

CRITERIA FOR DETERMINING WHETHER A TRADEMARK IS WELL-KNOWN

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Abstract: Nowadays, a trademark gives an incentive for commercial establishments to maintain the quality of their products or services such as COCA-COLA and Google. The customer will observe the trademark, indicating that certain products or services as a guarantee of quality. However, increasing figures of products appear on the market, which are similar to those marked with well-known trademarks. All these issues lead to the fact of how important is to protect well-known trademarks, which emerged strongly on the national and international forum. Recently, several trademark has international or worldwide renown and its reputation surpasses the country of origin where it has been registered and acquired fame in a relevant sector among the consumers' public, then that trademark called "well-known" trademark. The criteria for determining whether a mark is well-known have two folds: First, they are decisive factors to distinguish theoretically between ordinary trademarks and the well-known trademarks; second, they are important to confer protection in case of infringement. This paper highlights the definition of trademark and famous trademark under EU, USA, and international approaches. In addition, this paper examines the criteria-if available- provided under the WIPO Joint Resolution Concerning provisions on the Protection of Well-known mark.

Keywords: Criteria, Famous Trademark, Trademarks with a reputation, Well-known Trademark.

1. Introduction

Nowadays, trademarks are valuable properties for the owners of commercial establishments to distinguish their goods or services from that of others, thus, protection of trademark and well-known trademark has great importance to ensure the source from which a given products or service originates. For instance, a trademark gives an incentive for commercial establishments to maintain the quality of their products or services such as COCA-COLA, Google, BMW and DELL. The customer will observe the trademark, indicating that certain products or services as a guarantee of quality.¹

However, increasing figures of products appear on the market, which are similar to those marked with well-known trademarks. It renders customer confusion and damages their ability to choose products by relying on the marks as indications of origin and quality. All these issues lead to the fact of how important is to protect trademarks and well-known trademarks, which emerged strongly on the national and international forum. Accordingly, all countries in the world register trademarks. Each national or regional office maintains a register of trademarks, which contains full application

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¹ The Secretariat of the World Intellectual Property Organization, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, 2006, World Intellectual Property Organization, Sixteenth Session, Geneva, 5.



information on all registrations and renewals, facilitating examination, search, and potential opposition by third parties. The effects of such registration are limited to the country (or, in the case of a regional registration, countries) concerned.² Recently, several trademark has international or worldwide renown and its reputation surpasses the country of origin where it has been registered and acquired fame in a relevant sector among the consumers' public, then that trademark called "well-known" or "famous" trademark, for example "McDonald's", "MICROSOFT", and "IBM".³

In other words, trademarks have a very relevant relation with our daily life and also are acquiring a commercial value and a huge effect on national and international economy, for the above reasons trademarks should be protected in order to protect consumers "the direct users" of trademarks. The criteria for determining whether a mark is well-known have two folds: First, they are decisive factors to distinguish theoretically between ordinary trademarks and the well-known trademarks; second, they are important to confer protection in case of infringement.

This paper highlights the definition of trademark and famous trademark under EU, USA, and international approaches. In addition, this paper examines the criteria-if available- provided under the WIPO Joint Resolution Concerning provisions on the Protection of Well-known mark.

2. What is a trademark?

Trademark has several definitions. As observed by Davis Bainbridge, that the courts defines the trademark as a mark, sign or symbol, the main and right function of which is, "to identify origin or ownership of the goods to which it is affixed".⁴ He also states that "This definition of the function of the trademark has been in use with almost unvarying uniformity throughout the formative period of trademark law up to the present day".⁵

According to WIPO, a trademark is understood as "a distinctive sign which identifies certain goods or services as those produced or provided by a specific person or enterprise. Its origin dates back to ancient times, when craftsmen reproduced their signatures, or "marks" on their artistic or utilitarian products. Over the years these marks evolved into today's system of trademark registration and service because its nature and quality, indicated by its unique trademark, meets their needs."⁶ Furthermore,

² World Intellectual Property Organization (WIPO), *Well-known Trademark*, 2015, http://www.wipo.int/sme/en/ip_business/marks/well_known_marks.htm [15.10.2016].

³ World Intellectual Property Organization (WIPO), *Well-Known Trademark Protection Reference to the Japanese experience*, 2010, http://www.wipo.int/export/sites/www/about-wipo/en/offices/japan/research/pdf/vietnam_2010.pdf/ [15.10.2016].

⁴ SCHECHTER, FRANK I.: *The historical foundations of the law relating to trademarks*, 1925, Columbia University Press, 19.

⁵ Ibid.

⁶ World Intellectual Property Organization (WIPO), *What is Intellectual Property?*, http://www.wipo.int/edocs/pubdocs/en/intproperty/450/wipo_pub_450.pdf [18.10.2016].

Lanham Act⁷ defines a trademark as “any word, name, symbol, or device or any combinations thereof-(1) used by a person, or (2) which a person has a bonafide intention to use in commerce and applies to register on the principal register established by this Act, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”⁸ The Lanham Act also lays down a definition for a service mark which is the same as that of a trademark except that a service mark identifies and distinguishes the source of a service rather than a product. The terms "trademark" and “mark” are commonly used to refer to both trademarks and service marks.⁹ Accordingly, there are three requirements in the definition of trademark or service mark:

- ❖ A sign which may be considered as trademark may be a word, name, symbol, device or any combination thereof.
- ❖ A sign should be used or intend to be used in trade.
- ❖ The main purpose of a sign is to indicate the source of goods or service.

In addition, article 2 of European Trade mark Directive,¹⁰ maintained a unified definition for trademarks in general (including marks to goods and marks to services) as a following: “ a trademark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.”¹¹ In the light of this wording, a trademark involves under European Union signs such as words, names, letters, and numerals and also a new concept which is a designs, and the shape of products or of packaging. By comparing the US and EU trademark laws, it appears that European Trade mark Directive proclaims a broader meaning than Lanham Act as trademark under European Trade mark Directive includes designs, and the shape of products or of packaging while trademark under Lanham Act does not include the designs, and the shape of products or of packaging.

In short, trademark could be defined as a “distinctive sign which identifies certain goods or services as those produced or provided by a specific person or enterprise”¹² or “any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.”¹³

⁷ HIARING, ANNE – FRUCHTER, LYNN S.: *Understanding Basic Trademark Law*, 2004, Practicing Law Institute, San Francisco, 10.

⁸ § 45 Lanham Act, 15 U.S.C. § 1127. The Lanham Trademark Act of 1946 as amended.

⁹ Ibid.

¹⁰ Directive 2008/95/EC OF the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks.

¹¹ Article 2 of the Trade mark Directive.

¹² World Intellectual Property Organization (WIPO), *What is Intellectual Property?*, http://www.wipo.int/edocs/pubdocs/en/intproperty/450/wipo_pub_450.pdf [18.10.2016].

¹³ KERLY, DUNCAN: *Law of Trademarks and Trade names*, 2001, Sweet and Maxwell, London, 8.

3. What is a famous trademark?

Nowadays, several marks have become famous and broadly known all over the world, for instance, the soft drink Coca-Cola, BURGER KING for fast food, and Levi's jeans. The concept of famous trademark has obtained a dynamic extends beyond the value of the goods and services with which they are mainly related as they might maintain secondary meanings in the mind of the customer, "loyalty between products, services and categories over time and to separate it from tangible production".¹⁴ As a result of widespread of the license and franchise brands, famous trademarks have been widely become as the most important assets engaged by modern companies.

In fact, there is a lack of a common definition for the "famous trademark" or "well-known trademark" in the relevant international conventions and treaties, each country has its own perspective on the question of what is a well-known trademark. For instance, national laws used differently the concept "well-known trademark" the reason for that depending on the economic, political, cultural and social circumstances relevant to each. These contrasts create unclear image of the international legal system for the protection for well-known trademarks.¹⁵ For instance, no definition of well-known trademark or famous trademark under United States law. Further, the United States law stipulated the term of "famous trademark" but not "well-known trademark" through its provisions. Indeed, the difference between "well-known" and "famous trademarks" is still unclear in any of the international treaties or conventions, and national trademark laws.

Conversely, Mr. Frederic Mostert; the former President of International Trademark Association (INTA) at USA, states that: "The ordinary dictionary meaning of "well-known" according to Merriam Webster is, among others, "widely known" and "known to many". In the context of trademark law, therefore, a well-known mark can be characterized as a mark which is known to a substantial segment of the relevant public in the sense of being associated with the particular goods or services. It has often been suggested that a special category of well-known marks, i.e., "famous" marks be recognized. Famous marks are considered to have a higher degree of reputation than well-known marks and therefore deserve a broader scope of protection against unauthorized use on non-competing goods or services".¹⁶

In European Union legislation, both the Trademark Directive and the Trademark Regulation did not adopt the terms "famous trademark" or "well-known trademark" in their English versions. The alternative concept formally used is the "mark having a reputation". However, a question that has not yet been clarified in the European context is the exact definition of "marks having a reputation". Actually, the

¹⁴ DAVID, HAIGH: *Brand Valuation – Understanding, Exploiting and Communicating Brand Values*, 1998, Financial Times Retail & Consumer Publishing, London, 29.

¹⁵ PHAN, NGOC: Well-known trademark protection. A comparative study between the laws of the European Union and Vietnam the Faculty of Law, Lund University, 2011, 57.

¹⁶ NGUYT, HÀ TH: *Well-Known Trademark Protection Reference to the Japanese experience*, 2010, http://www.wipo.int/export/sites/www/about-wipo/en/offices/japan/research/pdf/vietnam_2010.pdf [18.10.2016].

“reputation” of a trademark means its exclusive attraction which can also be described as its “advertising value”.¹⁷ The European Court of Justice¹⁸ states that a trademark may enjoy the protection extending to non-similar goods or services as a mark with a reputation if it is “known by a significant part of public concerned by the products or services which it covers”.¹⁹ In the same way, the European Court of Justice stated in the Intel case that: “The reputation of a trademark must be assessed in relation to the relevant section of the public as regards the goods or services for which that mark was registered. That may be either the public at large or a more specialized public”.²⁰ Actually, there are several ways to understand the concept of “well-known trademark” and other terms, including “notorious”, “reputation”, “famous”, “highly renowned”, “highly reputed”, and “exceptionally well-known”.²¹

However, there is no difference between the legal status of protection granting for a “well-known” trademark or for a “very well-known” or “famous” trademark. Thus, for the scope of the thesis, the author mainly uses the two expressions anonymously. The difference may be eventually or limitedly mentioned in specific contexts. In very simple words, the concept of “famous trademark” or “well-known trademark” are used differently from state to state with varies levels of purpose. Despite of such differences, the “famous trademark” or “well-known trademark” can be defined as “a trademark which is widely known by many people within the relevant territory or is considered and recognized by the authorities of the countries regardless of where it is used or registered or not”.²²

4. Criteria for determining whether a mark is well-known

The Paris Convention neither stipulated any definition of the “well-known trademark”, nor determined the criteria for considering a mark as a well-known one. However, article 6bis of same admitted the importance of well-known trademark by providing that the countries of the Union have the right, or at the request of an concerned party, to cancel or to reject the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a

¹⁷ CHRISTOPHER, HEATH-LIU, CHUNG KUNG: *The Protection of Well-known marks in Asia*, 2000, Max Planck Series on Asian Intellectual Property Law, 12.

¹⁸ The European Court of Justice, General Presentation, http://curia.europa.eu/jcms/jcms/Jo2_6999/en/ [13.10.2016].

¹⁹ See Case C-375/97, General Motors Corporation v. Yplon SA, on the interpretation of Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trademarks (OJ 1989 L 40, p. 1), paragraph 31 of the Judgment dated on September 14, 1999. Judgment of the European Court of Justice of 14 September 1999. General Motors of Corporation v. Yplon SA. Case C-375/97.

²⁰ Judgment of the European Court of Justice of 27 November 2008. Intel Corporation Inc. V. CPM United Kingdom Ltd. Case C-252/07.

²¹ MOSTERT, FREDERICK: *Famous and Well-known Marks – An international Analysis*, 1997, Butterworth, 18.

²² PHAN: *op. cit.* 60.

mark considered by the competent authority of the country of use or registration to be well known in that country as being already the mark of a person entitled to the benefits of this convention and used for identical or similar goods.²³

On the other hand, TRIPS Agreement²⁴ completed the elements missing from article 6bis of the Paris Convention and was more accurate than the Paris convention, because it gave some hints of the criteria which qualify a trademark to become a well-known one.

Article 16 paragraph 2 of the TRIPS Agreement provides: "*2. Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.*"

Article 16/2 of the TRIPS Agreement ascertained that the relevant sector of the public is the decisive factor who can associate the fame with such trademark so as to be qualified and protected as a well-known trademark, the TRIPS Agreement meant to look at this knowledge in its broad meaning as this knowledge in a member state where protection is sought may be not sufficient to conclude such fame.

Also, the criteria for considering a mark as a well-known under the TRIPS Agreement still imperfect and inaccurate, the countries of the union suffered from the variation resulted from depending on the individual standard set under TRIPS Agreement and the possible ambiguities between their legislations which may arise of such. Thus, there was an attempt to overcome these possible dilemmas on June 11, 1999 by the standing committee on the Law of Trademarks, Industrial Designs and Geographical Indications, which recommended a proposed Joint Resolution Concerning provisions on the Protection of Well-known marks in order to be presented for adoption by the WIPO General Assembly and Paris Union Assembly on September 1999.²⁵

The standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, recommended a proposed Joint Resolution Concerning provisions on the Protection of Well-known trademarks in order to be presented for adoption by the WIPO General Assembly and Paris Union Assembly in September 1999. The Resolution is addressed to the Member States of the Paris Union and of WIPO, which are already bound by an international obligation to protect well-known marks, for example, under the Paris convention itself or under another international agreement such as the TRIPS. The importance of the WIPO resolution is that the adoption of the resolution does not preclude the provisions from being incorporated into a treaty at a later stage. The International Bureau of the World Intellectual Property Organization (WIPO) prepared EXPLANATORY NOTES²⁶ on the said Joint

²³ Article 6bis of Paris Convention for the Protection of Industrial Property, Paris, France, on 20 March 1883.

²⁴ Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (1994).

²⁵ WIPO: *Joint Recommendation Concerning provisions on the Protection of Well-known marks*, 1999, <http://www.wipo.int/edocs/pubdocs/en/marks/833/pub833.pdf> [18.4.2016].

²⁶ Ibid.

Resolution concerning provisions on the Protection of Well-known marks, explanatory notes work as a directive for the member states of the said Joint Resolution concerning provisions on the Protection of Well-known marks, however, it did not constitute obligatory explanatory provisions.

However, the Joint Resolution concerning provisions on the Protection of well-known marks also did not define well-known marks, but Article 2 of the same sets the following factors to be taken into consideration when determining whether a mark falls into the “well-known” category:²⁷

- ❖ The degree of knowledge of the mark.
- ❖ The duration and extent of any publicity associated with it.
- ❖ The number of registrations of it worldwide.
- ❖ The diligence with which its owner can prove that he has defended it against copiers.
- ❖ The value of the mark.

It would be interesting to cite an opinion mentioned by Kanesarajah: “It is possible that well-known marks in one jurisdiction will not be found to be well-known in another. For example, in Australia the trademark Champagne is descriptive merely of an effervescent party drink manufactured by ‘methode Champenoise’. In the UK, Champagne means a drink made by ‘methode Champenoise’ from grapes in the Champagne region of France. The fame of this drink in the UK has enabled representatives of the Champagne Appellation to prevent use of the name Champagne in relation to any drink other than their Champagnes”.²⁸

5. Conclusion

The criteria for determining whether a trademark is well-known trademarks is still a grey area internationally. It needs more efforts to obligate all the countries to admit a uniform criteria for determining whether a trademark is well-known trademarks.

To conclude, it should be mentioned that while there is no commonly agreed detailed definition of what constitutes a “well-known” mark; countries might take advantage of criteria for determining whether a Mark is Well-known under the WIPO Joint Recommendations on the Protection of Well-Known Marks.

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²⁸ KANESARAJAH, VASHEHARAN: *Protecting and managing well-known trademarks*, 2007, <http://ip-science.thomsonreuters.com/m/pdfs/klnl/8418407/wellknownmarks.pdf> [18.4.2016].

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