



The Necessity of Well-Known Mark Protection in Trademark Law: Balancing Recognition and Regulation

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Abstract:

In the globalized economy, where brands transcend borders and exert influence far beyond their country of origin, the protection of well-known trademarks has emerged as a critical concern. These marks, recognized across diverse markets, hold substantial goodwill and consumer trust, which can be easily eroded through misappropriation or dilution. This paper examines the necessity of providing special protection to well-known marks, focusing on their legal definition, justification for protection, and the mechanisms adopted in India and internationally. It further analyzes the potential downsides of overprotection, such as monopolization and suppression of market competition. Drawing upon statutory provisions, international treaties like the TRIPS Agreement and the Paris Convention, and landmark judicial decisions, the paper argues for a balanced, criteria-based framework for protecting well-known trademarks—one that upholds their reputation without undermining market fairness and innovation.

Keywords: Well-Known Trademark, Trade Marks Act, Brand Protection, TRIPS Agreement, Paris Convention, Consumer Confusion, Dilution, Intellectual Property Rights

1. Introduction

Trademarks serve as the cornerstone of brand identity, functioning as a source identifier and guaranteeing the origin and quality of goods and services. In today's global market, certain trademarks acquire a level of recognition that surpasses geographical and jurisdictional boundaries. These are referred to as *well-known marks*—symbols that command significant public trust and commercial goodwill across countries.

The global reach of advertising, internet penetration, and the growing mobility of consumers have elevated the importance of protecting such marks from infringement and dilution. Notably, the abuse of well-known trademarks can mislead consumers, dilute the distinctiveness of the brand, and unjustly exploit the reputation earned by trademark owners. Consequently, both international legal frameworks and domestic legislation have recognized the need to offer enhanced protection to these marks, even in jurisdictions where they may not be registered.

The objective of this paper is to analyze the legal and practical necessity for protecting well-known trademarks in India, evaluate the consequences of such protection, and suggest a balanced regulatory

approach. In doing so, it draws upon statutory law, international obligations, and judicial precedents, particularly focusing on Indian jurisprudence and its alignment with global standards.

2. Definitions and Legal Framework

Trademark and Well-Known Mark under Indian Law

Under Section 2(1)(zb) of the Trade Marks Act, 1999, a trademark refers to a mark that can be represented graphically and is capable of distinguishing the goods or services of one person from those of others. It includes shapes, packaging, and combinations of colors.

According to Section 2(1)(zg) of the Trade Marks Act, 1999, a well-known trademark is one that has gained such widespread recognition among a substantial portion of the public who use those goods or avail those services, that if the same mark is used in connection with other goods or services, it is likely to be perceived by the public as indicating a commercial association or connection in the course of trade between those goods or services and the person who uses the mark for the originally associated goods or services¹

This statutory recognition enables the Registrar of Trademarks to declare a mark as well-known under **Section 11(6)**, taking into account factors like the extent of knowledge or recognition, duration and extent of use, geographical area, and enforcement history.

International Framework: Paris Convention and TRIPS

The protection of well-known marks is also rooted in international law:

1. **Article 6bis of the Paris Convention** for the Protection of Industrial Property (1883) mandates that member states must either refuse registration, cancel an existing registration, or prohibit the use of a trademark that is a reproduction, imitation, or translation of a well-known mark, even if that well-known mark is not registered in the country where protection is sought.²
2. **Article 16(2) and 16(3) of the TRIPS Agreement** builds on the Paris Convention by mandating protection for well-known trademarks, even for dissimilar goods and services, if the use indicates a connection and may damage the interest of the trademark owner.³

These instruments compel member nations, including India, to frame legal mechanisms that prevent the unauthorized use of marks with widespread reputation.

3. Necessity of Protection for Well-Known Marks

Well-known marks often gain global reputation through advertising and media, even without operating in a particular jurisdiction. Courts in India have protected such marks by recognizing transborder reputation. In the case of *Whirlpool Co. v. N.R. Dongre*, the Supreme Court of India granted an injunction against the local use of the mark “Whirlpool,” recognizing its international reputation and extensive global advertising. This protection was extended even though the trademark was not registered in India at the time.

¹ Section 2(1)(zg), Trade Marks Act, 1999.

² Paris Convention for the Protection of Industrial Property, 1883, Art. 6bis.

³ TRIPS Agreement, 1995, Art. 16(2) and 16(3).

Similarly, in *Milmet Oftho v. Allergan Inc.*,⁴ protection was granted based on international medical journal references. These cases affirm that globalization necessitates legal recognition of reputation beyond borders.

The main goal of trademark law is to prevent consumer deception and ensure clarity of origin. Unauthorized use of a well-known mark creates a false link, undermining the original brand's uniqueness. In *Daimler Benz AG v. Hybo Hindustan*,⁵ the Delhi High Court stopped the use of “Benz” on garments, finding it exploitative and confusing for consumers. Courts have protected famous marks across unrelated sectors to prevent dilution, in line with TRIPS Article 16(3),⁶ which obligates such protection when unauthorized use affects consumer perception or brand value.

Well-known marks reflect years of investment in advertising, product development, and quality maintenance. These brands accumulate goodwill, which if misused by others, amounts to unjust enrichment. Protection incentivizes businesses to build strong brand identities and assures return on investment. It also helps consumers identify consistent quality. Without protection, local parties could exploit foreign brands, eroding the original owner's market presence. By legally safeguarding well-known marks, jurisdictions attract global investment and enhance the credibility of their IP enforcement systems.

India's obligations under the TRIPS Agreement require it to offer legal safeguards for well-known trademarks. Accordingly, the Trade Marks Act includes Section 11(2) to prohibit the registration of marks identical or similar to well-known marks, even for dissimilar goods. Section 11(6) lays down criteria for recognition, such as the extent of advertisement, consumer knowledge, and enforcement history. Compliance with TRIPS aligns Indian IP law with global standards and builds investor confidence in India's legal framework.

4. Downsides of Well-Known Mark Protection

Although protective measures are necessary, overextending the protection granted to well-known trademarks can potentially result in monopolistic behavior and unfair market dominance. Granting exclusive rights over commonly used words or symbols, especially for unrelated goods, limits market access for smaller businesses. For example, protecting “Apple” in the electronics sector is justified, but extending it to unrelated categories could hinder genuine usage. Critics argue this discourages innovation and unfairly advantages established multinationals.

Protection of well-known marks can block Indian entrepreneurs from using certain marks even if they were unaware of the foreign brand. The assumption of global recognition may not reflect actual consumer knowledge in remote regions. This imposes a burden on small businesses to conduct global

⁴ *Milmet Oftho Industries v. Allergan Inc.*, (2004) 12 SCC 624.

⁵ *Daimler Benz AG v. Hybo Hindustan*, AIR 1994 Delhi 239.

⁶ TRIPS Agreement, 1995, Art. 16(3).

trademark searches, increasing legal and startup costs. Courts must therefore balance public interest with brand owner's rights to prevent unjust exclusions.

The declaration of a mark as “well-known” involves subjective judicial or administrative discretion. Criteria under Section 11(6) are broad, leaving room for inconsistent interpretation. Sometimes, courts rely on limited evidence like social media visibility or international fame without considering domestic consumer recognition. This lack of standardization increases legal uncertainty and may result in overbroad protection.

Exceptions and Limitations

Section 12 of the Trade Marks Act permits honest concurrent use, protecting prior adopters who acted in good faith. If a small business used a mark before it became well-known in India, they may be allowed to continue under judicial discretion. In *N.R. Dongre*⁷, the court acknowledged this principle but gave precedence to transborder reputation due to clear global visibility of the mark.

India follows a hybrid approach balancing territoriality and global reputation. In *Toyota v. Prius*⁸, the Supreme Court ruled that the reputation of “Prius” must be proven in India at the time of alleged infringement. The Court rejected foreign fame as sufficient in isolation, emphasizing the need for actual domestic recognition, thus checking excessive extraterritorial enforcement.

5. Conclusion

The protection of well-known trademarks is a critical component of modern trademark law, especially in an era of global branding and transnational commerce. By preventing consumer confusion and brand dilution, this legal recognition safeguards the goodwill that businesses build over time through investment, advertising, and consistent quality. Indian courts have progressively embraced the concept of transborder reputation, aligning domestic law with international obligations under the TRIPS Agreement and the Paris Convention. Cases such as *Whirlpool*, *Milmet*, and *Daimler Benz* illustrate the judiciary’s willingness to protect reputation, even in the absence of registration or direct commercial presence, thereby reinforcing the economic value of well-known marks.

However, unchecked protection may lead to monopolistic control, legal ambiguity, and barriers for genuine market entrants. Courts should exercise caution while applying the criteria for recognizing a mark as “well-known,” ensuring that such designation is grounded in concrete evidence and tailored to the specific context of each case.

Provisions for honest concurrent use and territoriality, as seen in *Toyota v. Prius*, act as necessary safeguards against overreach. A balanced approach—protecting well-known marks while allowing fair

⁷ N.R. Dongre v. Whirlpool Co., 1996 PTC (16) SC 583.

⁸ Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries Ltd., (2018) 2 SCC 1.

competition and accommodating prior good faith use—will ensure that trademark law remains both equitable and efficient in a rapidly evolving global economy.

References

1. Section 2(1)(zg), Trade Marks Act, 1999.
2. Paris Convention for the Protection of Industrial Property, 1883, Art. 6bis.
3. TRIPS Agreement, 1995, Art. 16(2) and 16(3).
4. Milmet Oftho Industries v. Allergan Inc., (2004) 12 SCC 624.
5. Daimler Benz AG v. Hybo Hindustan, AIR 1994 Delhi 239.
6. TRIPS Agreement, 1995, Art. 16(3).