

Protection of Trademark - An Ever Expanding Concept

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Abstract: *The development of trademarks can be traced back to the onset of industrial revolution, which facilitated in the large scale production and distribution of goods. As a result of commercialization and globalization, the consumers started identifying the goods and services on the basis of trademarks and trade names. The trademarks tend to leave an ever lasting impact upon the minds of the consumers/public. The trademarks distinguish the products of one person or enterprise from those of other persons. Over a prolonged period of usage, the products with particular marks started gaining popularity as well as recognition in the market. With advertising came the propensity to adopt deceptively similar trademarks to enhance profits and gain unscrupulous financial gain by trading on the reputation of another trade mark. Therefore there was a need for uniform laws for protection of such marks. Infringement or passing off mostly occurs when another trader/manufacturer copies the trademark, or essential features of a trademark of another, but sell the goods in his own name in contrast to counterfeiting where the counterfeiter holds out that the goods and produced by the actual proprietor. If the Trade Mark offended against is unregistered, only an action for passing off is permissible. Infringement is a remedy based on violation of statutory laws whereas passing off is based on common law. In India, the very first legislation in respect of trademark was the Trademarks Act 1940. Prior to 1940, the law relating to trademarks in India was based on the common law principles. In the year 1958, The Trade and Merchandise Marks Act was adopted which repealed the Trademarks Act 1940. The Trademarks Act 1999 repealed the previous legislations. The present act is an "Act to amend and consolidate the law relating to trademarks, to provide for registration and better protection of trademarks for goods and services and for the prevention of the use of fraudulent marks". [Meghraj Biscuits Industries Ltd v CCE (2007) 3 SCC 780, p. 788.] The Trademarks Act, 1999 is in compliance with the TRIPS Agreement. It provides a platform for the registration of trademarks of goods and services, thereby, providing the exclusively identifying the product with its manufacturer and thereby also providing the manufacturer relief in case of infringement of his trademark. The law of passing off applies whenever there is the prospect of confusion between marks and get-up or where there is the prospect of confusion of identity through the unauthorised use of similar marks or get-up. It is because the main consideration of passing off is whether deception or confusion is likely to arise, passing off can be used to protect any kind of distinctive name, mark, logo or get-up used to identify a company or business as well as products or services.*

1. Protection of Trademarks in India

In India prior to the Act of 1940 there was no statutory legislation relating to trademarks and the protection of such was based on common law which was substantially the same that was applied in England. The trademark Act 1940, introduced for the first time machinery for the registration and statutory protection of trademarks in India. This Act was in force until 1958, and then it was replaced by the Trade and Merchandise Act 1958. And then in the year 1999 the Act of 1958 was replaced by the Trademarks Act 1999 to comply with the provisions of TRIPS Agreement.

The most significant changes brought about by the 1999 Act are:

- 1) Providing for registration of trademark for services.
- 2) Providing for registration of collective marks.
- 3) Appellate Board for speedy disposal of appeals.

Under the Trademarks Act, 1999 the Indian courts may grant the following reliefs for infringement and passing off:

Permanent and temporary injunctions, compensatory and punitive damages, rendition of accounts, or delivery up of the infringing goods, labels, marks etc. for destruction/erasure. [Principles governing trademark infringement, by AsthaNegi, Journal of Intellectual Property Rights]

In India, registration of marks is not a compulsion. However, it is better to get the marks registered as in case of

unauthorized/malafide use of mark, the infringement action lies only when the mark is registered with the Trademarks Registry. Whereas, in India, even the unregistered trademarks are granted protection under the common law of passing off. Passing off is a common law tort created by judges in order to protect the goodwill attached to unregistered trademarks. Passing off action arises when an unregistered trademark is used by a person who is not the proprietor of the said trademark in relation to the goods or services of the trademark owner.

Passing off is not a statutory right and is based on goodwill and reputation of the business. It's founded on the basic tenet of law that one should not benefit from the labor of another.

Section 27 of the Trademarks Act 1999 provided that no infringement action lies in respect of an unregistered trademark but, recognizes the common law rights of the trademark owner to take action against any person for passing off their goods/services as the goods of another person or as services provided by another person. Priority of right is determined by who first used the mark within a particular geographic area. In those countries that do not recognize common law trademark rights, such rights can be acquired only through registration.

In India special protection is granted to Well known trademarks. The term "well-known trade mark" has been defined in the Trade Marks Act, 1999. A Well Known mark refers to a mark which has become so to the substantial segment of the public which uses such goods or receives

such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first mentioned goods or services.¹

Trademarks which are applied to goods and Service marks are applied to services are protectable in India apart from Certification marks, which indicate that particular products or services meet the standards set by the certifier.

Under the Indian law, initially, the registration of a trademark remains valid for ten years and thereafter the same can be renewed after every ten years. Unlike as in several countries, where only use-based applications are allowed to be filed, in India applications for registration can be filed either stating 'Proposed to be used' or based on the actual date of use. For filing of a proposed-to-use application, as the term itself indicates, the mark need not have been used on the date of the application, but the and, therefore, must commence actual use of the mark in commerce before such an application matures for registration.

Remedies available for protection of trademarks in India include:

Civil action- The competent courts can be moved for grant of relief of injunction against infringement and passing off.

Criminal proceedings- Criminal complaints can also be filed against persons who have infringed the mark, in addition to a civil action.

Administrative remedies- Notice of opposition can be filed against trademark applications published in the trademarks journal. Proceedings can be initiated for rectification/cancellation of registered trademarks before the Registrar of trademarks.

Border measures- The Indian Customs Act 1962 confers power on the Central Government to prohibit importation or exportation of certain goods. In exercise of the powers conferred by that section of the statute the Central Government has prohibited the import of those goods that have applied a false trademark or false trade description. The Trade Marks act 1999 provides that the proprietor or licensee of a registered trademark may give notice in writing to the commissioner of customs to prohibit the importation of any good if the import of the said good constitutes an infringement under the said Act.²

2. Well Known Trade Marks

The term "well-known trade mark" has been defined in the Trade Marks Act, 1999. A Well Known mark refers to a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods

or services and a person using the mark in relation to the first mentioned goods or services.³

Once a trademark is declared to be 'well known', by a Registrar of Trademarks or a court of law, the Trade Mark Registry is bound under the law to not register any trademark that is identical or similar to the 'well known' trademark across all classes of goods and services. Similarly at the time of infringement proceedings, a 'well known' trademark can be asserted against defendants dealing in entirely different goods or services.

For example, 'Google' has been declared a well-known trademark under Indian law, which means nobody else but Alphabet Inc. can register 'Google' in any of the other class where it has not already been registered by Alphabet or use 'Google' to sell goods or services in any industry and not just the internet industry. The commercial implications of being declared a 'well known' trademark are therefore tremendous.⁴

As per Rule 124 of the Trade Marks Rules, 2017, any person may file a request for determination of a trade mark as well-known along with an official fee of INR 1,00,000. Such request can be filed via e-module only.

Further, the said request shall be accompanied by a statement of case along with all the evidence and documents relied by the applicant in his claim. The Registrar may call further such documents as he thinks fit for the determination of well-known mark.

Moreover, before determining a trade mark as well-known, the Registrar may invite objections from the general public to be filed within thirty days from the date of invitation of such objection.

Nonetheless, the Registrar may, at any time remove the trade mark from the list of well known marks after giving an opportunity of hearing to the concerned party if it is found that a trade mark has been erroneously or inadvertently included in the said list.⁵

Prior to the enactment of Rule 124, a Registrar or a court of law could declare a trademark well known only during opposition, rectification or infringement proceedings. Rule 124 however creates an entirely new procedure to recognize well known trademarks.

In the case of *Bloomberg Finance LP v. Prafulla Saklecha & Ors.*⁶, the Delhi High Court observed that Section 2(zg) of the Act defines a 'well known trade mark' in relation to any goods or services to mean 'a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or service would be

³ Section 2(zg), Trademarks Act, 1999.

⁴ <https://spicyip.com/2017/04/the-well-known-trademark-under-the-new-trade-mark-rules-2017-is-the-new-procedure-constitutional.html>.

⁵ http://www.ficpi.org/_uploads/files/6983/indian_trade_mark_rules_2017.pdf.

⁶ 2013(56) PTC 243.

¹ Section 2(zg), Trademarks Act, 1999.

² http://www.ssraa.in/Intellectual%20Property/Trademarks/Trademark_Protection.aspx.

likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services’.

In the case of *Rolex SA v. Alex Jewellery Pvt. Ltd.*⁷, the Delhi High Court while determining the relevant section of public in the case took into account the advertising done in the media in India since 1947 and particularly in the years immediately preceding the suit. The Court also took note of registrations obtained to hold that relevant section of the public in India had knowledge of the trademark ROLEX in relation to the watches.

In the *Rolex case*, the Court further opined that *over the years and very quickly in recent times, the international boundaries are disappearing. With the advent of the internet in the last over ten years it cannot now be said that a trademark which is very well known elsewhere would not be well known here. The test of a well known trademark in Section 2(zg) is qua the segment of the public which uses such goods.*

Where trademark is determined to be well-known in at least one relevant section of public in India by any Court in India or Register, the same shall be considered as well-known mark.⁸

Extending Protection to well-known marks across all classes-

Section 11(2) of the Trademark Act extends protection to well-known marks across all classes. It implies that if AMUL is a well-known mark in respect of dairy-based products, the said mark cannot be used or registered even in respect of electronic items.

Relevant extract of Section 11(2) is reproduced below:

A trade mark which-

*(a) is identical with or similar to an earlier trademark; and
(b) is to be registered for goods or services which are not similar to those for which the earlier trademark is registered in the name of a different proprietor, shall not be registered if or to the extent, the earlier trademark is a well-known mark in India and use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trademark.*

The legal proposition of extending protection to well-known marks across all classes has also been recognized by the Judiciary in plethora of judgments.

For instance, in the case of *Kirloskar Diesel Recon Pvt. Ltd. v Kirloskar Proprietary Ltd.*, the Court while extending protection to the mark ‘Kirloskar’ stated that *in case of trading name which has become almost a household word and under which trading name a variety of activities are undertaken, a passing off can successfully lie if the defendant has adopted identical or similar trading name and even when the defendant does not carry on similar activity.*

Even if the defendant’s activities in such circumstances, are remote, the same are likely to be presumed a possible extension of plaintiff’s business or activities. In the instant case, the Respondents have established that word ‘Kirloskar’ has become a household word and their businesses cover variety of activities and that there is even a common connection with some activities of the Respondents and activities of the Appellants.

Similarly, in the *Benz case*, the Court while recognizing the worldwide reputation of the mark ‘Benz’ in respect of cars restrained the Defendants from using the mark Benz for their undergarments.

Punitive damages on infringement of well-known marks-

The Judiciary has in several cases has propounded that awarding punitive damages to the owner of well-known mark would deter trademark infringers from causing dilution of well-known trademarks.

For instance, in *Tata Sons Limited & Ors. v Tata Sumo Industries*, the Court awarded punitive damages of Rs.2 lacs to the Plaintiff and observed that *most of the products sold by these companies are branded products, the marks on them having trans-border reputation and enjoying tremendous brand equity. It is, therefore, becoming increasingly necessary to curb such trade mark piracies lest they drive away the huge foreign investment our country is attracting.*

The trend of awarding punitive damages in the realm of trademarks started with the case of *Time Incorporated v Lokesh Srivastava*, where the court awarded both compensatory as well as punitive damages for infringement of the trademark ‘TIME’.

The court awarded the plaintiff Rs. 5 Lakhs for loss of reputation, plus Rs. 5 Lakhs in punitive damages, including interest; the total damages awarded being Rs. 16 Lakhs.⁹ In the present case, the court drew a clear distinction between compensatory and punitive damages and observed that punitive damages need to be awarded in this case because not only did the plaintiff suffer due to infringement, but reader’s of the defendant’s magazine also suffered. They were deceived as they purchased the magazine believing it to be publishes by the plaintiff.

The court observed that the time was ripe to award punitive damages with a view to discourage law breakers. The court also observed that punitive damages should be penal in nature with a quantum being dependant on the flagrancy of infringement.¹⁰

Case Analysis-

Nokia Corporation & Others v Movie Express & Others

Brief facts-

- The Plaintiff was the registered proprietor of the trademark NOKIA in various classes *inter alia* in Class 41

⁷2014(60)PTC 131.

⁸Canon Kabushiki Kaisha v. Assistant Registrar of Trademarks, 2009(39)PTC 530(IPAB).

⁹<http://www.worldtrademarkreview.com/issues/Article.aspx?g>.

¹⁰<http://www.managingip.com/>.

under no. 1237567 which extends to entertainment services.

- The Defendant No. 1, Moviestar was an advertising agency involved in promotion, sponsorship for new movies and mass media communication such as short films, ad-films and audio-visual aids. The Defendant No. 2, Shailendra Cinemas, a production house and is involved in producing movies and the Defendant No. 3, Mr. D. S. Rao, a film producer.
- In 2011, an in-film branding opportunity in the upcoming movie of Shailendra Cinemas was proposed by the Defendants. The movie was titled 'Mr. Nokia, Connecting people', which was communicated through email to the Plaintiffs.
- The proposal was rejected. In June 2011, they were informed of a press release of 'Mr. Nokia' movie under the banner of the Defendants.
- The movie was referred as 'Mr. Nokia' everywhere and was slated to be released in February, 2012.
- A legal notice was sent to the Defendants, but nothing happened. Thus, a suit was filed against the Defendants on February 3, 2012, and an *ex parte ad interim* injunction was granted by the Court on February 6, 2012.
- Right after this the Plaintiffs caught hold of some press releases issued by the Defendant No. 3 stating that the movie is being released on March 7, 2012 under the name Mr. NOOKAYYA.
- The Plaintiffs filed an application under Order 39 Rule 2 and under 2A, of the Code of Civil Procedure, 1908, read with Section 12 of the Contempt of Courts Act, 1971.
- The Court passed a restraining order on March 7, 2012. Despite this, the movie was released under the name Mr. NOOKAYYA.

Court's Decision-

- The Court was of the view that *the trademark of the Plaintiff has earned a global goodwill and reputation, and therefore, the mark falls under the category of a well-known trademark*. Further, talking about the two marks the courts stated that *'there can be no dispute to the fact that the Defendant's marks Mr. NOKIA and/or Mr. NO.KEYIA and/or Mr. NAV-KIA and/or NOOKAIAH are deceptively and confusingly similar to the Plaintiffs well-known and registered mark NOKIA'*.
- The Court came up with a test for two similar marks. It stated that the test is *"whether the totality of the proposed trade mark is such that it is likely to cause deception or confusion or mistake in the minds of persons accustomed to the existing trade?"* It also stated that *'Infringement u/s 29 (1) does not require confusion in the minds of public/consumers with regard to trade origin. It is enough to show that impugned marks are deceptively similar to the registered marks of Plaintiff, even if, there are added matters to show a different trade origin.'* And in this case since *'the Plaintiff is the registered proprietor of the mark*
- *NOKIA in class 41 under no. 1237567 in relation to entertainment services, the use thereof by the Defendant in relation to such services amounts to infringement under Section 29 (1) of the Trade Marks Act, 1999'*.
- The case also brought to light the difference between trademark infringement and passing off. It observed that for infringement it is enough to show that impugned

marks are deceptively similar to the registered marks of the Plaintiff, even if, there are added matters to show a different trade origin. Therefore, the Defendants have committed an act of infringement.

- Also, the Court mentioned that a Defendant who chooses to stay away from the proceedings of the Court should not be permitted to enjoy the benefits of evasion of Court proceedings.

Thus, in the light of above reasons, a decree of permanent injunction restraining the Defendants from publishing or airing the movie or content carrying expression which is deceptively similar to the mark 'NOKIA' was passed and a sum of INR 5 lakh (USD 7754 approx.) as monetary damages were awarded to the Plaintiff.

3. Salient Features of Trademarks Act, 1999

The definition of "mark" under the Trademark Act 1998 is inclusive in nature consisting of device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or of any combination thereof. The "mark" should be graphically represented, that is capable of being represented in paper form. The definition of mark is inclusive and may include other things, which may fall within the general and plain meaning of the definition.

Of all the qualifications, the most important is that the trademark should be capable of distinguishing the goods or services of one person from the goods or services of another. That is, put simply; it should have inherent qualities that would make it distinct and also capable of distinguishing the mark of one person from another. The Trademark Act 1999 governs registration in India. Following are some of the salient features of the Trade Marks Act, 1999:

- 1) Inclusion of "shape of goods, packaging and combination of colours":
This has been incorporated keeping in mind changing trends of the world. It is an inclusive definition giving room to more additions. The definition of Trademark has been expanded to encompass any mark capable of distinguishing the goods and services of one, from the goods and services of another and may include any mark capable of graphical representation.
- 2) Scope of trademark infringement has been widened:
With the enlarged grounds for refusal of registration on "relative grounds", the scope of law governing infringement of trademark has been enlarged to include where the infringing use will most likely lead to confusion. Further, with the intention to keep trademarks protected, any mark which might lead to deception or turn out to be detrimental to the repute of a mark will be considered to be an infringement. Any mark which is contrary to honest practice or is likely to cause detriment to the distinctive character will constitute infringement. If the mark is capable of destroying the repute of the mark built up in the course of time, such mark will be said to be an infringed mark.
- 3) Registration of Trade Mark for Services [Sec. 2(2)(z)]:
The new law provides for registration of trade marks for services, in addition to goods. It was obligatory on India to provide for protection of trade marks in respect of

services under the Paris convention [Article 1(2), read with Art. 6] and for registration under the TRIPS Agreement [Art. 15(4)], India is a member. Service marks registration has been introduced in the new Act.

4) Registration requirements simplified under Section 9(1)(a)

For registrability, the mark will have to be capable of distinguishing the goods or services of the applicant from those of others. Thus the test of registrability of trade marks under the new Act will generally be similar to what was necessary to secure a registration in Part B of the register under the old Act. Any mark which is demonstrated to be distinctive in fact by use will qualify for registration under the law, since it does not seem to be necessary as under the old law that the mark must be "adapted to distinguish", a concept omitted in the present law.

Intellectual Property Rights (IPR) are considered to be the backbone of any economy and their creation and protection is essential for sustained growth of a nation. The intellectual property rights are now not only being used as a tool to protect the creativity and generate revenue but also to build strategic alliances for the socio-economic and technological growth. The researcher has given a comprehensive account on the trademark laws in India. The law of trademarks has undergone colossal change in the past seven decades with the enactment of Trademarks 1940 and Trade and merchandise marks act 1958 and Trademarks act 1999.

Protection of trademarks is an ever expanding concept. The definition of trademark is not exhaustive and will never be in spite of scrupulous efforts made by the legislature to clearly define the marks which can constitute a trademark. The dynamics of trade and commerce, innovative ideas of the entrepreneurs to make an exclusive brand name which disclose the origin of their goods, make it impossible to define a trademark in a watertight compartment.

4. Conclusion

Protection of trademarks is an ever expanding concept. The definition of trademark is not exhaustive and will never be in spite of scrupulous efforts made by the legislature to clearly define the marks which can constitute a trademark. The dynamics of trade and commerce, innovative ideas of the entrepreneurs to make an exclusive brand name which disclose the origin of their goods, make it impossible to define a trademark in a watertight compartment.

From the above discussion it can be said that protection of trademark is important not only from the business point of view but also for the protection of consumer from fraud and imposition. However, it is beneficial if combined action for infringement and passing off is brought in one suit as incorporating a plea of infringement, if the mark gets registered can always amend the plaint. But in an action for infringement alone the plaintiff may not be allowed to include a fresh cause of passing off in order to save the action. Since the scope of passing off action is wider than an infringement action, if an action fails, there is a chance of other succeeding.

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