

THE CASE

- The protection of well-known trademarks was created by Article 6bis of the Paris Convention.
- This provision does not provide an easy to understand definition of a well-known trademark.
- These rights have been further expanded by The Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) Article 16(3)
- Once again, TRIPS does not say exactly what constitutes a well-known trademark.

What Price Farmer?

And just what makes a trademark well-known?

Tim Carter Of Addresshaw Goddard calls for an International registration of well-known trademarks

Do we all have our own idea as to what makes a "well-known" trademark. These may be trademarks that we have known all our lives, or trademarks that have come to dominate a particular market over a much shorter period of time. Every brand owner would like to think that their brand is a well-known trademark in the minds of consumers not only in the national markets where they currently trade, but perhaps in other countries as well. This has become possible through the growth of the Internet and other forms of electronic media and communication, which mean that brands now have the potential to reach more



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remedies are available to protect these valuable trademarks? This article intends to give a brief overview of the protection offered to owners of well-known trademarks, and what steps a brand owner needs to take to show that its trademark should enjoy the benefit of these rights.

A myriad of systems

Unfortunately, there is no single international system for the protection of well-known trademarks in their own right, protection of such marks has been left to national legislation. There is no clear-cut definition of what exactly constitutes a well-known trademark that brand owners can readily use as a frame of reference. As a result, there is no real consistency in what can constitute a well-known trademark in a particular country. This can make it difficult for brand owners to know how to enforce their rights. There are, however, various guidelines, which can be used to assess whether or not a trademark can be considered to be well-known, which will be discussed later in this article.

The protection of well-known trademarks was created by Article 6bis of the Paris Convention. This gives the owner of well-known trademark the right to prevent the use and registration of an identical, or confusingly similar, trademark, which is being used for identical or similar goods. The owner of such a mark is entitled to this even though its own trademark is not protected by means of registration in that country. The owner of a well-known trademark would be able to oppose the registration of an identical/confusingly similar trademark, seek the cancellation of an existing trademark registration, or even sue for infringement of its trademark. This provision does not provide an easy to understand definition of a well-known trademark.

These rights have been further expanded by The Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), Article 16(3) of TRIPS extends the protection enjoyed by well-known trademarks to allow the owner to prevent the use and registration of an identical or confusingly similar trademark on dissimilar goods or services, in situations which could indicate a connection between those goods or services and the brand owner of the well-known trademark, and the use is likely to result in damage to the interests of the trademark owner. Once again, TRIPS does not say exactly what constitutes a well-known trademark.

As a result of these provisions, well-known trademarks enjoy an enhanced form of trademark protection, due to the fact that a trademark owner does not even have to have an established customer base in a particular country to enjoy these rights. It is for this reason, that brand owners can see that the status of well-known trademark as the Holy Grail of trademark protection. It allows the owner to prevent the usage of an identical or confusingly similar trademark in a country where he has no registered trademark rights.

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What constitutes 'well-known'?

Obviously this form of enhanced trademark protection is something that all brand owners will want to use, so the important question is how do you decide whether or not your trademark is well-known, so that it can benefit from this enhanced level of trademark protection. Unfortunately, there is no real consistency in the way in which Article 6bis is applied in different countries. This can be confusing for brand owners, who will want a clear set of guidelines that they can follow to avail themselves of these rights. What practical steps can be taken to ensure that a brand is well-known in a particular territory?

The main point that brand owners should bear in mind when alleging that their trademark is well-known is that you are going to have to show that the trademark is well-known in the particular country where the dispute has arisen. The fact that a brand is extremely well-known in the UK or Europe, is no guarantee that the trademark will be considered well-known in the Far East. Often brand owners with a successful brand can be surprised to learn that their trademark is relatively unknown in a particular territory.

Although a brand owner is going to have to show that its trademark is well-known in the country where the dispute has arisen, it will not have to prove that the trademark is well-known to the population as a whole. When considering whether a trademark is well-known in a particular country, you must look to the relevant sector of the public who would likely to be aware of the trademark,

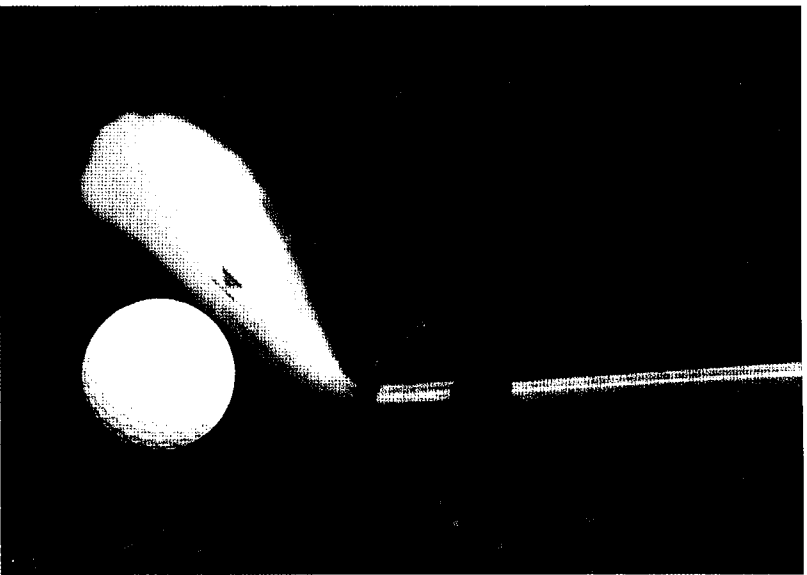
and determine the level of awareness of the brand. For example, a trademark might be used in relation to a range of golfing products. In this instance, the relevant sector of the public would be those consumers who played golf and would be aware of the various brands in the world arena. This can mean that in the case of specialised products which may not be known to the population as a whole, a brand owner may still be able to show that its trademark is considered to be well-known in that territory.

Practical tips

This is all very well, but by what means can a brand owner show that its trademark has become well-known to the relevant sector of the market. Outlined below are some practical guidelines that a brand owner can use to try and show that its trademark has become well-known.

As stated above, the main point that a brand owner is going to have to prove is the degree to which the trademark is known to the relevant sector of the public. This is likely to involve having to carrying out some form of consumer survey to show that there is at least some awareness of the brand amongst the relevant public in a particular territory. This can be a costly and time consuming process, which might not always be possible, particularly if time is limited. The value of a good survey, however, cannot be underestimated, as it can provide definite evidence to show that the trademark is known in that particular territory.

A brand owner will have to provide specific evidence of usage of the trademark around the world, and if possible, in the territory of concern. In the majority of cases, there is unlikely to be any real usage of the trademark in the actual territory where the dispute has arisen. However, there may be instances, perhaps where the brand owner has recently begun to trade in a particular territory, without seeking to register its trademark, that such evidence may be available. The evidence should show the length of time that the trademark has been used, the range of goods and/or services that have been sold by reference to the trade ark,



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worldwide sales, but broken down on a country by country, or regional, basis so that the geographical spread of the turnover figures can be clearly seen. This will be important as it will be easier to show that a trademark should be considered to be well-known if the turnover figures show sales are evenly spread between a large number of countries, rather than if 95% of sales take place in a single country.

In addition to details of the sales made under the brand, the next factor that will be taken into account will be the level of expenditure on advertising, promoting and otherwise making the trademark known. Again, this information preferably needs to be broken down to show the level of advertising spend in promoting the brand around the world by country or by region. Any advertising spend that is relevant to the national market in question should also be included. It may well be the case that brand owners advertise their mark in a local market even though no sales are being made under that brand. Consumers can become aware of brands through various avenues, not simply the sale of goods and services in that country. One example being the sponsorship of sporting and cultural events in a particular country, another being international media publications, containing advertisements for the brand, that may well be read by the relevant sector of the public in that country. Such advertising or promotion should also be provided as evidence to show that consumers in that country are aware of the trademark.

It will also help if the brand owner is able to provide evidence of previous instances where the trademark has been held to be well-known trademark. For certain brand owners that have a constant problem from counterfeiters using their trademark in different countries, it may well be possible that there has been previous litigation in another territory. Even if these disputes were in other territories, a previous finding that a

trademark is well-known, can be of persuasive evidential value that the trademark is well-known. In China, it is possible during legal proceedings be they trademark opposition, cancellation or infringement proceedings to request a ruling that the trademark is a well-known trademark in this country. If the trademark is found to be well-known using similar criteria to those set out above, this can often result in success for the brand owner in cases where the Chinese authorities may well have rejected the brand owner's complaint.

Although, a finding that a trademark is well-known in China will only apply to the particular case in question, this decision can be used as a precedent that the trademark is well-known for any future cases that might arise in this territory. Finally, there are various miscellaneous types of evidence that can be used to show that a trademark has become well-known in a particular territory. These include such factors as the level of distinctiveness of the brand in question. Some trademarks are inherently distinctive such as trademarks that consist of made up words or certain logo marks. Other trademarks consist of less distinctive wording, that is perhaps commonly used in the trade, or wording that has some descriptive character in the disputed territory. The more distinctive the trademark in question, the more likely it is that the brand owner will be able to argue that the trademark is known as a mark of its business, and as result the trademark should be considered well-known. Other factors that can assist include any evidence showing that the brand owner has received a number of enquiries from parties in the relevant territory wishing to licence or franchise the brand in the local market in question. Such evidence clearly shows that there is awareness of the brand in the relevant sector of the public. If the business has a manufacturing or purchasing operation in that country, this can create a level of awareness of the brand. Even something as basic as evidence that shows an international trading presence for the

business, particularly with countries in the same part of the world as the disputed territory, can only serve to boost the profile of a trademark.

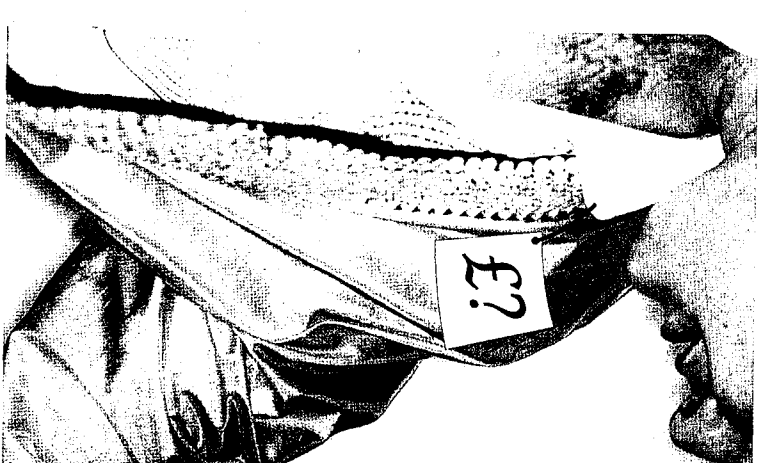
In short, a brand owner must remember that he is trying to show that the trademark is well-known in a particular territory. Any evidence that can be submitted to show that people in that territory would be aware of the brand, and that the brand was recognised as being the brand of that particular trademark owner can only assist.

Stark reality

Whilst this is all sounds very straightforward in theory, as always, the reality for brand owners is often different. Following these guidelines is not a cast-iron guarantee that a trademark will be found to be a well-known trademark. It can be notoriously difficult to prove that a trademark should be considered to be well-known. Furthermore due to the vagaries of national trademark laws, there is no real consistency between territories as to what constitutes a famous mark. In certain countries the level of evidence required to support a finding that a trademark is well-known can be relatively low, whereas in others the same level of evidence would not be considered sufficient.

It can also be seen that the information and evidence required to show that a trademark has become well-known in a particular country, creates a substantial burden that falls on brand owners to have all this information to hand when it is required. A brand owner will have to keep extensive records not only of financial information relating to the level of business carried out under the brand, but also actual evidence of usage of the trademark itself in the individual local markets. Brand owners are going to have to provide specific evidence of usage of the trademark from around the world in the form of market specific material. It is no use a UK brand owner filing a couple of recent product catalogues distributed in the UK to show that the trademark is used around the world, the case will simply not be made out.

This can clearly be seen to create disadvantages for businesses that may have brands that are known throughout the world, but maybe do not have a large international



building up the reputation of these trademarks to the level where they can be said to be well-known. It cannot be right, however, that access to the enhanced protection enjoyed by a well-known trademark is ultimately dependent on whether or not a brand owner can afford to prove that its trademark has become well-known. The protection of a well-known trademark should be based on the reputation of that mark, not on the wealth of the brand owner.

A never ending battle

One final point to make is that the owner of a well-known trademark will continually face the burden of having to prove this to be the case. In each separate territory where issues arise, a brand owner will have to start from the beginning and provide appropriate evidence to prove the case. Although a brand owner may have already shown that a trademark is well-known in a particular territory in a previous dispute, the finding that a trademark has previously been found to be well-known is, at best, only of persuasive value in any new legal proceedings to protect the trademark. Even in territories such as China, which do provide formal mechanisms for the finding that a trademark has become well-known, a brand owner is still going to have to go through the same legal enforcement mechanisms in any new disputes.

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presence. A well known football club like Manchester United clearly has a trademark that is known throughout the world and should arguably be considered to be a well-known trademark. It is going to be very difficult for the football club to maintain complete records of the evidence of usage of its trademarks throughout the world. The business will simply not have the resources to devote to such management of its trademark portfolio.

The provisions that protect well-known trademarks do raise questions as to whether these rights are only available to multi-million pound businesses that can afford to micro-manage their trademark portfolios in this manner. On the one hand you might argue that it is these types of businesses who deserve the enhanced rights, due the huge investment that they make in their brands around the world, and the substantial time that has been spent in

The only way around this problem would be to introduce some sort of recognised well-known trademark registration.

Perhaps along the lines of the International Madrid Agreement and Protocol, whereby the owner of a well-known trademark can obtain enhanced trademark rights in territories where it can be shown that the trademark has achieved the appropriate level of recognition. Such a registration could then be enforced in future disputes in that territory, without the need for having to start from square one each time.

Unfortunately, until such time as such a system is developed – and it would seem that this is extremely unlikely, brand owners are left with an uphill struggle to try and show that a trademark has become well-known, and with no guarantee of success at the end of the process. ☛