

Standing up for well-known marks in India

Recent rulings show that the courts are pragmatic in giving due credence to the international character of trademarks and recognising their well-known status

When India opened its doors to foreign investment in the early 1990s and permitted the use of foreign brand names, a number of globally well-established brands started to explore investment options. As part of their market feasibility studies, rights holders came across a number of instances of misuse of their brands for both similar and completely different goods. In order to address these infringements, they relied on the common law remedy of passing off, as there was no specific provision in the old Trademark Act for the protection of well-known marks.

Courts hearing cases concerning the misuse of well-known marks applied the concepts of both consumer confusion and dilution when it came to protecting well-known marks. In the 1996 case of *Kamal Trading Co v Gillette UK Limited* the Bombay High Court restrained Kamal Trading from using the mark 7 O CLOCK on toothbrushes. It held that the plaintiff had acquired an extensive reputation all over the world – including in India – by using the mark 7 O CLOCK on razors and shaving creams. Therefore, use of an identical mark by the defendant would lead to customer confusion.

In another case decided in 1994 the Delhi High Court applied the concept of dilution when considering use of the BENZ mark, along with a three-pointed device, on vests and briefs in a case brought by Daimler Benz against Hybo Hindustan. The judge observed: “I think it will be a great perversion of the law relating to Trade Marks and Designs, if a mark of the order of the ‘Mercedes Benz’, its symbol, a three-pointed star, is humbled by indiscriminate colourable imitation by all or anyone; whether they are persons, who make undergarments like the defendant, or anyone else. Such a mark is not up for grabs – not available to any person to apply upon

anything or goods. That name which is well known in India and worldwide, with respect to cars, as is its symbol a three pointed star.” This is the first case where a court took judicial notice of a mark’s reputation without insisting on actual confusion and restrained use of a similar mark.

Statutory protection for well-known marks

The new Trademarks Act, which came into effect in 2003, specifically included a definition of ‘well-known marks’ and laid down elaborate criteria for their protection. These provisions conform to the stipulations set out in the Agreement on Trade-Related Aspects of Intellectual Property Rights. In its present form, Indian trademark law expressly extends statutory protection to well-known trademarks, even in relation to dissimilar goods.

The law makes it clear that in order to qualify for protection as a well-known mark, the mark need not be known to the public at large. What matters is awareness and recognition among the relevant section of the public. In determining whether the mark is well known, the registrar of trademarks will not consider:

- the extent of the mark’s use in India;
- the mark’s registered status;
- whether an application has been registered in India, should the mark be unregistered;
- whether an application for registration has been filed in any jurisdiction other than India; or
- whether the mark is famous or well known among the Indian public.

This list of exclusions takes into account that courts have previously issued decisions in which restraint orders have been granted on the basis of a mark’s international use and reputation and its spillover reputation

in India without insisting on actual use of the mark in India. Internet and satellite television broadcasts have made the world a small place. Thus, the Indian public may be aware of well-known marks even though the relevant goods or services may be unavailable. Liberal foreign exchange laws mean that Indian consumers can purchase goods online even if those goods are unavailable in India. In addition, Indian traders and consumers often travel overseas for business and leisure. They are exposed to products bearing well-known brands and often bring them home as gifts for their families and friends.

Recent developments at the registry

There is no provision under Indian trademark law to seek a declaration from the Trademark Registry that a mark is well known. However, the registry has produced a list of over 50 marks which the courts have held to be well known, including PHILIPS, INTEL, PEPSI, HONDA OMEGA, MARS, HORLICKS, TATA, WOOLWORTH, TOSHIBA, SONY and CARREFOUR. The registry has formed a committee which reviews and updates the list periodically. Thus, rights holders can bring any court decisions where their marks have been held to be well known to the attention of this committee and present a case for their mark’s inclusion.

Use of well-known marks as trade names

This has been of concern to rights holders as many Indian companies use well-known marks as a key element of their corporate name. Thus, a specific provision for infringement (Section 29(5)) was included in the updated Trademarks Act. This sets out that if a registered trademark is used by a defendant as a part of the trade name and the defendant is dealing in the same goods in relation to which the trademark

is registered, then such use will amount to infringement. In other words, if the defendant uses the registered trademark as a part of its trade name, but does not deal in the same goods in respect of which the trademark is registered, then it does not amount to infringement under this provision. This has led to anxiety among owners of well-known marks that if their mark is used in a company name for different goods, then they cannot rely upon Section 29(4), which provides that a registered trademark is infringed if a defendant uses a mark which is identical or similar to the plaintiff's mark, but the goods in relation to which the mark is used are not similar. However, in order for a rights holder to be able to claim that its mark is being infringed, it must first establish that:

- its mark has a significant reputation in India;
- use of its mark by the defendant is without due cause; and
- such use is detrimental to the distinctive character or reputation of the registered trademark.

In a case brought by Raymond Ltd – a manufacturer of clothing material and ready-made garments – against Raymond Pharmaceuticals Ltd for use of its registered mark RAYMOND as part of the corporate name, the two-judge bench (Division Bench) of the Mumbai High Court took the view that as the RAYMOND mark was not registered for pharmaceuticals and the businesses were very different, the infringement provisions set out under Section 29(4) did not apply. Raymond's plea to invoke Section 29(5) was rejected as the court concluded that a special provision governing use of a registered mark as a part of trade name is incorporated in Section 29(5), and therefore that subject will be governed only by that provision, ruling out reliance on any other provision, including Section 29(4). The case is pending trial; however, in general it was felt that this was a narrow view to take with regard to well-known marks and would only encourage infringement.

Bloomberg and Microsoft cases

The Delhi High Court recently considered this issue in a case concerning use of the mark BLOOMBERG. Bloomberg Finance LP had filed suit seeking an injunction against the defendants to restrain them from using the word 'Bloomberg' as part of their corporate name. The plaintiff had been involved in a financial news channel in India since 2008, with the earliest Indian trademark registration dating back to 1996 (724377).



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The defendants were companies incorporated in India and using the name 'Bloomberg' as part of their corporate name. They ran diverse businesses, including property development, and also associated themselves with the Hindi film industry. The plaintiff's contention was that the defendants use of its BLOOMBERG mark constituted infringement and passing off. This in turn would dilute the overall distinctiveness of the mark.

The court expressed the view that, although Section 29(5) specifically deals with situations where infringement takes place by way of the trademark being used as part of the infringer's corporate/trade name, it is limited to situations where the goods and services offered by the infringer are identical or similar to those of the registered trademark owner. Section 29(4), on the other hand, does not refer to the use of the trademark as a corporate/trade name by the infringer. The court noted the absence of a specific requirement in Section 29(4) and, considering the object and purpose of Section 29 as a whole, concluded that Section 29(5), by itself, cannot be intended to be exhaustive of all

situations of use of a trademark as part of a corporate name. It held that where both conditions under Section 29(5) are not met, the trademark owner has the option of seeking a remedy under Section 29(4) by showing that the mark has a reputation in India and there are no reasons for use by an infringer. Further it can argue that such use by the infringer is detrimental to the reputation and distinctiveness of the registered mark.

This position was reiterated in another recent case – *Microsoft Corporation v Kurapati Venkata Jagdeesh Babu* – where the plaintiff was granted a permanent injunction and damages by the Delhi High Court against defendant Microsoft Multimedia Pvt Ltd. The defendant had:

- registered the domain name 'microsoftmultimedia.com';
- incorporated a company under the Companies Act using 'Microsoft' as part of its trading name; and
- applied to register MICROSOFT MULTIMEDIA as a trademark.

While considering the case, the court discussed the differences between the trademark infringement provisions set out in Sections 29(4) and (5) of the Trademarks Act.

It opined that Section 29(5) is a no-fault provision, which offers a higher degree of protection if both the abovementioned elements are shown to exist. In other words, for the purpose of Section 29(5), there is no requirement to show that the mark has a distinctive character or that any confusion is likely to result from the use of a registered mark by the infringer as part of its trade name or the name of its business concern.

However, if the infringer is trading in goods not covered by the registered mark, then the second requirement of Section 29(5) is not fulfilled. In such a situation, rights holders can rely on the protection conferred on well-known marks under Section 29(4), provided that the conditions set out in that provision are fulfilled.

Over the years the Indian courts have favoured the recognition of well-known marks and the extension of protection to them under Indian law. This thinking led to the formulation and promulgation of the new Trademarks Act, which specifically provides for the protection of well-known trademarks in India. The recent judicial pronouncements show that the courts are pragmatic in giving due credence to the international character of trademarks and recognising their well-known status in order to protect consumer interests and those of brand owners. [WTR](#)