

LLM PAPER II PROJECT

BY : SAMANTHA NORONHA

LLM SEM III

G.R.KARE COLLEGE OF LAW

MARGAO GOA

**PROJECT TOPIC : INFRINGEMENT OF TRADEMARK AND REMEDY**

## INDEX

SR. NO.	TITLE	PG NO.
1.	INTRODUCTION	4
2.	HISTORY	5
3	RELEVANT LAW	6
4.	CASELAWS	8
5	REMEDY: CIVIL	10
6	REMEDY: CRIMINAL	12
7	PERIOD OF LIMITATION	18
8	PASSING OFF	18
9	RELIEFS	20
10	CONCLUSION	22
11	BIBLIOGRAPHY	23

## INTRODUCTION

**Indian trademark law** statutorily protects **trademarks** as per the Trademark Act, 1999 and also under the **common law** remedy of **passing off**. Statutory protection of trademark is administered by the **Controller General of Patents, Designs and Trade Marks**, a government agency which reports to the **Department of Industrial Policy and Promotion (DIPP)**, under the **Ministry of Commerce and Industry**.

The law of trademark deals with the mechanism of registration, protection of trademark and prevention of fraudulent trademark. The law also provides for the rights acquired by registration of trademark, modes of transfer and assignment of the rights, nature of infringements, penalties for such infringement and remedies available to the owner in case of such infringement.<sup>1</sup>

---

<sup>1</sup> [http://en.wikipedia.org/wiki/Indian\\_trademark\\_law](http://en.wikipedia.org/wiki/Indian_trademark_law), as visited on 27/11/2013

## HISTORY

The law of trademark in India before 1940 was based on the [common law](#) principles of passing off and [equity](#) as followed in [England](#) before the enactment of the first [Registration Act, 1875](#). The first statutory law related to trademark in India was the Trade Marks Act, 1940 which had similar provision like the UK Trade Marks Act, 1938. In 1958, the Trade and Merchandise Marks Act, 1958 was enacted which consolidated the provisions related to trademarks contained in other statutes like, the [Indian Penal Code](#), [Criminal Procedure Code](#) and the [Sea Customs Act](#). The Trade and Merchandise Marks Act, 1958 was repealed by the Trade Marks Act, 1999 and is the current governing law related to registered trademarks. The 1999 Act was enacted to comply with the provisions of the [TRIPS](#). Though some aspects of the [unregistered trade marks](#) have been enacted into the 1999 Act, but they are primarily governed by the common law rules based on the principles evolved out of the judgments of the Courts. Where the law is ambiguous, the principles evolved and interpretation made by the Courts in England have been applied in India taking into consideration the context of our legal procedure, laws and realities of India.<sup>2</sup>

---

<sup>2</sup> [http://en.wikipedia.org/wiki/Indian\\_trade\\_mark\\_law](http://en.wikipedia.org/wiki/Indian_trade_mark_law), as visited on 26/11/2013

## **Law relating to trade marks**

The trade marks and merchandise Act was passed in the year 1958. since then it has been amended several times. Moreover in view of the development of trade and practices , increasing globalisation of trade and industry the need to encourage investment flows and the need to simplify and harmonise trade mark management systems , it was considered necessary to bring out a comprehensive legislation on the subject. The first statutory protection prior to independence of India was given to trade marks through the trade mark Act of 1940 .this in turn was repealed by the present statute , the Trade marks Act of 1999, which came into force with effect from 15<sup>th</sup> of September, 2003.<sup>3</sup>

### **What amounts to trademark infringement**

Trademark infringement is a violation of the exclusive rights attaching to a registered trademark without the authorization of the trademark owner or any licensees (provided that such authorization was within the scope of the license). Infringement may occur when the infringer (i.e. the person doing the infringing act), uses a trademark which is identical or confusingly similar to a registered trademark owned by another person, in relation to products or services which are identical or similar to the products or services which the registration covers. The owner of such registered trademark may commence legal proceedings

---

<sup>3</sup> Law relating to intellectual property , by Dr. B.L.Wadehra , 5<sup>th</sup> edition , pg no. 129

against the infringer.

A trademark which is not registered cannot be infringed as such, and the trademark owner cannot bring infringement proceedings. Instead, the owner can commence proceedings under the common law for passing off or misrepresentation, or under legislation which prohibits unfair business practices. In some jurisdictions, infringement of trade dress may also be actionable. To establish infringement with regard to a registered trademark, it is necessary only to establish that the infringing mark is identical or deceptively similar to the registered mark and no further proof is required.<sup>4</sup>

**Sec 29(1) of the trade marks Act 1999, provides as follows:-**

“a registered trade mark is deemed to be infringed by a person who neither being the proprietor nor permitted user of the registered trade mark uses a trade mark which is identical with or deceptively similar to the registered trade mark .”<sup>5</sup>

---

<sup>4</sup> <http://www.nipo.in/trademarkn2.htm#Trademarks>, pg no. 1 , as visited on 26/11/2013

<sup>5</sup> Intellectual property laws, by : Meenu Paul , third edition , pg no. 400

## **Essential of infringement**

1. The taking of any essential feature of the mark or taking of the whole of the mark and then making a few editions and alterations would constitute infringement .
2. The infringing mark must be used in the course of the trade , i.e. in a regular trade wherein the proprietor of the mark is engaged.
3. The use of infringing mark must be printed or usual representation of the mark in advertisements. Invoices or bills. Any oral use of the trade mark is not an infringement.
4. Any or all of the above acts would constitute infringement if the same is done in such a manner as to render the use of the mark likely to be taken as being used as a trade mark .<sup>6</sup>

### **Illustrative case laws :**

1. The plaintiff was the registered user of the trade mark , “DOLAREN”, while the defendant committed breach of infringement of the registered trade mark and infringement of copy right by using deceptively similar name “BOLAREN”. The Court held that the grant of injunction against the defendants is not improper; *lark*

---

<sup>6</sup> Law relating to intellectual property , by Dr. B.L.Wadehra , 5<sup>th</sup> edition , pg no. 166

*laboratories ltd. V. Nabros pharma pvt ltd., AIR 2009 (NOC)1815(Guj)*

2. The suit was initiated by the broadcaster of T.V. channel owning the trade mark “Zee”. The defendants sought registration of various domain names similar to broadcast channel of plaintiff and starting with word “Zee”. It was held that it would be appropriate for the plaintiff to approach ICANN to request for such a mechanism to be place into operation ; *zee telefilms ltd v. Zee Kathmandu, (2006)32 PTC 470.*
3. *The party in the trade mark registry made an application for registration of trade mark “FIXACOL”. The opponents were registered proprietors of the trade mark “FEVICOL” who pleaded rejection of the application on the ground of deceptive similarity and confusion. The application was refused registration on the above grounds;(PTC 1995, 105.*
4. The suit was filed for declaration that the expression “insta power” is a descriptive term having direct reference to “ instant power”. It was held that the expression is a generic word and therefore it colus not be a monopoly. It was further held that the suit for injunction against the defendant and a declaration that the threat was unjustifiable was

maintained . the suit was decreed restraining the defendant from threatening directly or indirectly against the use of expression “insta power”; *tractors and farm equipments ltd. V. K.S.Sunil Kumar, (2006) 32 PTC 126*<sup>7</sup>

## **What is the remedy for trademark infringement**

In case of infringement / passing off trademark, a criminal complaint can also be filed. It may be noted that under the Provisions of the Trade Marks Act, 1999, the offences under the Act are Cognizable, meaning there by that police can register an FIR (First Information Report) and prosecute the offenders directly.

### **Civilremedies:**

- . Injunction/ stay against the use of the trademark
- Damages can be claimed
- Accounts and handing over of profits

---

<sup>7</sup> Law relating to intellectual property , by Dr. B.L.Wadehra , 5<sup>th</sup> edition , pg no. 170 -175

- Appointment of local commissioner by the court for custody/ sealing of infringing material / accounts
- Application under order 39 rule 1 & 2 of the CPC for grant of temporary / ad interim ex-parte injunction

The Courts can grant injunction and direct the custom authorities to withhold the infringing material / its shipment or prevent its disposal in any other manner, to protect the interest of the owners of intellectual property rights. This legal proposition can be enforced with / without involving the concerned authorities as a party in the suit.<sup>8</sup>

### **Administrative remedies**

Apart from the civil remedies aforementioned the act also vests certain powers in the various administrative authorities to grant reliefs and remedies to the aggrieved persons. These powers may be exercised in respect of –

- (i) Classification of goods and services for the purpose of registration
- (ii) Publication of alphabetic index of classification of goods and services
- (iii) Granting of refusing to register trade marks
- (iv) Correcting and amending the register

---

<sup>8</sup> <http://www.nipo.in/trademarkn2.htm#Trademarks>, pg no. 1 , as visited on 26/11/2013

(v) Renewal , removal and restoration of registration

(vi) Assignability and transmissibility of registered trade marks

(vii) Rregistration of assignments and transmissions , and

Other aspects relating to trade marks. It may be noted that it is the registrar who mostly exercises these powers under the guidance of the Central Government.<sup>9</sup>

## **Criminal**

## **Remedies:**

The Act also provides for offences relating to a trademark, whether registered or unregistered. The Trade Marks Act enumerates the following offences:-

- Falsifying a Trade Mark
- Falsely applying a Trade Mark
- Making or possessing instruments for faking a Trade Marks
- Applying false trade description
- Applying false indication of country of origin

---

<sup>9</sup> Intellectual property rights and the law, by : Dr. G.B.Reddy, 3<sup>rd</sup> edition

- Tampering with an indication of origin already applied to goods
- Selling goods or possessing or exposing for sale of goods falsely marked
- Falsely representing a trade mark as registered
- Improperly describing a place of business as connected with the Trade Marks Office

The accused in respect of the offences 1 to 7 above is punishable with imprisonment for a term, which may extend to 2 years, or with fine, or with both.

However, if the offence is pertaining to drugs [as defined under Drugs & Cosmetics Act] or food [as defined under Prevention of Food Adulteration Act] the offender shall be punishable with imprisonment for 3 years or fine or both. Offence No. 8 is punishable with a fine. Offence Nos. 9 & 10 are punishable with an imprisonment extending upto 6 months or with fine or both. Offence No. 11 is punishable with imprisonment for a term, which may extend to 2 years, or with fine, or with both.

## **Why you should not infringe others rights**

If you infringe the trademark of others then you run the risk of being sued for trademark infringement and losing the right to use your new business name, product name, domain name or slogan which will be a waste of your effort and money that you have invested in that trademark. Further applying false trademarks or trade descriptions and selling goods or providing services with such descriptions is an offence under the Trademarks Act. Any police officer (not below the rank of deputy superintendent of police or equivalent) can search and seize articles bearing infringing trademarks or labels without a warrant. Further, the Trademarks Act has increased the punishment for these offences to a term of not less than six months up to a maximum of three years. Moreover, offenders could be subject to a fine of anything between Rs 50,000/- and Rs200,000/-.<sup>10</sup>

### **Bombay High Court Decision on Trademark Infringement- SABMiller India Ltd. v. Som Distilleries & Breweries Ltd.**

On February 19, 2009, the plaintiff applied for registration of its series trade mark “SABMiller India – SABMILLER INDIA” under the Trademarks Act, 1999 -Class 21 (glass bottles) and Class 32 (beers etc.). It also obtained

---

<sup>10</sup> <http://www.nipo.in/trademarkn2.htm#Trademarks>, pg no. 2 , as visited on 26/11/2013

registration for a design to be applied on its beer bottles under the Design Act, 2000 on 15th January 2010. Subsequently, the plaintiff introduced in India its beer bottles (bearing the registered design and also bearing SABMILLER INDIA). It is pertinent to note that the defendant used to sell and distribute beer by filling beer into recycled bottles and not into new bottles. The practice of using one's own recycled bottle was a common trade practice.

Prior to its series trademarks being successfully registered, the plaintiff found that the defendant was manufacturing, selling and distributing beer in bottles having the plaintiff's registered design as well as bearing the name SABMILLER INDIA. This led the *plaintiff to sue the defendant for design infringement and passing off*. The suit was initiated before the District Court of MP and reached the High Court of MP as an appeal by the plaintiff. The High Court of MP, after extensively hearing the case, dismissed the plaintiff's appeal.

Upon obtaining registration of its trademark (5 December 2012), the plaintiff filed a suit before the Bombay High Court *for infringement of registered trademark "SABMiller India – SABMILLER INDIA"*. On 18th December 2012 this court granted urgent *ex parte* ad-interim reliefs.

## Issues before the Bombay High Court

1. Whether the present suit was barred by *res judicata* since the MP High Court had already decided on design infringement and passing off?
2. If the suit was not barred, then was infringement by the defendant satisfied under Section 29(2)(c) of the Trademarks Act ('the Act') and could this lead to the creation of a legal presumption of infringement as mandated by Section 29(3) of the Act?
3. Could the defendant's contention that its inadvertent or accidental use of the plaintiff's mark due to the practice of using recycled bottles, save the defendant? And could the fact that the defendant used other bottles which had labels bearing the defendant's own name and mark, help the defendant?
4. Was the plaintiff guilty of suppression of facts in relation to its having used Kingfisher's bottles in the past?
5. Would the exceptions under Section 30(1) and Section 30(2) of the Trademark Act, be applicable in the present case?

## Decision

1. *Res judicata*- The court held that *res judicata* will not apply because the present case was in pursuance of a new cause of action. This was because after registration of its trademark, the plaintiff was entitled to sue for infringement

and did not have to rely on passing off. Since infringement creates a new cause of action which is different from the cause of action before the MP High Court (i.e. passing off), *res judicata* does not apply.

2. *Infringement established*- The court accepted the plaintiff's contention on this point and was of the view that given the identity of the two marks and the goods, Section 29(2)(c) is satisfied and therefore the Court is mandated to presume that the defendant's use of the impugned mark is likely to cause confusion on part of the public (Section 29(3)). The court also relied on the case [Ruston & Hornsby Ltd. vs. Zamindara Engg. Co.](#) to establish that in such cases no further inquiry was required to find out whether there was in fact any confusion.

3. *Use of own labels* – The court rejected the defendant's contention on use of their own labels and held that this was no defense in an action of infringement. The only question was whether the defendant was using a mark which was the same as or which was a colourable imitation of the plaintiff's registered trade mark. This question being confirmed in the present case, the court said that the presence or use of own labels will not help the defendant.

4. *Use of Recycled bottles and Suppression of facts*- With regard to the allegation of suppression of facts, the plaintiff had denied suppressing any facts. Alternatively, they raised an allegation saying that the defendant stage-managed

the deception to make it appear as if the plaintiff was using Kingfisher's bottles. Interestingly, the plaintiff submitted that there might have been accidental use of Kingfisher's bottles as prior to introducing new bottles in 2010 the plaintiff too used recycled bottles. The Court accepted the plaintiff's explanation and the court also accepted the argument that it was not honest trade practice (required for the exception in Section 30(1)(a) to stand) to use recycled bottles bearing brands of different manufacturers- which was what the defendant was doing and was hence precluded from using trade practice as a defense.

5. *Defense* - With regard to the defense under Sections 30 (1) the court held that such a defense would apply when the registered mark is used by a person only for identifying the goods of the registered proprietor (the court gives an example – In competitive advertisement to distinguish goods). In the present case, the court observes, the defendant is using the mark for its own products and is identifying its own goods with that of the mark. Therefore this defense does not apply. With regard to Section 30(2), the court says the exception is not applicable as the defendant is using the registered trademark as his own mark and not using it to show distinction in character or quality of his goods.

Ultimately the court held the defendant guilty of infringing the plaintiff's trademark and confirmed the ad-interim order passed on 18 December 2012 until final disposal of the suit.<sup>11</sup>

### **Period of limitation**

Under the limitation Act, 1963 the period of limitation for filing a suit of infringement of a trade mark is three years from the date of infringement . where the infringement is a continuing one , a new course of action arises every time an infringement occurs. For instance, in a continued sale in infringing articles sale of each article would give rise to a fresh cause of action.

### **Passing off**

Passing off is a a form of tortuous action . the law of passingoff based on common law has remained substantially the same for more than a century though its formulation has changed over time .

The Supreme Court has defined passing off in Cadilla health care ltd v. Cadila pharmaceutical ltd., AIR 2001 SC 1952 , “passing off is said to be a species of Unfair trade competitions or of actionable unfair trading by which one person , through deception attempts to obtain an economic benefit of the reputation that

---

<sup>11</sup> <http://spicyip.com/2013/03/bombay-high-court-decision-on-trademark.html>, asvisited on 28/11/2013

the other has established for himself in a particular trade or business. The action is regarded as an action for deceit .<sup>12</sup>

The crux of passing off action lies in actual possible or probable deception . the plaintiffs necessarily have to establish reputation and good will . some of the illustrations are given below , to clarify this legal position

1) In *Aktiebolaget Volvo vs. Volvo steels ltd* (1998 PTC (18) Bom at p. 47

The Bombay High Court found that the Defendants were using the trade mark “Volvo” which was deceptively similar to the trade mark of the plaintiffs fast growing group and the defendants were restrained from using the same .

2) In *rediff communications ltd vs. Cyberbooth* , the court restrained the defendant from using the domain name “ radiff” which was sought to be passed off as the trade name “rediff” of the plaintiffs

3) In *mars incorporated vs. Chanda sofy ice cream* ( AIR 2001 Mad 237)

the Madras High Court confirmed the grant of injunction against the defendants who were selling their ice creams under the name milky way galaxy of ice creams. Which was similar to the plaintiff, a foreign company having trans border reputation who was manufacturing and

---

<sup>12</sup> Law relating to intellectual property , by Dr. B.L.Wadehra , 5<sup>th</sup> edition , pg no 179

selling chocolates and biscuits with registered trade marks “milky way “ and “ galaxy”.<sup>13</sup>

### **Reliefs available in passing off action**

According to sec. 135 of the Act, the relief in any action for passing off includes injunction (subject to such terms if any , as the court thinks fit ) and at the option of the plaintiff , either damages or an account of profits , together with or without any order for the delivery up of the infringing labels and marks for the destruction or erasure. It is thus the same as in the case of an action for infringement.<sup>14</sup>

### **Injunction**

Where the acts of infringement are of such a nature that they are not likely to be repeated the court instead of granting an injunction may pass an order that the plaintiffs have established infringement of their trade mark and will be at liberty to apply for injunction , should an occasion arise.

Injunction may be of the following types:-

- a) Anton Piller Order : these are ex parte orders to inspect defendants premises . a court may grant such an order to the plaintiff where there

---

<sup>13</sup> Intellectual property rights and the law, by: Dr.G.B.Reddy , 3<sup>rd</sup> edition , pg no. 338-339

<sup>14</sup> Intellectual property rights and law , by S.K.Singh, 1<sup>st</sup> edition, pg no. 271

is a possibility of the defendant destroying or disposing off the incriminating material.

- b) Mareva injunction : in such an injunction the court has power to freeze the defendants assets and where there exists a probability of the assets being dissipated or cancelled so as to make a judgement against him worthless and unenforceable.
- c) Interlocutory injunction : this form is the most commonly sought and most granted form of injunction. It serves to take action against defendant on the basis of past infringement.this injunction prevents further infringement.
- d) Perpetual injunction; is an injunction restraining the defendants for all time to come from doing any act which infringes the rights of the proprietor of the trade mark . perpetual injunction is generally granted when the suit is finally decided. <sup>15</sup>

---

<sup>15</sup> Law relating to intellectual property , by Dr. B.L.Wadehra , 5<sup>th</sup> edition , pg no.. 184

## **Conclusion**

As the above analysis has indicated trade marks are valuable corporate assets and in cases where they are correctly exploited, they provide their trade mark proprietors with more fame, distinctiveness and benefits. Thus the respective owners of trade mark rights by contemplating their value and significance and by devoting material efforts into their future evolution, they invest significant amounts for their protection. The Trade Marks Act provides, inter alia, for registration of service marks, filing of multiclass applications, increasing the term of registration of a trademark to ten years as well as recognition of the concept of well-known marks, etc. The Indian judiciary has been proactive in the protection of trademarks. India, being a common law country, follows not only the codified law, but also common law principles, and as such provides for infringement as well as passing off actions against violation of trademarks. Section 135 of the Trade Marks Act recognises both infringement as well as passing off actions.



## Bibliography

1. Law relating to intellectual property , by Dr. B.L.Wadehra, 5<sup>th</sup> edition
2. Intellectual property rights and the law , by Dr. G.B.Reddy,, 3<sup>rd</sup> edition
3. Intellectual property laws, by Meena Paul , 3<sup>rd</sup> edition
4. Intellectual property rights laws, by S.K.Singh, 1<sup>st</sup> edition