



INTERNATIONAL LAW
JOURNAL

**WHITE BLACK
LEGAL LAW
JOURNAL
ISSN: 2581-
8503**

Peer ~ Reviewed & Refereed Journal

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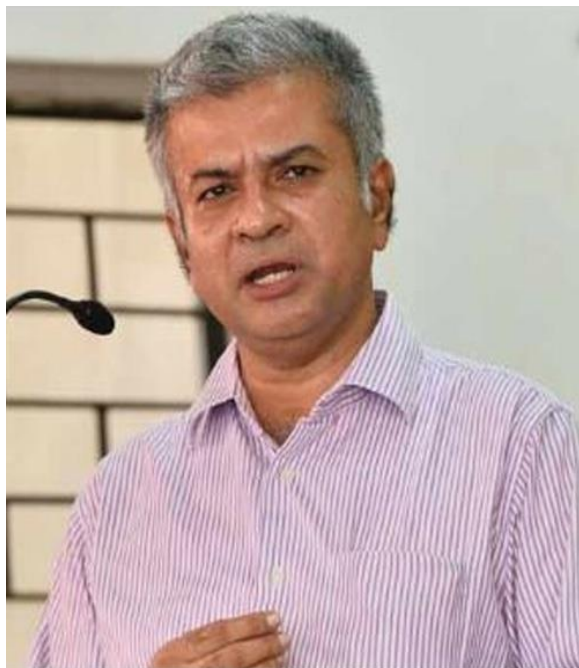
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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

PRACTICE AND LEGAL FRAMEWORK ON PROTECTION OF WELL KNOWN TRADEMARKS

AUTHORED BY - DISHTI YADAV

4.1 INTRODUCTION

Over the last two decades, India's legal system has undergone significant changes, and the trademark law has been updated and is continuing to be refined in order to offer adequate protection to trademarks.¹ Every brand's reputation has been based on the use of a certain good or service, and reputation protection is found in the action of passing off, as opposed to goodwill, which is an asset that should be protected by law. Every country should safeguard such trade marks on its territory.

The Indian judiciary has been quite liberal, and the passing off action has preserved such trademarks even if they are not registered in India. The concept of reputation is contained in section 35 of the Trade Mark Act, 1999 in India, and Indian courts have acknowledged actions by foreign plaintiffs based simply on the reputation of products and services on foreign soil.² The Courts have given an Indian court the authority to decide a matter based on transborder³ repute.⁴

The TMA grants the registered owner of a trade mark has an exclusive authority using the mark and the ability to sue for violation.⁵ A person who is not the registered proprietor of

¹ International Journal of Legal enforcement, *available at:*
https://www.researchgate.net/publication/359004022_International_journal_of_legal_enforcement_Volume_1_Issue_2_Feb_2021_Website_wwwinternationaljournaloflegaleenforcement-ijlecom, (Last Visited on January 18, 2024).

² *Ibid*

³ West Bengal Consumers, *available at:*
<https://wbconsumers.gov.in/Protectedpages/ErrorPage.aspx?aspxerrorpath=/writereaddata/ACT%20%20RULES/Relevant%20Act%20%20Rules/The%20Trade%20>, (Last Visited on May 18, 2024).

⁴ Nidhi Goyal, "Transborder reputation in India" 10 *JIPR* 125 (2004).

⁵ <http://madaan.com/trademarks.html>

a mark cannot use a mark that is registered by someone else, even if the mark is identical or deceptively similar. In India, the trade mark has a reputation, and it is being unfairly used. An unregistered trade mark owner's only option is to defend his mark through a passing off action or criminal proceedings; he cannot sue or recover damages.⁶

In such cases the plaintiff has to prove that his trade mark has a reputation goodwill in the market and well-known in the eyes of the consumers. It has being and goodwill of mark can be in domestic as well as in the international market. Thus, both infringement and passing off actions are different to each other. The exclusive right to use is bestowed on the registered proprietor by the Trade and Merchandise Act, 1999, and it is the defendant's acts of using a mark identical or deceptively similar to the registered trade mark^{7, 8}.

4.2 DEFINITION OF TRADE MARK, WELL KNOWN MARK AND TRANSBORDER REPUTATION

It is relevant because it distinguishes goods or services of well-known trademark from other trademarks and protects the reputation of the company or brand. This helps such brand to protect their goodwill and protect consumers from any deception or confusion. In *Leahy v. Glover*⁹ wherein Lord Hershell LC said that “If plaintiff want to succeed in the action passing off than he has to prove the goodwill or reputation of his business and such goodwill is there in its name, mark of the business.” A distinct and different trade mark is very important for the commercial development of the business and to establish substantial economic position in the market. A manufacturer acquires certain exclusive rights in relation to trade mark. Thus in every country there is need of effective legal system to protect the manufacturer. Every brand has value in the market and in the recent survey of brand names Coca Cola ranked as the most valuable trade mark with a value of 20 billion dollars and there are many such brand which has value of billions. Therefore protection of mark through law is very important in all countries.

⁶ Critical analysis of well-known trademark and transborder reputation and need for change in India, available at: <https://www.researchgate.net/publication/359002198>, (Visited on March 18, 2024).

⁷ The Regional Integration Of African Trade Mark Laws: Challenges And Possibilities, available at: <https://core.ac.uk/download/pdf/58915178.pdf>, (Last Visited on May 18, 2024).

⁸ International Journal of Legal enforcement, available at: https://www.researchgate.net/publication/359004022_International_journal_of_legal_enforcement_Volume_1_Issue_2_Feb_2021_Website_wwwinternationaljournaloflegaleenforcement-ijlecom, (Last Visited on January 18, 2024).

⁹ (1893) 10 RPC 141.

There are some following cases which stated the reasons for protection of well-known trade mark:

1) *In Re Polar Music International*,¹⁰ it was stated that, ‘a well-known trade mark provides information as to give source or sponsorship to a product. A main object of the well-known trade mark is to distinguish, identify and point out the origin of the products or services of trade mark’. A mark is necessary to know the source of the product and these help consumers in buying such products.

2) In *The Yorkshire Case*,¹¹ it was held that, the more distinctive a trade mark whether words mark, or a label or a device or a combination of both, the greater the likelihood of its proprietor being able to distinguish his goods from those of others.

3) The trade mark law protects the public from confusion and it should be noted that from the early 20th century the main object of the trade mark statutes is to protect the consumers¹². In, *Falcon Rice Mills Inc v. Community Rice Mills Inc*,¹³ it was held that ‘such statutes reduce the misunderstanding from the mind of the statutes and provide them variety of products in the market and it provides them truthful information in the market’.

4) In *Dental Products Co. v. Derby Dental Supply Co*,¹⁴ it was states that, ‘trade mark guarantees that goods sold under it meet a particular standard of quality. A main function of the mark is to indicate source of the goods. The manufacture gets the goodwill is the advantage obtained from use of trademarks.’¹⁵ So, trade mark law is to prevent others from getting a free ride on the reputation and goodwill of the real owner or manufacture of the product. Justice Holmes once held that a trade mark is a distinguishing token devised r picked out with the intent to appropriate it to a particular class of goods and with the hope that it will come to symbolize goodwill.¹⁶

¹⁰ 221 U.S.P.Q. 315 (1985).

¹¹ (1893) RPC 195.

¹² J.T. Mcarthy, *Trademarks and Unfair Competition* 57 (The Lawyers Co-Operative Co, 3rd edn., 1994).

¹³ 222 U.SP.Q. 197 (1984).

¹⁴ Open Jurist, *available at* <http://openjurist.org/725/f2d/336/falcon-rice-mill-inc-v-community-rice-mill-in>, (Visited on March 18, 2024).

¹⁵ 230 U.SP.Q. 233 (1986).

¹⁶ 217 U.SP.Q. 1206 (1982).

4.3 REQUIREMENT OF REGISTRATION

As per section 9 and section 11 of TMA 1999¹⁷ there are various requirements for registration of a trademark in India. All requirements are to be fulfilled by every person wants to register under these particular sections of the TMA 1999. Under section 6 of the act, all registration were maintained in the trade mark registrar. It consists of part A and Part B. Under section 9 (1) talks of essential pre requisites for registration in Part

A. the first condition is that it should be a trade mark as per the TMA 1999.

It may be noted that any name or word can be registered as a trade mark. The main requirement under such act is that a mark must be distinct from well-known marks and such other registered marks. The distinctiveness of trade mark and the distinctiveness is the real deceives factor and its necessary so other proprietor right is not affected by it. All these requirements are important so that consumers do not get confuse.

4.4 PROHIBITION AGAINST REGISTRATION

In these above consideration there is need to read section 11 (a) and section 12 (1) of the TMA 1999 together. Section 11 (1)¹⁸enacts the basic principle of trade mark that no trademark shall be registered if it is identical or deceptively similar.¹⁹ On a perusal of the definitions of deceptively similar it becomes abundantly clear that the test in section 12 is similar to that in section 12 and section 11 (a) is broader than section 12.

To check whether two marks are similar to each other not or deceptively similar. In *F.Hoffman La Roche & Co. Ltd. v. Geoffrey Manners & Co. Pvt. Ltd.*²⁰ It is clearly established that the trademarks must be considered as a whole; it is not correct to pick a section of a word and claim that there is no sufficient resemblance to cause confusion because that segment of the word varies from the equivalent section of the word in another example.²¹ In *M/S National Chemicals Co. v. Reckitt & Coleman*²² The true test is whether the proposed mark as a whole

¹⁷ Section 9 of The Trade Marks Act, 1999, reads as, "Absolute grounds for refusal of registration."

¹⁸ West Bengal Consumers, available at:

<https://wbconsumers.gov.in/Protectedpages/ErrorPage.aspx?aspxerrorpath=/writereaddata/ACT%20%20RULES/Relevant%20Act%20%20Rules/The%20Trade%20> (Last Visited on May 18, 2024).

¹⁹ Section 2 (1) (h) of The Trade Marks Act, 1999.

²⁰ AIR 1920 SC 2062.

²¹ https://www.lawfaculty.du.ac.in/files/course_material/IV_Term2021/LB-4036%20Intellectual%20Proper

²² AIR 1991 BOM 76.

*will induce deceit or confusion in the minds of people who are familiar with the existing mark.*²³

The registration of marks like using of names of any religious gods or head or any pictorial representation of such religious gurus or gods which may hurt the sentiments of any such religion than such registration are not permissible and restricted under the TMA 1999.

In, Intellectual Property Rights Enforcement Rules 2007, 'A trademark holder has right to registered their marks, designs or copy right under the with the customs and such power has been provide by the Intellectual Property Rights Enforcement Rules 2007 which provides the power to the customs authority to seize, forfeit and destroy counterfeit goods which has been imported in to India. A right holder has the right to register their mark, patent or other Intellectual property rights under the customs.²⁴ After registering online then the proprietors of the trademarks gets a temporary registration number and after such registration the hard copy has to be submitted at a customs office and need to carry the temporary registration number. The benefits of customs recordal include the following:²⁵

- a) The system created mechanisms by which all the right holders come to know about the import of counterfeits into the country.
- b) The customs authority have to inform and provide all information of the infringers and which may be helpful in filing civil suit against such infringers and what he imported goods is counterfeit
- c) The system preserves the rights holder's distribution system within the country.
- d) The system permits the right holder to ascertain what portion of the imported goods is counterfeit and what potion is grey market.

India has effective laws for registering such marks in India and they are dynamic and responsive for the protection of the trademarks and rules which provide the customs to seize the goods which are infringed and inform to the proprietors. The registration of the trademark in India provides more effective protection to the trademark.

²³ India Plea of Acquiescence Under The Trade Mark Act, 1999, *available at:* <https://www.mondaq.com/india/trademark/869900/plea-of-acquiescence-under-the-trade-mark-act-1999>, (Last Visited on May 18, 2024).

²⁴TradeMarks: evolving law in India, *available at:* <http://www.iam-media.com/Magazine/Issue/59/Management-report/Trademarks-evolving-law-in-India> (Visited on March 18, 2015).

²⁵ *Ibid.*

4.5 PROCEDURE FOR REGISTRATION

The procedure for trademark registration is outlined in sections 18 to 23 of the TMA 1999. "Any person who claims to be the owner of a registered trademark that he uses or intends to use and who wishes to register it must submit an application in manuscript to the registration in the required way."²⁶ according to Section 18 (1),²⁷ and "an application shall not be made in respect of goods comprised in more than one," according to Section 18 (2).²⁸ If any good on which the trade mark is used or propose to be used belong to different classes as listed in the schedule then separate application have to be filed for gods belonging to each of the classes.²⁹ Section 18 of the Act confers discretion on the registrar that he may accept an application absolutely or subject to such application is advertised in the form in which it has been accepted in the trademark journal³⁰. There are incidental powers vested in the registrar to vary the acceptance or to advertise before acceptance, in case application belongs to the category of marks falling in section 9 (2).

Thus, TMA 1999 protects the proprietor and mark from being misuse or copied by any other persons. The main object of such section in the act is to protect the goodwill and reputation of the proprietors and to protect consumers from any deception and confusion in domestic as well as in international markets. It may be noted that goodwill and reputation which the proprietor has earned by lot of hard work is treated as its property right and is protected from an unscrupulous trader who adopts unfair trade practices. Goodwill which has crossed territorial barriers has also been protected and it is a question of protection of traders interest who is having reputation prior in time is protected from trader who tries to earn profit from the goodwill of another trader.

4.6 REMEDIES AVAILABLE AGAINST INFRINGEMENT AND PASSING OFF ACTION

There are two types of remedies available against infringement and passing off. These are as

²⁶ Draft Trade Marks Work Manual Under The Trade Marks Act, 1999 and Trade Marks Rules, 2002, available at: <https://ipindia.gov.in/writereaddata/images/pdf/proposed-tm-manual-for-comments.pdf>, (Last Visited on May18, 2024).

²⁷ Trademark Challenges, available at: https://www.ipab.gov.in/ipab_orders/chennai/ORA-34-2020-TM-CHN.pdf, (Last Visited on May18, 2024).

²⁸ Exxon Mobil Corporation & Anr v. Mr. P.K. Sen, available at: <https://indiankanoon.org/doc/132440670/>, (Last Visited on May18, 2024).

²⁹ Section 18 (2) of The Trade Marks Act, 1999.

³⁰ Section20 (1) of The Trade Marks Act, 1999.

follows:

(a) Civil Remedies:

An aggrieved party can file a civil suit in an infringement action in any Court not inferior to a district court having a jurisdiction.³¹ But a suit in passing action an aggrieved party can file a suit in a District Court or High Court it has an original Jurisdiction. The Court grants reliefs in an action for infringement and passing off.

These are as follows:

- a) An injunction restraining further use of mark; temporary or permanent.
- b) Damages or a profit account³²; and
- c) An order for delivery up of the infringing labels and marks for destruction and or ensure.³³

In, *Castrol Limited v. P.K. Sharma*³⁴, the Plaintiff was a registered owner of the trademarks Castrol, Castrol Gtx and Castrol Gtx 2 in relation of oils for heating, lighting and lubricating. In the year, 1994 the plaintiffs came to know that defendant was selling multigrade engine oil and lubricants under the trade mark 'Castrol Gtx & Castrol. Plaintiff filed a lawsuit seeking a permanent injunction. The court held that the defendants' use of the trade marks by defendants who have no right to use them is manifestly dishonest and an attempt of infringement, and the court issued an injunction prohibiting the defendants from using the marks.³⁵

In the case of *M/s Bikanervala v. M/s Aggarwal Bikanerwala* The respondent was in the sweets business under the name AGGARWAL BIKANERVALA, and the plaintiff had been using the name BIKANERVALA since 1981, which he registered in 1992 The plaintiff

³¹ Section 134 of The Trade Marks Act, 1999.

³² West Bengal Consumers, available at:

<https://wbconsumers.gov.in/Protectedpages/ErrorPage.aspx?aspxerrorpath=/writereaddata/ACT%20%20RULES/Relevant%20Act%20%20Rules/The%20Trade%20>, (Last Visited on May 18, 2024).

³³ Section 135 of The Trade Marks Act, 1999.

³⁴ 2000 (56) DRJ 704.

³⁵ International Journal of Legal enforcement, available at:

https://www.researchgate.net/publication/359004022_International_journal_of_legal_enforcement_Volume_1_Issue_2_Feb_2021_Website_wwwinternationaljournaloflegaleenforcement-ijlecom, (Last Visited on January 18, 2024).

requested a permanent injunction barring the respondents from using trademark AGGARWAL BIKANERWALA in relation with his business.³⁶ The plaintiff was granted an injunction prohibiting the defendant from producing, selling, or dealing in such goods or products under the contested trade mark 'AGGARWAL BIKANER WALA' or any mark that is identical or deceptively similar to the plaintiff's trademark

In *Dhariwal Industries Ltd. & Anr. v. M.S.S. Food Products*.³⁷ For their goods, the appellants used the brand name MALIKCHAND, while the defendant used the name MANIKCHAND, which is identical to the appellant. The court decided that even though the plaintiffs had not registered their trademark, they had been using it for a long time and thus granted the respondents a perpetual injunction.

In *Khoday Distilleries Ltd. v. The Scotch Whisky Association and Ors*³⁸ The Supreme Court stated that the respondents have no reason to adduce as to why they did not pursue the case against appellant whisky since consumers are expected to understand the differences in manufacturing processes and origins, and hence there is no risk of confusion.

Similar enforcement mechanisms are mentioned in the TRIPS agreement. In a passing off case, the relief is the same as in an infringement action, assuming the passing off action is not an infringement action. The articles of the Civil Procedure Code govern the court's jurisdiction in infringement cases. Proceedings in the High Court can also be brought in infringement cases.

4.7 PASSING OFF AND INFRINGEMENT

The passing off remedy was used to enforce in common law countries like, United Kingdom, Australia and New Zealand. This action provide protection to trader from a misrepresentation.³⁹ Infringement of trademark is infringement of the exclusive rights given to the registered owner of the trademark. A trademark is infringed by a person, who, not is not a permitted user and such person uses an identical, similar or deceptively similar mark to the registered trademark without the permission of the registered owner of the trademark and Passing off is to enforce unregistered trademark rights and is a common law tort. Passing

³⁶ Trade Marks 2024: Trends and Developments, <https://www.lexorbis.com/trademarks-2024-trends-and-developments/>

³⁷ 2004 (29) PTC 45 MP.

³⁸ AIR 2008 SC 2737.

³⁹ Passing off, available at: http://en.wikipedia.org/wiki/Passing_off (Visited on March 27, 2024).

off action come into picture where the reputation in the trademark of party A is infringed by party B. Originally passing off action only related to goods but it has been further developed by the Courts to include services as well. Reputation and goodwill not only lies in the goods but also in business activities which may include services such as insurance, banking, advertising, financing, internet services like a man who engages in commercial activity may acquire a valuable reputation in respect of the goods in which he deals or the services which he performs or his business as an entity. The law regards such a reputation as incorporeal piece of property, the integrity of which the owner is entitled to protect

The rationale is that the reputation travels fast in the present age. The main problem in passing off action has been the protection of transborder reputation. The courts have played a very important role in protecting the goods and services. The reputation of trader has been protected not in domestic market but also in international market. This gives the registered proprietor an enhance protection and stops a trader who wants to take advantage of reputed mark in the market. The courts in India have taken a view that in so far as action for passing off is concerned, the registration of a trademark or name or similar mark is irrelevant.⁴⁰ There are some essential ingredients of a passing off action.⁴¹ The plaintiff has to prove that there is a similarity in the trade names; the defendant is deceptively passing off his goods as those of the plaintiff; or that there is bound to be confusion in the minds of the customers.

In the case of *Societe Des Produits Nestle, S.A. v. Swaraj Indus Trial and Domestic Appliances*,⁴² The trademark application for "Maggi" for electric fans was denied. The trademark "Maggi," which is the surname of the company's founder Julius Maggi, was already registered in the worldwide market in favour of the appellant. The appellate board determined that it was a well-known trademark and that the public was likely to link electrical goods with corporate expansion.⁴³

In, *Roshan Lal Oil Mills Ltd. v. Assam Co. Ltd*⁴⁴ the court held, that If the goods are not similar and the trade names, logo, colour scheme, etc., used are not likely to cause confusion

⁴⁰ K.P.G. Nair and Ashok Kumar, *Intellectual Property Rights* 142 (Allied Publisher, New Delhi, 3rd edn., 1994).

⁴¹ Protection of a unregistered trade mark, *available at*: <http://www.majmudarindia.com/pdf/Protection%20of%20unregistered%20trademark.pdf> (Visited on March 18, 2024).

⁴² 2013 (56) PTC 94 (IPAB).

⁴³ Alka Chawla, "Intellectual Property Law" XLIX *ASIL* 731 (2013).

⁴⁴ (2001) SCL 534.

in the minds of the customers, no similarity in nature, character and performance of goods, class of purchasers likely to buy the goods and the injunction to restrain the use of the trade name will be granted, because there cannot be any monopoly in the use of the trade name in respect of the goods falling in different classes.

In *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.*⁴⁵ the Supreme Court set out factors that must be considered while deciding the question of deceptive similarity. Factors such as the essence of the labels and goods, resemblance in existence, character, and effectiveness of goods, social stratification of potential buyers likely to purchase goods, and method of having obtained the commodities are all major determinants when it comes to discussions of misleading striking similarities in a getting passed off action.⁴⁶ Some cases, however, show that, while a common field of activity is important, it is not decisive in a passing off action. If it can be inferred that the use of the name will mislead the public, a trader may get an injunction against passing off.⁴⁷

In *Treasure Cot v. Hamley*⁴⁸; and *Volvo (AB) v. Volvo Steels Ltd.*⁴⁹ the court held that, an action for passing off, the motive of the defendant is not important. Once reputation is established by the plaintiffs, no further proof of fraudulent intention on the part of the defendants is required to be proved or established.

In *Athletes Foot Marketing Adm. Inc. v. Cobra Sports Limited*⁵⁰ the court was of the view that, misrepresentation and loss or damage of goodwill is also essential elements for a successful passing off action. Both must be proved by the plaintiff for an interlocutory injunction.

In *Hindustan Radiators Co. v. Hindustan Radiators Ltd.*,⁵¹ An injunction limiting further use of the mark, damages, an account of profits, or an order for delivery of the infringing labels and marks for destruction or erasure are among the remedies available in passing off actions, according to the court. Thus, it may be seen that goodwill of a person which a person

⁴⁵ [2001] 5 SCC 73

⁴⁶ https://www.lawfaculty.du.ac.in/files/course_material/IV_Term2021/LB-4036%20Intellectual%20Proper

⁴⁷ <https://dspace.uui.ac.id/bitstream/handle/123456789/8369/LEGAL%20POSSIBILITY%20TO%20REGULATE%20DE>, (Last Visited on May18, 2024).

⁴⁸ (1950) 67 RPC 89.

⁴⁹ (1998) PTC 47 (Del)

⁵⁰ 1980 RPC 343

⁵¹ AIR 1987 Del 353.

has acquired in respect of his business is treated as property right and goodwill which has crossed territorial barriers has also been protected. Registration of trade mark is not material in the sense that use of the name or mark time is superior to that of subsequent registration of the mark. The economic interests are efficiently protected by passing off action where other branch of law falls short of. The Indian courts have made efforts to give protection to famous foreign trademarks which are well known all over the world.⁵²

4.8 RULES OF ADVERTISING STANDARDS COUNCIL OF INDIA

All rules made by such council is to provide effective protection to the consumers and it's the duty of the advertising agencies and media duty to aware the consumers if there is any defect in the goods or products. This council has issued various guidelines to protect the trademarks and provide them effective protection from any malafide acts. The Trade Mark Act, 1999, Consumer Protection Act, 1986 and the code of self- regulation has been made or drawn up by the ASCI.⁵³ All the guidelines have been passed to all the advertisers, media, and advertising agencies which has to follow such guidelines before promoting any trade mark. The code defines Advertisement "its mean a paid for communication, addressed to the public or a section of it, the purpose of which is to influence the opinions or behavior of those to whom it is addressed".

The guidelines have to be followed by all such agencies and entities are as follow:⁵⁴

- a) Ensure that any claims and representations has been made by such entities are true.
- b) Must have safeguards against misleading advertisements by any of such entities.
- c) Ensure that such advertisements are not abusive and do not contain indecent or inoffensive, vulgar or repulsive content which is likely have standards of decency and which can cause offence.
- d) Must have safeguards against the products which can be hazardous or harmful to the

⁵² Graeme B. Dinwoodie and D. Janis, Trade Marks and Unfair Competition 228 (ASPEN Publishers, New York, 2004).

⁵³ Advertising ethics in India, *available at*: <http://www.nalsarpro.org/ML/Modules/Module%204/Chapter-2.pdf> (Visited on March 18, 2024).

⁵⁴*Supra* note 14.

people in the society.

- e) Ensure that advertisements of products have been done very fairly and consumers must be aware of any such defects in the product.

A registered trade mark can be infringed on by any advertising agencies of that trademark, according to Section 29 (8) of the TMA, 1999:⁵⁵⁵⁶

- a) Takes any undue advantage and is opposed to honest industrial or commercial operations.⁵⁷
- b) It is detrimental to its distinctive character.
- c) If it's against the goodwill and reputation of the trademark.

The Trade Mark Act, 1999 under its section 30 (1)⁵⁸ states the exception to such infringement against the trade mark. a trademark is not infringed if:

- a) The mark is used in conformity with ethical business standards in industrial or other commercial matters.⁵⁹
- b) The use is not such as to has unfair benefit is detrimental to the distinctive character.

In India trade mark law has been rapidly changed and it has been dynamic and very responsive to the international conventions or all other international developments in the trade mark sphere. All such changes and developments raised the confidence of all the proprietors, owners of the reputed trade mark mostly the foreign trade marks owners and even of the multinationals companies trading in India. The law has been very effective and changed with the time to meet the changing business needs and providing the new mechanisms of brand protection and enforcement.

From time to time the trademarks law has changed to a very extent and now it came up

⁵⁵ The Trade Marks Act, 1999.

⁵⁶ The Indian Journal Of Law & Public Policy, https://cdn.dynamic.soolegal.com/document-center/90184/other/ijlpp_4_2.pdf

⁵⁷ *Ibid*

⁵⁸ Section 30 (1) of The Trade Mark Act, 1999.

⁵⁹ *Ibid*

with protection to the trademark of a trademark owner at every stage. The law now informs users about other people's trademarks before they register their own, thanks to advances in technology and communication. A similar mark which may causes deception or confusion for the customers cannot be used or registered. Trademark owners must be wary of comparable marks that exist across national borders.

4.9 TRADE MARKS RULES, 2017

The most recent and updated version of the Indian rules governing trade mark registration. The requirements of Rule 48 of the Trade Marks Rules, 2002 have been incorporated into Rule 43 of the Trade Marks Rules, 2017, where Rule 43 (1) (b) (iii) is analogous to Rule 48 (b) (iii) of the Trade Marks Rules, 2002, and Rule 43 (1) (b) (vi) is analogous to Rule 48 (b) (vi) of the Trade Marks Rules, 2002. (b).⁶⁰

The Trade Marks Rules, 2017 also include, for the first time in Trade Marks Rules, a rule on determining whether trademarks are well-known trademarks through a separate application.⁶¹ According to the aforementioned Rule, anyone may seek the Registrar to determine a trade mark as well-known by filing an application in Form TM-M and paying a fee of Rs.1,00,000/-.

An application must include a declaration of issue, as well as any material and documentation relied on by the petitioner to support his claim.⁶² The provisions of Section 11 (6) to (9) of the Trade Marks Act, 1999 must be considered by the Registration while considering whether the trade mark is well-known.⁶³ The Registrar has the authority to ask objections from the general public to such an application, which must be filed within thirty days after the date of the invitation. If the application is approved, the trade mark will be added to the Registrar's list of well-known trademarks.⁶⁴

If the Registrar determines that a trade mark was incorrectly or accidentally included in the list of well-known trademarks, or that it is no longer justified, the Registrar may remove it

⁶⁰ A Guide to Well-Known Trade Marks, *available at*: <https://indiancaselaw.in/a-guide-to-well-known-trade-marks/> (Last Visited on May18, 2024).

⁶¹ Trade Marks Rules, 2017, r. 124

⁶² Spill-Over Reputation: Comparative Study Of India & The United State, <https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1047&context=alr>

⁶³ *Id.* at r. 124 (2)

⁶⁴ *Id.* at r. 124 (5)

from the list after giving the relevant party a reasonable opportunity to be heard.⁶⁵ This provision/rule has caused some Hon'ble Courts to delay ruling on whether a mark is a well-known trade mark in certain circumstances. The Hon'ble High Court of Delhi held in November 2017, in a decision where the Plaintiff sought a declaration that the trademark "Samsung" and its oval device be declared as well-known trademarks, that the appropriate course for the Plaintiff to ascertain the status of its mark as a well-known mark is for the Plaintiff to use the procedure prescribed under Rule 124 of the Trade Marks Rules, 2017 and file a request.⁶⁶

The Hon'ble Court also stated that:

"The plaintiffs cannot avoid the procedure stipulated by Rule 124 of the Trade Mark Rules, 2017 with respect to determining whether a trade mark is a wellknown mark because the defendants have not opposed the present litigation by leading evidence. This court might have issued a reasoned and well-weighed ruling regarding the maintainability of the plaintiffs' allegation that the mark SAMSUNG is well-known if the Defendants had formally challenged the Plaintiff's assertion."

Furthermore, in a recent decision by the Hon'ble High Court of Delhi in which the Plaintiff sought a declaration that the trade mark "Mont Blanc" be declared a well-known trade mark, the Hon'ble Court held that the procedure prescribed in Rule 124 should be used by parties who claim the status of a well-known mark and did not rule on the prayer for declaration.⁶⁷

The Hon'ble Court did not disclose any grounds in its subsequent judgment on the mark "Mont Blanc" as to why it does not rule on the petition for declaration of a well-known trade mark. Given that all of the above-mentioned rulings were issued by the same single judge, the Samsung decision's argument that the defendants had not objected to the litigation appears to be the reasoning for not ruling on the issue of a well-known trade mark. The Hon'ble Court has not stated that the Hon'ble Court or Courts will not decide whether a mark is a well-known trade mark, but has stated that such determinations will only be made in contentious cases.⁶⁸

With great respect, the reasoning does not appear to be sound. The reason for this is

⁶⁵ *Id.* at r. 124 (6)

⁶⁶ Samsung Electronics Company Ltd. v. D.R. Radio Corporation, 2018 (73) PTC 170 (Del)

⁶⁷ Montblanc-Simplo GMBH v. Bajaj Belts, 2018 (76) PTC 390(Del)

⁶⁸ A Guide to Well-Known Trade Marks, *available at*: <https://indiancaselaw.in/a-guide-to-well-known-trademarks/> (Last Visited on May18, 2024).

that in an ex-parte matter (where Defendant chooses not to appear after service of Summons of appearance) the Plaintiff has filed a suit and the Defendant has chosen not to appear. The Plaintiff leads its ex-parte evidence as per law for the purposes of infringement and passing off. Plaintiff demonstrates, though Ex-parte, that the mark has goodwill. In such a situation, the Hon'ble Court should rule upon whether the mark is a well-known trade mark or not irrespective of the contest posed by the Defendant. The bar for such an investigation should be high, and the evidence should be studied with a fine tooth comb, but the Hon'ble Court should rule on the mark's well-known status in all cases where trademark rights are sought to be enforced. A reading of Sections 11 (6) (v) and 11 (8) of the Trade Marks Act, 1999 reveals this.⁶⁹

Furthermore, even the Rule 124 procedure is almost entirely ex parte. An applicant must appear before the Registrar of Trade Marks, who, if deemed necessary, may invite objections to the application. The entire procedure is ex-parte if the Registrar is satisfied otherwise. Even if the Registrar invites objections and none are filed, the proceeding is still ex-parte. As a result, the reasoning behind an undisputed assertion looks to be erroneous.

It is stated that the Hon'ble Court used the words "circumvent" in the *Samsung decision*.⁷⁰ It is noted that the Hon'ble Court's decision is only one factor in deciding whether a mark is a well-known trade mark. It is not the only consideration. A reading of Section 11 (6) of the Trade Marks Act, 1999, or the understanding of the Joint Recommendation on well-known trademarks stated above demonstrates this. Even if the Hon'ble Court finds a mark to be well-known, an entity must continue proceed under Rule 124 after the passage of the Trade Marks Rules, 2017, and the mark must be judged on all relevant characteristics, from Section 11 (6) to 11. (9).

Prior to the introduction of the Trade Marks Rules, 2017, either as the Court, the Intellectual Property Appellate Board, or the Registrar of Trade Marks commented on whether a trade mark is a well-known trade mark in infringement⁷¹, rectification, or opposition actions.⁷²

⁶⁹ *Ibid*

⁷⁰ *Supra* note 63

⁷¹ 'Peppa Pig' has for the first time been recognised as a well-known trade mark in China, <https://ipkitten.blogspot.com/2021/04/peppa-pig-has-for-first-time-been.html>

⁷² Prashant Reddy, *available at*: <https://spicyip.com/2017/04/the-well-known-trademark-under-the-new-trade-mark-rules-2017-is-the-new-procedure-constitutional.html> (visited on March 7, 2024)

Following its determination, the proclaimed well-known trade mark was added to the Trade Marks Office's list of well-known marks. The list of declared well-known trademarks in the official database included eighty one entries as of March 14, 2017, when the Trade Marks Rules, 2017 were established.⁷³ Only four of the eighty-one marks had been pronounced well-known by the Registrar of Trade Marks during the proceedings before him at the time.⁷⁴ There are currently 97 trademarks on the list

following the 2017 Trade Marks Rules.⁷⁵ The Registrar of Trade Marks has found that thirteen of the remaining sixteen marks are well-known. As can be observed, Rule 124 is being used quite frequently.⁷⁶

Rule 124 also aids proprietors where there is no hostile contest to a mark, according to the statement. Even though the mark has never been the subject of infringement, passing off, opposition, or rectification, it can still be recognized a well-known mark under Rule 124, which will aid in its future protection. This opens the way for several marks to be declared well-known trademarks without having to compete for rights enforcement. As a result, Intellectual Property will be strengthened, as will effective enforcement, competitiveness, and public interest in well-known marks. It also provides economic money for the government through compulsory taxes and improved protection, which leads to increased sales of the well-known brand, resulting in additional revenue.⁷⁷

4.10 INTERNATIONAL PROTECTION OF WELLKNOWN TRADEMARK AND TRANSBORDER REPUTATION

In the nineteenth century intellectual property rights were fully developed and it was inclined to a substantial degree by the developments in the international fields. During this period only many convention in relation Intellectual property rights came into existence. All such conventions were came into subsistence to protect the rights of intellectuals contributing in producing new technologies, products and many other things which were not earlier

⁷³ Bharat Prasad, *available at*: "The Changing Perspective of Well-Known Trademarks In India" *available at*: <https://www.ip-watch.org/2017/03/22/changing-perspective-well-known-trademarks-india/> (visited on March 7, 2024)

⁷⁴ *Ibid.*

⁷⁵ "List of Well Known Trademarks, *available at*: <https://ipindiaonline.gov.in/tmrpublicsearch/well-known-trademaks-updated.pdf> (visited on March 7, 2024)

⁷⁶ A Guide to Well-Known Trade Marks, *available at*: <https://indiancaselaw.in/a-guide-to-well-known-trademarks/> (Last Visited on May18, 2024).

⁷⁷ *Ibid*

produced.

The major areas of intellectual and industrial property have been protected under different and separate international agreement or conventions. Copyrights works are secured by the Berne convention 1886 which gives protection to literary and artistic works. Under the Paris convention for the protection of industrial property, 1883 gives protection to trade mark and patent law etc. A number of agreements came into existence as goods traveled across international boundaries and trade mark protection given to such marked goods.⁷⁸

Earlier India was not bound by the Paris convention, 1883 but after becoming the member to TRIPS agreement they are bound to give protection to trademarks as per Paris convention, 1883.⁷⁹ The Uruguay round of GATT negotiation concluded with a specific agreement regarding intellectual property. "An agreement on Trade Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods," says the intellectual property portion.⁸⁰ The agreement on TRIPS provides norms and standards for intellectual and industrial property and protection of undisclosed information. Before signing the agreement India was not a member of Paris union. After signing TRIPS agreement, India has automatically become member to Paris convention and bound to comply with Articles 1-12 and 19 of the Paris convention.⁸¹ All non-members of the Paris Convention, including India, would lose the flexibility they had in ratifying any of the preceding Paris Conventions.⁸²

1. Introduction of Rule-124 in Trademarks Rule, 2017:

According to the New Rule-124 of Trademarks Rules, 2017⁸³, the new guidelines to recognize well known marks were established. The guidelines help the owner of the Trademarks to get their trademarks registered as well-known marks and do not have to wait for legal proceedings. The rule allows enlisting of trademarks as a well-known mark with the Registrar supported by evidence and fees of INR 1 lakh as is mentioned in entry-18 of

⁷⁸ Madrid Agreements concerning the International Registration of Marks, 1891 and revised on September 28, 1979.

⁷⁹ Article 1 of the Paris convention (year), read as

"It declares the member countries as constituting a union for the protection of Industrial property."

⁸⁰ WTO legal text, *available at*: https://www.wto.org/english/docs_e/legal_e/legal_e.htm (Visited on March 18, 2015).

⁸¹ The TRIPS Agreement, 1995.

⁸² *Supra* note 11.

⁸³ Trademarks Rules, 2017, Rule-124.

Schedule-1⁸⁴. If Trademarks is declared a well-known mark, then it is capable of being published in the journal.

Now the concern was what about “The marks declared as Well-Known marks before the introduction of Trademarks Rules, 2017,”

Regarding this, the Controller General of Patents, Design, and Trademarks issued a public notice⁸⁵ stating that *“the guidelines of Rule-124 says that list of documents shall be attached for applying for registration of Well-Known marks, and a copy of the judgment of any court or Registrar of trademarks needs to be produced along with the application wherein the trademarks is determined to be a well-known Trade Marks”*. Hence, Rule-124 also caters to those marks which were already declared as Well-Known marks even before the introduction of Trademarks rules, 2017.

The Drawback of the newly introduced Rule-124: –

1. Constitutional Validity of Rule-124:

After the Introduced changes a controversy arose on the constitutional validity of Rule-124 as the Trademarks Rules, 2017 is a delegated legislation so it is supposed to be legitimate with respect to its parent statute i.e., Trademarks Act, 1999[x]. According to the Trademarks act 1999, the power to make a new procedure to register well-known marks is not given to the central government. Also, Section 157⁸⁶ which defines central government’s rule-making power under the Trade Marks Act, 1999 allows the government to introduce rules for “any other matter which is required to be addressed or is prescribed to the government” is also silent about Well-known marks.

But the new Rule-124 establishes a new procedure which is not considered as adversarial proceeding to register Well-known marks. This new procedure conflicts with

⁸⁴ Trade Mark Rules 2017, Schedule-1, Entry-18

⁸⁵ IP India, Public Notice, *available at:*

https://ipindia.gov.in/writereaddata/Portal/News/681_1_Public_Notice_dated_4-5-2020.pdf, (Last Visited on May 18, 2024).

⁸⁶ Trademarks Act, 1999

Section-11⁸⁷ of the trademarks act, 1999, which establishes the adversarial procedure for registration of the well-known marks. Rule-124 permits registration of a well-known trademarks by simply filling an application to the registry, whereas, the procedure defined by Section-11 requires a proceeding of opposition, infringement, or rectification to determine the authenticity of marks being Well-known.

No Limitation on the arbitrary power of Registrar:

This new legislation gives immense powers to the Trademarks Registry, where the case of Registrar ND Kasturi's⁸⁸ arrest had already proven the existence of corruption in the body. The new legislation will increase the possibility of abuse of power of registrar in registration of a well-known marks as it empowers the registrar to remove well-known marks from the list if a mark was added erroneously, also, now it is completely upon the discretion of the registrar to register a mark as a well-known mark or not as Section- 11 clearly defines that for determining a mark as a well-known mark the registrar shall not require the following condition:

- a) That the mark is used in India
- b) The mark is registered
- c) Application for registration is filled
- d) The mark is declared well-known outside the jurisdiction of India
- e) The mark is well known in India

2. Lack of proper guidelines for Well-known marks

The question of 'whether a registered well-known mark's protection is restricted to the class of goods and services it is registered for' is not clear in the Trademarks Rule, 2017. As no option for putting a restriction or identification of such application is specified. Also, no guidelines are there to help the trademarks registry decide, what are the criteria of the appropriate use of the mark to determine a mark as well known.

⁸⁷ Trademarks Act, 1999, Section 157.

⁸⁸ Trademarks Act, 1999, Section 11.

The Judiciary have time to time faced such problems in various cases such as in the case of **Microsoft Corporation v. Kurapati Venkata Jagdeesh Babu**⁸⁹ where the court observed the lack of proper guidelines in the law, which resulted in such a situation where it was difficult for the company to register the mark 'Microsoft' as a Well-known and eventually keeping the company away from enjoying the benefits of a well-known mark and hence, their mark was being infringed. In all such cases it comes at the gates of the Judiciary to overcome such drawbacks and help in establishing a proper system, which in itself is a very lengthy process, eventually making the process of registration of trademark as a Well-known Mark, even more complex.⁹⁰

To overcome such drawbacks on the newly introduced Rule-124 in Trademarks Rules, 2017, I propose the following suggestion to be considered namely:

- a. That a company should have a minimum amount (say INR 500 crores) as their yearly turnover for more than 5 consecutive years, to be registered as a well-known mark;
- b. Proving that why only their marks should be considered as a well-known mark if other marks which are similar or identical to the applicant's marks are also registered;
- c. Proving with stats and facts about their marks gaining secondary significance;
- d. Properly defining Scope of protection of well-known marks that can it be protected in all the classes or is the protection.⁹¹

In consideration of the provisions of Section 11, the Registrar has the liberty to invite objections before declaring the marks to be well known, for the above purpose, it should be mandated to the owner of the trademarks to publish an advertisement in a National and a local newspaper (as being followed in Dubai and China) declaring his/ her application for being registered as well-known marks has been accepted by the said registrar, now if anyone has any objection regarding such registration can raise their issues In front of the registrar with valid documents and necessary details claiming their notion with a period of three (3) months, if no such objections are raised within the stipulated period, then the proposed marks is free for being

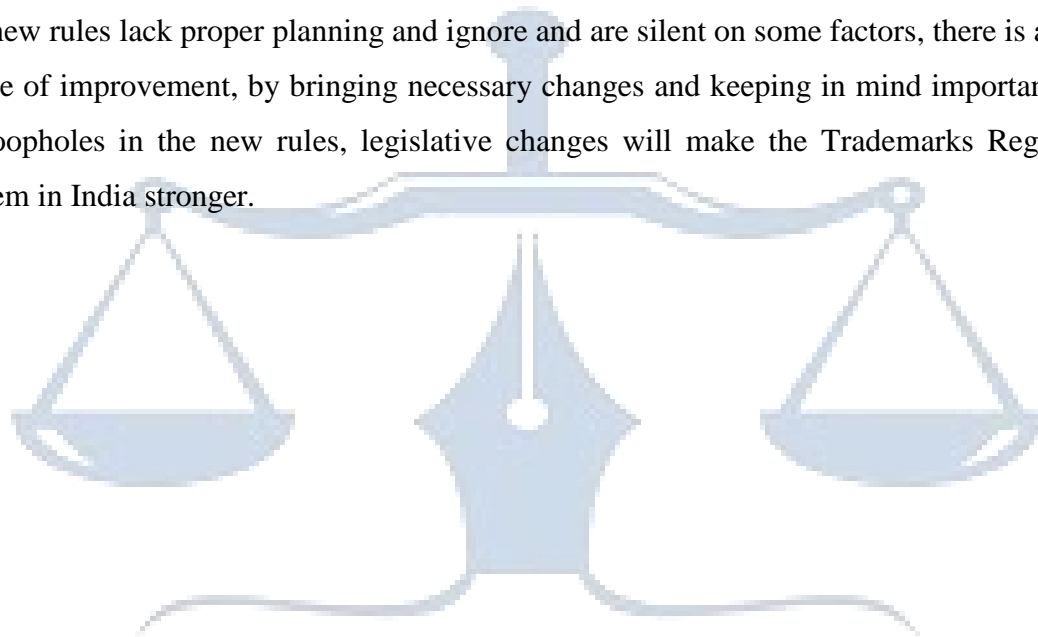
⁸⁹ Trademarks Act, 1999, Section 11.

⁹⁰ The TRIPS Agreement, *available at*: http://en.wikipedia.org/wiki/TRIPS_Agreement (Visited on April 29, 2021).

⁹¹ Microsoft Corporation v Kurapati Venkata Jagdeesh Babu, [CS(OS) No. 2163 of 2010 & I.A. No. 14225 of 2010]

registered as Well-Known marks in the Trademarks Journal.⁹²

Although the new Rule brought in Trademarks Rule, 2017 is a good initiative leading into beneficial steps towards the development of Trademarks Registration system in this signifies the importance and the thrust given by the Government of India in IP sector and protection of IP laws in India making them more stringent and vaster in scope. The introduction of Trademarks Rules, 2017, will prove out to be the beneficial in long run and will make the trademarks registration system in India more efficient, progressive, and user-friendly. The said changes will promote foreign companies to protect their Trademarks in India. Although the new rules lack proper planning and ignore and are silent on some factors, there is always a scope of improvement, by bringing necessary changes and keeping in mind important points of loopholes in the new rules, legislative changes will make the Trademarks Registration system in India stronger.



⁹² Shamnad Basheer, CBI Raids Trademark Registrar's House, (July 29, 2021, 1:00 PM), <https://spicyip.com/2011/03/breaking-news-cbi-raids-trademark.html>