Spill-over Reputation: Comparative Study of India & the United States

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Introduction

Spill-over reputation is the concept wherein the fame or reputation of a trademark in one jurisdiction spills into a second jurisdiction and gives rise to the issue of protectability in the second jurisdiction. For example, Starbucks is a famous trademark in the United States. The mark is also well-known in other jurisdictions. Let us assume that Starbucks Corporation operates no stores in Utopia nor is the mark registered there. Thus, Starbucks, as a mark, has no presence in Utopia. Soon, a local Utopian opens a store under the name Starbucks to sell star-shaped candies. Starbucks Corporation objects to the same on the grounds that many Utopians associate Starbucks with the American entity. Alternately, there may be situations where an American traveller to Utopia, sees a locally famous mark. On return, the American traveller uses that Utopian mark commercially within the US and registers it for under the Lanham Act. This action prevents the owner of the well-known Utopian mark from expanding into the US market although the mark maybe known to American travellers to Utopia. Protection for and recognition of such marks involve national legal question that have international implications.

Basic principles of trademark law dictate that the first to use a trademark in commerce has priority to trademark rights. This is termed as the "priority rule." Still, trademarks law, like other areas of intellectual property law is territorial in nature.[2] That is, the right to

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[2] *See* James Faris, *The Famous Marks Exception to the Territoriality Principle in American Trademark Law*, 59 CASE W. RES. L. REV. 451, 454–55 (2009) (discussing the territorial nature of trademarks law).

the mark is limited to the territory in which the mark is either used or registered in, as the case is. In all, priority to the rights in the mark is limited to the defined geographic area of use (territory of use) of the mark under the territoriality principle.[3] The geographic limits on a trademark have always been tied to the use of the mark in the territory, especially when the mark is unregistered. Basically, when a mark is registered, it confers the right to use the mark in the territory of the country in which it is registered.

The territoriality doctrine essentially means that trademark rights are national in nature; that is trademark rights of an owner exist within the national boundaries of each country and are subject to national laws unless an international application, as required, has been filed. Thus, the right to a trademark registered within the United States does not extend beyond the borders of the United States. By corollary, it means that a third party can rightfully use a name or logo registered within the US in a third country. Thus, Panera Bread can be registered in the US by Owner A; in Brazil, the same name can be registered by a third party for the same or similar products assuming Owner A has not first registered it in Brazil. The issue with the territoriality doctrine arises with marks whose reputation is global. Taking the McDonalds example, the mark has global reputation and brand identity even in countries where it does not have a registered presence. Under these circumstances, what happens if a casual tourist, Tourist A—who visits the United States decides to use the name in his home country—say, Timbaktu, where the name is not registered, but may be well-known.

Typically, if Tourist A is the first to register the name in Timbaktu, then he will have the rights to it within Timbaktu by virtue of the priority doctrine, but, this result may not be fair for globally well-known marks such as Coco-Cola, McDonalds, Apple and such others. For such marks, the question of whether priority of local use becomes irrelevant if there is territorial reputation is an important question by creating a famous foreign mark exception to territoriality.

This paper compares India's position with that of the US on the question of protection of well-known marks in the light of applicable international legal prescriptions. The discussion in this paper compares protection for famous foreign marks (as opposed to

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[3] *Id.*

a famous mark). Famous foreign marks are those that have acquired fame in one country and hence, well-known in another country.[4] Thus, Part I of this paper discusses international prescriptions relating to the protection in one jurisdiction of a trademark which is considered well-known in another under the former's national trademark law. Part II outlines the Indian position and precedents relating to well-known trademarks while Part III outlines the governing Lanham Act provisions and the judicial posture on foreign trademarks in the United States. The conclusion highlights the presence of a disconnect between the position of the United States vis-à-vis other countries on the subject and its local posture on the question of protection of well-known trademarks.

Part I

The International Prescriptions

This part sets the tone to fully comprehend the competing principles and doctrines that apply under the international intellectual property regime when a trademark that has achieved fame in one jurisdiction is sought to be used by a third party in another part of the world.

Typically, protection for trademarks are extended territorially in each country to marks that are either used or registered within the territory. With globalization, trademarks become well-known and

[4] International conventions such as the Paris Convention and the TRIPS Agreement defines protection for well-known marks. These are marks which enjoys a trans-border reputation in a jurisdiction in which the product or service is not market. *See* Paris Convention for the Protection of Industrial Property, revised at the Stockholm Revision Conference, art. 6(bis), July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 303 [hereinafter Paris Convention]; *see also* TRIPS: Agreement on Trade-Related Aspects of Intellectual Property Rights, art. 15, Apr. 15, 1869 U.N.T.S. 299, https://www.wto.org/english/docs_e/legal_e/27-trips.pdf [https://perma.cc/R4UR-RT9Q] [hereinafter TRIPS Agreement]. Famous marks are those that enjoy a wide-recognition even within a jurisdiction such that its reputation and its distinctiveness to function as a source identifier is stronger than a typically registered mark. Within the United States, famous marks are protected as part of Trademarks Dilution Act, 2006. *See* Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730; 15 U.S.C. § 1125(c)(2)(A)).The distinction being that famous marks enjoy a higher level of protection within the United States but these are marks that have acquired fame within the US. Thus, the famous marks of United States are not necessarily the well-known marks, which has spill-over reputation from use in another jurisdiction. The discussion in this paper is about famous foreign marks which are marks that have acquired fame in one country and hence, well-known in another country.

gain fame even in jurisdictions where goods or services that bear the mark are not marketed.[5] Under these circumstances, the question is whether, and should, trademarks well-known in one jurisdiction be entitled to protection to prevent third parties from appropriating the fame of the mark by capitalizing on the lack of territorial protection in a different jurisdiction. The fame of well-known marks has challenged the traditional notions within which we couch trademarks law, namely, that protection is extended territorially to protect market integrity.[6]

Two important international treaties outline the legal protection of well-known marks at a multilateral level. These treaties recognize the importance of protection of trademarks whose fame goes beyond the territory of the mark's use and registration.

a) Paris Convention

The Paris Convention for the Protection of Industrial Property, 1883 ("Paris Convention"), as amended, addresses the use of well-known marks under Article 6 (bis).[7] Under this Article, member states can legislatively provide for interested parties to reject, cancel the registration, or prohibit the use of trademarks which are confusingly similar to a well-known mark.[8] The Convention has no specific definition of a well-known trademark except that the Article indicates that it may constitute:

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[5] Clark W. Lackert & Maren C. Perry, *Protecting Well-known and Famous Marks: A Global Perspective*, BUILDING AND ENFORCING INTELLECTUAL PROPERTY VALUE 2008 (King & Spalding 2008), http://www.buildingipvalue.com/08_global/63-66kingspalding.pdf [https://perma.cc/U649-JRJN].

[6] *See* Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. § 2 (2006), which outlines protection of famous marks. Under this statute, marks are considered famous if they fulfill number of statutorily established factors. *See also* 15 U.S.C. § 1125 for the definition of fame. Factors such as distinctiveness of the mark, the duration and extent of use of the mark, the duration and extent of publicity of the mark, the geographical trading area in which the mark is used, the channels of trade for the goods or services with which the mark is used, the degree of recognition of the mark, channels of trade, the nature and extent of use of the same or similar marks by third parties, registration status of the mark are examples of factors that are considered towards determining whether a mark is famous under Title 15 in the United States. Allan P. Hillman, *Trademark Dilution: The Fame Game*, THE CONN. L. TRIB. (Dec. 2006), https://shipmangoodwin.com/files/Publication/9b084099-2c37-4ff1-a1d4-03552f7c019f/Presentation/PublicationAttachment/d2b31cfe-f91b-4664-8ca4-07fc18de3b50/trademark_dilution.pdf [https://perma.cc/A4RQ-GGA7].

[7] Paris Convention, art. 6.

[8] *Id.*

> "a reproduction, an imitation, or a translation, liable to create confusion of a mark considered by the competent authority of the country of registration or use 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*." [9]

The standard under the Paris Convention seems to be that the mark, already in use in a third country, should be well-known in the country of registration such that a strong likelihood of confusion would result if the mark were to be registered in the third country for use over *identical or similar products*. Paris Convention did not elaborate or define the extent of fame required for a mark to be well-known nor does it outline any limits or criterion to determine when a mark can be considered well-known.[10] Thus, the question of how much fame is required for a mark to be well-known was never addressed under the Convention and was thus presumably left to every sovereign member state to determine the outer limits of fame. Further, the use of the terms "identical or similar goods" limited the scope of protection of the well-known marks doctrine to goods under the Paris Convention.[11] It left service marks uncovered.

b) TRIPS Agreement

When the World Trade Organization (WTO) was established,[12] Article 2 of the Agreement on Trade-Related Aspects

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[9] *Id. See also* Final Report of the WIPO Internet Domain Name Process, The Mgmt. Of Internet Names And Addresses: Intell. Prop. Issues (Apr. 30, 1999), https://archive.icann.org/en/wipo/FinalReport_4.html [https://perma.cc/X8E2-SPPE] (discussing the special protections needed for famous foreign marks nd well-known marks).

[10] Stylianos Malliaris, *Protecting Famous Trademarks: Comparative Analysis of US and EU Diverging Approaches—The Battle Between Legislatures and the Judiciary: Who Is the Ultimate Judge?* 9 CHI.-KENT J. INTELL. PROP. 45, 48, 50 (2010).

[11] *Id.* Separately, the World Intellectual Property Organization ("WIPO") has been working towards establishing a treaty addressing protection of well-known and famous foreign trademarks. Thus, a Standing Committee was established to deal with issues such as determining when a mark becomes well-known. *See* World Intellectual Property Organization, Standing Committee on the Law of Trademarks, Industrial Designs And Geographical Indications, First Session (1998), http://www.wipo.int/edocs/mdocs/sct/en/sct_1/sct_1_3.pdf [https://perma.cc/C47M-QQ4L] [hereinafter Standing Committee].

[12] *Id.*

of Intellectual Property Rights ("the TRIPs Agreement") incorporated all substantive provisions of the Paris Convention.[13] In turn, protection of trademark rights under the Paris Convention was extended to all WTO member-states. Article 16(2) of the TRIPs Agreement addressed well-known trademarks.[14] In general, Article 16 of TRIPs made important changes to the protection regime for well-known marks. First, the TRIPs Agreement vested the mandatory obligation on member states to statutorily provide for owners of a registered trademark the exclusive right to prevent the use by unauthorized third parties from using "identical or similar" marks over "goods or services" in a manner resulting in likelihood of confusion with a registered trademark.[15] Thus, the TRIPs Agreement specifically included service marks, which was originally not included under the Paris Convention.[16] That is, Article 16 of the TRIPs Agreement specifically elaborates that "Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services."[17] Second, Article 16(2) of the TRIPs Agreement lists factors that a member state may consider to determine whether a mark is "well-known."[18] Such factors include knowledge of the trademark of one member in the relevant sector of the public, as a result of the promotion of the trademark, in another member state.[19] The Article specifies that use of the mark within the territory is not considered as a pre-requisite of knowledge of the mark although it indicates "promotion of the mark" within the territory is required.[20] Third, Article 16(3) expanded the scope of application of well-known marks to goods or services that are not similar to those in respect of which a trademark is registered, provided that: (i) the goods or services over which the trademark is applied need not be identical or related; and (ii) there is no need for proof of likelihood of public confusion.[21] That

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[13] TRIPS Agreement, *supra* note 4, Annex 1C.

[14] *Id.* art. 16.

[15] *See id.* art. 16(2) (stating that "[I]n 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.").

[16] *Id.*

[17] *Id.*

[18] *Id*.

[19] *Id*.

[20] *Id*.

[21] *Id*. art. 16(3).

is, even when there is no confusion (the test to prove infringement), a well-known mark from one jurisdiction cannot be used by another party in a second jurisdiction if *a connection* may be established by the public. Thus, the use of a well-known trademark on a good or service can be construed as being violated under two circumstances: a) the use falsely indicates a *connection* between those goods or services and the owner of the registered trademark, and b) could *likely* damage the interests of the owner of the registered trademark.[22] Note that trademarks enjoyed a broader protection when law embraced the *likelihood* of confusion standard, as opposed to actual confusion. The need for a mere showing of a connection with goods and services of a well-known mark further broadens the scope of protection of well-known marks.[23] This broadened scope is applied over goods or services that are *not similar,* representing a change from the original standard for the use of a mark over "identical or similar" goods to a standard that was further broadened to cover "related goods." In all, the TRIPs Agreement in mandating member states to recognize well-known marks on goods and services, broadened the scope of protection of well-known marks.

Further, with a view to provide clarity on what constitutes a well-known trademark, Article 16 of the TRIPs Agreement notes that members shall take into account the knowledge of the trademark "in the relevant sector of the public," including the knowledge obtained within the country as a result of the promotion of the trademark.[24] In not defining what the "relevant public is" this requirement includes an element of flexibility and subjectivity in determining what constitutes the "relevant public" and whether the "relevant public" had knowledge of the mark from the promotion of the mark, which presumably refers to advertisements and seems to specifically exclude the need for use or registration of the mark in that market.[25] Given the inherent subjectivity outlined in Article 16, ultimately, the determination of whether a trademark used or registered in one jurisdiction can be considered well-known in another is based on national legislations and interpretations of what would constitute knowledge of the relevant public. Additionally, Article 16(2) provides a non-exhaustive list of circumstances for a competent

[22] *Id*.
[23] *Id*.
[24] *Id*. art. 16(2).
[25] *Id*.

national authority to define "the relevant public" to ultimately determine whether a contested mark is well-known.

The recommendation for member states from the World Intellectual Property Organization (WIPO) with reference to the term "relevant sectors of the public" is that it is broad enough to include actual and/or potential consumers, members involved in the channels of distribution and business people involved in the *type* of goods and/or services to which the mark applies.[26] It is recommended that even if the mark is determined to be well-known in at least one relevant sector of the public in a Member State, the mark shall be considered by the Member State to be a well-known mark.[27] That is, a Member State may determine that a mark is a well-known mark, even if the mark is not otherwise considered to be so known. The WIPO recommendations form a part of the non-binding Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks of WIPO which is meant to help member countries determine factors to protect well-known marks.[28] The recommendations also define non-exhaustive recommendatory factors to determine when a mark can be considered well-known.[29]

The international prescriptions underscore the importance of having clear national laws to protect well-known marks of the subject. The use of "acquired fame" to determine whether a mark is well-known has minimized, although not eliminated, the role of use within the jurisdiction as an important indicator to prove fame. While

[26] World Intellectual Property Organization, *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks* (Sept. 1999), https://www.wipo.int/publications/en/details.jsp?id=346 [https://perma.cc/M566-3YBH]; *see also Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, General Report of the Assemblies of the Member States of WIPO, 34th Annual Meeting, Doc. A/34/16 ¶¶ 171–83 (Sept. 1999).

[27] World Intellectual Property Organization, *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, art. 2(2)(b) (Sept. 1999).

[28] *Id*. art. 2.

[29] *Id.* Under the WIPO Guidelines, a mark may be considered to be well-known/famous, if one or more of the considerations listed below applies. Such considerations include: a) the degree of knowledge or recognition of the mark in the relevant sector of the public; b) the duration, extent and geographical area of any use of the mark; c) the duration, extent and geographical area of any promotion of the mark, d) advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies; e) the duration and geographical area of any registrations, and/or any applications for registration of the mark, f) the record of successful and enforcement of rights in the mark; g) the extent to which competent authorities recognize the mark and the value associated with the mark. *Id*. art. 2(1)(b).

protection is mandated, there is adequate inbuilt flexibility for national laws to determine the scope of protection for marks from one jurisdiction to qualify for protection in a second jurisdiction based on spill-over reputation. Thus, harmonization notwithstanding, there is rightly, a level of variance in national laws and interpretations that can lead to different conclusions.

Part II

Treatment of Spill-over reputation in India

In January 1995, India joined the WTO.[30] The graduation into a WTO member necessitated amendments to India's intellectual property laws including the Trade & Merchandise Marks Act, 1958,[31] to comply with India's obligations under the TRIPs Agreement.[32] Thus, a new Trade Marks Act was enacted in 1999 and entered into force in 2003.[33] The amended statute harmonized India's trademarks statute with the TRIPs Agreement. The discussion in this section is confined to the requirement of granting protection to well-known foreign trademarks and how India has been dealing with issues arising therefrom.

a) Historic Judicial Precedent: Abandonment v. trans-border reputation

Modelled along the lines of the British statute on trademarks, the Trade & Merchandise Marks Act of 1958 had no specific provision addressing the protection of reputation enjoyed by a mark

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[30] *India and the WTO*, WTO, http://www.wto.org/english/thewto_e/countries_e/india_e.htm [https://perma.cc/XBS3-6DA6] (last visited Mar. 1, 2019).

[31] The Trade And Merchandise Marks Act, 1958, No. 43, Acts of Parliament, 1958 (India), https://indiankanoon.org/doc/1005493/ [https://perma.cc/TLB8-8CTN] [hereinafter, TMM].

[32] *See* TRIPS Agreement, *supra* note 4 (requiring certain protections for intellectual property rights).

[33] *See* Trade Marks Act, 1999, No. 47, Acts of Parliament, 1999 (India) http://www.wipo.int/wipolex/en/text.jsp?file_id=128107 [https://perma.cc/6RV7-CM6S] (consolidating trademark law and providing for the protection of trademarks); *see also Trade Marks Act, 1999 Comes Into Force*, THE HINDU (Sept. 16, 2003), https://www.thehindu.com/2003/09/16/stories/2003091605991500.htm [https://perma.cc/WP6H-LKGY] (last visited Apr. 3, 2019).

within India if the mark was not used or registered in India.[34] That said, section 27(2) preserved common law rights of passing off with respect to unregistered trademarks, which could be used to fashion protection for such marks.[35] Considering that the reputation and goodwill enjoyed by a mark is a pre-requisite for any passing-off action,[36] Indian courts dealt with trans-border reputation under Section 27(2) of the 1958 legislation.

Remarkably, in one of the earlier judgments rendered in *Centron Industrial Alliance Limited & Another v. Gillette UK Limited,*[37] in 1986, a Division Bench of the Bombay High Court dealt with an allegation by Gillette, the plaintiff-respondent, that Centron Industrial Alliance Limited and Everkeen Blade Co. infringed its trademark on 7O'Clock with respect to safety razor blades.[38] Import of the 7O'CLOCK razors to India were not permissible post 1958 due to restrictions imposed by the Government of India.[39] Thus, there was a period when the blades were not sold in India by Gillette. However, in 1984, Gillette entered into a collaboration agreement with an Indian company for manufacture and sale of the razors in India. In 1985, Gillette was notified about an allegedly infringing use by the defendants of the mark "7-Up" on safety razors (placed along with a clock face with the hands at "7", which was similar to Gillette's mark). The defendants asserted that that Gillette's mark 7O'CLOCK was not used in India on or after 1958 and that whatever reputation and goodwill that existed with respect to any goods thereof must be deemed to have been lost by the time the defendants' razors were put in the market.[40]

The Court noted that blades were advertised in foreign newspapers and magazines extensively and these were circulated in India through importation.[41] Additionally, the Court considered the

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[34] *See* TMM, *supra* note 31 (limiting applicability to India).

[35] *Id*. § 27(2) which states "Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof."

[36] *Id*.

[37] Unreported case. Decided on July 24, 1986 by the Bombay High Court in Appeal No. 368 of 1986 by Justices S. K. Desai & S.P. Bharucha, *available at* www.casemine.com/judgement/in/58117eb32713e179478af29e# [https://perma.cc/GUR6-53RH].

[38] *Id*.

[39] *Id*.

[40] *Id*.

[41] *Id*. ¶ 7.

fact that a large number of Indians travel out temporarily to other countries and would have had the opportunity to use Gillette's 7O'CLOCK branded razors and issued an injunction against the defendants. The defendants raised the issue abandonment on the ground that Gillette had either no goodwill in the mark 7O'CLOCK because of non-use in India from 1958, or, that goodwill had been exhausted from the date of non-use,[42] The court, however, opined that the mark had not lost its distinctiveness in India on the grounds that:

> "It is not possible for us at this stage at least to accept the submission that there was no user at all in India or not sufficient user as to amount to destruction or *abandonment* of the plaintiffs' goodwill and reputation. It is now equally not possible to accept the submission that the goods of the plaintiffs had lost their distinctiveness and had ceased to be associated in the minds of possible consumers with the goods of the plaintiffs on account of the policies of the Government of India as a result whereof the commercial user in India had become restricted."[43]

Typically, abandonment is an important part of trademarks jurisprudence.[44] The Indian court seems to have considered several factors but not whether abandonment by non-use results in loss of rights within India. Nor did it try to define when a mark may be considered abandoned. Instead, the Division Bench of the Bombay High Court in yet another occasion held in favor of Gillette regarding the very same mark in the 1987 in *Kamal Trading Co. & Ors v. Gillette UK Limited.*[45] While the case involved the mark 7 O'CLOCK, the distinguishing feature was that the mark was adopted

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[42] *Id*. ¶ 6. "Plaintiffs had no goodwill in mark '7 O'CLOCK' as the goods manufactured by the plaintiffs are not available in India since 1958 and the goodwill, even if any, stood extinguished, while, on the other hand, the defendants acquired goodwill in respect of the mark "7 O'CLOCK" from 1982." *See e.g.,* Emergency One, Inc v. American Fireeagle, Ltd., 228 F.3d 531 (4th Cir. 2000) (discussing principles involved in abandonment because of non-use in the United States).

[43] *Id*. at ¶ 5.

[44] *See* 15 U.S.C. §1127 (stating a trademark is deemed abandoned if "its use has been discontinued with intent not to resume such use . . . Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. " "Use" of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in mark").

[45] Kamal Trading Co. and Ors. v. Gillette U.K. Ltd., (1988) 8 PTC 1 (Del).

over dissimilar goods, namely, toothbrushes. Further, the defendant relied on a decision relating to abandonment from the English Courts in *Anheuser-Busch Inc. v. Budejovicky Budvar N P* ("Budweiser case")[46] where the Court of Appeals in England considered that the plaintiff's sale of Budweiser beer to military and diplomatic establishments in England (around 5 million cans) as "sporadic and occasional sales." Deeming these as not amounting to carrying on business in England, plaintiff was refused an injunction against the defendant's use of the same mark. In India, rejecting the holding of the said decision, the Division Bench held as follows:[47]

> " . . . it is not possible to conclude that the goodwill or the reputation stands extinguished merely because the goods are not available in the country for some duration. . . . It is possible that the manufacturers may suspend their business activities in a country for short duration, but that fact would not destroy the reputation or goodwill acquired by the manufacturers."[48]

While the decision rightly asserted that "goodwill is not limited to a particular country" on account of global sales and trade, perhaps the court could have considered the jurisprudence on abandonment of a mark. The decision broadened the goodwill concept to countries where the goods not available but are presumably known not because they were widely advertised with intent to use within the county but because there were general advertisements newspapers, periodicals, magazines abroad meant for that market.[49] The two Gillette decisions' failure in not drawing a clear jurisprudential boundary of when goodwill begins and ends set the tone for many of the subsequent cases. Unfortunately, the holdings of these judgment became an important precedent in India.

Five years later, in 1996, the Supreme Court of India had the occasion to decide the issue of trans-border reputation in *N R Dongre*

46 Anheuser-Busch v. Budejovicky Budvar, (1984) F.S.R. 413, 4 IPR 260 (India).
47 *Id.* ¶ 11.
48 *Id.*
49 *Id.*

& Ors v. Whirlpool Corporation.[50] The trademark in issue, Whirlpool, was registered under the Indian Trademarks Act, 1958.[51] The trademark was used in respect of electrical goods including washing machines and owned by Whirlpool Corporation USA. While the mark was registered on February 22, 1956 in classes 7, 9 & 11, the registrations were not renewed after 1977 due to a lapse in protection.[52] However, despite the lapse in registration, the Whirlpool mark was being used in India through sale of washing machines to the offices of the US Embassy and USAID offices in New Delhi.[53] Whirlpool had also advertised its products in various publications having circulation in India.[54] Furthermore, goods bearing the Whirlpool mark were reaching Indian consumers either as second-hand products or through indirect channels.[55] The defendant, an Indian company, applied in 1986 to register the mark Whirlpool for the same class of goods and that application was granted.[56]

The Supreme Court reviewed the findings of the Single Judge and the Division Bench of the Delhi High Court on the reputation of the Whirlpool mark in India. The court cited the Delhi High Court's position that, "[E]ven advertisement of trade mark without existence of goods in the market is also to be considered as use of the trade mark."[57] It is also not necessary however that the association of the plaintiff's marks with his goods should be known all over the country or to every person in the area where it is known best."[58] Citing *Faulder & Co. Ltd. v. O & G. Rushton*,[59] the court held that the facts *prima facie* demonstrate that the respondent was prior user of the

[50] N.R. Dongre and Ors v. Whirlpool Corporation and Anr, (1996) 16 PTC 583 (Del), *available at* https://indiankanoon.org/doc/1732339/ [https://perma.cc/NL6Z-PL2D] [hereinafter Whirlpool, SC of India).

[51] N.R. Dongre v. Whirlpool Corp., AIR 1995 Delhi 300, 302–304 (India) [hereinafter Division Bench decision].

[52] *Id.* ¶ 3.

[53] *Id.* ¶ 11.

[54] *Id.*

[55] *Id.* ¶ 3.

[56] Whirlpool Corporation filed an opposition which was rejected, and the trademark was registered in the defendants' name. When the appeal came before the Supreme Court, Whirlpool Corporation's petition for expunging the registration granted to the defendant was pending before the Trade Marks Office. *See* Whirlpool, SC of India.

[57] N.R. Dongre v. Whirlpool Corp., AIR 1995 Delhi 300, 304 (India).

[58] *Id.*

[59] Faulder & Co., Ld. *v.* O. & G. Rushton, Ld, (1903) 20 RPC 477 (India).

trade mark "WHIRLPOOL" as it was using the same since 1941, while the appellants themselves claim the adoption thereof from 1986 and only within India.[60] Thus, the court held that the trade mark "WHIRLPOOL" has acquired reputation and goodwill in this country and the same has become associated in the minds of the public or potential buyers with the goods.[61]

Unfortunately, the Supreme Court of India did not address whether not renewing registration for ten years after its expiry amounts to abandonment. If the trademark owner did not protect his rights within the territory by continuously renewing the registration, then it is unclear why the court felt the need to be sympathetic to a careless trademark owner. Nevertheless, the case is commendable established and reiterated the international standard protection of trademark rights need not be based on use within the territory. Yet, the court could have perhaps delved into the issue of whether a mark that has been intentionally abandoned for ten years can be considered by a jurisdiction to have enough accumulated goodwill such that the foreign mark owner can take over the goodwill of a territorially registered user. The judgment, arguably, highly diluted the value of trademark registration and associations with the territorially doctrine.

b) Indian Judiciary sets a trend in favoring foreign marks

The decision of the Indian Supreme Court in the Whirlpool decision started a trend that seemed to favor foreign trademark owners. It seemed like the High Courts involved and even the Supreme Court did not venture into the question of establishing the threshold or criterion to fully determine the limits of fame. Nor was there any criterion established to distinguish between a use that will distinguish a known trademark from a well-known trademark, sufficient to qualify as locally well-known or "famous." While the Whirlpool decision is widely regarded as an attempt to appease the United States, the Whirlpool case also became an important precedent setting the trend for further expansion of the scope of the recognition for trans-border reputation as elaborated below.[62] The holding of the

[60] Whirlpool, SC of India.
[61] *Id.*
[62] Nicky Jatana, *Did Whirlpool Make Its Mark in India—N.R. Dongre v. Whirlpool Corp.,* 10 PAC. MCGEORGE GLOBAL BUS. & DEV. L. J. 331, 334 (1997), https://scholarlycommons.pacific.edu/globe/vol10/iss2/7/ [https://perma.cc/5KSR-N33Q].

Whirlpool case on trans-border reputation was followed in several of the subsequent cases decided under the trademarks statute. The decision is perhaps an example of how the judiciary, in seeming good faith, but without larger economic justification, has interpreted the statute more broadly to accommodate to global trends.

In line with the precedent that goodwill will be protected even if the mark is not used within India, in 1991, a single Judge of the Delhi High Court decided a dispute involving *Apple Computer Inc. v. Apple Leasing and Industries*.[63] This dispute was brought before the court by Apple Computers Inc., ("Apple"), United States, against an Indian company. During that time, Apple had been exporting its computers to India since 1977, although primarily to departments of the Indian Government. At that time, Apple had pending trademark applications in India for the mark, logo and the mark APPLE CENTRE, and hence, the question related to passing-off of a reputable foreign mark. Apple sued an Indian entity which chose to call itself, "Apple Computer Education" and made use of a partly bitten apple which called to mind the Apple logo. In its defense, the Indian company argued that goodwill alone was not protectable under a passing-off action and that the foreign owner is required to conduct its business in India.[64] Rejecting the argument, the Delhi High Court held that in the context of the present day circumstances involving the free exchange of information through several media and considering the freedom and ability to travel globally a plaintiff cannot be expected to carry on business in a jurisdiction before improper use of its name or mark can be restrained by the court.[65] Despite the Indian statute being modelled on English law, the court was persuaded by opinions on passing-off from other jurisdictions such as New Zealand, Australia and Canada to hold that the plaintiff had a *prima facie* case against the defendants from using the words "Apple" or "Apple Computers" in the course of the trade of computer education.[66] In doing so, although much of the judgment discusses confusion rather than dilution of a well-known mark, this court established that use or conducting business within India was not required in order to protect goodwill within India, which comports with the international requirements.

63 Apple Computer Inc. v. Apple Leasing and Industries, (1991) 1 ALR 93 (India).
64 *Id.*
65 *Id.* ¶ 159.
66 *Id.* ¶ 160.

Similarly, in the 1997 Division Bench decision of the Bombay High Court, in *Aktiebolaget Volvo of Sweden v. Volvo Steels Ltd. Of Gujarat (India)*[67] noted that trans-border reputation was recognized by Indian Courts and that as a matter of law, it was not necessary to prove actual sale if the plaintiff was able to prove goodwill and reputation of the mark in India. The plaintiff in that case, a Swedish automobile company, who had no business in India at that time, was suing a local defendant for unauthorized adoption and use of its Volvo mark in respect of mild steel ingots.[68] Later, in 2001, a Single Judge of the Delhi High Court held in *Rainforest Café Inc v. Rainforest Café and Ors*[69] that, although the American corporation, Rainforest Café Inc, had no business activity in India, the fact that it had received several trade inquiries from India was sufficient to issue an injunction against a local defendant who adopted the identical mark 'Rainforest Café: A Wild Place to Eat' for his restaurant. The Court found that, failure to do so would cause irreparable injury to the reputation and goodwill of the plaintiff worldwide besides having adverse ramifications on the impending franchise enquiries for New Delhi and other parts of India.[70] In 2002, another Single Judge of the Delhi High Court cited the Whirlpool case and held in favor of the American cosmetic company, Jolen Inc, which had no business activity in India at that time, by restraining a local defendant who adopted an identical mark and get up for identical goods.[71]

The judicial trend in favor of trans-border reputation in some ways has resulted in courts not delving into the different legal and economics questions that are integral to appreciate the threshold and limitations of goodwill being spilled-over. Is there not a difference between the goodwill enjoyed in a foreign country of the Apple mark on the one hand and other marks such as Rainforest Café and Jolen, on the other? Importantly, marks such as Jolen may not cross the threshold of fame within the US. Even if *Jolen* and *Rainforest Café* are considered as famous marks in the US, is the fame not different in a country like India where these products are predominantly known

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[67] Aktiebolaget Volvo of Sweden v. Volvo Steels Ltd. Of Gujarat, (1998) 18 PTC 47 (Bom).

[68] *Id.*

[69] Rainforest Café Inc v. Rainforest Café and Ors., (2001) 91 DLT 508 (India); Rainforest Café Inc v. Rainforest Café and Ors., 2001 (21) PTC 353 (Del).

[70] *Id.*

[71] Jolen Inc. v. Doctor & Company, (2002) 24 PTC 29 (Del).

to smaller market of people. Do the courts not have an obligation to consider how a "market" should defined in order to determine fame and goodwill?

c) Lost opportunity to underscore the doctrinal split between territoriality & fame

In 2004, the Indian Supreme Court dealt with a case that indirectly highlighted the intersection of the famous (foreign) marks doctrine with the territoriality requirement. In *Milmet Oftho Industries & Ors v. Allergan Inc*,[72] the Supreme Court rejected an appeal from a local defendant who adopted an identical mark OCUFLOX for a medicinal preparation. In doing so, it held that the mere fact that the plaintiff had not been using the mark in India would be irrelevant if they were the first in the world market. However, the Supreme Court added a note of caution as follows:

> "Multinational corporations, who have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian Company by not permitting it to sell a product in India, if the Indian Company has genuinely adopted the mark and developed the product and is first in the market. Thus the ultimate test should be who is first in the market."[73]

Despite the note of caution, the court felt that because medical practitioners regularly travel abroad and because these goods are widely advertised, a product is likely to acquire a worldwide reputation. It would have been nice to see the court delve into what constitutes a market for determining goodwill. Is it the general public or the doctors or the smaller percentage of doctors who travel abroad or the pharmacists who dispense these medications?

That said, this case also captured succinctly the conflict between determining fame in the context of the territoriality doctrine when dealing with famous foreign trademarks. For the first time, the Court indicated that priority of innocent use within India would and could supersede trans-border reputation. This would be the

[72] Milmet Oftho Industries and Ors. Vs. Allergan Inc., (2004) 12 SCC 624 (India).
[73] *Id.*

traditional approach wherein even though the mark may be used aboard successfully, a prior-user in India who used it in good faith should be capable of holding onto the mark successfully. Otherwise, it subjects local users unfairly to foreign corporations and their brand investments.[74]

d) Post-TRIPS statutory changes and its impact on famous foreign trademarks

Under the 1999 Trade Marks Act, ("the TM Act"), which came into effect in 2003, notes that in order to receive protection under the statute, read with rules, there is no pre-condition that the mark is used or registered in India.[75] Importantly, the provisions in the Indian TMA do not insist on use of the well-known mark in India.[76] Section 11(9) of the statute specifically states that the Registrar shall not deny protection for a well-known mark on the grounds that the trade mark has not been used in India or that the trade mark has not been registered in India or that a previous application for registration of the trade mark has not been filed in India or that the trade mark is not well-known to the public at large in India.[77] Similarly, India does not consider the priority of use within India as a criterion in determining fame or for the protection of a well-known foreign mark which seems to be in line with the WIPO joint recommendations.[78] Traditional trademarks law focused on priority of use within the territory. Given the strong territoriality considerations of traditional trademarks law for a prior local user, the question of whether famous foreign marks which represent prior

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[74] *Id.*

[75] Trade Marks Act, 1999, No. 47, Acts of Parliament, 1999 (India) *available at* http://www.wipo.int/wipolex/en/text.jsp?file_id=128107 [https://perma.cc/8SMW-H6YN] [hereinafter, TMA 1999]. *See e.g.,* 15 U.S.C. § 1125(c) (2006) (stating that, "In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including . . . .(iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register").

[76] TMA 1999, § 11(8); *see also, e.g.,* 15 U.S.C. § 1125 (2006) (requiring that the trademark owner must show valid ownership of the famous mark as well as commercial use in commerce of the mark that allegedly causes dilution of the famous mark. This law does not require the mark to be registered in the United States in order to receive famous mark protection, but it should be used in the United States).

[77] TMA 1999, §11(9).

[78] *See generally The Problem of Notoriety: Famous and Well-Known Marks*, *in* FINAL REPORTS OF THE WIPO INTERNET DOMAIN NAMES PROCESS (1999).

foreign users, form an exception territoriality doctrine has not been fully expounded and may be left to the courts to consider. That is, should a prior foreign user of a mark famous in that jurisdiction be given priority against a first local user of the mark?

Similarly, section 11(6) thereof lays down non-exhaustive criteria for determining a well-known mark.[79] Such criteria include knowledge or recognition of the mark in the relevant section of the public including knowledge in India obtained as a result of promotion of the mark, duration, extent and geographical area of use and promotion of the mark, duration and geographical extent of the registration of the mark and instances of successful enforcement of the rights in that trade mark.[80] Further, the Registrar shall also consider the market for the goods, channels of distribution and "the business circles dealing with the goods or services, to which that trade mark applies."[81] Thus, since the public at large need not know of a well-known mark, it is left to the judiciary to narrow what constitutes "relevant public" to determine the extent of fame of the mark.

In March 2017, India unveiled a new Trademarks Rules. Rule 124[82] allows parties to request the Registrar to determine a trademark as well-known by filing a relevant form along with a statement of case by including all the evidence and documents relied by the applicant in support of his claim.[83] However, the Registrar also has the power to change that status if circumstances change after providing due opportunity of hearing to the concerned party.[84] Notably, the Registrar can request additional documents[85] and invite oppositions/objections from the general public.[86] If the Registrar

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[79] TMA 1999, § 11(6).

[80] *Id.*

[81] *Id*. § 11(7)(3).

[82] *See* Trademark Rules, 2017, Gzaette of India, pt. II, sec. 4(i) at Rule 124 [hereinafter TM Rules] (establishing rules for trademark registration).

[83] *Id*. Once the documents are filed, the Registrar will make a determination, based on such documents and Sections 11(6) to (9) of the TM Act, whether the mark is well-known.

[84] *Id*. at Rule 124(6) ("The Registrar may, at any time, if it is found that a trademark has been erroneously or inadvertently included or is no longer justified to be in the list of well-known trademarks, remove the same from the list after providing due opportunity of hearing to the concerned party.")

[85] *Id*. "For the purpose of determination, the Registrar may call such documents as he thinks fit.

[86] *Id*. at Rule 124(4) "Before determining a trademark as well-known, the Registrar may invite objections from the general public to be filed within thirty days from the date of invitation of such objection."

determines that the mark is well-known, the mark will be published in the trademark Journal and included in the list of well-known trademarks maintained by the Registrar.[87] Under the rules, the Indian Trade Marks Office maintained a list of well-known marks which were included based on a request by the owners of the marks provided they presented valid proof.[88] The Trade Marks Office typically preferred a court order recognizing the mark as a well-known mark as valid proof of fame of the mark.[89] This is comparable to the Japanese practice of publishing well-known trademarks.[90]

Under the new Rules, the trademarks Registrar wields extraordinary powers with reference to either graduating or demoting a trademark as being well-known. That said, Registrar is required to take into consideration, Sections 11(6) to 11(9) of the TM Act, discussed above. It is also arguable that right of third parties to object and the right to appeal perhaps act as limitations on the power of the Registrar. Presumably, there may be marks that may qualify as well-known under Section 11 (6) of the statute but has either not made it to the well-known marks in the list because adequat4 documentation was not presented or, because, the Registrar did not think that it would qualify despite the documentation. The status of these marks may have to be judicially determined. Arguably, the statute is TRIPS-plus for the recognition of foreign well-known marks on because it does not seek promotion of the mark within the territory of India, which is a part of the WIPO recommendation. Thus, the judicial opinions under the amended act, discussed below, presents a dichotomy between territoriality and priority which has been unresolved until recently.

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[87] *Id*. at Rule 124(5) "In case the trademark is determined as well-known, the same shall be published in the trademark Journal and included in the list of well-known trademarks maintained by the Registrar."

[88] *See* TM Rules, *supra* note 82 (showing on March 6, 2017, the Trade Mark Rules 2017 were notified into effect).

[89] *See* List of Well-known Trademarks, Office of the Controller General of Patents, Designs & Trademarks, DEPT. OF INDUSTRIAL POL'Y & PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY, GOVT. OF INDIA (JUN. 2017), *available at* http://www.ipindia.gov.in/writereaddata/Portal/Images/pdf/well-known-trademaks.pdf [https://perma.cc/96RD-JNJV] (cataloguing famous and well-known marks).

[90] B. Winterfeldt & L. Emmett, *Protecting Famous Marks*, 56(8) INT'L TRADEMARK ASS'N (Oct. 1, 2001), https://www.inta.org/INTABulletin/Pages/ProtectingFamousMarks.aspx [https://perma.cc/MS7U-LXVF].

e) The intersection between the territoriality and famous mark doctrine

Considering the traditional underpinnings of the territoriality doctrine which dictates that prior territorial user gets protection, the question typically is whether a prior foreign user be given priority against a first local user when dealing with a famous foreign mark?

In 2006, in *Austin Nichols and Co. and Seagram India Pvt. Ltd. Vs. Arvind Behl*, *Jagatjit Industries Ltd.*,[91] a Single Judge of the Delhi High Court considered whether the mark "Blenders Pride" used in respect of the whisky manufactured by the plaintiff enjoyed trans-border reputation. Adopted in 1973, the foreign plaintiff had been selling the said whisky in over 50 countries worldwide.[92] Plaintiff asserted that Blenders Pride enjoyed trans-border reputation in India on the grounds that between the late 1980s and early 1990s, millions of global Indian travelers were exposed to the sale and promotion of the whisky.[93] The plaintiff's business in India was set up in 1993 through a wholly owned subsidiary. In 2003, ironically the respective marks of the plaintiff and the defendant, namely, Blenders Pride, were advertised in the same Trade Marks Journal and both the parties filed oppositions against each other's application. The Indian Trademarks office granted registration to the defendants in 2004. In 2005, the plaintiffs learnt that the defendants had introduced their whisky in the Indian market and a suit was filed. The defendants asserted that they were the prior users of the Blenders Pride mark in India, thus bringing the question of prior user within the jurisdiction versus reputation outside the territory.[94] The defendants claimed that they were the prior-user within the territory and hence, presumably, implicated the question of the famous foreign mark exception to territoriality.

The court cited the *Milmet Oftho*[95] and held that, Blenders Pride whisky manufactured by the plaintiffs had the worldwide reputation, being available for sale in a large number of countries since 1973. The Court added that the plaintiffs were not using their worldwide reputation to throttle an Indian company by not permitting

[91] Austin Nichols & Company & Anr v. Arvind Behl & Anr, (2006) 32 PTC 133 (Del).
[92] *Id.*
[93] *Id.*
[94] *Id.*
[95] Milmet Oftho Industries v. Allergan Inc., (2004) 12 SCC 624 (India).

it to sell its product in India; they were only trying to defend their worldwide reputation in the Blenders Pride whisky.[96] Further, the Court pointed out that even if the plaintiffs were not manufacturing the said whisky in India, it would be irrelevant.

Similarly, in 2008, a Division Bench of the Delhi High Court in *Kiran Jogani and Anr. Vs. George V Records, SARL*,[97] decided whether the mark BUDDHA-BAR enjoyed trans-border reputation in India. The respondent-plaintiff owner who first used it as part of a music album asserted that it was the first to adopt the name and use it in the year 1996 as the name of a restaurant in Paris.[98] Further, plaintiff asserted that the music albums played at the said restaurant by well-known Disco Jockeys were compiled into CDs as they became extremely popular and were then sold under the trade mark BUDDHA-BAR from the year 1999 onwards.[99] The plaintiff also claimed extensive worldwide registrations for the said mark in classes 9 and 41 and argued that its reputation has spread across the world and spilled over to India well prior to the adoption of the offending mark by the appellant-defendant in 2002 in respect of musical records.[100] The defendant argued that the plaintiff had failed to establish user rights in India and that the first invoice on record dated February 21, 2002, a date after the release of the defendant's album in January, 2002.[101] In doing so, this court considered, "[W]hat would be the best material which the respondent could have produced to establish its trans-border reputation?"[102] In its wisdom, the court felt that "[I]t is not as if there is a motivated article in one newspaper or magazine, but the vast coverage given to the restaurant and the music in international press and the magazines including transmission of programs through television channels to show even the participation of Indian designers."[103] Based in this, the Court found merit in the claims of the plaintiff-appellant and upheld the trans-border reputation in its mark BUDDHA-BAR.

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[96] *Id*.
[97] Kiran Jogani and Anr. Vs. George V. Records, (2008) 38 PTC 69 (Del).
[98] *Id.* at ¶ 3.
[99] *Id*.
[100] *Id*.
[101] *Id.* at ¶ 5.
[102] *Id*. at ¶ 15.
[103] *Id*.

Similarly, in *Boehringer Ingelheim Pharma GMBH v. Premchand*,[104] decided in 2013, the trademarks in dispute before a Single Judge of the Delhi High Court were "MUCOSOLVAN" and "MUCOSOLVIN", used in respect of their respective cough syrups. The plaintiff, a German company established in the year 1845, who had been conducting its business in India through its subsidiary, claimed that its mark "MUCOSOLVAN" was adopted in 1975 and that it has been using it continuously since 1979.[105] The plaintiff asserted trans-border reputation in the mark and claimed that it was the first to adopt and use the said mark anywhere in the world. It had a pending application in India at the time of filing the suit.[106] The plaintiff was aggrieved when it learned in 2011 about the defendant's use of the mark MUCOSOLVIN for a cough syrup.[107] The plaintiff alleged that the defendant, being in the same business was aware of the goodwill and reputation of its trademark MUCOSOLVAN and its use of the said mark since 1979.[108]

Resisting the suit, the defendants argued that the plaintiff has not used its trademark "MUCOSOLVAN" in India till the date of the suit and that its pending trademark application filed in October, 2011 was on an 'intention to use' basis. Rejecting the arguments of the defendant, the Court considered "other factors" and relied on *Milmet Oftho Industries.*[109] It noted that Supreme Court observed that the mere fact that the plaintiff was not using the mark in India would be irrelevant if they were first in the world market. The court was enamored and seemingly blinded by the fact that plaintiff held a registration for the mark MUCOSOLVAN in as many as 93 countries, and that the Plaintiff's MUCOSOLVAN products are available worldwide!

Other cases include a 2016 Division Bench decision of the Delhi High Court decided the issue of trans-border reputation of the mark, *Lavera Mac Personal Care Pvt Ltd & Ors v. Laverana GMBH*.[110] 'LAVERA' is a Latin word meaning 'the truth'. The

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[104] Boehringer Ingelheim Pharma GMBH v. Premchand, (2014) 57 PTC 339 (Del).
[105] *Id.*
[106] *Id.*
[107] *Id.*
[108] *Id.*
[109] Milmet Oftho Industries, (2004) 12 SCC 624 (India).
[110] Lavera Mac Personal Care Pvt Ltd & Ors v. Laverana GMBH, (2016) 65 PTC 357 (Del).

respondent-plaintiff, a German company, had adopted the mark LAVERA in 1980 for cosmetic products and has been marketing these products since the year 1982. The plaintiff claims extensive registrations around the world and a pending registration in India at the time of filing the suit. It was the plaintiff's claim that due to such extensive worldwide use, its products sold under the same mark has earned goodwill and reputation, that its products are freely available on e-bay and online stores, that it has country code top level domain name registrations in various countries. The appellant-defendants on the other hand, argued that the plaintiff had never used the mark in India and that they had been using the mark since 2005 although it was not registered, which made the court believe that the adoption of the name was dishonest. The defendants claimed that they adopted the identical mark LAVERA from the aloe vera plant used in beauty treatment.[111] The Single Judge had held in favor of the plaintiff by noting that the existence of a merchant on a webpage of foreign origin is sufficient to show the trans-border reputation even if it had no activity in India at the relevant time. The court felt that the growth of the internet and the modern means of communication made it relatively easier to establish international reputation and its spill-over effects. [112]

Overall, the decisions from Indian courts have exhaustively considered the issue of whether the plaintiff was "prior in use in the world." In doing so, India seems to have created a famous foreign mark exception to the territoriality doctrine. In doing so, other considerations such as the threshold and limitations of goodwill, the larger economic considerations, the territoriality doctrine's protection for registered trademarks and good-faith deservedly need closer consideration and scrutiny. Typically, as discussed below using the United States is an example, prior-users within a country, especially if they are registered users, will get protection unless the use was clearly dishonest or of the fame of the mark vastly overweighs such use. The tension with the territoriality doctrine (that is, protection for the prior territorial user) has generally resulted in famous foreign marks not be considered as an exception when a local prior territorial user is prevalent. Indian judiciary did not get into this question until the *Prius* judgment discussed below.

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[111] *Id.* at ¶ 3.
[112] *Id.* ¶¶ 1516.

Part IV

United States & Well-known Trademarks

The following segment outlines how the United States treats famous foreign marks. The discussion deals with situations wherein a famous foreign mark, well-known locally in the foreign country, is used America for the first time within the United States. The segment examines whether it becomes more complicated if the mark is registered by the local-user, thus becoming a prior-registered-user of a famous foreign mark within the US. The question when and if the original foreign user/owner of the mark wants to use the mark in the United States, is whether fame abroad should be an exception to territoriality to establish priority of use.

a) Intersections of Fame within priority & territoriality

In the United States, as discussed earlier, the first to use a trademark in commerce has priority to trademark rights under the "priority rule." *United Drug Co., v. Theodore Rectanus Co.*[113] discusses the limits of geographic use with reference to unregistered marks. Two different parties used the same trademark, Rex, in two different locations for over 25 years. The products over which the mark was used was different although related, considering that one used it on medicines to treat dyspepsia and the other used it on blood purifiers. Since both users had used it for several years, the rule of priority did not truly help either of the users. Considering this, the Supreme Court held that geographic limits circumscribed the rule of priority provided the use was made in good faith. The court outlined that "where two parties independently are employing the same mark upon goods of the same class, but in separate markets wherein one is wholly remote from the other, the question of prior appropriation is legally insignificant, unless at least it appears that the second adopter has selected the mark with some design inimical to the interests of the first user, such as to take the benefit of the reputation of his goods, to forestall the extension of his trade, or the like."[114] The court added

[113] United Drug Co., v. Theodore Rectanus Co., 248 U.S. 90 (1918).

[114] *See id. at* 101; *see also* Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 415 (1916) (establishing the "tea rose" doctrine and stating that prior appropriation is "legally insignificant" in cases where the marks are used in separate markets).

that the right to a trademark grows out of its use in connection with an existing business and not by mere adoption.[115] Thus, the Supreme Court established what is now called the *Tea Rose/Rectanus doctrine*.

Essentially, the *Tea Rose* doctrine states that the first user of a common law trademark may not oust a later user's good faith use of an infringing mark in a market where the first user's products or services are not sold.[116] Thus, between unregistered users, the priority of use in that geographic area controlled. Courts have repeatedly adopted the well-established Supreme Court rationale that the owner of a common-law mark may not "monopolize markets that his trade has never reached and where the mark signifies not his goods but those of another."[117]

The same rule may not hold if one of the marks is registered. Generally, even prior to the enactment of the Lanham Act, registration conferred nation-wide priority to use the mark. An unregistered user of a mark was not entitled to exclude a registered owner of the mark from using it in a territory that would fall within the zone of "normal expansion of business." Under the Lanham Act registration of a mark provides constructive notice within the United States.[118] Such constructive notice provides nationwide protection to registered marks, regardless of the areas in which the registrant actually uses the mark.[119] The essential priority principles of the *Tea-Rose* doctrine apply to all registered trademark owners with one important modification which provides that the owner of a registered mark has the right to expand its use into new areas of the territory unless a prior user had generated sufficient goodwill in that market prior to registration. Thus, the priority of use within a territory determined rights within the territory.

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115 *Hanover Star Milling Co. v. Metcalf*, 240 U.S. at 404.

116 See National Ass'n for Healthcare Communications, Inc. v. Central Arkansas Area Agency on Aging, Inc., 257 F.3d 732, 735 (8th Cir. 2001) where the court states that the Supreme Court established the *Tea Rose/Rectanus. See* United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 100–01 (1918); *Hanover Star Milling Co. v. Metcalf,* 240 U.S. at 415 (1916) (stating that rules of appropriation are laxed when the mark is used in two different areas).

117 *See* National Ass'n for Healthcare Communications, Inc. v. Central Arkansas Area Agency on Aging, Inc., 257 F.3d 732, 735 (8th Cir. 2001) (citing *Hanover Star Milling,* 240 U.S. at 416).

118 15 U.S.C. § 1072.

119 *Id*. In doing so, it effectively eliminates good faith and lack of knowledge defenses otherwise available to a subsequent user.

Protecting such well-known marks from abroad should form an exception to the territoriality doctrine if the famous foreign marks doctrine is recognized.[120] Basically, under the famous marks doctrine, considering the fame of the foreign mark, the question is whether the second user adopted the mark in good faith. The United States, in *Maison Prunier v. Prunier's Rest. & Café,*[121] the first recognized the famous marks doctrine. "Maison Prunier," was a Paris restaurant with a branch in London. When a new restaurant was opened in New York City with a similar name, the owner sought to enjoin defendants' use of the name even though it did not have operations in New York. The appeals court sustained the ruling of the trial court.[122] The court specifically highlighted the general rule of territoriality but noted that bad faith use of a famous foreign name by a second user formed an exception to the territoriality rule. Fame of the mark became a relevant factor relevant to deciding whether the second user adopted the mark in good faith use and also justify using unfair competition principles.[123] Thus, in the United States, arguably using unfair competition principles a mark may be entitled to protection in a country even if it was neither used nor registered provided it is well known among consumers in that country and there is clear proof of lack of bad faith appropriation of the mark. It is worth adding here that some of these decisions have been based on state common law rather than under federal Lanham Act.[124]

b) Travelling Americans need not know of all marks abroad!

The following narrative examines how courts in the United States have dealt with cases where a well-known mark in a foreign country has been subjected to prior registration by a third party within the US. It is important to appreciate that the federal Trademarks

[120] *See* J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 29:4 (4th ed. 2008) (asserting that the famous marks doctrine is incorporated into United States domestic law through Lanham Act sections 43(a), 44(b), 44(h)).

[121] Maison Prunier v. Prunier's Rest. & Café, 159 Misc. 551, 557–61 (N.Y. Sup. Ct. 1936).

[122] *Id.*

[123] *Id.*

[124] *Id. See also* Kristin Zobel, *The Famous Marks Doctrine: Can and Should Well-Known Foreign Marks Receive Trademark Protection within the United States?*, 19 DEPAUL J. ART, TECH. & INTELL. PROP. L. 145 (2008) (discussing cases establishing trademark law).

Dilution Act defines fame and provides a set of criteria to determine fame of a mark.[125]

That is, a well-known foreign mark is registered and used within the United States by a local person raising the issue of who is the prior user of the mark. For example, in 1981, Larry Christman, a U.S. citizen and employee of a sportswear wholesaler, visited a Person's Co. retail store in Japan.[126] The name Person's was adopted in 1977 by Takaya Iwasaki for clothing in his native Japan. Two years later, Iwasaki formed Person's Co., Ltd., a Japanese corporation, to market and distribute clothing items in retail stores located in Japan.[127] On return, Christman developed designs for his own "PERSON'S" brand sportswear line based on the Person's products he had purchased in Japan.[128] By April 1984, Christman not only supplied clothes bearing the Person's logo within the United States, he also registered the name for use on wearing apparel.[129]

Meanwhile, Person's became a well-known and highly respected brand in the Japanese fashion industry.[130] When the Japanese company wanted to sell its products in the United States, they initiated an action to cancel Christman's registration. On appeal, the Federal Circuit affirmed the Board's decision that Christman was a "good faith" prior user of the mark in the United States even though it was clear that he had misappropriated a mark in use in a foreign country. The Federal Circuit adopted the view that copying a mark in use in a foreign country is not *per se* an evidence of bad faith unless

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[125] *See* 15 U.S.C. § 1125(c)(2)(A)(i)–(iv); Lanham Act, § 43(c) also known as the Trademarks Dilution Revision Act, 2006 (TDRA). Under the TDRA, Under the TDRA, a mark is famous if it is widely recognized by the general consuming public of the US as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:
(i)The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.
(ii)The amount, volume, and geographic extent of sales of goods or services offered under the mark.
(iii)The extent of actual recognition of the mark.
(iv)Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

[126] Person's Co. v. Christman, 900 F.2d 1565 (Fed. Cir. 1990).
[127] *Id*. at 1567.
[128] *Id*.
[129] *Person's Co.*, 900 F.2d at 1567.
[130] *Id.*

the foreign mark is famous in the United States at that time the copying is undertaken and the mark is copied for the purpose of interfering with the prior user's planned expansion into the United States. "Christman's conduct in appropriating and using the appellant's mark in a market where he believed the Japanese manufacturer did not compete can hardly be considered unscrupulous commercial conduct.[131]"

Essentially, use within the territory is the critical component to establish priority over a mark locally. Thus, the territoriality principle, especially the way it is defined and applied in the United States, does not deter third parties to adopt, use and protect within the United States, trademarks that may be known and protected in another country. Unlike India, which surprising attributes and deems travelling Indians possess exceptional knowledge of trademarks, the United States believes that expecting travelling Americans to know of marks in several countries seems unfair. Hence, from a national perspective this seems like a fair determination although it does condone stealing relatively good marks from other countries under limited circumstances. But, when considering the international requirements, the US expectations that a foreign mark owner interested in the US market has the burden to secure prior registration of the mark in the United States, as seen from the discussion in *Grupo Gigante* below, seems to go against basic national treatment obligations under Article 3 of the TRIPS Agreement because it indirectly favors nationals against foreigners.[132] From an international perspective, this poses an operational problem with well-known marks that already enjoy a reputation and identity in foreign jurisdictions when they permeate into the United States, although the mark may not be protected in the United States. This is especially true of marks that may be well known within large pockets of different immigrant communities but not generally well-known.

c) Delineating the market to determine fame

If the foreign mark enjoys a clear reputation in the United States before a local user appropriates the mark, the question is whether fame or territoriality establishes priority over the mark?

[131] *Person's Co*., 900 F.2d at 1570.
[132] TRIPS Agreement, *supra* note 4, art. 3.

Interestingly, under contemporary trademarks law, even when a foreign mark enjoys a clear reputation within the United States, if it is not registered locally, the foreign trademark holder may lose priority over the mark.

The Ninth circuit dealt with a case involving a large and well-known Mexican grocery chain—Grupo Gigante—which has been operational in Mexico since 1962 but did not have a presence in the US.[133] The name was appropriated by a Michael Dallo in 1996 to operate an American chain of grocery stores in a locality where shoppers were familiar with the Mexican mark. Neither party had registered the mark federally. Considering that the Mexican mark was well-known in the US, the question is should the Mexican owner be entitled to priority within the US based on the fame the mark acquired from its use in Mexico?

The fame of the Grupo Gigante mark in Mexico and the knowledge of its mark amongst Mexican consumers in the California market should typically entitle the mark to protection to the name in the US.[134] The defendants argued that the territoriality principle required that the mark be used within the United States and that the prior-US-user was entitled to protection even though he had essentially adopted the mark in the US with full knowledge of its fame in Mexico. To its credit, the Ninth circuit recognized the existence of the famous marks doctrine and how it is juxta positioned over the territoriality doctrine.[135] The court specifically clarified that §44 of the Lanham Act implements Article 10bis of the Paris Convention.[136] Article 10bis requires member countries "to assure to nationals of [other member countries] effective protection against unfair competition." The Ninth circuit court clarified that section 44 of the Lanham Act implements Article 10(bis) of the Paris Convention by extending Lanham Act protection to foreign nationals to the extent necessary to satisfy the United States' treaty obligations.[137]

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[133] Grupo Gigante S.A. de C.V. v. Dallo & Co., 391 F.3d 1088, 1091–1092 (2004).

[134] *Grupo Gigante*, 391 F.3d at 1092.

[135] *Grupo Gigante*, 391 F.3d at 1094; *See also* Fuji Photo Film Co., Inc. v. Shinohara Shoji Kabushiki Kaisha, 754 F.2d 591, 599 (1985) (discussing the separation of trademark rights by country); *see generally* Zobel, *supra* note 124 (discussing the circuit confusion on this area of law).

[136] *See* 15 U.S.C. § 1126; See also Paris Convention, *supra* note 4, art. 10(bis).

[137] *Id.*; *Grupo Gigante*, 391 F.3d at 1099.

Grupo was also able to establish that its mark and its store was known (secondary reputation) to residents of the San Diego area.[138] The district court specifically found that there was sufficient secondary meaning for the mark in the San Diego area. Yet, the court ruled that the presence of secondary meaning, which was the court's manner of appreciating the fame of the foreign mark in the United States, alone in an area where the foreign user wishes to assert protection is insufficient to overcome the territoriality doctrine. In addition to secondary meaning, the Ninth circuit required that district courts must be satisfied, by a "preponderance of the evidence, that a *substantial* percentage of consumers in the relevant American market is familiar with the foreign mark."[139] The court defined the term "relevant American market" as the geographic area where the defendant uses the alleged infringing mark. In making this determination, the court required that factors such as the intentional copying of the mark by the defendant, and whether customers of the American firm are likely to think they are patronizing the foreign trademark owner should be considered.[140] The court held that these factors may not necessarily be determinative although it held that they are particularly relevant to bear heavily on the risks of consumer confusion and fraud, which are the reasons for having a famous-mark exception to the territoriality doctrine.[141]

From a global perspective, this decision poses a problem with marks that already enjoy a reputation and identity in foreign jurisdictions some of which may permeate within the United States, although the mark may not be protected in the United States. This is especially true of marks that may be well known within large pockets of different immigrant communities but not generally well-known within the United States. The decision essentially directs foreign mark owners interested in the US market have to carry the burden of registering the mark in the United States.

This decision is unlike in India where in its zeal to recognize foreign marks, courts have repeatedly seemingly narrowed goodwill to what is recognized by the "travelling Indians" and to internet savvy Indians, which is a small class of the population of the country.

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[138] *Grupo Gigante*, 391 F.3d at 1094 n. 23, 24.
[139] *Id*. at 1098.
[140] *Id*.
[141] *Id*.

In reality, the famous marks doctrine has always had a tumultuous recognition in the US. The discussion in the initial part of the paper of the 1959 decision in *Vaudable v. Montmartre, Inc.,* [142] from the state court New York is a case to the point. While the Ninth circuit agreed that famous foreign marks can gain exclusive rights even in territories where it is not in use, it struggled with defining how famous or how well-known the foreign mark must be within the US to get protection. [143]

d) US struggles to create an exception to foreign prior users of well-known marks within the US

Similarly, despite what it preaches to the rest of the world, the United States struggles to compromise on the priority principle to grant recognition to famous foreign marks not used in the territory. For example, in *Barcelona.com, Inc. v. Excelentisimo Ayuntamiento de Barcelona,*[144] the court specifically noted that the United States courts do not entertain actions seeking to enforce trademark rights that exist only under foreign law. Similarly, in *Almacenes Exito S.A. v. El Gallo Meat Market, Inc.,*[145] the court noted that the famous marks doctrine had no place in federal law and that it was up to the Congress to carefully prescribe the bases for federal trademark claims for famous foreign marks. While other cases like *Empresa Cubana del Tabaco v. Culbro Corp.*,[146] opines that federal law embodies principles of famous marks doctrine under or under 43(a),[147] it will not be a stretch to state that the territoriality principle remains fundamental to federal trademark law in the United States and that recognition of a famous foreign marks exception would be well-cemented perhaps only with adequate Congressional action. In gist, the tendency is to provide rights to the local user who uses the mark first within the US. This is more so, if the US user has managed to register the foreign mark first in the US.

[142] Vaudable v. Montmartre, Inc., 20 Misc. 2d 757 (1959).
[143] *Id.*
[144] Barcelona.com, Inc. v. Excelentisimo Ayuntamiento de Barcelona, 330 F.3d 617, 628 (4th Cir. 2003) ("United States courts do not entertain actions seeking to enforce trademark rights that exist only under foreign law").
[145] Almacenes Exito S.A. v. El Gallo Meat Mkt., Inc., 381 F. Supp. 2d 324, 327–328 (S.D.N.Y. 2005).
[146] Empresa Cubana del Tabaco v. Culbro Corp., 399 F.3d 462 (2nd Cir. 2005).
[147] 15 U.S.C. §1125.

Part IV

A Comparative Perspective: India finally wises up, thanks to Prius!

Given how amenable the India courts have been to recognize and protect US marks are considered well-known in India, even when the marks may not qualify as famous within the US, the part highlights how the United States has treated a trademark from India. This case is taken as a specific example because the earlier part demonstrates the significant recognition India has awarded to foreign trademarks, of which the US trademark owners have been the biggest beneficiaries. It is worth recalling that India specifically derogated from the priority and territoriality doctrines to bestow recognition for foreign trademarks.

a) How India treats US marks

In 2007, the second circuit in the United States decided a case that particularly allowed and seemingly even encouraged US citizens to knowingly misappropriate famous foreign trademarks, with a reputation in the United States.[148] The case in question, being, *ITC Limited v. Punchgini*,[149] related to the acquisition of the name Bukhara, which name was internationally used, known and voted one of the world's fifty best restaurants by London-based Restaurant magazine.[150] In that dispute, the plaintiff ITC Limited (ITC) was an Indian corporation, which operated the world famous BUKHARA restaurant since 1977.[151] In 1987, ITC Limited (ITC) obtained a federal U.S. trademark registration for BUKHARA for restaurant services but the New York restaurant closed on December 17, 1991, and on August 28, 1997, ITC cancelled its Chicago franchise. In 1999 the defendants, who had worked either in the New Delhi restaurant or the New York BUKHARA restaurant, formed a company with the goal of opening a restaurant in New York and named it the BUKHARA GRILL. The defendants' restaurant also mimicked the logos, decor, staff uniforms, wood-slab menus, and red-checkered

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[148] ITC v. Punchgini INC., 482 F.3d 135 (2nd Cir. 2007).
[149] *Id.*
[150] *Id.* at 143.
[151] *Id.*

customer bibs of the plaintiff's restaurants.[152] ITC sued the defendants in federal court in New York claiming that defendants' use of a similar mark for a restaurant in New York constituted trademark infringement, unfair competition, and false advertising in violation of federal and state law. On appeal, the Second Circuit in 2007 affirmed the grant of summary judgment to the defendant on ITC's federal and state trademark infringement claims on the grounds that the ITC depended on the "famous marks" doctrine, which the court found was not recognized under current federal trademark law.[153]

The second circuit in considering whether ITC had priority over the mark in the United States, held that "a foreign mark holder generally may not assert priority rights under federal law, even if a United States competitor has knowingly appropriated that mark for his own use."[154] The second circuit, citing Grupo Gigante, emphasized the role of territoriality and limited the protection to foreign mark holders to rights specified in section 44(b).[155] In refusing to recognize the famous mark doctrine, the court held that foreign holders must have registered the mark and use it to be entitled to similar protections. In effect, the second circuit allowed a defendant who knowingly misappropriated a mark that is internationally famous on the ground that the United States "does not recognize the famous marks doctrine."[156]

The next section examines why the United States, of all countries, need to recognize famous foreign trademarks to avoid looking hypocritical.

b) India wises-up to follow US reciprocity

Arguably after tending towards recognizing as famous marks that would not pass the fame threshold within the country where the mark acquired fame—Rainforest Café, being a great example[157]—India finally issued an opinion that considered famous foreign marks in the context of traditional principles of priority and territoriality.

[152] *Id*. at 144.
[153] *Id.*
[154] *Id.* at 156.
[155] *Id.* at 159; *see also* 15 U.S.C. § 1125(c).
[156] *See ITC,* 482 F.3d at 144.
[157] Rainforest Café Inc v. Rainforest Café and Ors., (2001) 91 DLT 508 (India); Rainforest Café Inc v. Rainforest Café and Ors., 2001 (21) PTC 353 (Del).

In the earlier discussion, this paper mentioned the 2004 the Indian Supreme Court's cautionary words involving *Milmet Oftho Industries*,[158] that a foreign corporation should not be permitted to throttle an Indian company, where adoption of a mark by the Indian company is genuine and first in the market. In 2017, the Supreme Court of India considered a case involving an allegation of passing off action initiated by Toyota Jidosha Kabushiki Kaisha ('Toyota'),[159] regarding the mark Prius, which it has been using extensively abroad for its first commercial hybrid car. The court held that Toyota had not established goodwill or reputation of its mark in India as of 2001.[160] Ruling in favor of the defendant, M/s Prius Auto Industries Ltd. ('Prius Auto'), a local Indian company, the court based its decision on the principle of territoriality of trademarks.[161] It is notable that in 1997 and thereafter, Toyota launched the Prius in different global markets although the car was first launched in India only in 2010.[162] Until 2009 Toyota had not filed for registration of the 'PRIUS' mark in India. The defendant, Prius Auto, on the other hand, justified its adoption of the mark PRIUS on the ground that it was the first in India to manufacture add-on chrome plated accessories in India. The defendant had obtained registration of the said mark in the year 2002 and had been continuously using the same since the year 2001. Prius Auto, therefore, contended that Toyota could not claim goodwill in respect of use of the mark PRIUS for cars in India.[163]

Relying on a decision of the U.K. Supreme Court in *Starbucks vs. British Sky Broadcasting*[164] the Supreme Court endorsed the findings that " . . . no trader can complain of passing-off as against him in any territory . . . in which he has no customers, nobody who is

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[158] Milmet Oftho Industries and Ors. Vs. Allergan Inc., (2004) 12 SCC 624 (India).

[159] Toyota Jidosha Kabushiki Kaisha v. M/S Prius Auto Industries Limited, Civil Appeal No. 5375-5377 of 2017 [hereinafter *Toyota Jidosha*].

[160] *Id*.

[161] *See* Katherine Lyon Dayton, *India: Supreme Court Applies Territoriality Principle and Eviscerates Toyota's Prius Victory,* MONDAQ (last updated Apr. 13, 2018), http://www.mondaq.com/india/x/691640/Trademark/Supreme+Court+Applies+Territoriality+Principle+And+Eviscerates+Toyotas+Prius+Victory [https://perma.cc/Y9HE-LZJV] (describing the Supreme Court of Delhi's adoption of the "Territoriality Principle").

[162] *Toyota Jidosha*, at ¶ 5–6.

[163] *Toyota Jidosha*, at ¶¶ 4–10.

[164] *See generally* Starbucks (HK) Ltd and another v. British Sky Broadcasting Group plc and others, [2015] UKSC 31, https://www.supremecourt.uk/cases/uksc-2013-0274.html [https://perma.cc/NH77-VU5L].

in trade relation with him." The Supreme Court of India noted that, "the overwhelming judicial and academic opinion all over the globe seemed to be in favor of the territoriality principle," which requires the court "to determine if there has been any spill-over reputation and goodwill associated with the mark of the claimant."[165] The court added that Toyota's delay in initiating an action against a defendant cannot be allowed to prejudice the defendant, who continuously used the registered mark to market its goods during the inordinately long period of silence maintained by the plaintiff.[166] The decision of the Indian Supreme court also indirectly will ensure prompt introduction of such products within India. [167]

It is important to note that India continues to undergo changes after the Prius decision with reference to this area of law. There is no evidence that ITC decision of the United States was the only reason contributing to this changed thinking in India. But, the ITC decision was widely circulated in India and generally perceived as the US imposing a rule that is does not follow locally on India through the USTR's process.[168] Perhaps, the ITC decision was an influencer—perhaps it was not. Either way, the Indian Supreme Court decision is commendable for carefully weighing traditional trademark principles such as territoriality & priority in the context of protection for famous foreign trademarks.

CONCLUSION

The lesson here is for both India and the United States. As far as the United States is concerned, the bottom line is, the treatment meted out for famous foreign trademarks in the United States does not comport with what the United States expects when foreign marks are adopted by third party prior users in other countries. Considering

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[165] *Toyota Jidosha*, at ¶¶ 28–29 (citing that a Hong Kong company had no trademark protection claim for use of the mark in the UK).

[166] *See* Shamnad Basheer, *Toyota Loses Trademark Battle over Prius at Indian Supreme Court*, SPICYIP (Dec. 15, 2017), https://spicyip.com/2017/12/breaking-news-passing-off-by-prius-reputation-must-be-proved-rules-indian-supreme-court.html [https://perma.cc/SLJ7-QSFT] (describing the Indian Supreme Court's decision to view "IP rights [as] 'territorial' and not 'global'").

[167] *Id.*

[168] *See, e.g.,* Dhananjay Mahapatra, *ITC Loses Bhukara Case in the US*, TIMES OF INDIA (Aug. 3, 2007, 3:03 AM), https://timesofindia.indiatimes.com/business/india-business/ITC-loses-Bukhara-copyright-case-in-US/articleshow/2251999.cms [https://perma.cc/966V-C8HA] (describing the ruling and reactions to it).

that the United States expects other nations to protect famous American trademarks and that the office of the USTR specifically cites countries that refuse to afford reciprocal protection to famous foreign marks, it is imperative that the United States adopts a line of jurisprudence it preaches to other countries. By not recognizing famous foreign marks, American courts actively encourage what in other countries (and if perpetrated by foreigners) would be termed as "unfair business practices" when perpetrated by Americans. In essence, the effect of the decision from the United States is that Americans can steal, misappropriate and use famous foreign marks so long as they manage to register such marks first within the US and continue to use it. But, if the same scenario occurs abroad, the United States decries it and terms it as "unfair trade."

As far as India is concerned, there is no need to recognize every foreign mark as famous just because it is "foreign." There are plenty of marks that are in use within the United States that may not qualify as famous under the Trademarks Dilution statute of the United States. In any case, it is arguable that Indians who travel abroad or use the internet alone as a class represent the Indian market. That said, India's read of these cases has shown a strong trajectory towards weighing in traditional principles of territoriality, use, priority into the framework for recognition of well-known trademarks and that is commendable.

Overall, in a globalized world, where the US has a belligerent trade posture in trade as it does currently, it may not be long before other countries learn extend the exact same treatment to American famous trademarks. In any case, it is clear from the ITC v. Punchgini decision that "an absolute territoriality rule without a famous-mark exception could promote consumer confusion and fraud."[169]

[169] *See* Grupo Gigante S.A. De C.V. v. Dallo & Co., 391 F.3d 1088, 1094 (9th Cir. 2004) (holding that a famous mark exception exists against the territoriality principle).