



## **IMPACT OF WELL-KNOWN TRADEMARK AND ITS EXCEPTIONS FOR USAGE**

Prathiksha PR<sup>1</sup><sup>1</sup> PRESIDENCY UNIVERSITY, Tiruchirappalli, India

### **Article Info**

#### **Article History:**

Published: 20 Nov 2025

#### **Publication Issue:**

Volume 2, Issue 11  
November-2025

#### **Page Number:**

351-358

#### **Corresponding Author:**

Prathiksha PR

### ***Abstract:***

The concept of a "well-known trademark" has gained global significance with the expansion of international trade and cross-border commerce. Recognized for their exceptional reputation and commercial influence, well-known trademarks receive protection even without registration in every jurisdiction. However, this special protection is not without limits. Legal systems provide certain exceptions where third-party use of such marks may not constitute infringement. This paper explores the jurisprudential development of well-known trademarks, the legal framework governing them, and the exceptions to their use under various national and international legal systems. The analysis is supported by key case laws that illuminate both protective mechanisms and permissible uses. The paper concludes by discussing the delicate balance between protection of intellectual property rights and the principles of fair use and competition.

**Keywords:** Well-known trade work, international trade, Cross border, Trademark protection, Reputation and goodwill, Unregistered mark protection, Legal framework, Exceptions to use

## **1. Introduction**

The globalization of commerce has necessitated the creation of legal safeguards to protect brands with substantial international reputation, referred to as "well-known trademarks." These trademarks are distinct from ordinary trademarks due to their widespread recognition among the public and their influence on consumer decisions.

A well-known trademark, by definition, commands a certain degree of familiarity with the public, regardless of whether it has been registered in a particular country. Because of this recognition, international instruments such as the **Paris Convention for the Protection of Industrial Property, 1883** and the **Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), 1994**, have stipulated additional safeguards for such marks.

Nonetheless, these protections are not absolute. Various jurisdictions recognize that the use of a well-known trademark in certain contexts does not amount to infringement. For example, non-commercial use, comparative advertising, and parody may fall within exceptions to use. This paper explores these exceptions through a comparative and analytical lens.

## 2. CONCEPT OF WELL-KNOWN TRADEMARKS

### Definition and Legal Basis

A well-known trademark is a mark that is recognized by the relevant sector of the public, including actual and potential customers, distributors, and business circles. According to **Article 6bis of the Paris Convention**, countries must refuse or cancel the registration and prohibit the use of a mark that constitutes a reproduction, imitation, or translation of a well-known trademark.

The **TRIPS Agreement**, under **Article 16(2)** and **16(3)**, extends protection to dissimilar goods or services if the use of the mark indicates a connection and damages the interests of the owner.

### Criteria for Determining Well-Known Status

As per **WIPO's Joint Recommendation (1999)**, the following factors are considered in determining whether a trademark is well-known:

- Degree of knowledge or recognition in the relevant sector.
- Duration and extent of use.
- Duration and extent of promotion.
- Registration or applications in multiple jurisdictions.
- Record of successful enforcement actions.

## 3. LEGAL FRAMEWORKS ACROSS JURISDICTIONS

### India

Section 2(1)(zg) of the **Trademarks Act, 1999** defines a well-known trademark as a mark that has become so to a substantial segment of the public. Section 11(2) grants protection even to unregistered well-known marks.

### United States

The **Lanham Act**, particularly Section 43(c), provides protection for famous marks against dilution by blurring or tarnishment, even without likelihood of confusion.

### European Union

Under **Directive (EU) 2015/2436**, well-known marks enjoy broader protection, including across unrelated goods and services, particularly when use would take unfair advantage of or be detrimental to the distinctive character of the mark.

## RATIONALE FOR SPECIAL PROTECTION

The rationale includes:

- **Preventing Consumer Confusion:** Ensures consumers are not misled into associating products or services with a reputed brand.
- **Preserving Brand Equity:** Recognizes the investments and goodwill built over years.
- **Avoiding Dilution:** Prevents the weakening of a brand's distinctiveness through unauthorized use.

#### 4. EXCEPTIONS TO THE USE OF WELL-KNOWN TRADEMARKS

Despite robust protection, the law carves out exceptions where use may not constitute infringement.

##### Descriptive Use

Using a well-known trademark in its literal or descriptive sense does not amount to infringement. **Descriptive use** is a statutory and judicially recognized defense to trademark infringement. It permits the use of a trademarked term in its ordinary, dictionary meaning to describe a product, service, or characteristic, rather than to identify its source. This doctrine stems from the principle that no party should have exclusive rights over common or descriptive terms necessary for others to describe their own goods or services truthfully.

##### Legal Basis and Rationale

The rationale behind descriptive use is rooted in the need to protect **freedom of commercial speech** and ensure that language remains available for all traders. This is particularly important in competitive markets where vendors must describe their goods' quality, quantity, origin, or purpose. Granting monopolistic rights over such language would create an unfair advantage and hinder market communication.

Descriptive use is codified in several jurisdictions:

- **India:** Section 30(2)(a) of the **Trademarks Act, 1999** allows use of a registered trademark to indicate kind, quality, quantity, intended purpose, value, geographical origin, or other characteristics of goods or services.
- **United States:** Under the **Lanham Act**, courts recognize a common law defense of "fair descriptive use" if the term is used **(a)** in good faith, **(b)** to describe goods/services, and **(c)** not as a trademark or source identifier.
- **European Union:** Article 14(1)(b) of **Directive (EU) 2015/2436** allows use of a mark to indicate characteristics of a good or service, provided it is honest.

#### KEY ELEMENTS OF DESCRIPTIVE USE

1. **Use in Good Faith:** The use should be honest and without intent to trade off the goodwill associated with the trademark.

2. **Use to Describe Characteristics:** The term must be used for its dictionary meaning, such as "apple" to describe flavor rather than the brand Apple Inc.
3. **No Use as a Source Identifier:** The mark should not be used in a manner that suggests endorsement or origin from the trademark holder.

#### **Case law:**

##### **KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111 (2004)**

In this landmark U.S. Supreme Court case, the dispute involved the use of the term "microcolor" to describe a line of permanent makeup products. The defendant used the term in its descriptive sense, while the plaintiff claimed trademark infringement.

**Held:** The Court ruled that fair use does not require the defendant to prove **absence of consumer confusion**. Even if some confusion exists, descriptive use in good faith is not an infringement.

**Significance:** The case firmly established that a trademark holder cannot prevent others from using descriptive words in good faith, even if that causes some degree of consumer confusion. The decision underscores that trademark rights cannot overreach to the extent of eliminating the use of ordinary language in commerce.

#### **Example Scenarios of Descriptive Use**

1. A bakery using the term "sweet" in advertising to describe the taste of a product even if "Sweet" is a registered trademark.
2. A travel agency using "fast track" to describe a type of service despite it being a registered mark in another context.
3. A juice company describing its product as "apple-flavored" not infringing on Apple Inc.'s well-known trademark.

#### **Limitations and Challenges**

While the defense is broad, courts are cautious to ensure it is not used as a pretext for unfair competition. The following do not qualify as descriptive use:

- Use with a stylized logo or font that mimics the well-known brand.
- Prominent use on packaging suggesting affiliation.
- Use beyond necessity, such as repeated or exaggerated display of the mark.

#### **Indian Perspective: Marico Ltd. v. Agrotech Foods Ltd.<sup>1</sup>**

---

<sup>1</sup> Indian Perspective: Marico Ltd. v. Agrotech Foods Ltd. (2020 SCC OnLine Del 992)

In this case, the Delhi High Court held that the use of the term “Lo-sorb” (a trademark of Marico) by a rival was not infringing because it was used in a **descriptive manner** to indicate low oil absorption. The court emphasized that merely using a mark descriptively, without any deceit or confusion, does not constitute infringement.

**Key Takeaway:** Indian courts adopt a pragmatic approach, weighing the necessity and good faith of the descriptive use over theoretical infringement claims.

Descriptive use remains a cornerstone exception to trademark protection especially for well-known marks. It ensures that trademark law does not create linguistic monopolies that stifle communication and competition. The jurisprudence consistently supports that, provided the usage is in good faith and limited to necessary description, it cannot be prohibited solely due to incidental confusion. This balance sustains both brand protection and fair marketplace practices.

#### **Case Law:**

**KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.,<sup>2</sup>**

The U.S. Supreme Court held that the fair use doctrine allows use of descriptive terms even if such use causes some consumer confusion, provided it is done in good faith.

#### **Nominative Fair Use**

Use of the mark to refer to the trademarked goods themselves, often for commentary or comparison.

#### **Case Law:**

**New Kids on the Block v. News America Publishing, Inc.,<sup>3</sup>**

The court laid out the nominative fair use test: (1) the product is not readily identifiable without use of the mark, (2) only so much is used as is necessary, and (3) nothing suggests sponsorship or endorsement.

#### **Comparative Advertising**

Permits businesses to use a competitor’s trademark to compare products, provided the claims are truthful and not misleading.

#### **Case Law:**

**Reckitt & Colman of India Ltd. v. Kiwi T.T.K. Ltd.,<sup>4</sup>**

The Delhi High Court held that comparative advertising is permissible so long as it does not disparage the competitor’s product.

#### **Parody and Satire**

Some jurisdictions allow trademark use for parody purposes under the right to freedom of expression. **Parody** is a unique exception in trademark law that allows the use of well-known marks in a humorous or satirical way, usually for commentary, criticism, or artistic expression. This defense is particularly

---

<sup>2</sup> **KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.**, 543 U.S. 111 (2004)

<sup>3</sup> **New Kids on the Block v. News America Publishing, Inc.**, 971 F.2d 302 (9th Cir. 1992)

<sup>4</sup> **Reckitt & Colman of India Ltd. v. Kiwi T.T.K. Ltd.**, 1996 PTC (16) 393 (Del)

prominent in jurisdictions that value freedom of speech, such as the United States, and is increasingly recognized in others under the fair use doctrine.

Parody is based on the principle that humorous or critical expression even if it references a trademark does not necessarily infringe upon the trademark owner's rights, especially if there is no confusion as to the source or endorsement.

### Legal Basis and Considerations

Parody is not explicitly codified in many trademark statutes but is a judicially recognized form of **fair use**, particularly in cases where:

- The parody **does not cause confusion** about the origin or sponsorship of the product.
- The parody **does not dilute** the distinctiveness of the famous mark.
- The parody is **non-commercial** or **expressive in nature** (e.g., satire, art, or political commentary).

However, the **threshold is high**: if the parody becomes commercial or leads to actual dilution or tarnishment of the mark, the defense may fail.

### **Chewy Vuiton Case: Louis Vuitton Malletier S.A. v. Haute Diggity Dog<sup>5</sup>**

#### **Facts:**

Haute Diggity Dog, a company specializing in pet toys, sold dog chew toys under the brand name "Chewy Vuiton," mimicking the famous **Louis Vuitton** logo, packaging, and even the monogram pattern. Louis Vuitton sued for trademark infringement, dilution, and unfair competition, arguing that the dog toys created confusion and tarnished its luxury brand.

#### **Legal Issue:**

Did the parody use of Louis Vuitton's mark in a dog toy which was clearly a joke constitute trademark infringement or dilution?

#### **Court's Decision:**

The **Fourth Circuit Court of Appeals** ruled in favor of Haute Diggity Dog. The court held that the "**Chewy Vuiton**" name was an obvious parody a humorous take that poked fun at luxury branding and was not likely to confuse consumers about the source or sponsorship of the product.

---

<sup>5</sup> **Chewy Vuiton Case: Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC,**

**507 F.3d 252 (4th Cir. 2007)**

### **Case Law:**

#### **Mattel Inc. v. Walking Mountain Productions, 353 F.3d 792 (9th Cir. 2003)**

Use of the Barbie doll for satirical photographic art was held to be a non-infringing parody.

### **Use by Prior Users**

A person who has been continuously using the mark in good faith before it became well-known may be allowed to continue such use.

### **CaseLaw:**

#### **N.R. Dongre v. Whirlpool Corp.,<sup>6</sup>**

Though Whirlpool was a well-known mark, the Indian Supreme Court stressed the importance of prior use in good faith.

### **Use in Educational and News Contexts**

The use of well-known marks in journalism, academic materials, and news reporting is generally permissible under the fair use principle.

### **5. Case Law Analysis: A Comparative Overview**

#### **India: Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries Ltd.,<sup>7</sup>**

In this case, Toyota sought protection for the trademark "PRIUS," claiming international repute. The Supreme Court held that mere global reputation was not sufficient; actual knowledge and goodwill in India at the relevant time must be proved.

**Significance:** This case underscores that the "trans-border reputation" must be present among the relevant Indian public to qualify as a well-known mark.

#### **UK: Arsenal Football Club v. Reed<sup>8</sup>**

Reed sold scarves and memorabilia bearing the "Arsenal" name. The court held that such use created a likelihood of confusion and infringed Arsenal's trademark.

**Significance:** Reinforced the idea that use beyond simple fan appreciation (i.e., commercial use) must respect trademark rights.

#### **USA : Moseley v. V Secret Catalogue, Inc.,<sup>9</sup>**

Victoria's Secret claimed dilution of its brand by a store named "Victor's Little Secret." The court held that actual dilution must be shown, not just likelihood.

---

<sup>6</sup> N.R. Dongre v. Whirlpool Corp., 1996 PTC (16) 583 (SC)

<sup>7</sup> Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries Ltd., (2018) 2 SCC 1

<sup>8</sup> Arsenal Football Club v. Reed [2003] EWCA Civ 696

<sup>9</sup> Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003)

**Significance:** Later reversed by Congress in the Trademark Dilution Revision Act (2006) to allow "likelihood of dilution" standard.

## 5. CONCLUSION

Well-known trademarks are central to modern brand strategy and consumer recognition, warranting heightened legal protection. The legal framework governing these marks, shaped by both international treaties and domestic statutes, affirms their exceptional value. However, such protection must be balanced against the broader goals of free expression, fair competition, and honest commercial practices.

Exceptions like descriptive use, nominative fair use, parody, comparative advertising, and prior good faith use ensure that trademark law does not become a tool for anti-competitive behavior. Courts across jurisdictions have played a critical role in shaping the boundaries of these exceptions, emphasizing both the importance of reputation and the need for equitable enforcement.

Going forward, a harmonized and context-sensitive approach is needed to balance brand protection with public interest. While the doctrine of well-known trademarks will continue to evolve, its limitations through well-structured exceptions will remain vital to sustaining a fair and competitive marketplace.

## References

1. Indian Perspective: Marico Ltd. v. Agrotech Foods Ltd. (2020 SCC OnLine Del 992)
2. KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111 (2004)
3. New Kids on the Block v. News America Publishing, Inc., 971 F.2d 302 (9th Cir. 1992)
4. Reckitt & Colman of India Ltd. v. Kiwi T.T.K. Ltd., 1996 PTC (16) 393 (Del)