

WIPO



SCT/1/3

ORIGINAL: English

DATE: May 14, 1998

WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

STANDING COMMITTEE ON THE LAW OF TRADEMARKS, INDUSTRIAL DESIGNS AND GEOGRAPHICAL INDICATIONS

First Session
Geneva, July 13 to 17, 1998

PROTECTION OF WELL-KNOWN MARKS

prepared by the International Bureau

INTRODUCTION

1. The present document contains draft provisions dealing with the protection of well-known marks, and accompanying notes. Previous drafts of the provisions have been considered by the WIPO Committee of Experts on Well-Known Marks (hereinafter referred to as the “Committee of Experts”), which has so far met in three sessions, from November 13 to 16, 1995 (see documents WKM/CE/I/2 and 3), from October 28 to 31, 1996 (see documents WKM/CE/II/2 and 3) and from October 20 to 23, 1997 (see documents WKM/CE/III/2 and 3). In preparing the revised draft provisions, account has been taken of the discussions which took place at the third session of the Committee of Experts. Differences between the text of the draft provisions submitted to the third session of the Committee of Experts and the text of the draft provisions contained in the present document have been highlighted as follows: (i) words which did not appear in document WKM/CE/III/2 but appear in the present document are underlined, and (ii) the omission of words which appeared in document WKM/CE/III/2 from the present document is indicated by the sign . Changes in the Notes are not marked.

2. It is recalled that the question of the form in which the draft provisions could be adopted, for example as a recommendation of the WIPO General Assembly or the Assembly of the Paris Union for the Protection of Industrial Property, or in the form of a Protocol to the Trademark Law Treaty, will have to be decided by the Standing Committee itself. The present document uses the term “draft provisions” on the understanding that, once this decision is made, the draft provisions will have to be amended accordingly.

List of Provisions on Well-Known Marks

	Page
<i>Article 1: Definitions</i>	
5	
<i>Article 2: Conditions of Protection</i>	9
<i>Article 3: Criteria for Determining Whether a Mark is Well Known</i>	15
<i><u>Article 4: Protection of Well-Known Marks Against Conflicting Marks</u></i>	19
<i><u>Article 5: Protection of Well-Known Marks Against Conflicting Business Identifiers</u></i>	27
<i><u>Article 6: Protection of Well-Known Marks Against Conflicting Domain Names</u></i>	33

Notes on Article 1

1.1 *Item (i)*. This item and the provisions as a whole will have to be redrafted once it is known whether the provisions take the form of a binding international instrument, or of a recommendation of the WIPO General Assembly or the Assembly of the Paris Union.

1.2 *Item (ii)*. The reference to business identifiers contained in Article 1(ii) of the third draft of the provisions has been deleted. Protection of well-known marks against conflicting marks is now dealt with separately from protection of well-known marks against conflicting business identifiers. Because of the broad scope of the term “business identifier” (see item (iv)) and the variety of existing national concepts concerning the registration of business identifiers, a definition of an authority which is entrusted with the registration of business identifiers is not needed.

1.3 *Item (iii)* has been drafted along the lines of Article 2(vi) of the Treaty on Intellectual Property in Respect of Integrated Circuits, adopted at Washington on May 26, 1989.

1.4 *Item (iv)*. Business identifiers are signs which identify businesses as such, and not the products or services offered by the business, the latter feature constituting a pure trademark function. Some confusion as regards the functions of marks and business identifiers stems from the fact that, sometimes, the name of a company, i.e., its business identifier, is identical with one of the company’s trademarks (for example the Coca Cola Company and its trademark Coca Cola™).

1.5 Contrary to what has been suggested during the third session of the Committee of Experts, “trade dress” is not included in the definition of business identifier. “Trade dress” as a legal term is used in the United States of America. Under the law of that country, trade dress is referred to as the “overall impression of a product, package and advertising.”¹ In the United States of America, distinctive trade dress is protected under the law of unfair competition. This form of protection is seen to be wider in scope than trademark protection, which is limited to the sign that constitutes the trademark. Outside the United States of America, trade dress is often referred to as “get up.” Whether trade dress is protected under the law of unfair competition or under trademark law depends on the applicable legal concepts of a given country and, as far as trademark protection is concerned, on the definition of a trademark. Trademark protection and trade dress protection under unfair competition may be overlapping, especially if the applicable trademark law allows the protection of three-dimensional signs or combinations of colors as trademarks. It is not the purpose of the draft provisions to categorize trade dress as falling under the definition of trademarks, business identifier, or any other category of intellectual property right. If a given trade dress

¹ *McCarthy on Trademarks and Unfair Competition*, §8.01[1]; F. Mostert has defined trade dress as “the overall visual appearance of a product which may comprise either the configuration and shape of the product itself or the packaging in which the product is housed,” *Trademark World*, March 1997, page 20.

Article 1

Definitions

For the purposes of these Provisions:

(i) “Party” means a State, or an intergovernmental organization which maintains an Office in which marks may be registered with effect in the territory of that organization;

(ii) “Office” means any agency entrusted by a Party with the registration of marks _;

(iii) “territory” means, in the case of a State, the territory of that State, and in the case of an intergovernmental organization, the territory in which the constituting treaty of that intergovernmental organization applies;

(iv) “business identifier” means any sign intended to identify a business, such as _ a trade name, _ business symbol, emblem or logo;

[Notes on Article 1(iv), continued]

is considered to constitute a mark, a conflict between that trade dress and a well-known mark will be considered as a conflict with a mark and Article 4 of the draft provisions would apply. Where a trade dress is seen as a business identifier, a conflict between that trade dress and the well-known mark would be governed by Article 5. However, if it is felt that the protection of well-known trade dress should be discussed, the International Bureau could study the issue and make a corresponding proposal to the Standing Committee.

1.6 *Item (v)*. Internet domain names can be described as user-friendly substitutes for Internet addresses. An Internet address (also referred to as “Internet Protocol address” or “IP address”) is a numeric code which enables identification of a given computer connected to the Internet. The domain name is a mnemonic substitute for an IP address which, if typed into the computer, is automatically converted into the numeric IP address. An example of a domain name is the domain name for the WIPO home page: “wipo.int” (for more information on domain names, see WIPO document TDN/CM/I/2, paragraphs 3 to 15). As regards conflicts between well-known marks and domain names, a new article is proposed which deals with that matter (see Article 6 and corresponding notes).

[Article 1, continued]

(v) “domain name” means an alphanumeric string that corresponds to a numerical address on the Internet.

Notes on Article 2

2.1 *Paragraph (1)* prevents Parties from requiring either use or registration of an alleged well-known mark within their territory as a condition for the protection to be granted in accordance with Articles 4 to 6 because the mere fact that the mark is well known is sufficient for its protection. In view of the support which the majority of delegations and representatives of observer organizations gave to this provision at the third session of the Committee of Experts, it was maintained despite the opposition of a number of delegations as regards protection with respect to dissimilar goods and/or services. It should be noted that this provision would effectively enhance international protection for well-known marks, because it exceeds the minimum level of protection required for well-known marks contained in the Paris Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). In this context, it is recalled that the proposed protection would not be applicable to all marks, but only to those which are considered, by the competent authorities, to be well known. If the owner of a mark was successful in showing that the mark is actually well known, there does not seem to be a significant reason to deny protection for that well-known mark with respect to dissimilar goods and/or services merely because it was not registered.

2.2 *Paragraph (2)* has been redrafted in accordance with the result of the discussions that took place during the third session of the Committee of Experts. However, the substance of the paragraph has not changed and can be summarized as follows: In order to confer on a mark protection as a well-known mark, it is sufficient that the mark is well known by persons *within the territory in which it is to be protected*. This standard is a maximum requirement, and Parties are free to afford protection to marks that are, for example, well known only outside the territory in which protection is sought. Furthermore, it is sufficient that the mark is well known *by the relevant sector of the public*. Parties are not allowed to apply a more stringent test such as, for example, that the mark be well known by the public at large. However, it goes without saying that Parties are free to adopt a lower threshold for determining whether a mark is well known, for example, knowledge of the mark by the relevant business circles. The idea that a mark has to be considered well known and, thus, be protected as such, if it is well known in the relevant sector of the public, is the purpose of an improved international protection of well-known marks. Experience has shown that it may be difficult to prove that a given mark is well known by the public at large. The reason for this is that marks are often used in relation to goods or services which are directed to certain sectors of the public such as, for example, customers belonging to a certain group of income, age or sex. An extensive definition of the sector of the public which should have knowledge of the mark would not further the purpose of international protection of well-known marks, i.e., to prohibit use or registration of such marks by unauthorized parties with the intention of either passing off as the real owner of the mark or transferring the right for a ransom. On the other hand, the relevant sector of the public in certain cases might be the public at large, for example, as regards certain types of consumer goods.

Article 2

Conditions of Protection

(1) [*Protection Without Registration or Use*] For the purposes of determining whether a mark is to be protected as a well-known mark, registration or use of the mark in, or in respect of, the territory in which it is to be protected as a well-known mark may not be required.

(2) [*Territory in Which and Persons by Whom the Mark Is to Be Well Known*] For the purposes of determining whether a mark is to be protected as a well-known mark, _ it may not be required that the mark be well known in any territory other than the territory in which it is to be protected as a well-known mark, _ or that it be well known by the public at large _; it shall suffice that the mark be well known _ by the relevant sector of the public in _ the territory in which it is to be protected as a well-known mark _.

[Notes on Article 2(2), continued]

2.3 As regards the compatibility of paragraph (2) with Article 16.2, second sentence, of the TRIPS Agreement, it should first be noted that the latter reads as follows: “*In determining whether a trademark is well known* [emphasis added], 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.” In other words, the question of whether a mark is well known has to be evaluated, not with respect to the public at large, but with respect to the specific and limited sector concerned with the goods or services in question.

2.4 It does not appear that the purpose of the said Article is to abandon the requirement that the trademark be well known, and to consider mere “knowledge” of the mark in the relevant sector of the public to be sufficient for protection. If such were the case, it would mean that a new concept, different from the concept of well-known mark in Article 6*bis* of the Paris Convention, is introduced, and it would be difficult to understand why the second sentence of Article 16.2 of the TRIPS Agreement starts using the words “well known,” if “mere knowledge” is sufficient. That would also lead to a contradiction with the French text which refers to “la notoriété” of the trademark in the relevant sector of the public, since “notoriété” precisely means “the fact of being well known.” The same remark applies with respect to the Spanish text.

2.5 *Paragraph (3)*. In accordance with paragraph (2), it is sufficient that the knowledge of the mark in the relevant sector of the public in the territory concerned be taken into account for determining whether a mark is to be protected as a well-known mark. Therefore, the determination of what constitutes the relevant sector of the public in relation to a given mark is of utmost importance. Whether a certain part of the public is relevant in respect of a mark has to be decided on a case by case basis. In accordance with the approach proposed for the determination whether a mark is well known by the relevant sector of the public, three criteria are proposed.

2.6 *Item (i)*. Contrary to what has been suggested during the third session of the Committee of Experts, the expression “consumer” has been retained in this item. It is to be understood in the wide sense of the term, and should not be restricted to those persons who actually and physically consume the product. In that respect, reference can be made to the term “consumer protection” which covers all parts of the consuming public.

2.7 Because the nature of the goods or services to which a mark is applied can vary considerably, potential consumers can be different in each case. Groups of potential consumers may be identified with the help of parameters such as the target group for the goods and services in relation to which the mark is used or the group of actual purchasers. It follows that, for example, in order to establish the relevant sector of the public in relation to a mark which is used for golf clubs, potential customers of such clubs, i.e., golf players, should be taken into account rather than, for example, all potential buyers of sport equipment.

[Article 2, continued]

(3) [*Relevant Sector of the Public*] For the purposes of _ paragraph (2), the relevant sector of the public shall be determined with regard to the following:

(i) the potential consumers of the goods and/or services to which the mark applies;

[Notes on Article 2(3), continued]

2.8 *Item (ii)*. Depending on the nature of the goods and services, the channels of distribution may differ considerably. Certain goods are sold in supermarkets and are easily obtainable for consumers. However, there are different ways of marketing, such as distribution through accredited dealers or through sales agents direct to a consumer's business or home. This means, for example, that a survey among consumers who exclusively shop in supermarkets is not a good indication for establishing the relevant sector of the public in relation to a mark which is used exclusively on goods sold by mail order.

2.9 *Item (iii)*. The business circles which deal with the goods and/or services to which a mark applies can also constitute an important criterion for establishing the sector of the public which must be taken into account in order to determine that the mark is well known. For example, a given mark used for certain products or services in one country may have turned out to be a great commercial success; due to only domestic commercial activities of the enterprise owning it, the mark has not acquired renown by the consuming public abroad; however, the foreign business circles which deal with the relevant goods or services, i.e., potential importers, wholesalers, licensees or franchisees are already aware of the existence of that mark and its commercial success. The business circles concerned are therefore a factor which should be taken into consideration for determining the relevant sector of the public.

[Article 2(3), continued]

(ii) the channels of distribution of _ the goods and/or services to which the mark applies;

(iii) the business circles _ dealing with the goods and/or services to which the mark applies.

Notes on Article 3

3.1 The question as to who should have knowledge of a mark is altogether different from the question as to when such knowledge is sufficient in order to consider a mark to be well known. The former question is dealt with by Article 2(2) and (3). As regards the latter question, Article 3 sets out a number of criteria for determining whether a mark is well known. Those criteria are proposed as a result of the discussions which took place during the third session of the Committee of Experts. They are of an illustrative nature, and Parties are free to apply them selectively or apply other or additional criteria. In that context, it is important to note that the non-fulfillment of any of those criteria should not in itself lead to the conclusion that a given mark is not well known, as is indicated by the words “the following factors *may* be relevant for making such a determination.”

3.2 *Item (i)*. The duration, extent and geographical area of any use of the mark are highly relevant indicators as to the determination whether or not a mark is well known by the relevant sector of the public. In this context, it is recalled that, according to Article 2(1), actual use of a mark in the territory in which it is to be protected as a well-known mark cannot be required. However, use in neighboring territories, in territories in which the same language or languages are spoken, in territories which are covered by the same media (television or printed press) or in territories which have close trade relations may be relevant for establishing the knowledge of a given mark in a given territory. For example, a mark which appears on a German satellite television channel and is well known in Germany is also likely to be well known in (German-speaking) Austria (where the television channel can also be received), whereas a mark appearing in a Danish magazine is less likely to be well known in Venezuela (assuming that the Danish magazine is not distributed in Venezuela).

3.3 The draft provisions do not define the term “use.” On the national or regional level, the question of what constitutes “use” of a mark usually arises in the context of acquisition of trademark rights through use, the invalidation of registrations for non-use, or the acquisition of distinctive character of a mark through use. It is not suggested to harmonize the definition of use within the context of the draft provisions, although this matter could be further pursued if deemed appropriate. However, for the purpose of the draft provisions, the term “use” should cover use of a mark on the Internet.

3.4 *Item (ii)*. Although “promotion of a mark” may well be considered to constitute use, it is proposed as a separate criterion for determining whether a mark is well known. This is mainly done in order to avoid any argument as to whether or not promotion for a mark can be considered to be use of the mark (see note 3.3). In times where an ever increasing number of competing goods and/or services are on the market, knowledge among the public of a given mark, especially as regards new goods and/or services, can be primarily due to the promotion of that mark. Advertising, for example, in print or electronic media (including the Internet), is one form of promotion. Another example of promotion would be the exhibiting of goods and/or services at fairs or exhibitions. Because the visitors of an exhibition may come from different countries even if the access for exhibitors is limited to nationals from one country (for example, in the case of a national fair or exhibition), “promotion” in the sense of item (ii) is not limited to international fairs or exhibitions.

Article 3

Criteria for Determining Whether a Mark is Well Known

For the purposes of determining whether a mark is well known, all circumstances from which it may be inferred that the mark is, or is not, well known may be taken into account. In particular, the following factors may be relevant for making such a determination:

- (i) the duration, extent and geographical area of any use of the mark _ ;

—

(ii) _ the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

—

[Notes on Article 3, continued]

3.5 *Item (iii)*. The number of registrations of a mark obtained worldwide and the duration of those registrations may well be an indicator as to whether such a mark can be considered to be well known. Where the number of registrations obtained worldwide is held relevant, it should not be required that those registrations are in the name of the same person, since in many cases a mark is owned in different countries by different companies belonging to the same group.

3.6 *Item (iv)*. Due to the principle of territoriality, a well-known mark will have to be enforced on a national basis. Evidence of successful enforcement of the right to a well-known mark or of the recognition of a given mark as being well known, for example, in neighboring territories, may well serve as an indicator as to whether a mark is well known in a particular territory. Enforcement is intended to be construed broadly, also covering opposition procedures in which the owner of a well-known mark has prevented the registration of a conflicting mark.

3.7 *Item (v)*. The word “commercial” has been replaced by “financial” in order to make it clear that the criterion is the value of the mark expressed in a sum of money which can be calculated according to various methods.

3.8 Contrary to what is reflected in paragraph 63 of the report on the third session of the Committee of Experts (document WKM/CE/III/3), the “reputation” of a mark is not retained as a criterion. It does not seem to be possible to define the criterion “reputation” in a meaningful way in order to use it for determining whether a mark is well known. Whether a mark has a reputation depends on whether that mark is well known. This is also shown by the very purpose of an action against the dilution of a well-known mark which is, in fact, brought in order to stop the dilution of the reputation of that mark. However, if the fact that a mark has a reputation means that it is well known, the criterion becomes circular.

[Article 3, continued]

(iii) the duration and geographical area of any registrations of _ the mark _ ;

—

(iv) the record of successful enforcement of _ rights in the mark, in particular, the extent to which the mark was recognized as well known by courts or other competent authorities;

—

(v) the financial value associated with the mark _ .

Notes on Article 4

4.1 *General.* The protection of well-known marks against conflicting marks and against conflicting business identifiers are now dealt with separately. The former issue is covered by Article 4, the latter by Article 5.

4.2 *Paragraph (1)* defines the conditions under which a mark is deemed to be in conflict with a well-known mark. The second sentence of *subparagraph (a)* makes it clear that a Party is only under an obligation to protect a well-known mark from the moment that mark is considered to be well known in its territory. This means that a Party is not obliged to protect an “internationally” known mark if that mark is not well known on its territory, or the mark is known albeit not well known. The third sentence was added in order to clarify that rights which were acquired prior to the moment the mark has become well known in the territory of a Party would not be considered to be in conflict with the well-known mark. However, it seems that the requirement of good faith in that context may be ambiguous. Would a mark which was registered or used in bad faith before the well-known mark actually became well known in the territory concerned be in conflict with the well-known mark? What would constitute bad faith in such a situation? Does mere knowledge of the existence of a mark abroad already constitute bad faith? The enhanced protection of well-known marks (protection without registration or use as suggested in the draft provisions) is based on the fact that those marks are well known. The earliest point in time from which Parties are obliged to protect a well-known mark is the moment when the mark can be considered well known. To provide protection for marks which are not well known in cases of bad faith would necessitate a definition of the acts which could constitute bad faith in this situation. Attention is drawn to Article 4(5) and the corresponding note which deal with the question of bad faith in the context of the time limits during which actions may be taken against the registration or use of a mark which is in conflict with a well-known mark.

4.3 *Subparagraph (b)* is applicable in situations where a mark or an essential part thereof, is identical or similar to, or constitutes a translation or a transliteration of, a well-known mark and is liable to create confusion, and the goods and/or services concerned are identical or similar. Where the conditions of that subparagraph are met, the remedies provided for in paragraphs (2) to (5) are applicable.

Article 4

Protection of Well-Known Marks Against Conflicting Marks

(1) [*Conflict with _ Marks*] (a) A well-known mark shall be protected against any mark _ which is in conflict with it. _ A Party shall protect a well-known mark at least with effect from the _ time when the mark has become well known in _ its territory. A Party shall not be required to consider a mark to be in conflict with a well-known mark if that mark was used or registered, or an application for its registration was filed, in its territory [in good faith], before the well-known mark became well known in its territory.

(b) A mark _ shall be deemed to be in conflict with a well-known mark where that mark _ , or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration, liable to create confusion, of the well-known mark, if the mark, or an essential part thereof, is used, or is the subject of an application for registration, or is registered, in respect of goods and/or services which are identical or similar to the goods and/or services to which the well-known mark applies.

[Notes on Article 4(1), continued]

4.4 *Subparagraph (c)* is applicable irrespective of the nature of the goods and/or services to which the conflicting mark applies. However, the remedies provided for in paragraphs (2) to (5) are only available if at least one of the conditions set out in items (i) to (iii) is met. Where protection is to be granted against the registration of, for example, a conflicting mark which has not yet been used, the conditions of items (i) to (iii) have to be applied as if the conflicting mark had been used, as indicated by the words “would” and “is likely to be.”

4.5 *Item (i)*. This item is applicable in cases where use of a mark in relation to goods and/or services to which the well-known mark applies would indicate a connection between the owner of the well-known mark and those goods and/or services and such use would be likely to damage the interest of the owner of the well-known mark. The effect of combining the elements of indication of connection between the owner of the well-known mark and the third party's goods or services and a likelihood of damage, as agreed in the third session of the Committee of Experts (see WKM/CE/III/3, paragraph 81) is that the owner of a well-known mark has to show the likelihood of damage in order to succeed with his claim for protection. A connection between a well-known mark and a third party's goods or services may be indicated, for example, if the impression is created that the owner of the well-known mark is involved in the production of the those goods, or the offering of those services, or that such production or offering was licensed or sponsored by him. The interests of the owner of the well-known mark could be damaged if the goods and/or services with which the connection is established have a down-market image, thereby reflecting negatively on the goodwill of the well-known mark.

4.6 *Item (ii)*. Under this item, a well-known mark is to be protected if the use of a conflicting mark is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark, for example, its unique position on the market. A further example of dilution is where the conflicting mark is used on goods or services which are of an inferior quality or of an immoral or obscene nature. The meaning of the words “in an unfair manner” includes that use of a well-known mark which is not contrary to honest commercial practice (i.e., reference to a well-known mark for review or parody) does not constitute dilution.

4.7 *Item (iii)*. Under this item, a well-known mark is to be protected if the use of a conflicting mark would take unfair advantage of the distinctive character of the well-known mark. This case differs from the cases covered by items (i) and (ii) in that no wrong connection concerning the real source of the goods and/or services is indicated (item (i)), and the value of the well-known mark has not diminished in the eyes of the public (item (ii)), but the use in question would, for example, amount to a free ride on the goodwill of the well-known mark for the person who uses a conflicting mark. The reference to “unfair advantage” in that item is intended to give Parties flexibility in the application of this criterion rather than to create an exhaustive catalogue of cases. However, reference to a well-known mark for commercially justifiable reasons, such as the sale of spare parts, is not unfair and, thus, would be allowed.

[Article 4(1), continued]

(c) Irrespective of the goods and/or services for which a mark is used, is the subject of an application for registration, or is registered, _ that mark _ shall _ be deemed to be in conflict with a well-known mark where _ the mark _ , or an essential part thereof, constitutes a reproduction, an imitation, _ a translation or a transliteration, liable to create confusion, of the well-known mark _ , and where at least one of the following conditions is fulfilled:

(i) the use of _ that mark _ would indicate a connection between the goods and/or services for which the mark is used, is the subject of an application for registration, or is registered, and the owner of the well-known mark, and would be likely to damage his interests;

(ii) _ the use of that mark _ is likely to _ impair or dilute in an unfair manner _ the distinctive character of the well-known mark;

(iii) the use of that mark _ would take unfair advantage of the distinctive character of the _ well-known mark.

—

[Notes on Article 4(1)(c)(iii), continued]

4.8 Following the discussions which took place during the third session of the Committee of Experts, the current draft no longer contains an obligation for Offices to refuse the registration of a mark which is in conflict with a well-known mark, in case the applicable law does not allow third parties to oppose such a registration. However, the absence of any reference to an *ex officio* refusal of the registration of a well-known mark if the application was not filed by the true owner does not mean that offices should not make such decisions if an appropriate legal basis exists.

4.9 The objective of *paragraph (2)* is to ensure that, where procedures for opposing the registration of a mark exist, owners of well-known marks are entitled to oppose the registration of a mark which would be in conflict with their well-known mark. The admission of oppositions against the registration of marks based on a conflict with a well-known mark gives an early opportunity for owners of well-known marks to defend their marks. The reference to paragraph (1)(b)(i) limits opposition procedures to cases of risk of confusion. Consequently, cases of alleged dilution do not have to be dealt with in opposition procedures. The main reason for this is that Offices are generally equipped to handle conflicts between marks where there is a risk of confusion; however, offices are usually not competent to hear dilution cases which need a wider range of procedural means. The latter cases should be dealt with in court.

4.10 *Subparagraph (a) of paragraph (3)* sets out that the owner of a well-known mark has the right to initiate procedures for the invalidation of the registration of a mark (either before an office or a court) if the latter is in conflict with the well-known mark. The time limit provided for the initiation of an invalidation action is to be calculated as from the date on which the registration of the conflicting mark was published. The date of publication (rather than the date of registration) is suggested for the purposes of calculating the period during which invalidation procedures have to be accepted, because it is the earliest date on which the owner of a well-known mark can be expected to have received official notice of the registration of a conflicting mark.

4.11 *Subparagraph (b)*. If procedures for the invalidation of the registration of a mark can be initiated *ex officio* by an office or a court, a conflict with a well-known mark must be treated as a ground for invalidation during a period of at least five years from the date on which the registration was published (see preceding note).

4.12 *Paragraph (4)* provides the owner of a well-known mark with a further remedy, namely, the right to request an order from a court or from any other competent authority to prohibit the use of a conflicting mark. The expression “other authority empowered by the applicable law to take such decision” is intended to cover, in particular, the Office where the latter has such a competence, but also other authorities which could take such decisions, for example, an authority set up under the competence of a ministry or the ministry itself. Similar to the right to request invalidation procedures under paragraph (3), the right to request an order to prohibit the use of a conflicting mark is subject to a time limit of at least five years. However, in the

[Article 4, continued]

(2) [*Opposition Procedures*] _ If the applicable law allows third parties to oppose the registration of a mark, a conflict with a well-known mark under paragraph (1)(b) shall constitute a ground for opposition.

(3) [*Invalidation Procedures*] (a) The owner of a well-known mark shall be entitled to request, during a period _ which shall not be less than five years from the date _ on which the registration was published by the Office, the invalidation, by a decision of the Office or by a decision of a court, of the registration of a mark _ which is in conflict with the well-known mark.

(b) If the registration of a mark _ may be invalidated *ex officio* by an Office or a court, a conflict with a well-known mark shall, during a period _ which shall not be less than five years from the date _ on which the registration was published by the Office, be a ground for invalidation of the said registration.

(4) [*Prohibition of Use*] The owner of a well-known mark shall be entitled to request the prohibition, by a decision of a court or of any other authority empowered by the applicable law to take such decisions, of the use of a mark _ which is in conflict with the well-known mark. Such request shall be admissible for a period _ which shall not be less than five years from _ the time the owner of the well-known mark had knowledge of the use of the conflicting mark _ .

[Notes on Article 4(4), continued]

case of use of a conflicting mark, the time period of at least five years must be calculated from the moment from which the owner of the well-known mark had knowledge of the conflicting use. It follows that Parties are not under an obligation to prohibit the use of a mark which is in conflict with a well-known mark where the owner of the well-known mark has knowingly tolerated such use during at least five years (see however Article 4(5)).

4.13 *Paragraph (5)* provides that any time limit which, under paragraphs (3) and (4), may be applicable in connection with the invalidation of a registration or with the prohibition of use cannot be applied if a mark was either registered (irrespective of whether it was registered in good faith or in bad faith) but never used, or registered or used in bad faith. As far as the former situation is concerned, this problem will, in most cases, be taken care of by provisions under national or regional laws stipulating that the registration of a mark which has not been used for a certain period of time becomes liable for cancellation (Article 19.1 of the TRIPS Agreement provides that a period of at least three years of non-use of a mark must be tolerated before a registration may be canceled). However, if a use requirement does not exist, a situation is conceivable in which a mark conflicting with a well-known mark had been registered in good faith but had never been used and had therefore not attracted the attention of the owner of the well-known mark. Paragraph (5) aims at avoiding that the owner of the well-known mark be prevented from defending his rights by any time limit applicable under paragraph (4) or (5).

4.14 In order to remedy cases of willful misappropriation of well-known marks, paragraph (5) also provides that any time limit that may be applicable under paragraph (3) or (4) does not apply in cases of bad faith. The second phrase of paragraph (5) creates a rebuttable presumption that a person who obtained the registration or started the use of a mark conflicting with a well-known mark did not act in bad faith. In other words, the burden of proof as regards the state of mind of the alleged infringer is placed on the owner of the well-known mark. This solution is the exact opposite of what had been suggested to the Committee of Experts at the third session and follows a suggestion which was made at that session. The main reason for this change is that the consequence of a provision under which a defendant is presumed to have acted in bad faith “unless he shows that he did not know or had no reason to believe that the mark was already registered or used by another person” is that it will be very difficult (if not impossible) to show evidence in order to rebut this presumption. On the other hand, the owner of an allegedly well-known mark might be in a position to show that the defendant had knowledge of his mark, for example, where the defendant had already approached the owner of the well-known mark in order to become his local distributor or franchisee, or where the figurative elements of a well-known mark were obviously copied. However, the fact that the defendant acted in bad faith does not necessarily mean that the mark in question is in conflict with the well-known mark, or that the latter mark is actually well known in the territory concerned. The only effect of the presence of bad faith is that any time limit which otherwise could be applicable under paragraphs (3) and (4) may not apply.

[Article 4, continued]

(5) *[No Time Limit in Case of Registration Without Use or of Bad Faith]*

Notwithstanding paragraphs (3) and (4), _ a Party may not prescribe any time limit for requesting the invalidation of the registration or the prohibition of the use of a mark which is in conflict with a well-known mark _ if the conflicting mark _ was registered but not used, or if it was registered or used in bad faith. A person who obtained the registration of or used a mark _ which is in conflict with a well-known mark shall not be deemed to be in bad faith, unless it is shown that, at the time of the registration or use of the conflicting mark, _ this person _ had knowledge of, or had reason to know of, the well-known mark.

Notes on Article 5

5.1 *General.* Article 5 sets out the remedies which Parties have to make available if a well-known mark is in conflict with a business identifier. This Article essentially consists of the same provisions as those in Article 4, but takes account of the special nature of business identifiers. The main differences between marks and business identifiers are that (i) marks distinguish goods and/or services whereas business identifiers distinguish businesses and (ii) the registration of marks is effected by national or regional authorities (trademark offices in most cases), whereas business identifiers may be registered by administrations which may vary from country to country, or not be registered at all.

5.2 As regards those parts of Article 5 which are identical with Article 4, reference is made to the notes on Article 4.

Article 5

Protection of Well-Known Marks Against Conflicting Business Identifiers

(1) [Conflict with Business Identifiers] (a) A well-known mark shall be protected against any business identifier which is in conflict with it. A Party shall protect a well-known mark at least with effect from the time when the mark has become well known in its territory. A Party shall not be required to consider a business identifier to be in conflict with a well-known mark if that business identifier was used or registered, or an application for its registration was filed, in its territory [in good faith], before the well-known mark became well known in its territory.

(b) A business identifier shall be deemed to be in conflict with a well-known mark where that business identifier, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, liable to create confusion, where at least one of the following conditions is fulfilled:

(i) the use of the business identifier would indicate a connection between the business for which it is used and the owner of the well-known mark, and would be likely to damage his interests;

(ii) the use of the business identifier is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark;

[Notes on Article 5, continued]

5.3 *Paragraph (2)*. If a business identifier is registered as a mark (see note 1.4), Article 4 is applicable. Paragraph (2) envisages business identifiers which can be the subject of a registration, such as trade names. “Registration” means registration in a register of commerce or other register of that kind, usually not kept by a trademark office, or the registration of a domain name. “Cancellation” is used to mark the difference between the invalidation as a result of an invalidation procedure usually in connection with a trademark registration and the cancellation ordered by a judicial or other competent authority.

5.4 *Paragraphs (3) and (4)*. See note 5.2.

[Article 5(1)(b), continued]

(iii) the use of the business identifier would take unfair advantage of the distinctive character of the well-known mark.

(2) [*Cancellation*] (a) Where a conflicting business identifier is the subject of a registration, the owner of a well-known mark shall be entitled to request, during a period which shall not be less than five years from the date on which the registration of that business identifier was published, the cancellation, by a decision of a court or any other authority empowered by the applicable law to take such decisions, of that registration.

(b) If the registration of a business identifier may be canceled *ex officio*, a conflict with a well-known mark shall, during a period which shall not be less than five years from the date on which the registration of the conflicting business identifier was published, be a ground for cancellation of the said registration.

(3) [*Prohibition of Use*] The owner of a well-known mark shall be entitled to request the prohibition, by a decision of a court or of any other authority empowered by the applicable law to take such decisions, of the use of a business identifier which is in conflict with the well-known mark. Such request shall be admissible for a period which shall not be less than five years from the time the owner of the well-known mark had knowledge of the use of the conflicting business identifier.

[Article 5, continued]

(4) [No Time Limit in Case of Registration Without Use or of Bad Faith]

Notwithstanding paragraphs (3) and (4), a Party may not prescribe any time limit for requesting the cancellation of the registration or the prohibition of the use of a business identifier which is in conflict with a well-known mark if the conflicting business identifier was registered but not used, or if it was registered or used in bad faith. A person who obtained the registration of or used a business identifier which is in conflict with a well-known mark shall not be deemed to be in bad faith, unless it is shown that, at the time of the registration or use of the conflicting business identifier, this person had knowledge of, or had reason to know of, the well-known mark.

Notes on Article 6

6.1 *General.* The assignment of Internet domain names has led to conflicts between trademarks and domain names. In particular, the phenomenon of “domain name warehousing” or “cybersquatting” i.e., the registration of marks as domain names by unauthorized parties for the mere purpose of selling them to the owners of the respective well-known marks, has caused concern among owners of marks. It can be observed that certain entities which are entrusted with the registration of domain names have adopted dispute resolution mechanisms in order to safeguard the legitimate interests of trademark owners. Furthermore, the Memorandum of Understanding on the Generic Top-Level Domain Name Space of the Internet Domain Name System (“gTLD-MoU”) adopts a policy concerning domain names and intellectual property rights (Section 2(f) of the gTLD-MoU), and the WIPO Arbitration and Mediation Center has been requested to administer certain dispute resolution procedures relating to Internet domain names registered under the generic top-level domain names covered by the gTLD-MoU. During 1997, WIPO organized two Consultative Meetings on Trademarks and Internet Domain Names (see documents in the TDN/CM/I and TDN/CM/II series). General issues relating to trademarks and the Internet are dealt with in a general manner by the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications.

6.2 Article 6 does not preempt any of the initiatives described in the previous paragraph. It is, however, believed that, without covering the most blatant infringement of well-known marks on the Internet, provisions for the protection and enforcement of well-known marks would fall short of today’s economic realities. It is to be noted that proposed Article 6, like the other draft provisions, addresses a national or regional legislator. Thus, private dispute prevention or settlement initiatives, including those administered by the WIPO Arbitration and Mediation Center, are not prejudiced. Furthermore, it is to be noted that Article 6 only provides for protection of well-known marks against conflicting domain names. While any trademark owner has a legitimate interest to protect his mark against its unauthorized registration as a domain name, mostly marks whose reputation is outstanding were and continue to be the target of illicit registrations as domain names.

6.3 *Paragraph (1)(a)* stipulates an obligation to protect well-known marks against conflicting domain names. The question of jurisdiction is deliberately not dealt with and, consequently, left to the general principles of jurisdiction applicable in the territory in which protection is sought. Thus, the plaintiff in an action for the protection of a well-known mark against its registration as a domain name must claim that (i) the court has jurisdiction over the defendant in the territory in which the action is brought and (ii) that the mark in question is well known in that territory.

6.4 *Paragraph (1)(b)* describes the conditions under which a domain name is deemed to be in conflict with a well-known mark. *Item (ii)* refers to the probably most frequent case of misappropriation of well-known marks through registration as domain names, the so called “cybersquatting.”

Article 6

Protection of Well-Known Marks Against Conflicting Domain Names

(1) [Conflict with Domain Names] (a) A well-known mark shall be protected against any domain name which is in conflict with it. A Party shall protect a well-known mark at least with effect from the moment when the mark has become well known in its territory. A Party shall not be required to consider a domain name to be in conflict with a well-known mark if that domain name was registered [in good faith] before the well-known mark became well known in its territory.

(b) A domain name shall be deemed to be in conflict with a well-known mark where that domain name, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration, liable to create confusion, of the well-known mark, where at least one of the following conditions is fulfilled:

(i) the use of the domain name would indicate a connection between the holder of the domain name and the owner of the well-known mark, and would be likely to damage his interests;

(ii) the use of the domain name is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark, in particular, where that domain name has been registered with the primary intention of selling it to the owner of the well-known mark;

[Notes on Article 6, continued]

6.5 *Paragraph (2)*. The remedies provided for in paragraph (2) are those which are the most appropriate in the situation at hand, namely the transfer or the cancellation of the infringing domain name. Following the relevant provisions in Articles 4 and 5, a request for cancellation or transfer must be made within a period which shall not be less than five years from the date of registration of the domain name.

6.6 *Paragraph (3)* stipulates an exemption to the time limit of at least five years applicable under paragraph (2) in cases where a domain name was registered in bad faith.

[Article 6(1)(b), continued]

(iii) the use of the domain name would take unfair advantage of the distinctive character of the well-known mark.

(2) [Cancellation; Transfer] The owner of a well-known mark shall be entitled to request, during a period which shall not be less than five years from the date on which the conflicting domain name was registered, the cancellation or the transfer, by a decision of a court or any other authority empowered by the applicable law to take such decisions, of the domain name.

(3) [No Time Limit in Case of Bad Faith] Notwithstanding paragraph (2), a Party may not prescribe any time limit for requesting the cancellation or the transfer of a domain name which is in conflict with a well-known mark if the conflicting domain name was registered in bad faith. A person who obtained the registration of a domain name which is in conflict with a well-known mark shall be deemed to be in bad faith, if that person has obtained the registration of the conflicting domain name with the primary intention of selling it to the owner of the well-known mark.

[End of document]