

# The Concept of Doctrine of Dilution and Its Effectiveness in Protecting Well-Known Trademarks

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## Abstract

The doctrine of dilution plays a crucial role in protecting well-known trademarks from unauthorized use that may weaken their distinctiveness or tarnish their reputation. Unlike traditional trademark infringement, which requires a likelihood of consumer confusion, dilution laws safeguard famous marks from losing their uniqueness even when used in non-competing markets. This research paper examines the effectiveness of the doctrine of dilution in safeguarding well-known trademarks in India and globally. The study explores the legal framework governing dilution, focusing on key provisions under the Trade Marks Act, 1999 and international agreements such as the Paris Convention and the TRIPS Agreement. Additionally, significant case laws, including *Daimler Benz v. Hybo Hindustan* and *Bata India Ltd. v. Pyarelal & Co.*, are analysed to understand how courts have interpreted and enforced dilution laws. Despite the legal mechanisms in place, challenges remain in defining well-known trademarks, proving dilution, and balancing trademark protection with free speech rights.

The rise of digital platforms and global commerce has further complicated enforcement, necessitating stronger legal measures. This paper argues that while the doctrine of dilution is a valuable tool, its effectiveness is hindered by ambiguities in legal interpretation and procedural difficulties. To enhance trademark protection, the paper suggests legal reforms, including clearer statutory definitions, improved evidentiary standards, and stronger digital enforcement mechanisms. Strengthening dilution laws will ensure that well-known trademarks retain their distinctiveness and commercial value, benefiting both brand owners and consumers in an increasingly globalized economy.

**Keywords:** Trademark dilution, well-known trademarks, intellectual property rights, blurring, tarnishment, TradeMarks Act 1999, Paris Convention, TRIPS Agreement, brand protection, legal framework, trademark infringement, consumer confusion, case law analysis, digital enforcement, trademark distinctiveness.

## INTRODUCTION

Today, with such an aggressive marketplace, brands have become a company's most prized assets which not only define the nature of a product or service but also the reputation and trust generated among consumers over time. Trademark is a vital constituent of brand identity which plays an extremely important role in the marketplace today as it identifies one company's goods or services from those of others. A trademark may be any which, because of distinctive character among themselves, identify and distinguish the goods or services of one party from those of others. It has the function of constituting a

symbol of origin and quality of a product or service to enable consumers distinguish between various brands in the marketplace. Trademarks would encompass names, logos, slogans, sounds, colors, shapes, or even smells linked to specific businesses or products. The primary role of a trademark is to prevent consumers from being confused over similar products belonging to different companies. While the traditional law of trademarks concerns protection from consumer confusion, the dilution doctrine grants protection to well-known marks even in cases where there is no direct competition or confusion regarding the goods. Generally, trademarks are protected only by registering it under the Trademark Act, 1999. There is another form of Trademark called Well Known trademarks which is generally protected even if it is not registered in the place of business. Well known trademarks are marks that have achieved widespread recognition among the general public or within a specific market beyond the geographical or commercial boundaries of their original use. These trademarks normally belong to highly successful companies, which have established a great reputation and significant market share commonly all over the world. This doctrine of dilution refers to the protection of a trademark, if a trademark has been proved as famous or recognized so that the unique value and distinctiveness developed by a mark do not get blurred or "diluted" due to such unauthorized use in markets or industries. It can take two different forms: 'blurring' where association with the original product is attenuated by its use in unrelated goods and 'tarnishment' whereby reputation of the mark is harmed through undesirable associations. Unlike any typical infringement case, dilution focuses on the protection of trademark identity and prestige regardless of whether the consumers are confused.

Through this research, attempts will be made to determine the effectiveness of the doctrine of dilution in the protection of well-known marks. The paper will explain how such legal frameworks across jurisdictions protect such marks and whether the doctrine has served its purpose to retain distinctiveness and commercial value of such famous brands. In addition, the research will assess the challenges that trademark owners face in the filing process for the protection of these marks through the application of the doctrine and determine if legal reforms should be made to enhance its effectiveness.

Well-known trademarks have both an economic and a symbolic value that very often makes them synonymous with the company they support. The law of dilution protects such trademarks from dilution, thus ensuring it does not lose its specialty and market strength. This paper shall delve deep to give insights on the doctrine of dilution as if it is competent enough to stop dilution of a trademark over time.

### **Research Questions**

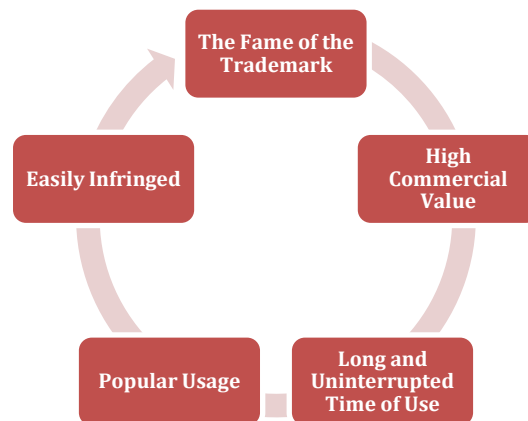
1. What is the prevailing legal framework that governs Dilution of Trademarks in India?
2. How efficient is the doctrine of Dilution of Trademarks in protecting well-known trademarks?
3. What are the various legal challenges that are involved in protection of well-known trademarks through doctrine of dilution?

### **Research Hypothesis**

Doctrine of Dilution is a legal mechanism that has been invoked to protect well-known trademarks from any unauthorized use by any other persons. It bars any person other than the owner of the mark from using a similar mark which might cause confusion to the consumers. This study will explore the effectiveness of the doctrine in protecting the well-known trademarks in this globalized economy and it seeks to find out whether reforms are needed to improve the efficiency.

## WELL-KNOWN TRADEMARK & ITS SPECIFIC CHARACTERISTICS

A well-known trademark holds immense significance not only for its owners but also for consumers and the general public. Such trademarks go beyond mere brand recognition and embody trust, quality, and goodwill. Their value extends to commercial, legal, and social aspects, making them prime targets for misuse and imitation. Below are some of the key characteristics that define well-known trademarks, along with examples to illustrate their impact.<sup>1</sup>



### 1. The Fame of the Trademark

The reputation of a trademark is determined by how well it is known among consumers. A well-known trademark is not just recognized within a limited market but is widely familiar to a significant portion of the public. This recognition often transcends geographical boundaries and product categories. For instance, Coca-Cola is a globally recognized brand, known for its beverages. Even in regions where the company does not actively market, people can easily associate the logo and brand name with soft drinks. Similarly, Apple Inc. has built a reputation that extends beyond smartphones and computers—people associate the brand with premium technology products. This widespread fame ensures that consumers instinctively trust and prefer such brands.<sup>2</sup>

**2. High Commercial Value,** Well-known trademarks often carry a high commercial value, reflecting their economic strength and market dominance. The goodwill associated with such trademarks enhances their valuation, making them more valuable than ordinary trademarks. Companies invest heavily in marketing, research, and innovation to maintain and increase the worth of their brand. For example, Nike is a well-known sportswear brand with high commercial value. Its "Swoosh" logo alone is worth billions, and endorsements from athletes like Michael Jordan and Cristiano Ronaldo further strengthen its market position. Similarly, Louis Vuitton in the luxury fashion industry maintains a high commercial value due to its exclusivity and brand prestige.<sup>3</sup>

**3. Long and Uninterrupted Time of Use,** A brand does not become well-known overnight. It takes years of consistent quality, marketing, and consumer trust to reach the status of a well-known trademark. The longer a trademark has been in use, the stronger its reputation becomes. For instance, Mercedes-Benz has

<sup>1</sup> Begum, A. (2018). Preserving the distinctiveness of corporate marks: An analysis of legal and judicial approaches to well known trademark in India. *Journal of Financial Crime*, 25(3), 734–749.

<sup>2</sup> Ghosh, E. (2016). What Should It Take To Be Well-Known? Fashioning An Evidence-For-Benefits Matrix For 'Well-Known Marks' Under Indian Trademark Law.

<sup>3</sup> Iqbal, M., & Nugroho, E. D. (2021). Legal protection of famous trademarks. 4(1), 105–116.

been in the automobile industry for over a century, maintaining its image of quality and innovation. Another example is Nestlé, a brand that has been associated with food and beverages for decades. These brands have built their reputation over time through continuous engagement with consumers.<sup>4</sup>

**4. Popular Usage,** A well-known trademark is widely used and recognized among consumers. Popularity is an essential characteristic because it ensures the trademark has established itself in the public consciousness. A brand that is frequently used by customers strengthens its goodwill and consumer trust. For example, McDonald's is one of the most popular fast-food brands globally. With its golden arches logo and famous slogan "I'm Lovin' It," McDonald's has gained massive popularity. Similarly, Google has become so popular that the term "Google it" is now synonymous with searching for information online.

**5. Easily Infringed,** Because of their high commercial value and widespread recognition, well-known trademarks are highly vulnerable to misuse and counterfeiting. Unauthorized third parties often attempt to exploit these trademarks to gain financial benefits or deceive consumers. For example, Rolex, a luxury watch brand, is frequently counterfeited, with fake watches being sold at lower prices under the same name. Similarly, brands like Adidas often face infringement, where counterfeit products use similar logos, such as "Adibas" or "Adidos," to mislead consumers. Another famous case is Ferrari v. DC Comics, where Ferrari, the luxury car manufacturer, sued DC Comics for using a name similar to its trademarked model "Testarossa." Such cases highlight how well-known brands must constantly defend their identity from misuse.<sup>5</sup>

#### **PROCEDURE FOR DETERMINING A WELL-KNOWN TRADEMARK IN INDIA - RULE 124 OF THE TRADEMARK RULES, 2017**

Rule 124 provides a formal mechanism for trademark owners to apply for well-known trademark status in India. A trademark owner can submit an application to the Registrar of Trademarks through Form TM-M, along with the prescribed fee, to request recognition of their mark as well-known. The applicant must furnish supporting evidence, including details of trademark registrations in India or other countries, sales figures, advertising expenditures, consumer recognition, and court judgments acknowledging the mark's reputation. Additionally, evidence of infringement cases where legal protection was granted based on the well-known status strengthens the claim. The Registrar of Trademarks has the discretion to evaluate the application and, if satisfied, will include the mark in the official list of well-known trademarks maintained by the Trademark Registry. Once recognized, the mark is published in the Trademark Journal, ensuring broader legal protection. A well-known trademark is safeguarded across all classes of goods and services, even if the owner has not registered it in every category. This prevents unauthorized use or registration of similar marks that could cause consumer confusion or dilute its reputation. Rule 124 aligns with international IP protection norms under TRIPS, reinforcing brand exclusivity and protecting trademark owners from unfair competition.

There are specific procedures that must be performed in order to register a mark as a well-known trademark: Form TM-M: To have a mark registered as a well-known trademark, a form TM-M application must be submitted. According to the first schedule of the rules, the prescribed fee for Form TM-M is Rs. 1,000,000. that the application will be submitted online using the trademark's available e-filing options at

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<sup>4</sup> Choudhary, V. K. (2010). Protection of Well-Known Trademarks and Weakening of Honest Concurrent User Defense.

5 Vol. 50, No. 3 (JULY-SEPTEMBER 2008) <https://www.jstor.org/stable/43952160>

its official website, 'www.ipindia.nic.in'. Additionally, there are other documents that must be submitted with the form. Case statement outlining the applicant's trademark rights and the basis of the applicant's claim the trademark to be a well-known trademark. Evidence in support of the applicant's rights and claim, including evidence of trademark use, any registration applications made or registration obtained, the applicant's business's annual sales turnover based on the subject trademark, evidence of the number of actual or potential consumers of goods or services under the said trademark, evidence of publicity and advertising costs associated with the said trademark, and evidence of other relevant matters. Details on any successful enforcement of rights related to the aforementioned trademark, in particular, the degree to which the trademark has been acknowledged as a well-known trademark by any court in India or the Registrar of Trademarks, a copy of the ruling made by any Indian court or, if applicable, the Registrar of Trademarks establishing the trademark as a well-known trademark; The document's size should be in PDF format with a resolution of 200 x 100 dpi on A4 size paper, and the overall file size should not be more than 10 MB when presented with the statement of case as evidence. After receiving the form, the office will evaluate it based on the provided documentation. The Registry may or may not take it into consideration. If approved, the trademark will be listed under Well-Known Trademarks. If someone complains to a certain trademark being listed among the well-known trademarks, then they will file objection to registry of trademark by stating the objection. The applicant will receive a copy of the objection, and within the allotted time, they may respond with a counter-statement. That the final decisions will be made after seeing both sides of the parties. The applicant must be informed if the applicant's mark appears on the list of well-known trademarks. The same must be disclosed to the Trademark Journal as well, and the mark must be listed among the well-known Trademarks on the website<sup>6</sup>

### **Legal Framework for Trademark Dilution**

Trademarks are an essential aspect of intellectual property rights, serving as unique identifiers that distinguish the goods and services of one entity from another. Given their importance, protecting well-known trademarks from dilution has become a significant aspect of global intellectual property laws. Various legal frameworks have been established at both national and international levels to safeguard trademarks from unauthorized use that may weaken their distinctiveness or harm their reputation. This section examines the Indian legal framework governing trademark dilution and the international conventions that provide cross-border protection for well-known trademarks.

### **Indian Legal Framework**

India, as a member of the World Trade Organization (WTO) and a signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), has incorporated provisions for the protection of well-known trademarks within its domestic legislation. The Trade Marks Act, 1999 is the primary legislation governing trademarks in India, and it includes specific provisions to prevent trademark dilution. "A mark which has become so well-known to a substantial segment of the public that its use in relation to other goods or services would likely be taken as indicating a connection with the original proprietor."<sup>7</sup>

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<sup>6</sup> [https://ipindia.gov.in/writereaddata/Portal/IPOtherNotice/1\\_31\\_1/Public-Notice.pdf](https://ipindia.gov.in/writereaddata/Portal/IPOtherNotice/1_31_1/Public-Notice.pdf)

<sup>7</sup> Trademarks Act 1999, Sec 2 (1)(zg)



This definition acknowledges that well-known trademarks hold significant commercial value and that unauthorized use even in unrelated markets can create misleading associations, thereby diminishing the brand's uniqueness and value.

Protection Against Trademark Dilution, of the Trade Marks Act specifically deals with trademark dilution<sup>8</sup>. It states that: If a registered trademark has acquired a reputation in India, its unauthorized use in relation to dissimilar goods or services is considered an infringement if it takes unfair advantage of the trademark's distinctiveness or damages its reputation.

This provision extends the scope of trademark protection beyond cases of consumer confusion. Even if the infringing mark is used on unrelated products, it can still amount to dilution if it diminishes the uniqueness of the well-known trademark.

Criteria for Determining Well-Known Trademarks outline the factors that determine whether a trademark qualifies as "well-known." These include: The extent to which the public recognizes the mark, the duration, extent, and geographical area of the trademark's use, the extent of the mark's promotion and advertising and the history of legal enforcement and recognition by Indian courts or the Trademark Registry.<sup>9</sup> Once a trademark is recognized as "well-known," its protection extends across all classes of goods and services. This means that an entity cannot use a well-known trademark even for completely unrelated products.

### **Daimler Benz v. Hybo Hindustan (1994)<sup>10</sup>**



### **Analysis**

In the landmark case of Daimler Benz AG v. Hybo Hindustan, the Delhi High Court addressed the issue of trademark dilution involving the globally recognized Mercedes-Benz brand. The plaintiff, Daimler Benz AG, a renowned German automobile manufacturer, filed a suit against Hybo Hindustan for using the term "Benz" as part of its trademark for undergarments. The plaintiff argued that Mercedes-Benz had established itself as a symbol of luxury, high-quality engineering, and exclusivity in the automobile sector. The unauthorized use of the "Benz" trademark for a completely unrelated product, such as undergarments, was alleged to dilute the brand's distinctiveness and exploit its prestigious reputation.

The key issue before the court was whether a well-known trademark could be used in an unrelated business, and if such usage amounted to trademark dilution and unfair advantage. The court ruled in favour of Daimler Benz AG, emphasizing that a trademark of such global reputation should not be trivialized by its association with unrelated and lower-end products. The judgment reinforced the principle of dilution, holding that even in the absence of direct competition, unauthorized usage that tarnishes a well-known mark's distinctiveness is unlawful. This case set a significant precedent in Indian trademark law, affirming that well-known marks enjoy broader protection beyond conventional infringement claims. It highlighted

<sup>8</sup> Ibid 7, Section 29(4)

<sup>9</sup> Trademarks Act, 1999 Section 11(6) to (9)

<sup>10</sup> Daimler Benz Aktiengesellschaft & Anr. v. Hybo Hindustan, 1994 PTC 287 (Del).

the importance of safeguarding high-value trademarks from dilution, reinforcing the doctrine that a strong brand's goodwill must not be exploited by unrelated businesses for commercial gain. The Delhi High Court prohibited the defendant from using the name "Benz" for undergarments, holding that the reputation of Mercedes-Benz as a luxury car manufacturer was being unfairly exploited.

### International Legal Framework

Trademarks are global assets, and their protection extends beyond national borders. Various international treaties and agreements ensure that well-known trademarks receive protection in multiple jurisdictions. Paris Convention for the Protection of Industrial Property (1883): The Paris Convention was one of the earliest international treaties aimed at protecting industrial property, including trademarks. It introduced the concept of well-known trademarks and established three key principles<sup>11</sup>,

**National Treatment:** Member countries must provide foreign nationals with the same trademark protection as their own citizens.

**Right of Priority:** Trademark applicants can file in multiple member countries while retaining their original filing date.

**Special Protection for Well-Known Marks** Even if a trademark is not registered in a country, it can still be protected if it is well-known in that jurisdiction. A well-known mark cannot be registered or used by another entity if it is likely to cause confusion among consumers. This provision is crucial in cases where international brands operate in countries where they have not yet formally registered their trademarks.<sup>12</sup>

**Madrid Agreement and Madrid Protocol:** The Madrid System is a centralized mechanism for international trademark registration, enabling trademark owners to seek protection in multiple countries through a single application. The Madrid Agreement (1891) initially established this system, but it had limitations regarding the number of participating countries. The Madrid Protocol (1989) expanded the system, allowing more countries to join and making trademark registration procedures more flexible.

**Benefits of the Madrid System for Well-Known Trademarks:** **Single Application Process:** Trademark owners can register their marks in multiple jurisdictions through a single filing. **Cost Efficiency:** The system reduces administrative burdens and costs for international trademark protection. **Uniform Protection:** Trademarks registered under the Madrid System receive similar levels of protection across participating countries. This system is particularly useful for well-known brands that seek global protection against dilution by ensuring their trademarks are recognized and safeguarded internationally.<sup>13</sup>

**Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (1994),** The TRIPS Agreement, established under the WTO, is one of the most comprehensive international treaties for intellectual property protection, including trademarks. It sets minimum standards for trademark rights and enforcement mechanisms.<sup>14</sup>

**Key provisions related to well-known trademarks include:** Expands protection for well-known trademarks beyond identical or similar goods, preventing dilution through unauthorized use in unrelated markets.<sup>15</sup>

**National and Most-Favoured Nation Treatment:** Ensures that member states treat foreign and domestic trademarks equally. **Enforcement Mechanisms:** Requires member states to establish judicial procedures

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<sup>11</sup> Paris Convention for the Protection of Industrial Property (1883)

<sup>12</sup> Paris convention Article 6bis

<sup>13</sup> Madrid Agreement and Madrid Protocol 1891& 1989

<sup>14</sup> <https://www.wipo.int/wipolex/en/treaties/details/231>

<sup>15</sup> TRIPS Agreement 1994, Article 16 (3)

and remedies for trademark infringement, including injunctions and damages. The TRIPS Agreement strengthens trademark dilution protection by mandating that member states recognize well-known trademarks and prevent their unfair exploitation.<sup>16</sup>

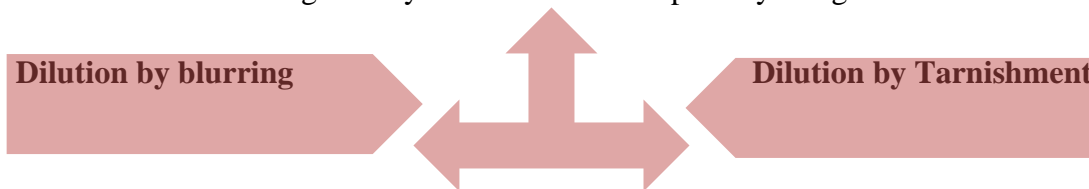
## DOCTRINE OF DILUTION

This doctrine of dilution provides additional protection for famous and renowned trademarks over and above the protection against the dilution or blunting of the mark's distinctiveness or the reputation of the mark by a likelihood of confusion between the parties' goods or services; this goes further, really, than simple trademark infringement, which takes the form of consumer confusion, in the effort to protect the intrinsic value of a famous mark's distinction and reputation.

The doctrine is primarily geared towards those situations in which the use of a famous trademark by an unauthorized party, even in unrelated industries, may dilute the distinctiveness of the mark (blurring) or harm its reputation (tarnishment).<sup>17</sup> Trademark dilution refers to any weakening or impairment of a famous trademark's distinctiveness or reputation but without a likelihood of confusion. The doctrine of dilution safeguards famous marks against uses that likely either erode their distinctiveness or damage their reputation—even when those uses do not involve competing products or services. There are two forms of dilution: dilution by blurring and dilution by tarnishment. Each recognizes a different kind of harm to the famous mark, and courts treat them according to the nature of the infringement.<sup>18</sup>

### Types of Trademark Dilution

Trademark dilution is generally classified into two primary categories



### Dilution by Blurring

Blurring occurs when a well-known trademark is used in an unrelated market, diminishing its unique association with a specific product or service. This type of dilution weakens the trademark's ability to evoke an immediate link to its original brand, as consumers begin associating it with multiple, unrelated goods or services.

For instance, if a lesser-known company uses the trademark "Google" for a brand of clothing, the strong association between "Google" and internet-related services may gradually erode. Over time, the distinctive power of the original mark diminishes, reducing its effectiveness as a brand identifier.

Judicial view on this Dilution, the Trademark Dilution Revision Act of 2006 established several factors that courts consider to determine the existence of dilution by blurring. Similarity The degree to which the allegedly infringing mark is similar to the famous mark. Distinctiveness: The more unique or distinctive the famous mark is. Arbitrary or fanciful marks, such as Google or Kodak, are more likely to be protected

<sup>16</sup> Gervais, D. J. (2025). *The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement)*. Edward Elgar Publishing.

<sup>17</sup> Senftleben, M. (2009). *The Trademark Tower of Babel - Dilution Concepts in International, US and EC Trademark Law*. *International Review of Intellectual Property and Competition Law*, 40(1), 45–77.

<sup>18</sup> Agitha, T. G. (2008). *Trademark Dilution - The Indian Approach*. Social Science Research Network.



against blurring because of their inherent distinctiveness. Exclusivity of Use: The extent to which the famous mark has been used exclusively by its owner in its field. Recognition by the Public: To what extent the famous mark is known among the consuming public. Intent to Associate: Evidence that the junior user had an intent to associate with the famous mark. Actual Association: Whether or not consumers have started associating the famous mark with the goods of the junior user.<sup>19</sup>

**Blurring in Impact**, An impairment affects the reputation of a celebrated mark's ability to become an identifier of distinctive character among the goods or services that its owner sells originally. Since the mark is now associated with other products or services, its distinctiveness fades into oblivion and may even lose market power.<sup>20</sup>

### **Dilution by Tarnishment**

Tarnishment occurs when the unauthorized use of a well-known trademark damages its reputation by associating it with inferior, offensive, or inappropriate products. This type of dilution can be particularly harmful to brands that rely on their positive public perception.<sup>21</sup>

For example, if a company were to use the trademark "Rolex" for a low-quality line of watches, consumers might subconsciously associate the luxury brand with substandard products, thereby harming its exclusivity and appeal. Tarnishment can also occur when a well-known mark is used in connection with controversial or unethical goods, such as a fast-food chain using a health-conscious brand's name for unhealthy food items. Tarnishment occurs when the reputation of the famous mark is injured by its use, thereby creating negative or inappropriate associations. Such dilution does occur when the famous mark is associated with the products, services, or activities that may damage its image, such as associating it with a lower quality, immoral, or offensive product.

Tarnishment generally occurs when a famous mark is used with an unrelated type of goods or services which are not in conformity with the positive goodwill associated with the famous mark. Such harm is specifically incurred by brands that have developed an image or reputation over time. For example, any uses of the Gucci trademark by third parties unrelated to the luxury brand would harm the luxury and quality reputation of the trademark, even if there is no direct competition between the products involved. For instance, using such marks as Gucci trademark for adult entertainment or cheap counterfeit products by any unaffiliated third party can certainly tarnish the luxury and quality reputation of the trademark of the brand.<sup>22</sup>

Judicial View on this dilution, Courts look for proof that the junior user's use of the famous mark damages its reputation by linking it to undesirable qualities. The following elements are factored into cases on tarnishment. Negative Association: This is whether the illegal use of the famous mark creates an improper or negative association that would damage the reputation of the original brand. Damage to Reputation: The extent to which use of the famous mark would lead consumers to have a lesser opinion of it, or doubt its quality. Association with Objectionable Products: Tarnishment generally involves a famous mark in

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<sup>19</sup> Singh, R. (2024). Trademark Dilution and Brand Protection: Legal Challenges and Global Perspectives. *International Journal of Research Publication and Reviews*, 5(4), 7987–7992.

<sup>20</sup> Macias, W., & Cerviño, J. (2017). Trademark dilution: comparing the effects of blurring and tarnishment cases over brand equity. *Management and Marketing*, 12(3), 346–360.

<sup>21</sup> Bedi, S., & Reibstein, D. J. (2020). Measuring Trademark Dilution by Tarnishment. *Indiana Law Journal*, 95(3), 2.

<sup>22</sup> Ayrpetov, N. A. (2022). Protection from Trademark Dilution. 17(10), 176–182.

conjunction with objectionable products or services or matter.

### Impact of Tarnishment:

Tarnishment decreases the goodwill of a highly known mark and might lead to reputational destruction in the long term. For example, when an otherwise family-friendly entertainment-mark, such as Disney, is associated with inappropriate content, the mark's image will be tarnished and consumer trust and loyalty may be eroded.

Tarnishment occurs when a well-known trademark is linked to negative or inappropriate associations, diminishing its value and reputation. This can lead to consumer confusion, distrust, and potential financial losses for the brand.

For example, if a luxury fashion brand were depicted in poor-quality counterfeit products or controversial advertising, its image could suffer. Tarnishment can also impact partnerships, as companies may hesitate to collaborate with a brand perceived negatively. Over time, this damage can weaken brand equity, reducing its competitive edge. Legal disputes may arise, with companies seeking to protect their trademarks from reputational harm and market dilution.

### Rolex Sa v. Alex Jewelry PVT ltd & ors<sup>23</sup>



Rolex SA and Alex jewelry Private Limited were at odds. Since 1908, the plaintiff, a Swiss company with the name "ROLEX," has been in the business of manufacturing and distributing clocks, chronographs, timepieces, and watch cases, among other things. As a result, the plaintiffs were frequently linked to the ROLEX trademark and name. Through its numerous affiliates, the plaintiff conducted business all over the world and earned a stellar reputation for its high-caliber products and first-rate after-sale services. Over the years, ROLEX had held top positions and been featured in illustrious and well-known magazines in many different nations. Because of the plaintiff's superior quality, brand image, inventive designs, modern technology, and prompt customer services, the trademark and name ROLEX were known throughout the world. After submitting a Declaration in Kolkata, the plaintiff began using the trademark in India in 1912, and it was duly registered by them in India under various Classes starting in 1949. Whether or not the plaintiff is entitled to a ruling that enjoins the defendants permanently, the defendants are subject to Section 29 of the Trade Marks Act, 1999's liability for infringement of the plaintiff's trademark, the defendants misappropriated the plaintiff's trademark or not, the statute of limitations precludes the lawsuit, Whether or not the party's request is granted, the plaintiff should be awarded Rs. 25,00,000/- in damages.

<sup>23</sup> Rolex sa v. Alex Jewelry pvt ltd & ors 2014 (60) PTC 131(Del)

In 2008, the plaintiff petitioned the Delhi High Court for a permanent injunction against the defendants as well as a temporary injunction pending the outcome of the lawsuit[1]. The defendants were prohibited from using ROLEX in any way or form, whatsoever, while the lawsuit was pending, according to the single-judge order issued under Order XXXIX of the Code of Civil Procedure 1908. However, the defendants disobeyed the court's orders and continued to use the ROLEX trademark and domain name. The Delhi High Court then appointed local commissioners to inspect and seize the defendants' goods bearing the ROLEX trademark after the plaintiff filed a contempt petition with the court. As a result, the defendants submitted an unqualified apology for their contempt to the court. Due to the defendants' non-appearance after the High Court set a hearing date, the case went ex-parte, and the plaintiff eventually received a permanent injunction because the defendants had dishonestly used the plaintiff's trademark to profit from the latter's goodwill and sales.

### **The Importance of the Doctrine of Dilution**

The doctrine of dilution is a critical legal mechanism that helps protect well-known trademarks from losing their distinctive character and market value. Unlike conventional trademark laws, which primarily focus on preventing consumer confusion, dilution laws extend protection even to cases where consumers can clearly differentiate between the original and unauthorized use of a trademark<sup>24</sup>. The rationale behind this protection is that well-known trademarks carry substantial goodwill and recognition, and any misuse whether intentional or not can erode their long-term commercial and reputational value<sup>25</sup>.

This doctrine is particularly relevant in an era of globalization, where brands operate across multiple jurisdictions and digital marketplaces. As companies expand their market presence, the risk of dilution increases, particularly in online platforms where counterfeit goods, domain name squatting, and unauthorized brand use are rampant. Strengthening dilution laws is necessary to ensure that famous trademarks retain their uniqueness and continue to serve as powerful indicators of quality and trust.<sup>26</sup>

Trademark dilution poses a significant challenge to brand owners worldwide, threatening the distinctiveness and reputation of well-known trademarks. The doctrine of dilution serves as a vital tool for ensuring that these trademarks remain strong, unique, and free from unauthorized exploitation. By recognizing and addressing dilution through legal frameworks, courts can help preserve the integrity of famous trademarks, ensuring that businesses continue to benefit from the goodwill they have built over time.<sup>27</sup>

### **CHALLENGES:**

With the rapid globalization in this age, trade and commerce have wide areas of development. The change brings along new opportunities for manufacturers to gain global recognition for their products, making

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<sup>24</sup> Xue, Z., & Liu, F. (2020). Analysis on Anti-dilution Protection of Well-known Trademark. *DEStech Transactions on Social Science, Education and Human Science*

<sup>25</sup> Rierson, S. L. (2012). The Myth and Reality of Dilution. *Duke Law and Technology Review*, 11(2), 212–312.

<sup>26</sup> Huang, Y. (2024). Study on the Determination of the Nature of Trademark Dilution--Taking the “Lao Gan Ma Case” as an Example. *Lecture Notes in Education Psychology and Public Media*.

<sup>27</sup> Laidy, Y., Pakpahan, K., & Batubara, S. A. (2024). Legal Protection of Famous Foreign Brands on Goods with Brand Dilution Which are Sold and Bought in E-Commerce. *International Journal of Business, Law, and Education*, 5(2), 1666–1671.

well-known brands with worldwide identities. This, in turn, creates a necessity for brand owners to protect their highly reputed trademarks from being diluted through unauthorized use by others. The uniqueness attached to such marks elevates them into an international category, thus making them more easily identifiable by consumers.<sup>28</sup> Trademark dilution has been held to be a recognized infringement, and so far, legislative authorities have filled this gap by enacting anti-dilution laws; the holes in the said laws, however, remain controversial. Although the concept of dilution is not known in Indian or international law, neither Indian law nor the TRIPS Agreement has requisite public recognition for a trademark, and the reputation requirement is far less stringent than under U.S. law. This can be seen if one looks at the Indian Trademarks Act and the TRIPS agreement, which have defined what is required for a mark to be said to be well-known. Under both, the marks shall have to be recognized or known within a section of society.<sup>29</sup> The scope of such recognition is smaller compared to the U.S. standard, which requires "wide recognition among the general consuming public." The case in India is more difficult since the requirement of recognition among the concerned group of people is rather less stringent under the Indian law. As per the Indian legal framework and WIPO/Paris Union Joint Recommendation if a trademark is held to be renowned within at least one segment of public in India as decided by either the court or registrar then it may be held to be well known. However, these factors cause an overemphasis on the limitation of recognition and diminish the protection to be provided to mark under the principles of dilution. The provisions in Indian Trademarks Act, 1999 give importance to protection of well-known marks or reputations worldwide but the limitation of protection is more limited as compared to the broad principles of dilution. In addition, section 29 of the trademarks Act, 1999 deals with Registered Trademarks with goodwill in India. It enunciates that such a trademark is being infringed if such a similar or dissimilar mark is used in business without the proper authority, taking unfair advantage of the exclusivity or goodwill of the registered trademark. In contrast, however, as above, this section does not lay down any conditions for the need to prove the confusion at consumer level. It is complex, however, because it aims at preventing the use of marks on different goods or services without permission and with intent to gain some benefits unfairly or harm the trademark. The definition under Section 2(1)(zb)<sup>30</sup> of the Act of the well-known mark does not define with much clarity as it refers to criteria but provides no ground on which the factors were taken for declaration that a mark is well known. The courts are open to any interpretation of this term. Thus, it would be prone to conflicting views contrary to the principle above. This again calls for more lucid rules and criteria to identify well-known trademarks in order to minimize and eradicate discrepancies and vagaries. This vague definition concerning what is termed to be a well-known trademark has made the process of introducing Section 11(6), (7), and (9) even more difficult.<sup>31</sup> Again, although these subsections provide some criteria to determine whether the mark is indeed well known, this element of subjectivity has crept in again, wherein interpretation of these subsections is vital to courts, which brings to the fore the demand for definite rules in defining the parameters of what constitutes a well-known mark that will help in deciding cases arising with regard to the doctrine of dilution.<sup>32</sup>

<sup>28</sup> Singh, R. (2024). Trademark Dilution and Brand Protection: Legal Challenges and Global Perspectives. *International Journal of Research Publication and Reviews*, 5(4), 7987–7992.

<sup>29</sup> Bereskin, D. R. (Ed.). (2023). *Trademark dilution and free riding*. Edward Elgar Publishing.

<sup>30</sup> Trademarks Act 1999, Section 2 (1) (zb)

<sup>31</sup> Ibid 26 Section 11 (6), (7), (9).

<sup>32</sup> Ye, Z. (2024). The Application Dilemma and Perfection of Trademark Dilution Theory. *Advances in Economics, Management and Political Sciences*.

1. Defining Well-Known Trademarks: The criteria for well-known trademarks remain subjective, leading to inconsistent judicial interpretations
1. Proving Dilution: Establishing dilution is complex, as it requires demonstrating harm to the distinctiveness or reputation of the mark.
2. Balancing Free Speech: Courts must balance trademark protection with fair use and free speech considerations.
3. Digital Challenges: The rise of online marketplaces and domain name disputes has increased the risk of dilution, necessitating stronger legal mechanisms.

### **Bata India Ltd. v. Pyarelal & Co.**<sup>33</sup>

is a landmark case in Indian trademark law, addressing the issue of passing off and the protection of well-known trademarks, even when the goods in question are dissimilar. The case revolved around Bata India Ltd., a well-established footwear brand with a strong reputation in the market, and Pyarelal & Co., which was engaged in selling goods unrelated to footwear. Despite the difference in the nature of goods, the central issue before the court was whether the use of the name "Bata" by the defendant could amount to passing off and cause confusion among consumers.

Bata India Ltd. claimed that it had built substantial goodwill and reputation over the years, making its brand highly recognizable among the public. The company contended that the unauthorized use of its trademark by Pyarelal & Co. was misleading and likely to cause deception, as consumers might mistakenly associate the defendant's goods with those of Bata. The plaintiff argued that even though the products were different, the mere association with the well-known mark "Bata" could result in dilution of its brand and unfair advantage to the defendant. The key legal issue before the court was whether passing off could be established in a case involving dissimilar goods. Typically, passing off is recognized when two parties deal in similar or identical goods, leading to consumer confusion. However, in this case, the court had to determine whether the reputation of a well-known trademark extended protection beyond the specific category of goods it was associated with. In its analysis, the court emphasized that the doctrine of passing off is designed to prevent misrepresentation and protect the goodwill of a well-established brand. The court acknowledged that "Bata" was a well-known mark with significant brand equity, and its unauthorized use, even for different goods, could mislead consumers into believing there was a connection between the two businesses. The court held that the likelihood of confusion and deception was sufficient to establish a case of passing off, reinforcing the idea that well-known trademarks enjoy broader protection under the law.

Ultimately, the court ruled in favour of Bata India Ltd., granting relief against the defendant and recognizing that a well-known trademark should not be diluted or misappropriated. This judgment reaffirmed the principle that trademark protection extends beyond identical or similar goods, especially when a mark has acquired substantial reputation and goodwill. The case set an important precedent in Indian intellectual property law by strengthening the safeguards against brand dilution and unfair competition.

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<sup>33</sup> Bata India Ltd. v. Pyarelal & Co., AIR 1985 All 242



### Interpretation of the Doctrine of Dilution in Indian and International Context

The doctrine of dilution is a legal principle that protects well-known trademarks from unauthorized use that may weaken their distinctiveness, even in cases where there is no direct competition or likelihood of confusion. Unlike traditional trademark infringement, which requires similarity in goods and consumer confusion, dilution focuses on safeguarding a famous trademark's reputation and uniqueness. This doctrine is recognized both in Indian trademark law and international legal frameworks.

International Context, the concept of trademark dilution originated in the United States and European Union. The Federal Trademark Dilution Act (FTDA), 1995<sup>34</sup>, and its successor, the Trademark Dilution Revision Act (TDRA), 2006, provide explicit protection to well-known trademarks from blurring (when a mark loses its distinctiveness) and tarnishment (when a mark's reputation is harmed).<sup>35</sup> For instance, in *Moseley v. V Secret Catalogue, Inc.* (2003), Victoria's Secret successfully argued that the unauthorized use of its mark caused dilution. Similarly, the EU Trademark Directive and Paris Convention extend protection to famous marks, preventing their unauthorized exploitation.<sup>36</sup>

Indian Context, in India, the doctrine of dilution is embedded in Section 29(4) of the Trade Marks Act, 1999, which protects well-known trademarks from unfair use, even if the infringing party deals in different goods or services<sup>37</sup>. Indian courts have upheld this principle in several cases. In *ITC Limited v. Philip Morris Products SA* (2010)<sup>38</sup>, the Delhi High Court recognized that the "Marlboro Roof Device" was a well-known mark and held that its unauthorized use would lead to dilution. Another landmark case is *Daimler Benz v. Hybo Hindustan* (1994)<sup>39</sup>, where the Delhi High Court ruled against the defendant for using "Benz" on undergarments, stating that such use diluted the exclusivity of the luxury automobile brand. Dilution ensures that famous trademarks maintain their commercial value and identity, preventing third parties from gaining undue advantage. In an era of globalization, where brands operate across multiple industries, dilution laws protect against the erosion of brand equity.<sup>40</sup> While India follows international principles, stricter enforcement is required to curb unauthorized use effectively. Ultimately, the doctrine of dilution serves as a crucial safeguard for global and domestic brands, ensuring that their reputation remains intact and preventing consumer deception in the long run.<sup>41</sup>

### CONCLUSION & SUGGESTIONS

The doctrine of dilution is an important mechanism to protect well-known trademarks that provides a heightened form of legal protection beyond strict infringement with respect to harm caused to a trademark's distinctiveness or reputation with or without any concomitant consumer confusion. It seems especially important, for example, in helping to preserve the uniqueness of a brand as well as its global identity. For famous marks, whose value often consists precisely in recognition and equity that they enjoy

<sup>34</sup> The Federal Trademark Dilution Act (FTDA), 1995

<sup>35</sup> Trademark Dilution Revision Act (TDRA), 2006

<sup>36</sup> Friedman, A. (2022). *Trademark dilution: The protection of reputed trademarks beyond likelihood of confusion*. Springer.

<sup>37</sup> Trade Marks Act, 1999, Section 29 (4)

<sup>38</sup> *ITC Limited v. Philip Morris Products SA* (2010) AIR 217

<sup>39</sup> *Daimler Benz v. Hybo Hindustan* (1994) PTC 287 (Del).

<sup>40</sup> *Enhelion Knowledge Ventures Pvt Ltd.* (2021). *Trademark prosecution and opposition*. Bloomsbury Professional India.

<sup>41</sup> Ghosh, E. (2024). *Imperfect recollections: The Indian Supreme Court on trade mark law* (2nd ed.). Thomson Reuters

across the globe, the doctrine arguably provides especially crucial protection. Despite its value, the doctrine of dilution is also confronted with a lot of legal and practical barriers that minimize its efficiency. Determination of what can be termed as a "well-known" or "famous" mark varies extensively by jurisdiction making it inconsistent in the way that protection is granted. Further, the intangible nature of the proof of dilution through blurring or tarnishment makes enforcement challenging, because courts many times rely on subjective standards in determining harm. This unpredictability complicates efforts put in protecting trademarks from dilution, particularly in a highly internationalized marketplace. No less important is that between trademark protection and rights in free speech, a balance that doctrine must maintain in cases of parody, satire, and even in such non-commercial use of marks as happens with copyright-protected works. Such balances often lead to controversies in the interpretation of the doctrine. This present high-tech and highly networked world challenges the doctrine further with the proliferation of online applications, social media, and global commerce. Online trademark uses could percolate quickly, often beyond those systems undergirding traditional legal frameworks. The doctrine of dilution continues to serve as a useful concept in protecting well-known trademarks, but legal uncertainties and evidentiary difficulties somewhat mute its effectiveness in modern commerce. The potential would be increased if relevant law and standards of courts began to follow clearer guidelines in establishing identification of well-known trademarks amidst an increasingly digital and globalized landscape.

## SUGGESTIONS

A clearer legislative framework is essential to strengthen trademark dilution protection in India. The Trade Marks Act, 1999, recognizes dilution under Section 29(4) but lacks explicit definitions and detailed provisions for blurring and tarnishment—two key forms of dilution. Introducing specific guidelines, similar to the U.S. Trademark Dilution Revision Act (TDRA), 2006, would enhance enforcement and provide clarity to courts and businesses. Establishing a dedicated registry for well-known trademarks would further streamline protection. A separate well-known trademark database, distinct from the general trademark registry, would allow businesses and enforcement agencies to easily identify marks that qualify for dilution protection. This proactive approach would help prevent unauthorized use before legal disputes arise. To deter infringers, stricter penalties for dilution should be imposed. Courts should award higher financial damages for unauthorized use of well-known trademarks, similar to the EU Trademark Directive, which enforces strict liability for dilution. Higher penalties would serve as a deterrent and discourage brand misuse. Consumer awareness programs are also crucial in reducing trademark dilution. Educating the public about the impact of dilution and counterfeiting can decrease demand for infringing products, indirectly strengthening brand protection. Awareness campaigns led by the Trademark Registry, brand owners, and consumer protection agencies can improve public understanding of trademark rights. Additionally, faster disposal of dilution cases is necessary. Prolonged legal battles can weaken brand value, making it imperative to fast-track cases involving dilution. Specialized trademark courts or expedited hearing mechanisms could ensure timely relief for affected brands. In the digital era, stronger online protection is essential. Indian laws should address domain name squatting, misleading online ads, and social media misuse, ensuring brands are protected in the digital marketplace. Finally, alignment with global standards like the Madrid Protocol and TRIPS Agreement will help India adopt best practices from jurisdictions like the U.S. and EU, ensuring comprehensive protection for well-known trademarks.

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