COMMITTEE OF EXPERTS ON WELL-KNOWN MARKS

Third Session
Geneva, October 20 to 23, 1997

PROTECTION OF WELL-KNOWN MARKS

Memorandum prepared by the International Bureau
1. The 1996-97 Program of WIPO (Item 03(5)) (document AB/XXVI/2) provides for the following:

“Well-Known and Famous Marks

“The International Bureau will study, with the help of a committee of experts meeting once in each year of the biennium, all questions of relevance to the correct application of Article 6bis of the Paris Convention [for the Protection of Industrial Property] (e.g., whether that Article applies also where the well-known mark is not actually used in the country in which its protection is claimed). It will also study the conditions and scope of protection, in particular, in respect of famous marks, against dilution and/or undue exploitation of the goodwill acquired by such marks. Moreover, it will study the feasibility of setting up, under the aegis of WIPO, a voluntary international information network for the exchange of information among countries concerning marks that one or more of them considers to be well known or famous.

“Any proposal for action, beyond the study, will be put before the General Assembly of WIPO.”

2. The WIPO Committee of Experts on Well-Known Marks (hereinafter referred to as the “Committee of Experts”) has so far met in two sessions, namely from November 13 to 16, 1995, to consider the results of a study by the International Bureau on the protection of well-known marks and prospects for improvement of the existing situation (see document WKM/CE/I/2), and from October 28 to 31, 1996, for discussing a number of draft provisions on the protection of well-known marks. In accordance with the program item referred to in the preceding paragraph, the Committee of Experts is convened for its third session, to consider the draft provisions as revised in line with the views expressed by the Committee of Experts at its second session (see document WKM/CE/II/3). The draft provisions appear in the Annex to this document. Differences between the text of the draft provisions submitted to the second 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/II/2 but appear in the present document are underlined and (ii) the omission of words which appeared in document WKM/CE/II/2 from the present document is indicated by the sign _. Changes in the Notes are not marked.

3. It is recalled that the question of whether the conclusions of the study of the International Bureau could be adopted in the form of a recommendation of the WIPO General Assembly or the Assembly of the Paris Union or in the form of a Protocol to the Trademark Law Treaty would be considered once sufficient agreement had been reached on such conclusions (see document WKM/CE/II/2, paragraph 5). Therefore, while the present
document uses the term “draft provisions,” it is left open whether those draft provisions would be adopted in the form of a recommendation of the said bodies or in the form of an international instrument such as a Protocol to the Trademark Law Treaty. It is expected that the eventual form of the implementation of the draft provisions will be decided by the WIPO Governing Bodies in 1998.

4. The Committee of Experts is invited to express its views as regards the draft provisions referred to in paragraph 2, above, and contained in the Annex of this document.

[Annex follows]
ANNEX

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NOTES ON THE DRAFT PROVISIONS

Notes on Article 1

1.1 Item (i) 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). If a Party only provides for the registration of marks, Article 3(2) to (4) will not apply to business identifiers other than marks.

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). In accordance with the views expressed by the Committee of Experts at its second session, the proposed protection of well-known marks is not limited to conflicting marks but covers also conflicting trade names and symbols, emblems or logos used in business (see document WKM/CE/II/3, paragraph 61). It is intended that the proposed provisions apply, where appropriate, to such business identifiers regardless of whether Parties provide for the registration of business identifiers by the Office which is entrusted with the registration of marks or by a different authority (see also the Notes on Article 4).
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 or other business identifiers;

(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 a mark, a trade name or a business symbol, emblem or logo.
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 Article 4 because the fact that the mark is well known is sufficient for its protection.

2.2 At the second session of the Committee of Experts, it was suggested that the right to enforce the protection of an unregistered well-known mark be subject to the filing of an application for the registration of that mark. This suggestion has not been implemented in the draft provisions, since the majority of delegations did not share this opinion and because the compatibility of such a condition with Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) is doubtful as regards protection with respect to identical goods or services (see document WKM/II/3, paragraphs 64 and 65). However, it goes without saying that, for any future protection, it is in the interest of the owner of the well-known mark to apply for its registration. In particular, this is in his interest because any decision of a court establishing that a mark is well known is only valid *inter partes*; in other words, it cannot be enforced against third parties.

2.3 The effect of paragraph (2) is twofold. First, item (i) provides that, in order to confer on a mark protection as a well-known mark, it is sufficient if 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.

2.4 Second, item (ii) provides that, for determining whether a mark is to be protected as a well-known mark, it is sufficient that the mark is well known in the relevant sector of the public.

2.5 The second phrase of paragraph (2) makes it clear that 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 gist 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 be contrary to the very idea of the 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. As regards the criteria which should be taken into account for determining the relevant sector of the public, see the Notes on paragraph (3), below.
(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 shall suffice that the mark be well known _

(i) in the territory in which it is to be protected as a well-known mark, and

(ii) in the relevant sector of the public in that territory.

*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.*
2.6 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 order to determine 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 in the public at large, but in the specific and limited sector concerned with the goods or services in question.

2.7 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 6bis 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.

2.8 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, two criteria are proposed.

2.9 Item (i). 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.
(3) **[Relevant Sector of the Public]** For the purposes of Article 2(ii), 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;

(ii) the channels of distribution of, and the business circles for, the goods and/or services to which the mark applies.
2.10  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. On the other hand, 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. The business circles for 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, 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.
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, 12 criteria are proposed in Article 3 for use in order to determine whether a mark is well known. Those criteria are of an illustrative nature, and Parties are free to apply them selectively or apply other or additional criteria.

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). “Use” is to be construed broadly, thereby covering the offering for sale of goods and/or services under the mark as well as any promotion for those goods and/or services, such as advertising or publicity. Advertising, for example in electronic or print media, is one form of promotion. 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, is mostly due to advertising. 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 (i) is not limited to international fairs or exhibitions.

3.3 Item (ii). The market share of the goods and/or services to which the mark applies may also be taken into account for determining whether a mark is well known. It would be logical to assume that a mark that is used in respect of goods and/or services which occupy a large market share is likely to be well known. In this connection, it is important to consider not only the market share in the territory in which the mark is to be protected as a well-known mark but also the market share in other territories because, in view of the increasing globalization of trade, the mark may become well known in a given territory through massive sale or offer for sale in other territories.
Article 3

Criteria for Determining Whether a Mark Is Well Known

For the purposes of determining whether a mark is well known, the following should, in particular, be taken into account:

(i) the duration, extent and geographical area of any use of the mark, in particular, 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;

(ii) the market share, in the territory in which the mark is to be protected as a well-known mark and in other territories, of the goods and/or services to which the mark applies;
3.4 Items (iii) to (xii). These criteria were suggested at the second session of the Committee of Experts. The Committee is invited to express its opinion on the extent to which those criteria are suitable for determining whether or not a mark is well known.

3.5 Internet. The use of marks on the Internet, in particular as parts of domain names, is becoming more and more frequent and has led to intensive discussions on the national and international level. WIPO has convened a Consultative Meeting on Trademarks and Internet Domain Names, which held its first session in Geneva from May 26 to 30, 1997, and will hold a second session on September 1 and 2, 1997. Since the issues relating to trademarks and Internet domain names are discussed within the framework of the said Consultative Meeting, there is no need to take up discussions on that subject within the Committee of Experts on Well-known Marks. However, there is at least one aspect of the use of marks on the Internet which is relevant to the work of the Committee of Experts, namely the question of whether use of marks on the Internet, either as domain names or in any other form, should be taken into consideration for determining whether or not a mark is well known. At this stage, the draft provisions do not expressly refer to the Internet. Two possible ways to deal with the question are suggested in the next paragraph for consideration by the Committee of Experts.

3.6 Since Article 3(i) provides that one of the criteria which may be taken into account whether or not a mark is well known is the duration, extent and geographical area of any use of the mark, use of the mark on the Internet is certainly covered. In applying this provision, it is up to the competent authorities of the Parties to determine, in accordance with their rules and practices, to what extent the use of a mark on the Internet may create knowledge of the mark in the relevant sector of the public in the territory concerned and whether such knowledge is sufficient to hold the mark well known. The Note on Article 3(i) could contain a statement expressly acknowledging that fact. Another solution would be to include, in the draft provisions, use of the mark on the Internet as an applicable criterion.
(iii) the degree of the inherent or acquired distinctiveness of the mark;

(iv) the quality-image acquired by the mark;

(v) the extent to which the mark has been registered in the world;

(vi) the exclusivity of registration attained by the mark in the world;

(vii) the extent to which the mark has been used in the world;

(viii) the exclusivity of use attained by the mark in the world;

(ix) the commercial value attributed to the mark in the world;

(x) the record of successful protection of the rights in the mark;

(xi) the outcome of litigations dealing with the issue of whether the mark is a well known mark; and

(xii) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods and services and owned by persons other than the person claiming that his mark is a well-know mark.
Notes on Article 4

4.1 Paragraph (1) defines the conditions under which a mark or other business identifier (see Article 1(iv)) is to be deemed to be in conflict with a well-known mark. As already explained in Note 1.04, a broad approach is suggested providing for protection of well-known marks against conflicting marks and other business identifiers. However, for practical reasons, a wider range of remedies is proposed to be available in a conflict between a well-known mark and a mark (ex officio refusal of registration in certain cases of evident piracy, opposition procedures, invalidation procedures, prohibition of use) than in a conflict between a well-known mark and a business identifier other than a mark (invalidation procedures, prohibition of use).

4.2 Subparagraph (a). The second sentence of that subparagraph makes it clear that a Party is only under an obligation to protect a well-known mark from the moment as of which that mark is considered to be well known in its territory. This means that a Party is not obliged to protect an “internationally” well-known mark if that mark is not well known on its territory, or the mark is known albeit not well known.

4.3 Subparagraph (b) is applicable in situations where a mark or other business identifier, 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) (against conflicting marks) or paragraphs (4) and (5) (against conflicting business identifiers other than marks) are applicable.

4.4 Subparagraph (c) deals with situations in which the conflicting mark or other business identifier concerns dissimilar goods and/or services. In those cases, the remedies provided for in paragraphs (2) to (5) (against conflicting marks) or paragraphs (4) and (5) (against conflicting business identifiers other than marks) are only available if at least one of the conditions set out in items (i) to (iii) is met. All three items refer to “use” in relation to dissimilar goods and/or services. However, 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.”
Article 4

Contents of Protection

(1) [Conflict with the Well-Known Mark] (a) A well-known mark shall be protected against any mark or other business identifier which is in conflict with it. Parties shall protect a well-known mark at least with effect from the moment when the mark has become well known in their territory.

(b) A mark or other business identifier shall be deemed to be in conflict with a well-known mark where that mark or other business identifier, 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 is used, 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.

(c) Notwithstanding subparagraph (b), a mark or other business identifier shall also be deemed to be in conflict with a well-known mark where that mark or other business identifier, 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 is used, is the subject of an application for registration or is registered in respect of goods and/or services which are not identical or similar (“dissimilar goods and/or services”) to those to which the well-known mark applies, where at least one of the following conditions is fulfilled:
4.5 Item (i). This item is applicable in cases where use in relation to goods and/or services which are not similar to those to which the well-known mark applies (“dissimilar goods and/or services”) would indicate a connection between the owner of the well-known mark and those goods and/or services. Such connection 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 dissimilar goods, or the offering of the dissimilar services.

4.6 Item (ii). Under this item, a well-known mark is to be protected in relation to dissimilar goods and/or services if use for such goods and/or services is likely to impair the distinctive character of the well-known mark, for example, its unique position on the market.

4.7 Item (iii). Under this item, a well-known mark is to be protected in relation to dissimilar goods and/or services if use for such goods and/or services would take unfair advantage of the distinctive character of the well-known mark or is otherwise likely to damage the interests of the owner of the well-known mark. This case differs from the cases covered by items (i) and (ii) in that no confusion exists as to the real source of the goods and/or services (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 or other business identifier. 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. An example of another damage to the interests of the owner of the well-known mark would be the situation where the reputation of the well-known mark suffers because of use in relation to goods and/or services of an inferior quality or of an immoral or obscene nature.

4.8 Paragraph (2) obliges the Offices of those Parties whose law does not provide that the registration of a mark may be opposed by third parties to refuse the registration of marks which are conflicting with well-known marks, thus protecting such marks at the earliest stage in the registration procedure, namely, the examination. It is to be noted that this provision is applicable even where an ex officio examination as to conflicts with prior rights is not carried out. Furthermore, the draft of paragraph (2) contains an alternative qualification adding either the word “evidently” or the phrase “in its opinion” in square brackets. The Committee of Experts is invited to express its opinion whether the Offices of Parties which do not provide for opposition procedures should be under a general obligation to refuse applications for the registration of marks which are in conflict with a well-known mark, or only such application which are evidently or in the opinion of the Office in conflict with a well-known mark. The former solution seems to be appealing from the point of view of giving as much protection to well-known mark as possible. However, experience has shown that the creation of search files for the purpose of examining applications as to conflicts with well-known marks is a difficult task and entails a number of problems. On the other hand, it is thought that examiners should be given the power to refuse an application for the registration of a trademark which constitutes a blatant act of piracy. The term “evidently” is meant to leave discretion to the examiners without creating an obligation for offices to establish search files for well-known marks. If, on the other hand, such files exist, or, if the examiner has knowledge of a well-known mark, the office would be under an obligation to refuse an application for the registration of a conflicting mark. The words “in its opinion” would clarify that the office could
(i) the use of the well-known mark in relation to dissimilar goods and/or services would indicate a connection between the owner of the well-known mark and those goods and/or services;

(ii) the distinctive character of the well-known mark is likely to be impaired by use of that mark in relation to dissimilar goods and/or services;

(iii) the use of the well-known mark in relation to dissimilar goods and/or services would take unfair advantage of the distinctive character of the said mark or is otherwise likely to damage the interests of the owner of the said mark.

(2) [Refusal of Registration] The Office shall refuse ex officio any application for the registration of a mark — which evidently [in its opinion] is in conflict with a well-known mark. However, the Office shall not have such an obligation if the applicable law allows third parties to oppose the registration of a mark.
rely on the opinion of the examiner in charge and would not be obliged to ascertain public opinions (e.g., by an opinion poll) on this matter.

4.9 The objective of paragraph (3(a)) 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 marks. 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 obligation for offices to examine, ex officio, applications for the registration of marks as to conflicts with well-known marks is limited under paragraph (2) in the present version of the draft provisions to cases where no opposition procedures are available. This means that, if opposition procedures exist, the onus to defend a well-known mark is placed entirely on its owner.

4.10 Subparagraph (b) of paragraph (3) appears within square brackets (see document WKM/CE/II/3, paragraph 100) and proposes an obligation to admit, as a ground for opposition against the registration of a business identifier other than a mark, a conflict with a well-known mark if the applicable law allows third parties to oppose the registration of such business identifiers. This obligation would bind Parties having a registration system (not a mere system of administrative recordal) for business identifiers other than marks and recognizing a possibility to oppose such registration regardless of whether that system is administered by the office entrusted with the registration of marks or by any other administration (see Note 1.4).

4.11 Subparagraph (a) of paragraph (4) 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 or other business identifier (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 conform with the time limit stipulated by Article 6bis(2) of the Paris Convention.

4.12 Subparagraph (b). If procedures for the invalidation of the registration of a mark or other business identifier 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 registration (see preceding Note).
(3) [Opposition Procedures] [a] If the applicable law allows third parties to oppose the registration of a mark, a conflict with a well-known mark shall constitute a ground for opposition.

[b] Where the applicable law allows third parties to oppose the registration of a business identifier other than a mark, a conflict with a well-known mark shall constitute a ground for opposition.

(4) [Invalidation Procedures] (a) The owner of a well-known mark shall be entitled to request, during a period of at least five years from the date of registration, the invalidation, by a decision of the Office or by a decision of a court, of the registration of a mark or other business identifier which is in conflict with the well-known mark.

(b) If the registration of a mark or other business identifier may be invalidated ex officio by an Office or a court, a conflict with a well-known mark shall, during a period of at least five years from the date of registration, be a ground for invalidation of the said registration.
4.13 Paragraph (5) 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 or other business identifier. 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 (4), the right to request an order to prohibit the use of a conflicting mark or other business identifier is subject to a time limit of at least five years from the beginning of the use of the conflicting mark or other business identifier. It follows that Parties are not under an obligation to prohibit the use of a mark or other business identifier which is in conflict with a well-known mark where such use had been tolerated by the owner of the well-known mark during the period fixed by the applicable law (see however Article 4(6)).

4.14 Paragraph (6). Paragraph (6) provides that any time limit which, under paragraphs (4) and (5), may be applicable in connection with the invalidation of a registration or with prohibition of use cannot be applied if a mark or other business identifier was registered (irrespective of whether it was registered in good faith or in bad faith) but never used. As far as marks are 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 but had never been used and had therefore not attracted the attention of the owner of the well-known mark. Paragraph (6) avoids that the owner of the well-known mark is prevented from defending his rights by any time limit applicable under paragraphs (4) or (5).

4.15 In order to remedy cases of willful misappropriation of well-known marks, paragraph (6) also provides that any time limit that may be applicable under paragraphs (4) or (5) does not apply in cases of bad faith. The second phrase of paragraph (6) creates a rebuttable presumption that a person who obtained the registration or started the use of a mark or other business identifier conflicting with a well-known mark acted in bad faith. In other words, the burden of proof as regards the state of mind of the alleged infringer is shifted from the owner of the well-known mark to the defending party. However, the fact that the defendant acted in bad faith does not necessarily mean that the mark or other business identifier in question is in conflict with the well-known mark, or that the latter mark is really 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 (4) and (5) may not apply.
(5) **[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 or other business identifier which is in conflict with the well-known mark. **Such request shall be admissible for a period of at least five years from the beginning of the use of the conflicting mark or other business identifier.**

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

Notwithstanding paragraphs (4) and (5), Parties may not prescribe any time limit for requesting _the invalidation of the registration or the prohibition of the use of a mark or other business identifier which is in conflict with a well-known mark, if the conflicting mark or other business identifier was registered but not used, or if it was registered or used in bad faith_. A person who registered or used a mark or other business identifier which is in conflict with a well-known mark shall be deemed to be in bad faith, unless that person shows that he did not know or had no reason to believe that the well-known mark was already registered or used by another person.

[End of Annex and of document]