

INTERNATIONAL JOURNAL OF LAW MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 6 | Issue 3

2023

© 2023 *International Journal of Law Management & Humanities*

Follow this and additional works at: <https://www.ijlmh.com/>

Under the aegis of VidhiAagaz – Inking Your Brain (<https://www.vidhiaagaz.com/>)

This article is brought to you for “free” and “open access” by the International Journal of Law Management & Humanities at VidhiAagaz. It has been accepted for inclusion in the International Journal of Law Management & Humanities after due review.

In case of **any suggestions or complaints**, kindly contact Gyan@vidhiaagaz.com.

To submit your Manuscript for Publication in the **International Journal of Law Management & Humanities**, kindly email your Manuscript to submission@ijlmh.com.

The Doctrine of Acquiescence: Meaning, Application in Trademark Law and Issues Therein

TEJAS JOSHI¹ AND SHIVANGI DESAI²

ABSTRACT

The article covers the main points regarding the Doctrine of Acquiescence in trademark law. It begins by explaining the nature of equity law and how it differs from strict statutory law, emphasizing the principles of justice and fairness. The article then introduces the doctrine of Acquiescence and its Latin maxim, highlighting its application in Indian courts and legislation.

The article goes on to discuss the distinction between the Doctrine of Acquiescence and laches, explaining that they are both types of estoppel but differ in their application and consequences. It mentions that acquiescence destroys the right itself, while laches destroys the remedy but not the right.

The objective of the article is clearly stated as addressing the lack of clarity and controversial application of the Doctrine of Acquiescence in trademark law. It mentions the intention to refer to various contradictory case laws to elaborate on the nature of the doctrine.

The structure of the article is outlined, with two main sections: the issue of lack of clarity and the issue of controversial application. Under the first section, the article delves into the differing interpretations of the term "positive act of encouragement" and the confusion regarding when "mere ignorance" transforms into "positive encouragement." It highlights conflicting judgments and provides examples from case law.

The second section discusses the controversial application of the doctrine, focusing on a Delhi High Court judgment that clarifies the defense of acquiescence against a registered proprietor of a trademark. It also mentions two Bombay High Court judgments with opposing views on the matter.

The article concludes by summarizing the key points discussed, emphasizing the need for clarity and consistency in the application of the Doctrine of Acquiescence in trademark law to protect intellectual property rights effectively.

Keywords: *Common Law, Law of Equity, Trademark Law.*

¹ Author is a student at ILS Law College, Pune, India.

² Author is a student at ILS Law College, Pune, India.

I. INTRODUCTION

Equity is a body of law that was developed in the court of chancery in England.³ These are flexible principles that, unlike strict statutory law, govern the matter in accordance with the conscience of justice and fairness. One such principle is the doctrine of Acquiescence and laches.⁴ It is recognized by Indian courts, and Indian legislation such as Trade Marks Act, 1999⁵. The essence of this doctrine can be understood from the Latin maxim “Qui non negat, fatetur”⁶ which means “He who does not deny, agrees”. Whereas the doctrine of Acquiescence and Laches is based on another Latin maxim “Vigilantibus non dormientibus uitas subvenit”⁷ meaning “Equity aids the vigilant and not the indolent”.

II. THE DISTINCTION BETWEEN THE DOCTRINE OF ACQUIESCENCE AND LACHES

The doctrine of acquiescence and laches are types of estoppels. Estoppel is a judicial device in common law legal systems whereby a court may prevent or "estop" a person from making assertions or from going back on his or her word; the person being sanctioned is "estopped".

- 1) Estoppel by laches occurs when a party delays without a reasonable excuse in bringing an action against an infringer and the rights, position and situation of the infringer or an innocent third party would be prejudiced as a result, while acquiescence is estoppel that arises where the proprietor by his conduct or express words impliedly consents to the actions of the infringer, both principles deal with the prejudice to be suffered by the alleged infringer or innocent third party.
- 2) Note also that the former relates to procedural inadequacies and breaches while the latter relates to substantial matters and imposes estoppel due to the conduct of the Claimant.
- 3) Moreover, acquiescence destroys the right itself whereas, laches destroys the remedy but not the right.⁸

(A) The objective of the article

The paper intends to address the issue regarding the lack of clarity of the Doctrine of

³ Dictionary of Law Enforcement, Oxford Reference. Link- <https://www.oxfordreference.com/display/10.1093/oi/authority.20110803095755848>

⁴ SCC Blog Post, Link- <https://www.sconline.com/blog/post/2021/11/19/acquiescence-virtually-destroys-the-right-of-the-person-sc-distinguishes-acquiescence-from-delay-and-laches/>

⁵ §33 of Trade Mark Act, 1999

⁶ Tray. Lat. Max. 503, Black's Law Dictionary, Pg.1414 Link- <https://www.latestlaws.com/wp-content/uploads/2015/04/Blacks-Law-Dictionary.pdf>

⁷ Broom, Max. 892, Black's Law Dictionary, Pg.1740, Link- <https://www.latestlaws.com/wp-content/uploads/2015/04/Blacks-Law-Dictionary.pdf>

⁸ SCC Blog Post, Link- <https://www.sconline.com/blog/post/2021/11/19/acquiescence-virtually-destroys-the-right-of-the-person-sc-distinguishes-acquiescence-from-delay-and-laches/>

Acquiescence in Trademark Law and its controversial application thereof. To successfully elaborate on the nature of the Doctrine, reference to various case laws, mostly contradictory, would be made.

III. THE DOCTRINE OF ACQUIESCENCE

In *De Bussche v Alt*⁹ Doctrine of Acquiescence was elaborated as follows-

“If a person having a right and seeing another person about to commit, or in the course of committing an act stands by in such a manner as really to induce the person committing the act, and who might otherwise have abstained from it, to believe that he assents to its being committed, he cannot afterwards be heard to complain of the act.”

In *Power Control V Sumeet*¹⁰ the doctrine was simply defined as “sitting by when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for the exclusive right for trade name etc. It implies positive act; not mere silence or inaction as required under laches.”

It is a type of estoppel that has been recognised by international tribunals as well. Moreover, it is also widely applied in civil law jurisdictions even though they originate from the common law system.

To elaborate further, a border dispute case of *South Carolina v. Georgia*¹¹ should be referred to. In this case, it was held by the Supreme Court of the United States of America that Georgia could no longer make any claim to an island in the Savannah River, despite the 1787 Treaty of Beaufort's¹² assignment to the contrary. The court said that the state had knowingly allowed South Carolina to join the island as a peninsula to its own coast by dumping sand from dredging and then levying property taxes on it for decades. Georgia thereby lost the island-turned-peninsula by its own acquiescence, even though the treaty had given it all of the islands in the river. These are the kinds of circumstances in which this doctrine is applied by the courts.

(A) Application of Doctrine of Acquiescence under Trade Marks Act,1999

Section 33 of the Trade Marks Act,1999 states that-

1. Where the proprietor of an earlier trademark has acquiesced for a continuous period of

⁹ (1878)8 Ch D 286 (CA) at 314

¹⁰ 1994 SCR (1) 708, *Power Control Appliances vs Sumeet Machines Pvt. Ltd*, Link- <https://main.sci.gov.in/jonew/judis/11644.pdf>

¹¹ 497 US 376, *South Carolina v. Georgia* (1990), Link- <https://www.law.cornell.edu/supremecourt/text/497/376>

¹² Summary, 497 US 376, *South Carolina v. Georgia* (1990), Link- <https://www.law.cornell.edu/supremecourt/text/497/376>

five years in the use of a registered trademark, being aware of that use, he shall no longer be entitled on the basis of that earlier trade mark—

2. to apply for a declaration that the registration of the later trade mark is invalid, or
3. to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used unless the registration of the later trade mark was not applied in good faith.
4. Where sub-section (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark, or as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark may no longer be invoked against his later trademark.

(B) Structure of the paper

For the purpose of clarity and convenience, the paper is structured in the following manner

- Issue of lack of clarity
- Issue of controversial application.

a. Issue of lack of clarity:

According to Merriam-Webster, Acquiescence means Passive Acceptance.¹³ In *Harcourt v. White*¹⁴, Sir John Romilly said “*It is important to distinguish mere negligence and acquiescence*”. To support a plea of acquiescence in a trademark case, it must be shown that the plaintiff stood by for a substantial period and thus encouraged the defendant to expend money in building up the business associated with the mark. Every author and every case regarding acquiescence gives importance to the inducement caused through the positive act by the plaintiff.

However, the law regarding this facet is none too clear. The Delhi High Court in *Jolen Inc. Vs. Doctor & Company*¹⁵ observed that the defendant can avail the plea of acquiescence not only if he proves that the plaintiff is standing by but he has also to prove that the plaintiff has turned a blind eye for a substantial period. The term “turning a blind eye” means not giving proper attention, in other words, negligence.¹⁶ This is totally antithetical to what Sir John Romilly said in *Harcourt v. White*.¹⁷

¹³Link- <https://www.merriam-webster.com/dictionary/acquiescence>.

¹⁴ 28 Beav 305, *Harcourt v. White*

¹⁵ 2002 (24) PTC 29 (Del).

¹⁶ Cambridge Dictionary, Link- <https://dictionary.cambridge.org/dictionary/english/turn-a-blind-eye>

¹⁷ *Ibid.* 12

Moreover, the Bombay High Court in the case of Emcure Pharmaceuticals Ltd. Vs. Corona Remedies Pvt. Ltd.¹⁸ upheld that a mere failure to sue without a positive act of encouragement is no defence and is no acquiescence. What constitutes a “positive act of encouragement” remains unclear. One question that arises here is -

Does standing by over a substantial period of time constitute a “positive act of encouragement” (as suggested in the Jolen Inc. case¹⁹) or do there have to be some other steps taken by the plaintiff in order to “encourage” the defendant?

Delhi High Court antithetically held that there has to be a “positive encouragement”, in the case of Make My Trip (India) Pvt. Ltd. v. Make My Travel²⁰, without setting out different criteria for “mere idleness or ignorance” and “positive encouragement”. It is not yet clear when “mere ignorance” transforms to become “positive encouragement”. Nevertheless, two prepositions can be put forth-

- “mere ignorance” over a substantial period of time becomes “positive encouragement” or
- Any “positive act” in addition to “mere ignorance” becomes “positive encouragement”

In the former case, as laid down in Andhra Perfumery v. Suryanarayaniah²¹, “substantial period” causes “mere ignorance” to become “positive encouragement”. However, in such a case, the difference between laches and acquiescence is narrowed down. The “Substantial period” rule can cause laches per se to become acquiescence.

In the latter case, even though we can distinguish between laches and acquiescence, the nature of the “positive act” may create some hurdles in clarifying this concept. The nature of a “positive act” must not be such that it constitutes “consent” which is altogether another defence under Trade Marks law.

b. Issue of a controversial application

In the trademark infringement suit GSK Consumer Healthcare S.A v. EG Pharmaceuticals & Ors.²² Delhi High Court vide order dated October 31, 2019 while granting the interlocutory application (for interim injunction) has clarified that the defence of acquiescence under Section 33(1) of the Trade Marks Act, 1999 is not available against the proprietor of a registered trade mark. The Court has held that a registered proprietor cannot be non-sued by a defence of

¹⁸ SUIT NO. 734 OF 2013, Bombay High Court.

¹⁹ *Ibid.* 13

²⁰ CS(COMM) 889/2018, Delhi High Court.

²¹ AIR 1969 Mad 126, Madras High Court.

²² CS(COMM) 238/2019, Delhi High Court.

statutory acquiescence since such a defence is available only in a passing-off action by an unregistered mark.

While analysing the availability of the defence of acquiescence under Section 33(1) against a ‘registered’ proprietor of a trade mark, the Court elaborated on how the statute distinguishes between a proprietor and a registered proprietor. The Court, in this regard, held that – *“Section 33 refers to the proprietor of an earlier trade mark. It does not refer to “registered proprietor or proprietor of an earlier registered trade mark”. The Act makes a distinction between a “proprietor” and a “registered proprietor”, with Section 2(v) thereof defining only the registered proprietor in relation to a trade mark as a person for the time being entered in the Register as proprietor of the trade mark. Thus when Section 33 refers to a “proprietor” as distinct from “registered proprietor”, reference thereto is evidently to a proprietor of an earlier trademark.”*

Based on this reading, the Court went on to hold that the defence of statutory acquiescence is not available against the Plaintiff since it owns a registration of its mark; that therefore the provision contained in Section 33(1) is not applicable.

The Court’s attention had been drawn to two judgments of the Bombay High Court which had taken a different view on this point.

In *Emcure Pharmaceuticals Ltd. vs. Corona Remedies Pvt. Ltd.*²³, 2014 SCC Online Bom 1064, the Court had observed – *“All that Section 33 says is that where, as between two registered proprietors, the later registrant is able to show acquiescence of at least five years, certain statutorily mandated consequences follow. In other cases, the plea can well be taken, the only difference being that the statutorily mandated consequences in Sections 33(1)(a), (b) and Section 33(2) would not necessarily result.”*

*Neel Electro Techniques vs. Neelkanth Power Station*²⁴, the other judgement of the Bombay High Court discussed by the Delhi High Court, had observed – *“Section 33 deals with the case of two registered trademarks, registered at different points of time. If the proprietor of the earlier trademark (registered prior in point of time) acquiesces in the use of the later trademark (registered later in point of time) for five years, he cannot apply to have the registration of the later trademark declared invalid or oppose the use of the later trade mark, unless the registration of the later trade mark was not applied in good faith.”*

²³ *Ibid.* 16

²⁴ 2014 SCC Online Bom 663, Bombay High Court.

The Supreme Court in the *Ramdev Food Products Ltd. Vs. Arvind Rambhai Patel*²⁵, the idea of acquiescence would apply if the plaintiffs find (i) sitting by or enabling someone to invade the rights and spend money on it, and (ii) it is a course of action inconsistent with the claim for exclusive rights to a trademark, trade name, etc.

In conclusion, the Doctrine of Acquiescence and laches plays a significant role in equity law, particularly in the context of trade marks. While equity principles aim to uphold justice and fairness, these doctrines emphasize the importance of vigilance and proactive action to protect one's rights. Acquiescence refers to a situation where a trademark proprietor, through their conduct or express words, impliedly consents to the actions of an infringer. On the other hand, laches occurs when a party unreasonably delays in bringing an action against an infringer, resulting in prejudice to the infringer or an innocent third party.

Throughout this paper, the lack of clarity surrounding the Doctrine of Acquiescence in trademark law and its controversial application has been explored. The divergent interpretations by different courts and conflicting judgments have contributed to the uncertainty in understanding this doctrine. The issue of whether mere ignorance over a substantial period of time constitutes positive encouragement or if there must be additional actions taken by the plaintiff remains unresolved. Furthermore, the distinction between acquiescence and laches is sometimes blurred, causing further confusion.

The paper has also highlighted significant cases where the Doctrine of Acquiescence has been applied, both nationally and internationally. The principle has been recognized by Indian courts and is enshrined in the Trade Marks Act, 1999, specifically in Section 33. This section outlines the consequences of the proprietor's acquiescence for a continuous period of five years in the use of a registered trademark.

In addressing the lack of clarity surrounding the Doctrine of Acquiescence, it is crucial for courts to provide clear guidelines and definitions, allowing for a consistent and fair application of the doctrine. A comprehensive understanding of the doctrine is necessary to ensure the protection of intellectual property rights and maintain the integrity of trademark law.

In conclusion, the Doctrine of Acquiescence in trademark law remains a complex and evolving area. While its objective is to balance the rights of trade mark proprietors and alleged infringers, the lack of clarity and controversial application of this doctrine necessitate further examination and clarification by courts and legislatures. By establishing clear guidelines and principles, the Doctrine of Acquiescence can effectively serve its purpose in promoting fairness, justice, and

²⁵ AIR 2006 SC 3304, The Supreme Court

the protection of intellectual property rights in the realm of trademarks.
