

Luthra & Luthra

How to protect unregistered trademarks and commercial signs in India

Proprietors of unregistered marks have an effective remedy to enforce their rights

In India, the primary legislation governing trademark protection is the Trademarks Act 1999. The right to institute infringement proceedings under the act is available only to the proprietors of a registered trademark. However, rights in an unregistered trademark or commercial sign can be enforced through the common law remedy of passing off. Therefore, the proprietor's rights in such marks, which are ineligible for statutory protection in India, can be enforced by proving the use and reputation of the mark in question.

Ingredients of passing off

The basic principle underlying passing-off is that no individual should be allowed to sell products under the pretence that they are the products of another.

In a passing off action the proprietor is required to prove the following factors:

- the mark's reputation in India;
- misrepresentation; and
- resultant injury to the plaintiff's business or goodwill.

These factors have been applied by the Indian courts when determining whether a remedy for passing off may be granted to a plaintiff seeking to enforce its rights in an unregistered mark. In *Cadila Health Care Ltd v Cadila Pharmaceuticals Ltd* ((2001) 5 SCC 73) the Supreme Court of India held that when determining whether two marks in a passing-off action are deceptively similar, several factors must be taken into account, including:

- the nature and degree of similarity between the marks;
- the nature of products;
- the class of purchasers; and
- the trade channels.

However, mere similarity in the marks is insufficient. In *SM Dyechem Ltd v Cadbury*

(India) Ltd ((2000) 5 SCC 573) the court observed that even if the rival marks are similar, the defendant may escape liability for passing off if there are any differences in the overall get-up or trade dress. Therefore, in order to succeed in a passing-off action, it is essential to prove that consumers are likely to be deceived.

Prior use

In a passing-off action the plaintiff must establish priority in the mark, which includes prior adoption and use of the mark and, as a result of such use, the creation of a reputation among consumers. In *Uniply Industries Ltd v Unicorn Plywood Pvt Ltd* (AIR 2001 SC 2083) the Apex Court observed that the test to determine priority in a mark is to determine continuous prior use and the volume of sales or the degree of public familiarity with the mark. The court further explained that experimental, small-volume sales and marketing and promotional activities may be sufficient to establish continuous prior use of the mark.

Reputation and goodwill in India

The rights in an unregistered mark may be claimed only if the proprietor of the mark successfully establishes that the mark has acquired a reputation and goodwill in India in relation to the goods and services in respect of which it has been used.

In *Heinz Italia v Dabur India Ltd* (2007 (7) SCALE 608) the court relied on the "enviable reputation" acquired by the plaintiff to grant relief in a passing off action, as the similarity between the rival products was capable of confusing the relevant consumers.

An unregistered trademark would be entitled to protection, notwithstanding that the mark is descriptive in nature, provided that it has acquired a secondary meaning in

the trade and therefore qualifies as a well-known trademark. This concept was explained by the Apex Court in *Patel v Shah* ((2002) 3 SCC 65), wherein it observed that a descriptive word can be used as a trademark provided that it becomes well known and acquires secondary distinctive meaning. In *Godfrey Philips India Ltd v Girnar Food & Beverages (P) Ltd* ((2004) 5 SCC 257) the Apex Court observed that a descriptive trademark may be entitled to protection if it is shown to have assumed a secondary meaning which identifies it with a particular product or source.

The courts have also accorded recognition to the reputation or goodwill acquired by a mark without actual use in India. In *Jolen Inc v Jain* (MIPR 2010 (2) 176) the Delhi High Court applied the principle of cross-border reputation (established in *NR Dongre v Whirlpool Corporation* (AIR 1995 Delhi 300)) to recognise the plaintiff's right over the mark JOLEN owing to its prior adoption outside India and its international reputation and goodwill. The court held that the defendant's registered Indian mark was a slavish imitation of the plaintiff's well-known mark. Thus, actual use in India is unnecessary in order to establish passing off.

Misrepresentation

Misrepresentation by the defendant is an essential ingredient of a passing-off action. The plaintiff need not prove that the defendant applied the mark with an intention to deceive consumers; rather, the relevant test is the likelihood of consumer confusion as a result of such misrepresentation. In *Rich Products Corporation v Indo Nippon Food Ltd* (2010 (42) PTC 660 (Del)) the Delhi High Court explained that the misrepresentation should be such that:

- it could be construed as an attempt to

sell the defendant's products as those of another; and

- it is likely to damage the goodwill and reputation of that other person.

The court observed that the intention to deceive was not a necessary ingredient, provided that the unwary consumer was actually or likely to be deceived. It is thus clear that in a passing-off action the application of the mark by the defendant in a manner calculated to deceive must be proven, and not the actual intention to deceive.

Injury to the plaintiff's business and goodwill

Actual or likely injury to the plaintiff's business or goodwill is essential in order to maintain a passing-off action (*Wander Ltd v Antox India P Ltd* (1990 Supp (1) SCC 727)).

Identity or similarity of goods and services is not essential in order to show that injury to the plaintiff's goodwill or business is likely. If the plaintiff proves that the adoption and use of the impugned mark by the defendant would have the effect of diluting the goodwill associated with the mark, it will succeed in the passing off action. For instance, in *Honda Motors Co Ltd v Singh* (2003 (26) PTC1 (Del)) a passing-off action was maintained by a plaintiff which held registered marks in respect of automobiles and power equipment against a defendant using the goodwill in the trademark in respect of pressure cookers. In order to secure relief in a claim for trademark dilution, it is essential to establish that the relevant consumers or traders would associate the offending mark with the plaintiff's mark (*ITC Ltd v Philip Morris Products SA* (2010 (42) PTC 572 (Del)).

Other commercial signs

Other commercial signs which serve as source identifiers include:

- the trade or corporate name under which the goods are sold or services are provided;
- the trade dress;
- the domain name; and
- the advertising slogans used to market products.

A passing-off action can be upheld in relation to each of these commercial signs, provided that all the ingredients are present.

Trade name

The rights to the corporate or trade name under which the plaintiff carries out business can be protected under a passing-



Reshma Vaidya
Associate
rvaidya@luthra.com

Reshma Vaidya is an associate in the IP team at Luthra & Luthra Law Offices. She is involved in the practice of trademark and patent law and has worked on matters relating to trademark prosecution, trademark licensing, regulation of pharmaceuticals and data protection.

off action. The plaintiff must prove that the corporate name has acquired distinctiveness or secondary meaning in trade circles. In *Mahendra & Mahendra Paper Mills Ltd v Mahindra & Mahindra Ltd* (2002 (24) PTC 121; principles reiterated in *Sony Kabushiki Kaisha v Mahaluxmi Textile Mills* (2009 (41) PTC 184 (Cal)) the court observed that the name 'Mahindra' had acquired such distinctiveness in trade circles that a certain quality standard for goods and services was associated with it. Therefore, the court granted an interlocutory injunction to prevent the defendant from using the name 'Mahendra' in relation to its business.

Trade dress

Trade dress serves as an important source identifier as, to a large extent, it contributes to the overall brand image and serves to create a lasting impression on consumers. The test of deceptive similarity applies in a passing-off action regarding the trade dress of the product. The overall impression created by the packaging and appearance of the rival products is taken into account. This was explained in *Colgate Palmolive Company v Anchor Health and Beauty Care Pvt Ltd* (108 (2003) DLT 51; principles reiterated in *N Ranga Rao and Sons v Garg* (2006 (32) PTC 15 (Del)), wherein the court observed that the impression created at first glance, without registering the minute

details of the packaging, is relevant when determining whether consumers are likely to be confused and whether the defendant is attempting to pass its own goods off as those of the plaintiff with a view to cashing in on the plaintiff's goodwill and reputation.

The descriptive matter appearing on the label may also be protected if it has acquired secondary meaning. In *Stokely Van Camp Inc v Heinz India Private Limited* (MANU/DE/1202/2010) the plaintiff's rights in the phrase 'Rehydrate Replenish Refuel', used on the label of a sports drink, were not recognised, as the phrase had not attained any secondary meaning in relation to the plaintiff's products.

Domain names

Domain names may also be protected by a passing-off action. The Apex Court in *Satyam Infoway Ltd v Sifynet Solutions Pvt Ltd* ((2004) 6 SCC 145) recognised the need to protect domain names and upheld a passing-off action brought in order to enforce the plaintiff's rights in its domain name. However, in order to protect a domain name under the law of passing off, it is essential that the second-level domain name is not a generic word, but rather an invented or coined word. In *Plus Inc v Consim Info Private Limited* (2010 (42) PTC 507 (Bom)) the court denied protection under the law of passing off to a registered domain name, owing to its descriptive nature.

Advertising slogans

Rights in advertising slogans may be enforced in certain cases where they have acquired distinctiveness, and thus serve as important source identifiers in relation to the plaintiff's business. In India, to date there have been no cases in which a passing-off action in relation to advertising slogans has been successfully maintained. However, in *Pepsi Co Inc v Hindustan Coca Cola the Delhi High Court* observed that advertising slogans may be protected under the law of passing off if all the necessary ingredients of a passing-off action are shown to exist.

Conclusion

Despite the absence of specific legislative provisions governing the protection of unregistered marks and commercial signs, the proprietors of such marks and signs have an effective remedy to enforce their rights under the common law of passing off. An analysis of the relevant case law reveals that on numerous occasions the courts have granted relief to a plaintiff seeking to protect its rights over an unregistered mark or commercial sign which has attained goodwill and reputation in India. [WTR](#)