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Infringement and Passing Off Under Trademark Law in India: A Critical Study

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ABSTRACT

“Nobody has any right to represent his goods as the goods of somebody else.” - Halsbury
The present research adheres to enlighten one of the most vital and prevalent Intellectual properties that is Trademark, its infringement and passing off action. The manufacturer or person supplying goods keeps in mind that even if their products holds similarity to a certain product which may be manufactured by others, the marks which causes distinction is different. The importance that Trademark holds was recognized very early during the Industrial Revolution as during that time there was producing, distributing and publicity of goods on a large scale. Therefore it influenced the modern era commercial market and thereby still clinging onto its vitality.

Further, the elaborated meaning, importance, need of Trademark law in India and its development is included in this research paper.

The research paper's aim is to thoroughly study and perform critical study of Infringement and passing off law. This has a simple reason that a trademark that is genuine will always carry with itself the characteristics of Goodwill and Reputation.

There has been an extension to the concept of passing off in the modern times as compared to the concept of passing off in earlier times where a person's goods or services were sold or rendered respectively. But today, this concept includes Trans-Border Reputation publicity, wherein it pertains to having the protection for seeking action even if the trademark infringement did not take place in that particular place.

Further, from the above discussion it can be inferred that a trademark helps in gathering protection to its owner by extending the exclusivity of that product or provides an option for other person to use it by paying certain amount to the trademark owner.

Although there is no restriction laid upon a person to register his or her trademark but it is suggested otherwise as it helps on better protection in case if there is any infringement.

I. INTRODUCTION

Trademark can be simply be defined as any sign, or various combinations of signs which have the capability of differentiation in the goods and services by a particular enterprise from those

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of other enterprise. These marks that are differentiable govern the subject matter that comes under the protection given by TRIPS Agreement. This Agreement caters the commencing registration and each and every renewal of this registration shall be for a period which may be not less than 7 years which shall lead to its renewability indefinitely. There is a certain essence to restriction with respect to the licensing of trademarks as compulsory licensing is prohibited.

It can be pertained as the most what a human being desires most is ought to own property. Property can be sought out as most vital asset for any person on this Earth. With property comes dignity and status. Apart from physical i.e. tangible property people are also fond of property which is intangible, incorporeal and cannot be seen or touched. This type of property is intellectual property rights which inculcate in it the art, medicine, process, traditional knowledge, innovations etc.

Section 2(1) (zb) of the Trademark Act 1999 contains the definition of the term trademark.

Now as per the demand of time and various judicial precedents it can be said that the meaning and scope of trademark's definition has multiplied. It is inclusive in nature which suggests that even if something particular aspect is not discussed or mentioned in the definition be included under the protection for Trademark.

Therefore it can be gathered that if any mark which is able to represent itself graphically and additionally is within the scope of the definition of Trademark, also that it has the ability to be differentiated from other goods and services. This mark that we are talking about might be of packaging, color combination, symbol, picture, brand name, logo etc or combination of these things thereof. Then it will be considered a Trademark which might also has the right to visual representation.

Nowadays there have been registrations in India of many structures. Example: Taj Mahal Palace Hotel has got its Architectural structure as trademark. This has resulted in the broadening of the concept of Trademark in aspect of its modernity and innovation. Other such structure if looked into in the World is Eiffel Tower in Paris² to get its registered Trademark and Empire State Building in New York.

II. FUNCTIONS OF TRADEMARK

The importance of trademark can be gathered by knowing the basic functions of the same. Therefore now we'll understand the functions of Trademark and what role a good and genuine

² My Modern Met; The Eiffel Tower in Paris was registered as Trademark in the year 1978. Technically any images of Eiffel Tower at night must obtain permission from the copyright holder so also even sharing such image on social media. <https://www.mymodernmet.com>

trademark plays for protecting the rights of the owner at both National and International level.

(a) To Identify the Manufacturer and Service Provider

This is most important function as it helps in the innovation and identification of manufactured goods or services which in turn help the consumer to purchase and buy the product or service avidly.

(b) To Protect the Goodwill and Reputation of the Proprietor

A Trademark that has the characteristics of a good reputation and goodwill will create a positive effect on owner's product and therefore will increase its sales in the market. Also, the owner of such product or service is individually liable for the quality and quantity of his or her product. For Example: A Reputed Co. like TATA has a large scale market due to its amazing goodwill and faith of people. The brand name attaches a trust by the people at large and boasts their confidence when the time to purchasing a product comes.

(c) Gives Legal Right to the owner as to its Usage

Trademark owner or the registered user gets the right to use it legally or assignee always has and gets a legal Right as to its usage. After registration of the aid trademark, the Trademark Act gives such person the statutory right to the exclusive use³ and helps in protection subject to certain provisions of the Act. In the case when the trademark is not registered then protection is provided under the common law of passing off.

(d) To Guarantee the Product and its Quality

Since there is an interdependence between the person buying and the person selling the quality product therefore it is responsibility of the manufacturer to cater to the standard quality regime. There are many standard quality marks are that introduced so as to maintain quality and see if the manufacturer of a certain product are not cheating from their buyers. These marks are such as ISI, ISO mark etc.

III. NEED AND IMPORTANCE OF TRADEMARK

As it can be seen that trademark plays an important role in the life of a citizen as it withholds the rights that are of great significance to the owners of a particular product or services. In the modern times we have numerable numbers of times have seen situation where it can be seen that trademark and importance of registered trademark is registered. The brand name or

³Sec. 28(1) of the Act provides that subject to the other provisions of this Act, registration of a trademark if valid, give to the registered proprietor of the trademark the exclusive right to use the trademark in relation to the goods or services in respect of which the trademark is registered.

connected a trademark has in the product or the good itself attaches to it a great amount of financial cycle also. Therefore the need and importance of trademark in this research paper has been discussed.

The importance can be laid out through the following points-

- It can be seen that a trademark helps in building reputation of the person manufacturing the product and which in turns helps in the building of the market nationally and internationally. Reputation which such goods or services carry with them and obviously this reputation is the outcome or result of trust and assurance which people have in the Trademark or Service Mark of such goods and services.
- It makes it easy for customers to find you among all the other products. With the help of the trademark it makes it easy for the consumer and helps build the sales of the manufacturer.
- Trademark helps in connecting with people on social media. Social media is such a big platform that a lot of influence is being created on the people who are active users of the same. If a person sees an advertisement of a brand through for example, Instagram then they will most likely be influenced to purchase the same from that particular brand.
- Trademark amounts to being valuable assets for any person who is holding its ownership. It is a source of income and not only results in income but reaps large amount of profit through the exclusive use or manufacture of a product of service.
- Trademarks have perpetual life. This right is again given and enjoyed by the owner of the trademark. Under the trademarks act of 1999, he or she can register a trademark or service mark in India and obtain exclusive ownership of the mark in the category of goods or services for which the registration has been made. He or she can also maintain this ownership by timely renewing the registration every ten years.
- The trademark in a brand gives uniqueness to it and is distinct which has its own benefits. It makes a product unique and different just by a particular sign, symbol, and way of packaging.

IV. INFRINGEMENT UNDER TRADEMARK LAW

According to Wikipedia web dictionary - the infringement of trademark is violation of certain exclusive rights which are related to trademark without the valid authority of the owner of the trademark or any license i.e. provided under license scope of that particular trademark. So it can be said that infringement takes place when the said “infringer” who is a person or party uses a

trademark which is identical or very similar to the trademark owned by the other person or party with respect to the product or services in question which seem identical or hold similarity to that particular product or service which the registration covers. Legal proceeding by owner of trademark can be initiated against such person or party who infringers its registration.⁴

The occurrence of infringing a particular trademark will only reside when any person who is not permitted or authorized i.e. other than the owner of the trademark himself or herself during course of trade, in relation to same goods or services for which trademark is registered, is using same or deceptively similar mark. The claims made are that of likeness of product or service, counterfeit marks and dilution of marks under infringement of trademark. The likelihood is done when consumers are confused or mislead about marks used by two different parties. The plaintiff hereupon can argue and prove that not one but numerous consumers are likely to get confused or mislead by the similarity of these marks.

The acts that constitute an infringement of a trade mark are defined in Section 29 of the Trade Marks Act, 1999.

Section 29- Infringement of registered trade marks⁵

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

- (a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or
- (b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or 27 Similar Provisions are laid down under Section 10 of the Trade Mark Act of 1994.
- (c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered

⁴ *Trademark infringement* (2022) *Wikipedia*. Available at: http://en.wikipedia.org/wiki/Trademark_infringement (Accessed: 06 June 2023).

⁵ Similar Provisions are laid down under Section 10 of the Trade Mark Act of 1994

trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person. Using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trademark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he-

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trademark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising-

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.”

- Who can sue for Infringement?

The person who is the owner that is who is the registered owner including his heirs and other registered user(s) have the right to sue a person for infringement. A person who is assignee of registered trademark shall also have the similar right to sue for infringement.

A passing off suit can be made into a combination action of infringement and passing off, but this can happen only if the registration of the trademark is obtained before the final hearing of the passing off suit.

Acts constituting Infringement with illustrative case laws-

“In *Lakme Ltd. v. Subhash Trading*⁶, plaintiff was selling products under the registered Trade mark ‘Lakme’. Defendant was using the trade mark ‘Like- me’ for the same class of products. It was held that there was striking similarity between the words. The two words are phonetically similar. There is every possibility of deception and confusion being caused in the minds of the prospective buyers of the plaintiff’s products. Injunction was made permanent.”

Pepsico Inc. v/s Sunrise Beverages, there was Infringement of registered trade mark 7UP & SEVEN UP by the defendant, use of deceptively similar design and logo by defendant -- Visual, phonetic, ocular and structural similarity with the offending trade mark '7th UP'. Injunction granted.

In *M/S Mitaso Appliances Ltd v. Joginder Singh*⁷, it was said by the court as follows:

“the plaintiff’s were registered proprietors of the registered Trade Mark ‘MITASO’; the defendants used the mark ‘METASHOW’. Infringement was alleged on the ground that the two marks on the face of it were deceptively similar phonetically and any ordinary customer could be easily misled in treating the goods of one as coming from the source of another. Injunction restraining the defendants from using the trade mark ‘META-SHOW’ was granted.”

In *United Decorative Pvt. Ltd v. Prem Traders*,⁸ the plaintiffs who were a well known of dental cream COLGATE. Defendants used the mark COLLEGIATE which is deceptively similar to

⁶ 1996 PTC 567

⁷ 1995 PTC, 105

⁸ AIR 1998 345

the what the plaintiff's mark was by having deceptive similarity in letters in white with the red background with the aim to cause confusion in the minds of the customers as pass off its products as COLGATE. Hence the court held that as a remedy mark should be restrained through the action of injunction.

In *Amritdhara v. Satya Deo*,⁹ the Supreme Court observed that “the ordinary purchaser would go more by the overall structure and phonetic similarity and the nature of medicine he has previously purchased or has been told about, or about which he has otherwise learnt and which he wants to purchase. The words ‘Amritdhara’ were held deceptively similar through registration of ‘Lakshmandhara’ were allowed on the basis of honest concurrent user.”

Acts not constituting infringement with illustrative case laws

Statutory provisions- Section 30 of the Trademarks Act, 1999 deals with certain aspects or situations where in the use of trademark mentioned herein will not constitute infringement.

Other than these specific cases, any use of the trade mark which may be beyond the scope of the registration will not be considered or proclaimed as an infringement of the mark.

Section 28(2) provides that the exclusive right conferred by registration is accompanied to certain conditions and limitations which are initiated upon registration as entry in register.

Section 28(3) helps in the protection of proprietors rights of similar marks concurrently registered. In appropriate cases as the case may be, the validity of the registration itself can be challenged, for the rights conferred by registration are subject to the registration being valid.¹⁰ The registered proprietor cannot interfere with the rights of prior users of similar marks.¹¹ The right to bona fide use of a name, place of business and descriptive words is protected by Section 35.

The object of Section 30 is to prevent the owner of a trade mark claiming infringement in respect of a product which he has produced and to which he has attached the trade mark.¹² It has been held that where a parent company chooses to manufacture and sell wholly or partly through subsidiary companies in different parts of the world products which bear the same trade mark, neither the parent nor any member of the group nor any subsidiary can complain in any country if those products are sold or resold under that trade mark. The legal ownership of the trade mark does not go further and enable the owner or registered user to ensure that products manufactured

⁹ 2006 (SC)

¹⁰ Section 28(1) of the Trade Marks Act, 1999

¹¹ Section 34 of the Trade Marks Act, 1999

¹² P. Narayanan, *Law of Trade Marks and Passing off*, 6th Ed. Eastern Law House.

elsewhere are not sold within the territory of any country.¹³

Winthrop v. Sun Ocean, the plaintiffs were group of companies controlled by one manufactured and sold in various countries inter alia an analgesic under the brand name PANADOL without any condition as to resale or export of the product of the purchasers.

The defendant's bought the product manufactured in the U.K by one of the group companies and imported and sold it in Malaysia. An action for infringement and passing off were dismissed.

V. PASSING OFF TRADEMARKS

Passing off is the sale of your own products pretending to be someone else's products.

Passing off refers to an attempt by one of the merchants to pass off products by making false statements, thereby convincing consumers that this merchant's products are the same as those of another merchant.

For example, the "Colgate" trademark is used on toothpastes with similar appearance, which is faked as "Colgate".

According to Halsbury's Law of England- 'It isn't sufficient that the products are just fit for being utilized by sellers to execute cheats on their clients; the products or handouts or other material provided with them should be proposed or should be of such nature as to recommend, or promptly or effectively loan themselves to such passing off, as something else, the outcome is too distant to even consider being ascribed to the provider of the products'.

(A) Essential Elements of Passing Off

In a lawsuit, the plaintiff must show that the components of success are authoritative in a variety of ways in circumstances involving various facts. They can be summed up like this:

First, the plaintiff must establish in the minds of the public the goodwill or reputation associated with the goods or services (given by him), whether it be the name of the brand, the description of the items, the label's qualities, or the packaging

Second, he must show that the defendant deceived the public (whether intentionally or unintentionally) in order to cause or may cause the public to assume that the goods or services he offered were those of the plaintiff. It makes no difference whether the public knows who the plaintiff is as a manufacturer or supplier of products or services as long as they are consistent with a specific source. (actually the plaintiff).

¹³ Winthrop v. Sun Ocean [1988] FSR 430 at 437 (HC of Malaysia)

Third, he must show that he suffered as a result of the accused misrepresenting the accused's source or service with the same source and source (or that he might suffer damage during the quia timet action). Those provided plaintiff.¹⁴

Modern passing off claims have the following elements¹⁵:

- (i) direct false representation
- (ii) Use a trademark that is the same as or comparable to a competitor's Trademark
- (iii) Use an essential part of the name of a competitor trader
- (iv) Copy the waking or color scheme of the label used by the trader
- (v) imitate the design or shape of the goods.
- (vi) adopting the design by which the rival traders goods or business in known in the market.

In the Bata India Limited Case it was watched: "If the name, trademark or logo utilized by the merchant is like the name of the second dealer, the imprint or logo has all the earmarks of being like the item sold by the previous, despite the fact that it may not be the equivalent or comparative item created continuously broker, it might be an instance of going off. The fundamental thought is whether there is a bogus explanation. In a going off case, clearly extortion isn't a fundamental component of activity. It is outstanding that if an extortion claim is to be recorded in a preliminary, it must be unmistakably and conspicuously expressed in the grumbling. Proof that no real harm or extortion is required in a going off activity can be all around settled. The inquiry is whether the culpable merchandise may cause mischief or harm the offended party's interests. There is an issue of who is probably going to be tricked, or who might be confounded by a natural and settled trademark client available."

According to the Vinnav Chawla case, a candidate for an activity that requires going off must establish the following:

- (a) the trademark on the items he uses;
- (b) he used the above trademarks before the defendant did;
- (c) If the defendant is permitted to use the trademark, use it to identify its goods. This appears to be identical to the preceding trademark and is likely irreversible;
- (d) The challenged trademark is extremely likely to infringe on and offend the applicant's rights.

¹⁴ V.A. Mohta- "Trademarks Passing off and Franchising" p.675 (2004, 1st Edition)

¹⁵ Dr Vikas Vashishth, "Law and Practice of Intellectual Property" p.129 2nd Edition.

(B) Issues in a Passing off action

The following issues arise in an action for passing off:

1. Regardless of whether the offended party has set up goodwill or glory regarding a business, occupation, administration, or some other movement, among the overall population or among a specific class of individuals, before the main utilization of the defendant.
2. Regardless of whether the defendant's exercises or proposed exercises add up to a deception which is probably going to harm the commerce or goodwill of the offended party and cause or liable to make harm his commerce or goodwill.
3. Regardless of whether the defendant prevails in at least one of the safeguards set by him.
4. In the event that the plaintiff succeeds what soothes he is qualified for.

(C) Defenses in Passing off Action

In an action for passing off the defendant may setup the following defenses:

1. The name, mark, or different images, the utilization of which is looked to be limited, isn't unmistakable of the plaintiff's products or commerce.
2. The defendant's utilization of the name, mark, or other image isn't, for example, to probably make his product or commerce look like those of the offended party.
3. The defendant has his very own privilege to utilize the name, mark or other image griped of.
4. Confined instances of passing off.
5. The plaintiff isn't qualified for relief by virtue of the postponement, estoppel, and quiet submission, misleading utilization of the imprint or image, distortion of realities, or deceitful exchange.
6. The products or commerce of the offended party and of the defendant are completely different.
7. Defendant utilizing the word whined of for true blue portrayal of his product.

VI. CONCLUSION

The Indian Trademark Legislation at present which is Trademark Act 1999 is the result and positive improvement of all the prior enactment which were passed during their time. We can say that the present brand name enactment is in standard with International level as India is a

signatory to TRIPS and other International Treaties and Conventions. So in a manner we can say that our current brand name enactment is a finished law on brand name yet it doesn't imply that we can't foster it more. No Law is consistent commonly as there are new difficulties so likewise developments must be brought into this law now and again as it is required.

If we examine the current trademark laws, they are efficient as most trademark-related issues have been addressed, including the inclusion of the "Service" mark, which was absent from earlier Indian legislation. Even if the identical prior user's mark is not registered, the rights of the prior user have also been protected. The Act also recognises an unregistered prior user's right to bring legal action against anyone who violates their trademark.

Having good legislation is one thing; putting it into practise is quite another. Although the Trademark Act is exceptional, the authorities, courts, stakeholders, and general public are not implementing it as it should be.
