁹ Ibid

⁷⁰ Rule, 4(c), UDRP Rule

⁷¹ Rule 4(b), UDRP Rule

The UDRP is well-liked by trademark holders, as evidenced by the fact that in a span of 10 months, atleast 1000 judgments were published. By May 2002 that climbed the mark of 4750, involving 8200 domain names.⁷² However, this is not what registrants and analysts are looking for. This is because while the Policy has typically been appropriately administered, all three substantive parts of the Policy have been misunderstood, muddled, or disregarded at times. Some decisions have been made on grounds that amount to nothing more than defiance of the requirements' wording. In each case, the policy's erroneous implementation favoured the complainant.⁷³ As shown in the case of “*Wal-Mart Stores Inc v Walsucks*, ”⁷⁴ involving www.walmartcanadasucks.com as a domain name.

The commission concluded found the first ingredient of a UDRP claim is “*perplexing similarity*”, based on a remarkable criteria that such usershave a likelihood of visiting sites, out of their curious and inquisitive traits.⁷⁵ Perhaps , rather than the UDRP, the conventional court rooms would be the right venue for this issue to be addressed. In the instance of *CompUSA Management v Customized Computer Training*⁷⁶, a more apposite method can be observed. The CompUSA lawsuit included “*protest sites*” ,

⁷² Mercer, John D. "Cybersquatting: Blackmail on the information superhighway." *BUJ Sci. & Tech. L.* 6 (2000): 290.

⁷³ Badgeley R, “Improving ICANN in ten easy steps”, University of Illinois Journal of Law, Technology &Policy, 2001, 109-12

⁷⁴ Wal-Mart Stores Inc v Walsucks (2000) WIPO Case No. D2000-0477

⁷⁵ Ibid

⁷⁶ CompUSA Management v Customized Computer Training (2000) NAF Case No. FA95082



bearing the domain name , www.stopcompusa.com and www.bancompusa.com.⁷⁷ It was concluded, that no reasonable scope of confusion arises between the two contesting domain names. And that :

No one could mistake 'COMPUSA' with 'STOPCOMPUSA.COM' and 'BANCOMPUSA.COM' a major corporation, was confronted with opposition from a person, who had sought to squelch such criticism using this approach and technique. If the respondent's acts and conduct are unlawful, the complainant has recourse to the courts, where the truthfulness of the charges made by the respondent can be contested. The complainant's approach in this situation is improper and tantamount to "cyberbullying" .⁷⁸

2.6. STATUS OF INDIAN LAW WITH RESPECT TO DILUTION AS PER THE INTERNATIONAL LAW PROVISIONS

Aside from not addressing dilution under Indian or international law, Indian and TRIPS legislation do not need brand recognition or repute, as required by US law. This is based on an examination of the *1999 Indian Brand Law and the TRIPS Agreement* Articles that describe the conditions for attaining well-known trademark status as public reputation or knowledge. When compared to US law, this is a relatively limited approach, resulting in the safeguarding of marks which are not

even well-known in public world. And this method countermands the very idea of trademark dilution.

Furthermore, the Indian situation is extremely dire since knowledge among the relevant segment of the public' is liberal under the Indian definition.⁷⁹ According to the WIPO/Paris Union Joint Recommendation:

"[W]here a trademark has been judged to be well-known in at least one portion of the relevant sector of the public' in India by any court or registrar, such mark shall be deemed well-known. This significantly reduces the size of the group that must decide the reputation of the mark, weakening the measures to be taken in guaranteeing the sort of exclusivity guaranteed by the dilution doctrine".⁸⁰

Therefore, interpreting these provisions to cover cases of dilution will result in disadvantage. The safer option seems to be envisioned under the *Trademarks Act, 1999* where the protection is secured for *well-known marks or marks with a trans-border reputation*, the extent of which is significantly reduced on being contrasted with the protection levied by, under the ambit of Dilution. Such an interpretation will not result in the Indian law violating the TRIPS agreement because the TRIPS agreement merely integrates article 6bis of the Paris

⁷⁷ Ibid

⁷⁸ Ibid

⁷⁹ Gangjee, Dev. "The polymorphism of trademark dilution in India." *Transnat'l L. & Contemp. Probs.* 17 (2008): 611.

⁸⁰ Supra f.n. 37



Convention into it.⁸¹ Article 6bis provide protection only in instances where there is a risk of misunderstanding.

Furthermore, TRIPS Article 16.3 specifies that “6 bis apply to different products and services only if the mark’s usage for such goods is suggestive of a link between them and the owner of the contested registered trademark”.⁸² It also requires that the registered trademark owner’s rights are likely to be jeopardised by such usage. These criteria distinguish the cause of action from dilution. As a result, the extent of protection expanded by the TRIPS clause is narrower than the protection envisioned under the theory of dilution. Another provision in the Trademark Act, 1999 on the subject under consideration is section 29, which states that a registered trademark having reputation in India is said to have been infringed, when an “identical or similar mark” is used even on dissimilar goods in course of the trade or commerce, for bringing a deliberate detriment to the market reputation of the registered trademark or to take unfair disadvantage to the owner.⁸³ Unlike the other requirements dealing with infringement, there is no obligation of confusion in this section. This clause is perplexing because it seeks to prevent the use of marks having a reputation in India on different products or services if such use is without reasonable cause and takes unfair advantage of or is critical to the uniqueness or repute of the registered mark. It is a broad provision. Although the regulation is less stringent than the Federal Dilution.

According to the *Joint Resolution Concerning Provisions on the Protection of*

Well-Known Marks established by WIPO in 1999, India, as a World Trade Organization member, recognised these considerations and entrenched them in *clause 6 of Section 11 of the Trademarks Act*.

Among those, the clinching parameters , are:

- a. ‘Knowledge within a considerable section of public’
- b. *the duration, extent and geographical area where the trademark is used;*
- c. *the duration, extent and geographical area where the trademark existed with respect to the applicable goods and services ;*
- d. *registration or application for registration of the trademark to the extent they reflect the use or recognition of the trade mark;*
- e. *the record of successful enforcement of the rights in that trade mark including the record stating that the trademark has been recognised as well known by any court or Registrar.*⁸⁴

But for registering a well-known mark , the use and registration of the trademark in India may not be required to be established. Additionally, the criteria to establish the mark as being well-known or registered outside India, are relaxed.⁸⁵

⁸¹ Ibid

⁸² Art.16(3), TRIPS 1996

⁸³ § 29, The Trademarks Act, 1999

⁸⁴ § 11(6), The Trademarks Act, 1999

⁸⁵ § 11(9) , The Trademarks Act, 1999



Thus, it may be claimed that in order to avail protection in India, a trademark need not have a company in India. And in case any Trademark has been registered in India, the mark need not necessarily be known to the public, at large. This in the right light bolsters the spirit of Trans-border repuation of a trademark under the incumbent law governing the field of Trademarks.⁸⁶

3. A MULTI-JURISDICTIONAL COMPARATIVE ANALYSIS OF TRADEMARK DILUTION

'Despite the fact that trademark dilution is not a novel phenomenon, the courts have historically found it very difficult and continuously strive for a litmus test on such a deflective concept.' Unfortunately, no adequate interpretation or normative framework has been recommended to discern dilution cases from likelihood of cognitive dissonance cases, and some courts remain determined that these cannot be classified. We should start this part by recognising that the dilution theory is a complex issue. This is largely because the primary question in most conventional trademark proceeding, when a mark has been violated is whether or not there is a probability of confusion.

3.1. POSITION IN UNITED STATES OF AMERICA

Initial efforts to endorse a national dilution statute in the U.S. failed. In the initial 1930s, Congress dropped to pass the Perkins Bill, conscripted principally by Schechter. During this period a group of supporters called for

⁸⁶Choudhary, Vivek Kumar. "Protection of Well Known Trademarks and Weakening of Honest Concurrent User Defense." *Journal of Intellectual Property Rights* 15 (2010): 293-301.

⁸⁷ Beebe, Barton. "The continuing debacle of US antidilution law: Evidence from the first year of

action to avert traders from acquiring where they had not sown. By 1942, the dilution theory initiate articulate backing in Justice Felix Frankfurter's acknowledgement of the "commercial magnetism of a mark as a property right entitled to protection."⁸⁷ For decades, starting in 1947, various states have passed laws prohibiting dilution, but due to various reasons, these laws are rarely applied and seldom lead to the determination of liability. It was not until the passage of the federal law in 1996 that this dilution became a heated debated and litigated.⁸⁸

So, Trademarks in US are protected by both federal and state laws. The main federal statute that governs the law is the "Lanham Act, 1946". The Federal Trademark Dilution Act of 1995(FTDA) forbids the dilution of renowned trademarks. The following elements will be considered by the courts in determining whether a mark is famous:

- (1) "the degree of inherent or acquired distinctiveness;
- (2) the duration and scope of use;
- (3) the quantity of advertising and publicity;
- (4) the market's geographic scope;
- (5) the trading channels;
- (6) the degree of recognition in commercial areas;
- (7) any third-party use of identical marks;

trademark dilution revision act case law." *Santa Clara Computer & High Tech. LJ* 24 (2007): 449.

⁸⁸ Alexander, Miles J., and Michael K. Heilbronner. "Dilution under Section 43 (c) of the Lanham Act." *Law and Contemporary Problems* 59, no. 2 (1996): 93-129.



(8) whether the mark is registered".⁸⁹

Once the claim for dilution has been satisfied, the cause of action against this use can be brought by either blurring or by tarnishment. Blurring occurs when the distinctiveness of the famous mark has been reduced because of its association with dissimilar goods; and tarnishment occurs when the mark has been associated with inferior or unflattering goods or products.⁹⁰ In the case of *Toys R Us v. Akkaoui*⁹¹, the plaintiffs hold the trademarks 'R Us' and the defendant had used the same to start an adult website called as 'adultsrus'. The court had held "that the defendant's mark tarnishes the plaintiff's line of products which would have an association with a line of sexual products which do not have an association with 'Toys R Us'."⁹² The court ordered "immediate discontinuation of the website, the products which would be associated with it and any further use of the abovementioned mark which would dilute and tarnish the reputation of the plaintiff's mark."⁹³

Earlier, to obtain any remedy under this law it was necessary to establish that there has been actual dilution of the mark. However, the most recent amendment to the FTDA, which is the "Trademark Dilution Revision Act, 2006 (TDRA)", specifies that even "the likelihood of a dilution is enough to obtain necessary remedies under this law"⁹⁴. The introduction of TDRA reversed US Supreme

Court's decision in *V Moseley v V Secret Catalogue, Inc.*⁹⁵, "wherein the mark used by the respondent 'Victor's Little Secret' was very similar to the petitioner's mark 'Victoria Secret' and the court had held that since no actual dilution has been proved, the petitioner's claim for dilution would not hold."⁹⁶ TDRA has also "brought about the amendment wherein, to establish a mark as famous and to obtain protection against dilution, one has to demonstrate how well the mark has been recognized by the public in US. In trademark dilution cases, damages are only recoverable if the defendant purposefully traded on the plaintiff's established goodwill. Otherwise, plaintiffs in a dilution case are limited to injunctive remedy".⁹⁷ The remedies provided for trademark dilution are that of injunctive relief, recovery of damages in certain cases, lost profits and destruction of infringing articles and the similar kind of remedy was also provided in the *Toys R Us* case.

3.1.4. INTERNET-BASED DILUTION AND THE ANTICYBERSQUATTING CONSUMER PROTECTION ACT (ACPA)

The ACPA allows a trademark owner to file a federal action against someone who engages in cybersquatting.⁹⁸ A cybersquatting claim is connected to "trademark infringement and trademark

⁸⁹ The Federal Trademark Dilution Act, 1995 (FTDA)

⁹⁰ Kim, Paul Edward. "Preventing Dilution of the Federal Trademark Dilution Act: Why the FTDA requires actual economic harm." *University of Pennsylvania Law Review* 150, no. 2 (2001): 719-760.

⁹¹ Toys "R" Us v. Akkaoui, 40 U.S.P.Q.2d,

⁹² Ibid

⁹³ Ibid

⁹⁴ Trademark Dilution Revision Act, 2006 (TDRA)

⁹⁵ *V Moseley v V Secret Catalogue, Inc* 537 U.S. 418 (2003)

⁹⁶ Ibid

⁹⁷ Beebe, Barton. "The continuing debacle of US antidilution law: Evidence from the first year of trademark dilution revision act case law." *Santa Clara Computer & High Tech. LJ* 24 (2007): 449.

⁹⁸ § 1125(d), Anti-Cybersquatting Consumer Protection Act of 1999



dilution,”⁹⁹ which are explained under What Trademark Covers, but it is a different legal claim with its criteria. The ACPA, in particular, is an amendment to the Lanham Act “that provides a civil cause of action for the bad-faith registration of domain names that are identical or confusingly similar to (or dilutive of) distinctive or renowned marks”.¹⁰⁰ Thus, to be eligible for aid under the ACPA, “the name in question must have been unique, famous, or both at the time of domain name registration, and such registration must have happened in bad faith”.¹⁰¹

Sporty's Farm v. Sportsman's Market.¹⁰² was the first appellate decision to decide on an ACPA claim. The Second Circuit detailed a five-step approach for ACPA analysis in Sporty's Farm. Which are as follows:

1. First, “the court must establish whether it has personal jurisdiction over the defendant or if an in rem action against the domain name itself is required.
2. Second, to be protected by the ACPA, the court must assess whether the plaintiff's trademark is renowned or distinctive.
3. Third, the court must decide whether the plaintiff's trademark and the defendant's domain name are confusingly similar.

⁹⁹ Sadasivan, Bhanu K. "Jurisprudence under the Provision of the Anticybersquatting Consumer Protection Act." *Berkeley Tech. LJ* 18 (2003): 237.

¹⁰⁰ Kurtzman, Tamara. "The Continued Hijacking and Ransoming of the Domain Name System by Modern-Day Corporate Privateers." *Bus. L. Today* (2016): 1.

¹⁰¹ Struve, Catherine T., and R. Polk Wagner. "Realspace Sovereigns in Cyberspace: Problems with the Anticybersquatting Consumer Protection Act." *Berkeley Tech. LJ* 17 (2002): 989.

¹⁰² Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc., 202 F.3d 489 (2nd Cir. 2000).

¹⁰³ Ibid

4. Fourth, the court must assess whether the defendant acted with the purpose to benefit in bad faith.
5. Fifth, the appropriate remedy must be determined by the court. Cases involving actions against registrars, actions based on the plaintiff's deception, or domain names containing the names of actual people require a distinct examination”.¹⁰³

In *Virtual Works, Inc. v. Volkswagen of America, Inc.*,¹⁰⁴ when the domain name holder attempted to sell the name to the trademark holder, the ACPA was invoked in the traditional sense of cybersquatting. “When no ill faith intent to profit was discovered, however, the ACPA was not applied and the domain name was not granted, notwithstanding prior trademark infringement,”¹⁰⁵ in *Interstellar Starship Services, Ltd. v. Epix, Inc.*¹⁰⁶ The ACPA has also been used “where the bad faith purpose to profit is not from selling the domain name back to the trademark owners, but from selling advertising viewed by people who happen to visit the site,”¹⁰⁷ like in *Shields v. Zuccarini*.¹⁰⁸ The First¹⁰⁹ and Fourth Circuit¹¹⁰ Courts of Appeals have two of the most fascinating uses of the ACPA. In *Sallen*

¹⁰⁴ *Virtual Works, Inc. v. Volkswagen of America, Inc.* 283 F.3d 264 (4th Cir. 2001).

¹⁰⁵ Ibid

¹⁰⁶ *Interstellar Starship Services, Ltd. v. Epix, Inc.* 304 F.3d at 947

¹⁰⁷ Hale, P. Wayne. "The Anticybersquatting Consumer Protection Act & Sporty's Farm LLC v. Sportsman's Market, Inc." *Berkeley Technology Law Journal* (2001): 205-228.

¹⁰⁸ *Shields v. Zuccarini*, 254 F.3d 476.

¹⁰⁹ *Sallen v. Corinthians Licenciamientos LTDA*, 273 F.3d 14

¹¹⁰ *Harrods*, 302 F.3d 214.



v. Corinthians Licenciamientos LTDA¹¹¹ the First Circuit ruled that “when a domain name proprietor has lost a case at the WIPO, U.S. federal courts do have jurisdiction”.¹¹² This decision is significant because it acknowledges that US standards may differ from WIPO norms, and that US federal courts may address the issue.¹¹³ The Court of Appeals for the Fourth Circuit expanded the ACPA's in rem jurisdiction beyond bad faith profit motive in obtaining domain names in August 2002, including trademark infringement and dilution cases.¹¹⁴ The appellate courts have been unanimous on issues such as the ACPA's proportionality, but they have differed on how far the ACPA's reach should be extended. Since the adoption of ACPA and ICANN's UDRP (the UDRP) in January 2000, hundreds of trademark owners have chosen to use the UDRP over ACPA.¹¹⁵ A comparison between the UDRP and the ACPA illustrates why many litigants favour the UDRP over the ACPA.

For comparison purposes, one clear advantage of the UDRP is that it is meant to be quick and inexpensive. Because decisions are made by a single or three-member panel, much legal language is avoided. The entire procedure, from the submission of the complaint to the panel's decision, is set to span no more than 60 days.¹¹⁶ Furthermore, the complaint forms

are simple to complete and are available online, and the processing fees are only a few thousand dollars. The UDRP also has no jurisdictional problems because the domicile of the trademark owner, cybersquatter, and registrar is unimportant.¹¹⁷ The UDRP method, on the other hand, may not be appropriate for everyone due to its speed and simplicity. Because the UDRP does not provide for temporary restraining orders, anybody in need of an immediate remedy may be forced to seek the ACPA.¹¹⁸ Although a final result may take many months, a TRO from filing an ACPA complaint may prevent more damage from occurring during the trial. Furthermore, because the UDRP panel considers just the trademark owner's objection, the registrant's answer, and perhaps a reply from the trademark owner, circumstances involving significant factual problems may be better served in a trial setting.¹¹⁹

3.2. POSITION IN UNITED KINGDOM

The prospective of confusion is an inescapable criterion in the United Kingdom for the finding of a violation under “s.10 (2) of the Trade Mark Act.” This includes a likelihood of association, which was first introduced into UK trademark law by the TMA's “The 1994 Act Section 10(2),” which states that “if an identical or similar sign is used in

¹¹¹ Sallen v. Corinthians Licenciamientos LTDA , 273 F.3d 14

¹¹² Ibid

¹¹³ Ibid

¹¹⁴ Harrods, 302 F.3d 214.

¹¹⁵ Ibid

¹¹⁶ Efroni, Zohar. "The Anticybersquatting Consumer Protection Act and the Uniform Dispute Resolution

Policy: New Opportunities for International Forum Shopping." *Colum. JL & Arts* 26 (2002): 335.

¹¹⁷ Ibid

¹¹⁸ Ibid

¹¹⁹ Scaturro, Tenesa S. "The Anticybersquatting Consumer Protection Act and the Uniform Domain Name Dispute Resolution Policy: The First Decade: Looking Back and Adapting Forward." *Nev. LJ* 11 (2010): 877.



conjunction with identical or similar goods for which a mark is registered, infringement exists if there is a likelihood of public confusion".¹²⁰

Judges employ a three-part test in instances falling under this provision. First, "assess the mark's identity likeness to the sign; second, examine the idea of similarity between the respective products and services; and third, determine if there was a probability of misunderstanding as a result of that similarity".¹²¹

According to Section 10(1) of the Act, "infringement occurs when a sign that is identical to a registered trademark is used in the course of trade in connection with identical items and services for which the mark is registered."¹²² This is a type of offense that does not need proof of public misunderstanding. In the United Kingdom, dilution occurs when a well-known or recognized brand's reputation gets blurred or tarnished. The Act is silent on whether the potential of misunderstanding is required to commit an offense under section 10. (3). This sort of violation is restricted to "reputable trademarks". The following conditions must be met, according to "Pumfrey J. in DaimlerChrysler AG v Javid Alavi (t/a MERC)":¹²³

- I. "The claimant's trademark must be discovered to have a reputation in the United Kingdom.

¹²⁰ Farley, Christine Haight. "Why we are confused about the trademark dilution law." *Fordham Intell. Prop. Media & Ent. LJ* 16 (2005): 1175.

¹²¹ Ibid

¹²² § 10(1), United Kingdom Trademarks Act, 1994

¹²³ DaimlerChrysler AG v Javid Alavi (t/a MERC) [2001] RPC 42

¹²⁴ Ibid

- II. Identity with or resemblance to a well-known trademark must be demonstrated.
- III. The use of the sign complained of must take advantage of or harm the unique character or reputation of the claimant's trademark
- IV. The usage of the complained-of indication must be without justification."¹²⁴

3.2.1. PASSING-OFF AND CYBERSQUATTING UNDER UK LAW

In the UK, only a few domain name and trademark disputes have been litigated in court. Compared with the US courts, the UK courts are not as powerful as the US courts in formulating methods for dealing with trademark issues in the context of cyberspace. To settle domain name/trademark issues, English courts can depend on three legal frameworks: trademark registration legislation, passing off law, and conspiracy under common law. If the party claiming domain name ownership lacks a registered trademark, he may invoke the common law tort of passing off. The plaintiff's goodwill, the defendant's deceit, and the consequent loss comprise the classic trinity of passing off.¹²⁵ The five fundamental criteria listed by Lord Diplock in *Erven Warnink BV v J. Townsend & Sons (Hull) Ltd*¹²⁶ are typically taken into account by the courts. It includes the following provisions: "there must be a distortion of the truth; the misrepresentation

¹²⁵ Al Ramahi, Mohammad S. "Internet Domain Names & Trademark Law: Does the Current Legal Scheme Provide and Adequate Protection to Domain Names under the US & UK Jurisdictions?." In *Paper delivered at the 21st BILETA Conference: Globalisation and Harmonisation in Technology*. 2006.

¹²⁶ Erven Warnink BV v J. Townsend & Sons (Hull) Ltd [1979] AC 731



must be made by a trader in the conduct of trade; the misrepresentation must be made to prospective customers or ultimate consumers of goods or services supplied by him; the misrepresentation must be calculated to harm another trader's business or goodwill, and the misrepresentation must cause actual damage to a business or goodwill.”¹²⁷

3.3. POSITION IN EU

Unlike the United States, the European Union (EU) lacks dedicated legislation or regulation that protects the owners of renowned marks from dilution. “Articles 4(4)(a) and 5(2) of the EU Trademark Directive, on the other hand, have integrated a similar approach to safeguard the interest of the trademark that has a reputation in the relevant Member State.”¹²⁸ The provision forbids the registration of any trademark that is similar or identical to a prior reputed national trademark that represents dissimilar products or services and might allow the later mark to take unfair advantage of or be harmful to the earlier mark's unique character or repute.¹²⁹ Nonetheless, the EU Trademark Directive has not reflected terminology such as ‘dilution’ and ‘renowned’ to explain the scope of the provision. As a result, the standards for trademark dilution in the European Union are both ambiguous and flexible.¹³⁰

It is necessary to study the legislative rules to get the average for dilution in the EU. Article 8(5) of the EUTMR states that “the proprietor of the mark with the reputation is allowed to

oppose the registration of a similar or identical mark that would take unfair advantage of, or be harmful to, the unique character or the repute of the earlier trademark.”¹³¹ It appears to provide us with a conclusion that the lawmakers have handled the impending damage, which raises the possibility of misunderstanding.

As a result, the courts in the region play an essential role in assessing the legality of trademark dilution claims¹³². The European Court of Justice (ECJ) considered “the scope of Article 4(4)(a) to determine the circumstances that are necessary to establish a case of trademark dilution in the infamous case of Intel Corporation v. CPM United Kingdom Ltd.”¹³³ The Court of Appeals found a resemblance between the parties' trademarks.” However, the Court of Appeals halted the case proceedings pending referral to the ECJ since the court could not establish the amount of dilution and situations where protection may confer. Following that, the ECJ examined a slew of local and foreign elements to assess the relationship between the parties' marks.¹³⁴ It also listed the following factors to consider when determining the presence of trademark dilution:

- i. “the degree of resemblance between the marks;
- ii. the nature of the products or services for the registered trademarks;
- iii. the level of repute of the earlier mark;
- iv. the degree of distinctiveness of the preceding mark; and

¹²⁷ Ibid

¹²⁸ Seker, Emriye Ozlem. "A Comparison Of Trademark Laws In European Union And Turkey On Protection Against Dilution Of Trademarks." *Ankara B. Rev.* 6 (2013): 81.

¹²⁹ Ibid

¹³⁰ Ibid

¹³¹ Article 8(5), EUTMR No 2017/1001

¹³² Ibid

¹³³ Ibid

¹³⁴ Ibid



- v. the likelihood of the presence of a risk of consumer misunderstanding."¹³⁵

Furthermore, the ECJ noted that "the plaintiff was bestowed with the burden of demonstrating the amount of harm that has happened or the possibility of injury that might arise in the future."¹³⁶ The proprietors of an earlier respectable mark would be required to demonstrate the economic damage caused by the other party's use of a comparable mark. This decision established a landmark case that defined the characteristics necessary to determine trademark dilution.

4. INDIAN LEGAL SCENARIO WITH RESPECT TO TRADEMARK DILUTION

Prior to the Trademarks Act of 1999 (TM Act), special protection for well-known trademarks was not included, and it was based on common law passing off principles. Passing off is described as the defendant's wrongly passing off his items as the plaintiff's property.¹³⁷ As a result, the phrase dilution was thought to be a derivation of passing off. In the case of Daimler Benz Aktiengesellschaft & Anr. v. Hybo Hindustan.¹³⁸ In this instance, the defendant utilised the trademarks 'BENZ' and 'three-pointed human being in a ring' in their undergarment company. In this case, the Delhi High Court granted an injunction and stated in its order that "such a well-known mark is not available to anyone because the

name 'BENZ' is associated with one of the finest manufactured cars in the world and cannot be used by any merchant in India; in this case, it is being diluted and used mainly for undergarments".¹³⁹ The TM Act, defines "well-known trademark as a mark which has become such a substantial segment of the public for the goods or services it provides, that the use of the mark in relation for any other service would lead to the connection of the use in the established services as mentioned earlier".¹⁴⁰ The concept of dilution and well known trademarks go hand in hand. Delhi High Court in the case of Tata Sons Ltd. vs Manoj Dodia & Ors¹⁴¹ has "explained detailed situations wherein a well-known trademark becomes diluted and in turn loses its uniqueness and the ability to be distinctively identified."¹⁴²

The concept of dilution in the Act has not been defined distinctively, however, in the case of ITC Limited vs Philip Morris Products Sa And Ors.¹⁴³, the court "has established essentials for determining the dilution of a trademark. First, when the impugned trademark is identical or similar to the injured mark; second, when the injured mark has a reputation in India; third, when the impugned trademark has been used without due reason; and finally,

¹³⁵ Ibid

¹³⁶ Ibid

¹³⁷ Putra, Renggi Ardy. "Legal Possibility To Regulate Defensive Trademark As Well-Known Mark Protection In Indonesia (Comparative Studies of Well-Known Mark Protection Based on Indonesian, Japanese, and Australian Trademark Law Perspectives)." (2018).

¹³⁸ Daimler Benz Aktiengesellschaft v Hybo Hindustan AIR 94 del 239

¹³⁹ Ibid

¹⁴⁰ § 2 (1) (zg), The Trademarks Act, 1999.

¹⁴¹ Tata Sons Ltd. vs Manoj Dodia & Ors CS(OS) No. 264/2008

¹⁴² Ibid

¹⁴³ ITC Limited vs Philip Morris Products Sa And Ors. 2010 (42) PTC 572 (Del.)



when the use of this mark is harmful to the injured mark's reputation".¹⁴⁴

4.1. LACUNAE OF INDIAN STATUTES WITH RESPECT TO WELL-KNOWN MARKS

In India, the notion of well-known marks is defined in Section 2(1)(zg) of the Trademark Act, 1999, while Section 11(2), (6), (7), and (9) of the Act address the interpretation of well-known markings, creating relevant reasons for trademark registration rejection. Section 29 of the Act "*relates to the misapplication of a registered trademark, does not take into account the specific terms well-known mark in any of its clauses, and has only used the expression registered trademark that has a brand image under clause 4,*"¹⁴⁵ This makes it difficult to discern the legislature's actual objective in safeguarding well-known marks after they have been registered. Due to terminological inconsistencies in Sections 11(2) and 29(4) of the Act, this indicates the legislature's intention to protect the well-known mark exclusively at the registration stage.¹⁴⁶ Aside from the vacancy caused by Section 29(4), the legislature must address and explain the following gaps:

1. The Act's definition of a well-known mark does not include a criterion for determining whether or not a mark is a well-known mark; rather, it employs ambiguous language, reading as "a mark that has become so open to the

substantial segment of the public that uses or receives such services that it is left open for the court to understand".¹⁴⁷

2. In the absence of a clear definition of a well-known trade mark, the compliance component of such a well-known trade mark remains unclear as to whether or not the mark is a well-known trade mark. As a result, the breadth of protection afforded to well-known "marks is harmed in the lack of some suitable provisions for well-known marks in infringement proceedings".¹⁴⁸
3. Section 29(4) states that "no reference to the adoption in bad faith shall be made in determining the parties' interests".¹⁴⁹

The new requirements for the registration of well-known trademarks were established in India under Rule 124 of the Trademark Rules, which provides for the registrar's acknowledgment of a well-known mark. The well-known mark can be recognised in court via a trademark infringement lawsuit, but trademark owners can now appeal to the registrar to have the mark designated as a well-known mark. The new regulation is viewed as a substantial advance in the recognition and protection of well-known trademarks, but the constitutional validity of Rule 124 remains a significant obstacle.¹⁵⁰ This law, however, would not deprive the central government of the authority to enact a

¹⁴⁴ Ibid

¹⁴⁵ § 29 , The Trademarks Act, 1999.

¹⁴⁶ Jain, Sankalp. "Dilution of Goodwill in Trademarks: A Case Study in Indian Context." Available at SSRN 2208105 (2012).

¹⁴⁷ Rani. S. "India: Well-Known Marks: Inconsistencies & Lacunas In Indian Laws", Mondaq

Law Blog Article. (Available at:

<https://www.mondaq.com/india/trademark/101528/well-known-marks-inconsistencies-lacunas-in-indian-laws>", last accessed on 16th June 2021)

¹⁴⁸ Ibid

¹⁴⁹ The Trademarks act, 1999

¹⁵⁰ Rule,124 of Trademarks Rules 2017.



new provision for the recognition of well-known trademarks¹⁵¹. Section 157 of the Trade Marks Act of 1999, which addresses the central government's rulemaking authority, is completely silent on the question of well-known marks¹⁵². Section 157 (xli) of the Act “allows for the Central Government's residuary competence to establish regulations for any other thing that is needed to be or may be prescribed”.¹⁵³ This clause is constrained by the two most essential principles of legislative delegation:

- i. The first principle is “that the provisions of the delegated legislation i.e. rules in this case cannot be in dispute with the parent legislation,
- ii. The Parliament cannot delegate the essential legislative function to the Executive”.¹⁵⁴

Regulation 124, the new rule, contradicts both concepts. The regulation is a distinct strategy for recognising ‘well-known trade marks’ through a non-adversarial procedure.¹⁵⁵ Furthermore, Section 11(10) states that “in the event of a dispute and/or infringement, the registrar must protect the interest of the well-known trademark against identical products and must therefore take into account and notice the bad intention and unlawful motive of the complainant or the opponent.”¹⁵⁶

i. REMEDIES AVAILABLE FOR THE TRADEMARK OWNER ON MISUSE OR INFRINGEMENT OF WELL-KNOWN TRADEMARK

1. Prohibit the registration of identical and misleading similar trademarks in all classes of products and services.
2. Request that the infringing mark be removed.
3. Prevent the trademark from being incorporated into the name or logo of any organisation or business entity.
4. Punitive damages: The court has ruled in numerous cases that punitive penalties shall deter infringers from utilising and causing infringement of well-known trademarks. The court ruled in *Time Incorporated v. Lokesh Srivastava* that¹⁵⁷, in IP matters, the court shall grant both punitive and compensatory damages. In the current instance, the court awarded the plaintiff Rs. 5 lakh in punitive damages and Rs. 5 lakh in compensation damages for infringement.¹⁵⁸

4.2. JUDICIAL APPROACH IN RECENT CASES

i. ANALYSIS OF PATANJALI CORONIL CASE¹⁵⁹

‘Arudra’ who manufactures industrial chemical agents under the trademarks ‘CORONIL-92 B’ and ‘CORONIL-213 SPL’

¹⁵¹ Supra f.n. 148

¹⁵² § 157 , The Trademarks Act, 1999

¹⁵³ § 157 (xii) , The Trademarks Act, 1999

¹⁵⁴ Ibid

¹⁵⁵ Rule,124 of Trademarks Rules 2017

¹⁵⁶ § 11 (10) , The Trademarks Act, 1999.

¹⁵⁷ *Time Incorporated v. Lokesh Srivastava* 2005 (30)

PTC 3 (Del.),

¹⁵⁸ Ibid

¹⁵⁹ *Arudra Engineers Private Limited vs Pathanjali*

Ayurved Limited- O.A. No. 258/2020 Order dt.

August 08, 2020 by Madras High Court



claims that Patanjali's coronil tablets would dilute the value of its trademark.

In the present case, Patanjali relied on the Ford Motors decision¹⁶⁰ to argue that "the term 'reputation in India' in Section 29(4) implied that the mark in question had to be a 'well-known mark'. Ford Motors had acknowledged parliamentary discussions stating that the (then) Trademark Bill 'seeks to extend protection for well-known trademarks...'"¹⁶¹ Patanjali thus insisted that Arudra's trademarks did not meet the well-known mark threshold for Section 29(4) to apply. Rejecting this, "the Single Judge interpreted 'reputation in India' in the literal sense, finding that it meant 'nothing more, nothing less.'"¹⁶² Relying on several decisions including US Supreme Court's 2020 decision in *Bostock v. Clayton County*¹⁶³ a literal interpretation was favoured, stating that, "there is no ambiguity in the statute giving rise to multiple interpretations that would require an inquiry into the legislative intent."¹⁶⁴

The Court also argued on the meaning of the word 'reputation in India', as specified in Section 29(4)(c)¹⁶⁵. The initial legislative goal was to use the terms 'well-known mark in India', but the final legislation as enacted included the words "has a 'reputation in India'"¹⁶⁶ it was contended. The Court concluded that "protection was given under Section 29(4) of the Act even though the infringing mark was utilised for a

different class of goods."¹⁶⁷ The only requirement was that Plaintiff's mark has a "reputation in India". Patanjali had also pointed out that "the provision corresponding to Section 29(4) in UK's Trademarks Act, 1994 which uses the exact same language in its Section 10(3), i.e., 'reputation in the UK' remains consistent in its use of that phrase even in Section 5(3) (corresponding to India's Section 11(2) on well-known trademarks). Thus, there occurs no duality in standards of fame for trademarks."¹⁶⁸

Interestingly, *ITC v. Phillip Morris*¹⁶⁹ (a judgment which relies on the ECJ judgment of *General Motors Corp v. Yplon*¹⁷⁰) explains "the term 'reputation' to mean a mark 'known by a significant part of the public concerned by the products or services covered by that trade mark.' It is noteworthy that this definition is very similar to that of well-known trademarks under Section 2(1)(zg)."¹⁷¹ If anything, this appears to be an even higher standard so far as it requires the mark to be known by people 'concerned with it', as opposed to those who 'use it' per Section 2(1)(zg)). The Single Judge however "reflected on the multitude of provisions in India's Trade Marks Act dealing with well-known marks to suggest that this is deliberate and shows Parliament's intent that well-known marks be treated as separate from those with reputation in India. It did not

¹⁶⁰ *Ford Motor Company v. C.R. Borman*; 2014 (59) PTC 132 (Del.)

¹⁶¹ Ibid

¹⁶² Supra f.n. 159

¹⁶³ *Bostock v. Clayton County*, 07 L. Ed. 2d 218;

¹⁶⁴ *Arudra Engineers Private Limited vs Patanjali Ayurved Limited- O.A. No. 258/2020 Order dt.*

¹⁶⁵ Ibid
¹⁶⁶ Ibid
¹⁶⁷ Ibid
¹⁶⁸ Ibid

¹⁶⁹ *ITC Limited vs Philip Morris Products Sa And Ors.* 2010 (42) PTC 572 (Del.)

¹⁷⁰ *Motors Corp. v. Yplon, S.A.*, [1999] E.C.R. I-5421

¹⁷¹ Ibid



satisfactorily address the problems brought about by this duality.”¹⁷²

Arguably, the whole mess of dual standards can be resolved if “well-known trademarks and marks with reputation are interpreted as same in the light of the objects of the statute and trademark law in general.”¹⁷³ Prof. Gangjee has “suggested this approach in his paper, pointing out that Trademark Rules, 2002 in Rule 48(b)(vi) implies that well-known trademarks are those that ‘have a reputation’. But the Single Judge through a literal interpretation has impliedly treated reputation in India as a checkpoint on a spectrum of which well-known mark forms the terminus.”¹⁷⁴

THE ISSUE OF REPUTATION IN THE CASE

While ‘reputation in India’ in itself appears unambiguous, it has to be noted the statute neither defines the term, nor provides any means of assessing this reputation. On the other hand, well-known trademark is defined in Section 2(1)(zg) 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 as indicating a connection in the course of trade.”¹⁷⁵

Further, Section 11(6) lays down “a set of factors that are to be considered by the registrar in determining whether a trademark is well-known.”¹⁷⁶ Further, against the single

¹⁷² Supra f.n. 164

¹⁷³ Malliaris, Stylianos. "Protecting Famous Trademarks: Comparative Analysis of US and EU Diverging Approaches-The Battle Between Legislatures and the Judiciary-Who is the Ultimate Judge." *Chi.-Kent J. Intell. Prop.* 9 (2010): 45.

judge bench judgement, The Division Bench observed that “though Arudra’s label is registered as a trademark and incorporates the word ‘Coronil’, it cannot be said that the word ‘Coronil’ adopted by Patanjali was similar to that of the registered labels of Arudra. It would have been different if Arudra had obtained a registration of the word ‘Coronil’ or any other word, which was phonetically similar or identical with the aforesaid word. Therefore, “it cannot be said that Arudra had made a *prima facie* case for the purpose of grant of interim relief for the alleged infringement of trademark under Section 29(4) of the Trademarks Act, 1999. As Arudra had not claimed any monopoly over the word ‘Coronil’ by obtaining a separate registration of the aforesaid word, the Bench said the impugned order is liable to be set aside even if Arudra may have a case for dilution of its trademark by Patanjali. In case there is dilution of the trademark/label of the Arudra, the company can claim damages, which have to be determined only after a trial. The usage of the name ‘Coronil’ in the process of manufacturing and selling a pill as an immunity booster would not jeopardise the unique character or reputation of Arudra’s registered brand.. Further, the dispute being a ‘commercial dispute’, the Bench was of the view that the suit should be decided by the Commercial Division of the High Court and disposed in a time-bound manner in terms of the above Act.¹⁷⁷

¹⁷⁴ Gangjee, D., 2008. The polymorphism of trademark dilution in India. *Transnat'l L. & Contemp. Probs.*, 17, p.611.

¹⁷⁵ § 2(1)(z), The Trademarks Act, 1999.

¹⁷⁶ § 11 (6), The Trademarks Act, 1999.

¹⁷⁷ M/s.Patanjali Ayurved Limited and anr v. Arudra Engineers Private Limited, O.S.A. No. 169 of 2020 and C.M.P. Nos. 8510, 9187 and 9188 of 2020



Although Section 29(4) of the “Trademark Law” has a certain understanding of trademark erosion, and in some cases there have been cases where trademark protection has been required, no agency is mentioned in this case. According to Indian law, there is no trademark protection because the trademark is diluted. The trademark law itself is a step that highlights the problem, but today there is still a need for a suitable dilution solution.

4.2. ISSUE OF DOMAIN NAME PROTECTION & CYBER SQUATTING IN INDIA

Domain names in India may be given trademark or service mark protection under the terms of the Trademarks Act, 1999, providing that the domain name meets all conditions to be properly registered under the Act.¹⁷⁸ Once registered, the owner of a domain name has the same legal rights and power as the owner of a registered trademark or service mark in India. In addition, the right to sue for infringement or passing off is provided. Victims in India have these options to combat cybersquatting

- 1) “By delivering cease-and-desist letters to cybersquatters.
- 2) Initiation of arbitration procedures under the regulations of ICANN.

3) Suit for Remedy under Law of Passing off and Trade Marks Act, 1999

4) Complaint under INDRP”¹⁷⁹

i. .IN DISPUTE RESOLUTION POLICY

In response to these concerns, the.IN Registry developed the.INDRP (.INDRP) for the settlement of domain name disputes in India. The.INDRP is said to be following globally recognised norms and applicable requirements of the Indian Information Technology Act 2000.¹⁷⁹ The National Internet Exchange of India (NIXI) states that the.IN Registry works as an autonomous organisation with primary responsibility for managing the.IN ccTLD and guaranteeing its operational stability, dependability, and security.¹⁸⁰

Any individual who feels that the registered domain name infringes on his legitimate rights or interests may initiate actions at the INDRP process:¹⁸¹

1. The “registrant's domain name is deceptively similar to a name, trademark, or service mark in which he has rights¹⁸²; or
2. the registrant has no rights or legal obligations in the domain name; and

¹⁷⁸ Piyush, Charan. "A survey of the prominent effects of cybersquatting in india." *Int'l J. Info. Sec. & Cybercrime* 4 (2015): 47

¹⁷⁹ Kaur, Rajinder, and Rashmi Aggarwal. "Cyber-squatting: Legal implications and judicial approaches—An Indian perspective." *Computer Law & Security Review* 27, no. 6 (2011): 653-658.

¹⁸⁰ Rana Lucy, Shrivastava Rishu ; "Balancing the odds: An evaluation of the .IN domain name dispute

resolution poliv"; *World Intellectual Policy Review* November/December 2011

¹⁸¹ INDRP Rules of Procedure,
Available at:

<https://www.registry.in/IN%20Domain%20Name%20Dispute%20Resolution%20Policy%20%28INDRP%29>, accessed on 14th June 2021

¹⁸² Ibid, Rule 4



3. the registrant's domain name was registered or is being used in bad faith".

If a complaint is made, the registrant is required to submit to a mandatory arbitration proceeding. In line with the Arbitration and Conciliation Act 1996, the .IN Registry assigns an arbitrator to cases. In most cases, the arbitrator considers the domain name registered and utilised in bad faith when:¹⁸³

- i. The registrant obtained the domain name primarily for the purpose of selling, renting, or otherwise transferring the registration to the holder of the trademark or service mark, or to a competitor of the complainant, for valuable consideration in excess of the registrant's documented out-of-pocket costs directly related to the domain name; or
- ii. the registrant registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that the registrant has engaged in a pattern of such conduct; or
- iii. the registrant has intentionally attempted to attract Internet users to his website or other online location by creating a likelihood of confusion with the owner of the trademark or service mark.¹⁸⁴

Starbucks corporation v. Mohanraj¹⁸⁵ "the respondent's domain name www.starbucks.co.in was confusingly similar to the complainant's domain name www.starbuscks.in".¹⁸⁶ The respondent's domain name was said to be identical and confusingly similar to the complainant's domain name. It was also claimed that the respondent did not have a legitimate interest in the domain name. Furthermore, it was claimed that the respondent utilised the mark in bad faith.¹⁸⁷ The arbitrator found that the contested domain name was confusing, similar, and identical to the complaint, and that they possessed trademark rights. Because the respondent registered the domain name in bad faith, it should be transferred to the complainant.¹⁸⁸ Furthermore, in the matter of Morgan Stanley v. Bharat Jain,¹⁸⁹ "the respondent registered the contested domain name www.morganstanleybank.co.in on June 20, 2010. The complainant argued that the inclusion of the ccTLD.co.in sufficed to distinguish the contested domain name from the complainant's mark MORGAN STANLEY. As a result, the challenged domain name was confusingly close to the aforementioned mark".¹⁹⁰

Arbitration methods, as envisioned under the INDRP, are clearly a popular alternative for resolving domain name disputes for aggrieved parties who do not wish to participate in lengthy litigation proceedings before courts.¹⁹¹ Furthermore, our research reveals that in the vast majority of INDRP domain disputes, panel

¹⁸³ Ibid, Rule 7

¹⁸⁴ Ibid

¹⁸⁵ Starbucks corporation v. Mohanraj [Case Number INDRP/118, decided on November 26, 2009]

¹⁸⁶ Ibid

¹⁸⁷ Ibid

¹⁸⁸ Ibid

¹⁸⁹ Morgan Stanley v. Bharat Jain (Decided on 28th October, 2010).

¹⁹⁰ Ibid

¹⁹¹ Supra fn.179



members support rulings in favour of legitimate right holders to safeguard against cyber attacks. Users have no legal power over a collection of domains.

ii. SUIT FOR REMEDY UNDER LAW OF PASSING OFF AND TRADE MARKS ACT, 1999

Infringement: "Any individual infringing a domain name that is registered as a valid and subsisting trademark under the Indian Trademark Law will be held responsible for trademark infringement under section 29 of the Act."¹⁹² For passing off: "an owner of a trademark who has not registered his mark is also entitled to the protection of his mark if he is the previous user, his mark has gained distinctiveness, and there is a misrepresentation of his products by anyone else that is likely to deceive the relevant public."¹⁹³

In the case of Satyam Infoway Ltd vs Sifynet Solutions that¹⁹⁴ the Supreme Court stated, "As far as India is concerned, there is no statute which specifically relates to dispute settlement in connection with domain names. However, even if the operation of the Trade Marks Act, 1999 is not extraterritorial and may not provide enough protection for domain names, this does not preclude domain names from being legally protected to the degree feasible under the rules pertaining to passing off".¹⁹⁵.

The Bombay High Court heard a case involving a passing-off dispute between shaadi.com and secondshaadi.com in People Interactive (India) Pvt. Ltd. v Vivek Pahwa & Ors.¹⁹⁶ The court ruled in favour of the defendants, ruling that "Shaadi" is a general and often descriptive phrase. The court reasoned that gaining a secondary meaning would imply that the word has outlived its initial connotation and now exclusively relates to the individual holder of the mark in the public awareness; the main meaning must have been lost. According to the court, this was not the case in this case because the sole significant significance was the internet destination.¹⁹⁷

In Bigtree Entertainment v Brain Seed Sportainment.¹⁹⁸ the Delhi High Court denied the Plaintiffs, the owners, and operators of the website bookmyshow.com, an interim injunction against Defendant's use of the name bookmysports.com. The court dismissed the Plaintiffs' petition for an interim injunction because the prefix BOOKMY of the Plaintiff's trademark BOOKMYSHOW was descriptive rather than an arbitrary combination of words, and Plaintiff's failure to demonstrate that BOOKMY has acquired distinctiveness or secondary meaning.¹⁹⁹

As a consequence, it is clear that domain names play an essential role in online business and economic activities. Those who rely only on internet platforms, in particular, must ensure the security of their

¹⁹² § 29 , The Trademarks Act, 1999.

¹⁹³ Ibid

¹⁹⁴ Satyam Infoway Ltd vs Sifynet Solutions AIR 2004 SC 3540

¹⁹⁵ Ibid

¹⁹⁶ People Interactive (India) Pvt. Ltd. v Vivek Pahwa & Ors 2016 (68) PTC 225 (Bom)

¹⁹⁷ Ibid

¹⁹⁸ Bigtree Entertainment v Brain Seed Sportainment 2018 (73) PTC 115 (Del)

¹⁹⁹ Ibid



data. Because domain names transcend geographical borders, a uniform global domain name protection legislation is necessary, in addition to the protection given by Trademark Law in specific countries.²⁰⁰ On this issue, Indian law is very similar to that of the United States. Section 9 of the Act states that there are "absolute reasons for denial of registration as a trade mark."²⁰¹ To be protected by trademark, a mark must have a "distinctive character."²⁰² According to the section's proviso, "a trade mark must not be rejected registration if, prior to the date of application for registration, it has developed a distinctive character as a result of its use or is a well-known trade mark."²⁰³

5. CONCLUSION & RECOMMENDATIONS

If Trade Mark Dilution in India is compared with that of the USA , Indian law fails to recognise the provision of Trademark dilution under the relevant Section; whereas, the US Law clearly recognises the concept of Dilution of famous marks. The Trademark owner can , provided his mark is a famous mark, bring a suit for dilution, in addition to the obvious action for infringement against the alleged erring party.²⁰⁴ Pertinent to mention would be that U.S courts have interpreted famous marks, for the purposes of operation of Dilution, in a stricter sense than Indian Courts. While plaintiff in India needs

to merely establish that "*mark has reputation*", according to U.S interpretation, the "*mark needs to be necessarily famous*".²⁰⁵ But, the brand reputation adduces a high significance in both the countries. Even a user of a medium-known brand cannot claim that the brand has been diluted. A distinction must be made between "well-known" and mark with a reputation. Simply put, dilution rights are inherently uncertain, and the level of publicity required to obtain approval is also high. Dilution requires the contested mark to be significantly more famous compared to its counterparts in the market. If a trademark has its fame and name in only a certain industry or a delineated region in India , the question as to whether it will be extended protection from Dilution in that region , remains largely unanswered. Whereas The United States has special laws to deal with the issues of Trademark Dilution. As per the Lanham Act, authorizes discretion upon the courts to slap thrice the actual penalty against the aggrieved , in the form of Damages, if the violations are sown to be wilful.In case any further losses are proven by the plaintiff, that sum may be furnished from the aggrieved as compensation.²⁰⁶

Relief by the courts in suits for infringement, under Indian Act, may be granted in the form of damages or profit accounts. The defendant may be ordered to deliver the infringing

²⁰⁰ Misra, Ranjan K. "Internet Domain Name Disputes-Judicial Trends in India." Available at SSRN 1653637 (2010).

²⁰¹ § 9 , The Trademarks Act, 1999.

²⁰² Ibid

²⁰³ § 9 , The Trademarks Act, 1999.

²⁰⁴ Fhima, Ilanah Simon. *Trade mark dilution in Europe and the United States*. Oxford University Press, 2011.

²⁰⁵ Supra f.n. 83

²⁰⁶ Arciero, Michael Anthony. "Trademark Infringement and Plaintiff's Damages: Lanham Act 35 (a)." *J. Contemp. Legal Issues* 12 (2001): 320.



labels , destroy them or call for their erasure.²⁰⁷

Coming to the issue of Cyber Squatting , US has addressed this issue through adoption of Cybersquatting Consumer Protection Act, 1999. This Act makes provision for both Civil and Criminal Remedies against the wrongdoer in the form of levying huge penalties ranging between \$50,000 and \$100,000 for a single domain name .²⁰⁸ The Act strongly disavows registration or keeping of domain name , only in order to accrue profits by subsequent selling of those domain names to people whose natural names correspond to the name of the domain.²⁰⁹ Under the Act, plaintiff can easily get the domain name transferred or cancelled if that corresponds to the trademark or personal name of the plaintiff.”²¹⁰Whereas in India, we don’t have any such exclusive legislation to deal with the issue of cybersquatting and remedy under trademark Act is also quite cumbersome.

EFFICIENCY OF CURRENT IN INDIAN LEGAL SCENARIO IN DEALING WITH THE ISSUE OF DILUTION

The dilution principle has long been recognized in the Indian trademark law system. Today, Article 29 of the Trademark Law of 1999 clearly stipulates this, regardless of whether they are similar products. From the above research it is concluded that

²⁰⁷ Ibid

²⁰⁸§ 103, Anti Cybersquatting Consumer Protection Act, 1999

²⁰⁹ Sadasivan, Bhanu K. "Jurisprudence under the Provision of the Anticybersquatting Consumer Protection Act." *Berkeley Tech. LJ* 18 (2003): 237.

²¹⁰ Efroni, Zohar. "The Anticybersquatting Consumer Protection Act and the Uniform Dispute Resolution Policy: New Opportunities for International Forum Shopping." *Colum. JL & Arts* 26 (2002): 335.

dilution of a Trademark is an extended form of infringement as when the famous Trademark is used by the person other than the owner in a way that lessens the marks uniqueness. The trademark Act, 1999 “is not explicit about dilution and does not refer to the term. The object of the dilution form of infringement is wider Trademark protection to a well-known Trademark.”²¹¹ Here, the judiciary is playing a vital role in the protection of trademarks from their unauthorized use. As in the Hamdard case²¹², “the standard for deciding what amounts to infringement of trademarks by dilution in relation to goods and products, which are dissimilar under Section 29 (4) is much the same which on the other hand, doing the comparative study of dilution of Trademark the likelihood of deception is required in USA and not actual deception. The US standard which was similar to Canadian one (actual damage rather than likelihood of damage has now been changed with effects from 6 October, 2006.”²¹³ So, it becomes crystal clear that Dilution rests on the proposition that certain trademarks are very famous and have a solid market reputation , so as to merit special protection under law. Protection that extends far beyond the invocation of “likelihood of confusion in the market” so as to infer or contest Infringement²¹⁴.

²¹¹ Mukherjee, Gaurav, and Srishti Kalro. "What Is the Confusion over Dilution: Towards a Meaningful Understanding of Section 29 (4) of the Trademarks Act, 1999." *Indian J. Intell. Prop. L.* 4 (2011): 139.

²¹² Hamdard National Foundation & Anr. v. Hussain Dalal & Ors., 202 (2013) DLT 291. 34.

²¹³ Ibid

²¹⁴ Agitha, T. G. "TRADEMARK DILUTION: INDIAN APPROACH." *Journal of the Indian Law Institute* 50, no. 3 (2008): 339-366.



Henceforth, Trademark Dilution as a Doctrine seeks to offer protection to strong and well-known marks so that people are constantly reminded of the uniqueness of such contested marks.²¹⁵

NECESSARY CHANGES THAT ARE REQUIRED UNDER INDIAN LAW TO DEAL WITH THE ISSUE OF DILUTION

Separate legislation may not be necessary, and the 1999 amendment to the Trademark Law, such as Section 24, must be modified to alter the ambit of the clause so that it does not incorporate all renowned brand names but only excellently known brands, and thus only well-known brands. Indian laws can refer to TDRA and comparable requirements can be established from that in this respect to ascertain if a mark is renowned or otherwise. As a result of the broad scope of S.24, famous mark holders may abuse this provision. It is also worth noting that the wealth of the famous mark holders can have an impact on the comparatively smaller competitors. When it comes to the onus of proof, the consumer of the registered trademark must demonstrate precise dilution. The possibility of dilution must also probably be sufficient. The onus of proof that the renowned mark is indeed "famous" should, however, fall on the consumer of such a label.²¹⁶

In terms of changes, Section 29 of the Trademarks Act of 1999 requires immediate revision. Subsection 4 of Section 29, which perceives utilisation by some other person of a registered trademark with a credibility in India, also on disparate goods as violation if created without proper justification, trying to

take unfair competitive advantage of or adversely impacting its distinctiveness, is indeed very broad in its purview because it does not require confusion. Given that, India falls under no commitment to acknowledge trademark dispersion, this requirement emphasises the security of well-known marks. As a result, it is not necessitated to disregard the confusion requisite. Furthermore, once we associate unfair competitive advantage with trademark breach or violation, it unnecessarily broadens the law outside the required boundaries, and thus it must be excluded from the provision of law. Another suggestion is that clauses (b) and (c) of subsection 8 of Section 29 prohibit the fair use and sometimes even fair use of relative promotional methods, which are otherwise permitted in the United States and the United Kingdom because they preclude genuine competition, and thus should be removed from the Act.²¹⁷

SETTING APPROPRIATE THRESHOLDS: DISSIMILAR GOODS AND FAME

When we compare India to the EU, generally, there are two key preconditions for a dilution assertion that are indicted by similarities for the Indian and EU perspectives. Is it possible to sue for violation for dilution when the goods of the parties are the same or familiar? Furthermore, what is the suitable level of fame that a court should necessitate for a label in order for it to claim this additional safety? The Indian judiciary has yet to address any of these issues, and while we

²¹⁵ Janis, Mark D., and Peter K. Yu. "International and comparative aspects of trademark dilution." *Transnat'l L. & Contemp. Probs.* 17 (2008): 603.

²¹⁶ Supra f.n.83

²¹⁷ §29(8), Trademark Act, 1999

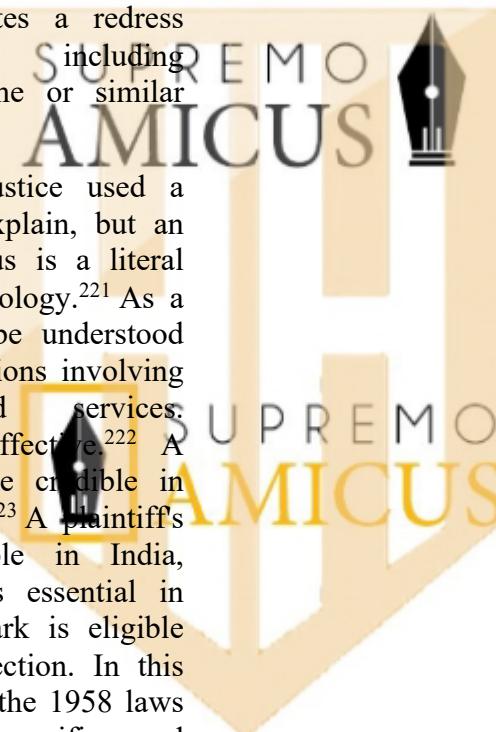


have regarded dilution as a redress for the unapproved utilization of a trademark on disparate goods. Another question is whether Section 29(4) can be invoked when the respondent uses the infringing mark with the same or similar goods or services.²¹⁸

Section 29(4)(b) of the Act states unequivocally that the defendant's utilization is in connection to goods or services that are not comparable towards those by which the complainant's trade mark is enrolled.²¹⁹ Furthermore, the ECJ has redefined the equivalent European Union stipulations, that demonstrates a redress toward dilution including the cases involving the same or similar goods.²²⁰

The European Court of Justice used a teleological framework to explain, but an Indian court's de facto status is a literal interpretation of legal phraseology.²²¹ As a result, Section 29(4) must be understood literally and limited to situations involving different products and services. Furthermore, this is effective.²²² A plaintiff's trademark must be credible in India, according to the Act.²²³ A plaintiff's trademark must be credible in India, according to the Act. It is essential in assessing whether a trademark is eligible for such long-term protection. In this regard, neither the latest nor the 1958 laws focus on providing any specific and direct assistance. One method that Indian courts can take is to allude to the Act's

analogous stipulations, that furnish the reasons for trademark registration restriction.



²¹⁸ Gangjee, Dev. "The polymorphism of trademark dilution in India." *Transnat'l L. & Contemp. Probs.* 17 (2008): 611.

²¹⁹ §29(4)(b), Trademark Act, 1999

²²⁰ Adidas-Salomon A.G. v. Fitnessworld, 2003 E.C.R. 12,537

²²¹ Davidoff & CIE S.A. v. Gofkid Ltd., 2003 E.C.R. 389.

²²² Supra f.n. 135

²²³ Trademark Act, 1999