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SIGNIFICANCE OF DISTINCTIVENESS IN TRADE MARK CASES

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ABSTRACT

Deception of Trademark is the most important setback in course of business. Trademark is a mark that can be represented graphically by any person to represent his goods and services in course of trade to public. The advent of trademark also brought deception of trademark which in turn causes reputational and monetary loss to the actual trademark proprietor and it also deceives public and causes likelihood of confusion in the mind of public. This paper is written with the intent to broadly discuss the concept of distinctiveness in the light of Indian Trade Mark Act 1999 with reference to Deceptive similar trademark. The scope of this paper is to discuss the concept distinctiveness and deceptively similar trademark with reference to findings of the cases. This paper is divided in to five parts. First part is "Introduction". Second, "Trademark infringement" would make an analysis of section dealing with infringement of trademark. Third, "Deceptive Similar Trademarks" discusses deceptively similar trademarks based on decided cases to understand the concept of distinctiveness. Fourth, "Significance of Distinctiveness in Trademark cases" analyses how the concept of distinctiveness can facilitate registered proprietor broaden his exclusive right to exclude others from deceptive use. Finally "Conclusion" puts forth few suggestions to broaden the scope of distinctiveness in dealing trademark cases.

Key Words: Trademark, Deceptively similar, Distinctiveness

INTRODUCTION

In the world of brands trademark plays a vital role in identifying the goods and service of one trader to that of other. Trademark is just like a name any person has. It helps public in accessing the goods and services and to purchase the same believing it to come from same source having same level of quality. Trademark acts as the prime instrument in advertising the product. The competition of trade increased the trade mark infringement. Trade Mark is one of the Intellectual Property and exclusive rights are protected if registered and actionable remedy is available if not registered. One or the other way trademarks are protected. Trademark protection is given to protect the interests of the trademark owner and the public. Trademark owner is getting exclusive right to use the trademark by excluding others not to use the trademark in course of business. This protection of Trademark owner helps himself to avoid monetary loss and reputation loss. Similarly Public interest is protected as the trademark owners are bound to use trademarks that are distinctive in order to avoid deception. Deception can take place when a person lies or the other person cannot understand the truth. This paper would project the concept of infringement, distinctiveness and deceptive similarity based on

findings of the case laws. Finally to conclude, this paper would end up with suggestion to broaden the scope of distinctiveness and to give sturdy protection to trade mark owners.

TRADEMARK INFRINGEMENT

The Trade Mark Act 1999¹ which came in to force with effect from 15th September 2003, was derived finally after implementing various enactments that was enacted to reasonably protect the Trade Mark from being infringed. The legislative history flowed from the protection provided by Court of Equity to the Present Act. Trademark owners filed suits for infringement before Court of Equity which in-turn granted appropriate relief's (Ahuja, 2015). In India, a trademark owner had common law rights of action to seek injunction restraining the use of his trademark by the defendant in a manner calculated to pass off the defendant's goods as those of the plaintiff (Taraporewala, 2005). The Trademark Act, 1940 was the first statutory defence available prior to independence of India. This Act was formed on the basis of Trade Marks Act 1938 of England. This Act was the first Act to introduce mechanism for registration of Trademark. Trademark Act 1940 was later repealed and the protection for trademark was given by a new enactment, Trade and Merchandise Act, 1958. After the advent of TRIPS¹ and in order to comply with Trips provision and extensive amendments made in Trade and Merchandise Act, 1958a new enactment was brought and that was Trade Mark Act 1999. The Trade Mark Act 1999, brought registration of service marks, extended the scope to refuse registration by introducing section 9 and 11 that is absolute grounds and relative grounds for refusal for registration respectively. The Trademark Act 1999, extended the scope for determining the factors for well-known trademark, incorporated the definition of trademark, increased the period of registration and renewal from 7 to 10 years. Trade Mark Act 1999 also facilitated provisions for filing a single application for registration in more than one class.

In Trademark Act 1999 section 29 speaks of series of act as infringement and section 30 speaks the act where the act may not constitute infringement. This part would discuss the terminology of infringement based on section 29 and 30 and its interpretation made through case laws. Trademark is said to be infringed if it is used by any person who is not a registered proprietor uses it without prior permission of the registered proprietor. The use could be categorized as infringement when an identical trademark for Identical Goods and Services, Identical trademark for similar Goods and Services, similar trademark for Identical Goods and Services, similar trademark for similar Goods and Services. A trademark is said to be infringed if any person takes unfair advantage of and is contrary to honest practices in industrial or commercial matters, or is detrimental to its distinctive character or if it is against the reputation of trademark. The trade mark can be infringed, in case of distinctive elements being words by spoken use of those words as well as by the visual representation of those marks without the permission of the registered user (Ahuja, 2015).

A trade mark is said to be registered if any person applies in the material intended to be used for labeling or packaging goods as a business papers, or for advertising goods or services without getting authorization from proprietor or a licensee. A registered trademark is infringed by advertising if it takes unfair advantage of and is contrary to honest practices in industrial or commercial matters or is detrimental to its distinctive character or it affects the reputation of the trademark. The dilution, tarnishment and disparagement of trademark are also considered infringement of trademark. In **Mahendra and Mahendra Paper Mills ltd Vs Mahindra and**

Mahindra Ltd² (Ahuja, 2015), the word Mahendra was used by the defendants whereas the word Mahindra was used not less than fifty years. Supreme Court found that the word Mahindra has become known in business circle and among the public with certain types of goods and services. Hence defendant attempt to use the name in business would create an impression that there is a connection with the plaintiff's group of companies. Dilution means to blur the distinctiveness or

¹ Trade Related Intellectual Property Rights

² AIR2002 SC 117

tarnishes the image of the plaintiff's mark. In **Tata sons ltd Vs Manoj Dodia**³ the court held that dilution of well known trademark occurs when such a mark loses its ability to be uniquely and distinctively identify and distinguish as one source and consequent change in perception which reduces the market value or selling power of the product bearing the well known mark (**B.L.Wadhera, 2011**). Similarly blurring of marks resulted in dilution of the trademark was held in **BhartiAirtel Ltd Vs Rajeev Kumar**⁴ (**Ramuvedaraman, 2007**). Infringement of trademark can be done by advertisement. That is not only degrading the product but comparing a product with its quality and advertising the features are available for cheaper. rates is also an infringement. So an infringement is one that causes monetary loss to trademark owner. It was held in **Compaq Vs Dell**⁵ that Dell caused infringement by advertising claiming that Dell computers functioned similarly to Compaq and was comparatively cheaper. Even Disparagement of goods is treated to be infringement (**Verky, 2015**). Disparagement means falsehood that tends to denigrate the goods and services of another person. Disparagement of trader's goods would depend upon the facts and circumstances of each case. Test for disparagement was decided in the case **Pepsi co and others Vs Hindustan Coca Cola Ltd andanother**⁶. In this case the question of disparagement has to be settled by following three factors: Intent of commercial, Manner of commercial, Story line of the commercial and message sought to be conveyed by the commercial. The Manner of commercial is the most important factor from the above all. If the manner is ridiculing or condemning the product of the competitor then it amounts to disparaging but if the manner is only to show one's product better or best without derogating other's product then that is not actionable (**Verky, 2015**). In certain cases though it seems like infringement it is not infringement and Section 30. According to section 30 the mark can be used by any person for the purposes of identifying goods or services as those of the proprietor is allowed provided the use should be in accordance with honest practices in industrial or commercial matters and not to take any unfair advantage of or be detrimental to the distinctive character or repute of the trademark. Hence any person who is trapped for infringement proceeding could take the help of section 30 for his rescue or similarly section 33 which speaks of acquiescence will come a defense to defendant. Acquiescence is one where someone else is invading the right and spending money over it. If the plaintiff stood knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence.

DECEPTIVE SIMILAR TRADEMARKS

The mark used in course of trade should not be deceive and confusing. If a mark is likely deceive or cause confusion in the mind of public by resembling any other mark then such mark is said to be deceptively similar mark. Section 2(h) defines deceptively similar mark. Deceptive similarity is the dispute that is the major problem for public as well as the trade mark owners. The objectives of the trademark is shattered by disabling to public from identifying the goods and services and impairing the reputation of the trademark owner and causing monetary loss to him. Lord Johnson in **TokalonVs Davidson**⁷ and co it was held that "we are not bound to scan the words as we would in a question of comparatioliterarum. It is not a matter for microscopic inspection but to be taken from the general and even casual point of view of customer walking into a shop" (**Ahuja, 2015**). In **Parle products ltd VS J.P and co case**⁸, broad and essential features have to be considered. They should not be placed side by side to find out if there were any differences in the design (**Ramuvedaraman, 2007**).

³ 2011 (46)PTC244(DEL)

⁴ 2013 (53)PTC 568 (Del)at P578.

⁵ 1992 (FSR).93

⁶ 2003 (27)PTC305 (DEL)

⁷ 32 RPC 133at P136

⁸ (1972)1SCC618

In **PremnathMayer Vs registrar ofTrademarks**⁹ the appellant was registered proprietor of the trademark "Lion Brand" bearing picture of lion for chaffcutter blades. The respondent registered a trademark "Ma Durga Brand" bearing a picture of lion with a goddess seated upon it for agricultural implements especially for chaffcutter. The Calcutta high court held that if the respondent's trademark was likely to deceive a purchaser of average intelligence even though the words written under the brand might be phonetically different. The court emphasized that in judging the question of deception and confusion, it should not be overlooked that a purchaser of goods such as this might not necessarily be literate person, able to read and write. The court held that a respondent's mark was deceptively similar because the dominant feature in both the trade marks was the picture of lion. The picture of goddess in the trademark of respondent was small and almost insignificant in comparison to the picture of lion (**Ahuja, 2015**). The resemblance between the two marks must be considered with reference to the ear as well as the eye was the held in **K.R. Chinna KrishnaChettiyarVs Sri Ambal and co**¹⁰. In this case there was a striking similarity and affinity of sound between the words "Ambal" and "Andal" and consequently, there was a real danger of confusion between the two marks (**Ahuja, 2015**).

Domain name is another upcoming area where the trademark with deceptive similarity plays vital role in deceiving or causing confusion in the mind of public. Over the last few years the increased user of the internet has led to a proliferation of disputes resulting in litigation before different High courts in this country. The court have consistently applied the law relating to passing-off to domain name disputes. In **MarutiUdyog Ltd and Suzuki Motor CorporationVs World Information pages**¹¹ it was held that the respondent's domain name "marutisuzuki.com" was found identical and confusingly similar to the complainants trade mark

"Maruti Suzuki" (**Ramuvedaraman, 2007**). The WIPO mediation centre found that the respondent had no legitimate interest in the aforesaid domain name and the registration of the disputed domain name by the respondent "shall constitute" use in bad faith" as contemplated under clause 4 (b) (iv) of the Uniform Dispute Resolution Policy. It was decided that the respondent's domain name should be transferred to the complainant. Similarly in **TimesInternet Ltd Vs Jonathan S**¹² the plaintiff was owner of domain name www.indiatimes.com and defendant got domain name www.myindiatimes.com registered in their name. The court held that name/ mark indiatimes was a coined word as it is not available in dictionary and hence the plaintiff can get highest level of protection (**B.L.Wadhera, 2011**). So to conclude deception need not be only visual but even by way of sounds can say to be deceptive. Last but not least the microscopic inspection and placing the mark side by side should not be the criteria to identify a trademarks deceptive similarity. It's noted that if the broad and essential features of the trademark are copied and a purchaser with average intelligence is deceived or confused then the mark would be recognized as deceptively similar.

SIGNIFICANCE OF DISTINCTIVENESS IN TRADEMARK

Distinctiveness was the criteria in Trade and Merchandise Marks Act 1958 for a trademark to get registered. Distinctive mean the trade mark should be adapted to distinguish. Trade and Merchandise Marks Act 1958 had two registers which dealt with adapted to distinguish and capable of distinguishing marks separately. The terminology adapted to distinguish and capable of distinguishing was differentiated in *Weld mesh* case. In this case the presence of sufficient amount of distinctive character would make the trademark "**adapted to distinguish trademark**" whereas the absence of sufficient amount of distinctive character would make the trademark "**capable of distinguishing trademark**". Now the present Act for protection of Trademark has stopped

⁹ AIR1972 Cal 261

¹⁰ AIR 1970 SC146

¹¹ 2007PTC636

¹² 2012 (51)PTC 195 (DEL)

distinguishing on the basis of adapted to distinguish terminology. The present trademark Act emphasizes a simple expression “distinctive character of the mark.”

The question of defining the distinctiveness has taken many cross roads. Though the terminology distinctiveness easily understood by any English person the legal protection for trademark required more amplification on the meaning of distinctive character. There is no clear cut definition for distinctive character in the Act its only through cases and precedents the terminology of distinctive character could be understood. Section 9 “The absolute grounds for refusal of registration” of the Indian Trade Mark act uses the terminology distinctive character.

Distinctive character acquired through extensive use will become well known mark acts as an exception to absolute grounds of refusal for registration. To understand the terminology of Distinctive character we will do case study. In *W.NSharpe Ldvs Solomon Bros Ld*¹³, it was held that certain words such as “good”, “best”, andsuperfine were incapable of adoption as they could not have secondary meaning hence they were incapable of registration (**Verky, 2015**). The word “solio” was claimed to be inventive word with reference to photographic papers in **Eastman Photographic Materials company limited Vs The Comptroller general of Patents**¹⁴. In the above case though the word solio suggested sun itdid not extend the extend the imagination to photographic papers (**Ramuvedaraman, 2007**). In **Re Leopold Casella and co** case it was held that the word “Diamine” could make the personextend his imagination that the chemical term contained two amine groups. Thereby the

“Diamine” that was used for 20 years was refused registration. In case of **Marico ltd Vs AgroTech Foods Ltd**¹⁵ the word “**Sugarfree**” was not allowed to register as it designated the qualityof foods and quality of foods can be refused registration (**Ramuvedaraman, 2007**). The main character for a trademark to acquire distinctiveness is that in case of a word it should be an invented word. The term invented word was the question of dispute. Judge Parker explained the word invented word in Diabolo case. Invented word must not only be newly coined, in the sense of not being already current in the English Language, but must be such as not to convey any meaning or at any rate, any obvious meaning to ordinary Englishman (**Ahuja, 2015**). It must be a word having or no obvious meaning until one has been assigned to it. Invented word was more clearly explained in the Dropovit case otherwise known as **F.Hoffmann-La Roche and Co VsGeoffreyManner and Co**¹⁶ case. The trade mark “Dropovit” was coined from the word “Dropof vitamin” the commonly used by and known to an ordinary person knowing English. But resulting combination produces a new word or a newly coined word which does not remind an ordinary person knowing English of the original words out of which it is coined unless he is so told or unless at he devotes some thought to it. Hence Dropovit got the status of invented word and was allowed for registration. So to conclude an invented word should not be a word available in dictionary if coined using more than a word it should not extend the imagination of an ordinary Englishman to the product itself (**B.L.Wadhera, 2011**).

The distinctive character can be sought as an exception if the trademark uses geographical names. In **Liverpool Electric Cable Co Ltd**¹⁷ case the registration was sought for trademark “Liverpool”. Liver pool being a well known city was a geographical name and not capable of distinguishing the goods of any particular trader. If Liverpool would be registered other traders would be prevented from using the word “Liverpool” cables. In **A.Bailey and LtdVs Clark Son and Morland Ltd**¹⁸ which is also famously known as Glastonbury case, thegeographical name

¹³ (1915)RPC15

¹⁴ 1898 AC571 (H.L)

¹⁵ 2010 (44)PTC736 (Del)

¹⁶ (1969)2 SCC716

¹⁷ (1929)46 RPC99

¹⁸ (1938)55 RPC 253

Glastonbury was sought registration for goat skin slippers. The court decided that the respondents should not be hampered or restricted by the presence of the mark on the register while evidence was also insufficient to prove distinctiveness or that the mark was a fancy mark. Hence geographical name could not be registered but the land mark judgments like

Hi tech Pipes Ltd Vs Asian Mills Pvt Ltd and Tijuana Smalls Case. In **Hi tech Pipes Ltd Vs Asian Mills Pvt Ltd**¹⁹ the court stated that if a place was geographically insignificant whether by reason of population or otherwise might be possible to adopt the name as a trademark. In Tijuana Smalls case it was clear that the use was in fact clearly not geographical but fanciful and was therefore, at least, capable particularly by use, of being distinctive in practice of one manufacturer's goods registration could, therefore, be allowed in such cases without causing inconvenience to or encroaching upon the reasonable trading rights of other manufacturers. So when geographically insignificant area name is used then trade mark would not be avoided registration under section 9. Similarly the word that is publicijuris or generic words cannot be appropriated as they belong to public at large In **SBL Limited Vs Himalaya Drug Company**²⁰, the Delhi division bench held that "Nobody can claim exclusive right to use any word, abbreviation, or acronym which has become publicijuris. In trade of drugs it is common practice to name a drug by the name of the organ or ailment which it treats or the main ingredient of the drug, such an organ ailment or ingredient being publicijuris or generic words cannot be owned by anyone for use as trademark" (Ahuja, 2015).

The concept of distinctiveness has to pass through the test "to deceive" and "to cause confusion". The difference between the two terminologies "to deceive" and "to cause confusion" was discussed in **Parker Knoll Ltd Vs Knoll International Ltd**²¹ case. To deceive a man means to tell a lie and make false representation to him and thereby cause him to believe a thing to be true which is false. The act might be unintentional but when done if it deceives other person it is to deceive. Where as to cause confusion may take place without telling lie to a person. The person acts on the true statement. The person might be disclosed with truth, the whole truth and nothing but the whole truth, but still it may cause confusion not be the fault of person disclosing the true statement but because he has not the knowledge or ability to distinguish it from the other pieces of truth known to him or because he may not even take the trouble to do so (Ramvedaraman, 2007).

There is legal linkage between Section 9 and Section 32 of the Indian Trade Mark Act. Section 9 says absolute grounds for refusal for registration but an exception is if the trademark has acquired a distinctive character, that is to say as a result of the use made of it or is a well known trade mark. In section 32 if the registration is made in breach of section 9 then registration cannot be cancelled if the trademark has acquired distinctiveness before commencement of legal proceedings challenging such registration. So the significance of distinctiveness is given vitality when trademark is protected. Hence if distinctive character is established any person can register his trademark. But the lack of sections in Indian Trademark Act to define distinctiveness allows very little room to interpret distinctiveness. The distinctiveness should be defined.

CONCLUSION

Trade marks are not necessarily to be registered but trademark gets protection even if it's not registered under the special laws called passing off. Passing off is an actionable remedy. But to be more secure and to avail remedies from court of law trademarks are to be registered and once a registered trademark is copied, disparaged or used without authorization it is called infringement of trademarks. The most important criteria to apply infringement proceeding is to prove that trademark that is in use is deceptively similar and it lacks distinctiveness. In this paper the case laws were analyzed to understand the meaning of infringement, deceptively similar and distinctiveness. This

¹⁹ 2006 (32)PTC 192 (Del)

²⁰ 1997 PTC (17)540

²¹ 1962 RPC 265

paper was to make an in-depth study of case laws and need to broaden the scope of distinctiveness. This paper would finally conclude that the Indian Trademark Act gives enough room for discussing the term distinctiveness. The undefined term distinctiveness stands to be interpreted in such a way that The Indian Trade Mark Act 1999 has achieved the purpose for which it was set. By analyzing the case laws it's understood that the meaning of distinctiveness is exhaustively interpreted. Hence this paper would conclude with a suggestion that interpretation of distinctiveness could be analyzed by the legislators and can bring about amendments of statute of Indian Trade Mark to act more effectively.

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