CONCEPT OF DECEPTIVE SIMILARITY IN TRADEMARK: A COMPARATIVE STUDY OF US AND INDIAN LAWS

SAMRIDDHI RAWAT

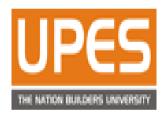
Enrollment No.: R760211065

Guided by:

Mr. Krishna Deo Singh Chauhan

Assistant Professor

Dissertation submitted to College Of Legal Studies for the partial fulfillment of the degree of BBA-LLB (Hons.)





College OF Legal Studies

University of Petroleum and Energy Studies,

Dehradun, Uttarakhand, India

April, 2016

CERTIFICATE

This is to certify that the research work entitled "CONCEPT OF DECEPTIVE SIMILARITY IN TRADEMARK: A COMPARATIVE STUDY OF US AND INDIAN LAWS" is the work done by SAMRIDDHI RAWAT under my guidance and supervision for the partial fulfillment of the requirement of B.B.A., LL.B. (Hons) degree at College of Legal Studies, University of Petroleum and Energy Studies, Dehradun.

MR. KRISHNA DEO SINGH CHAUHAN
ASSISTANT PROFESSOR
12th APRIL, 2016

DECLARATION

I declare that the dissertation entitled ${\color{red} {\text{"CONCEPT OF DECEPTIVE SIMILAIRTY}}}$

IN TRADEMARK: A COMPARATIVE STUDY OF US AND INDIAN LAWS"

is the outcome of my own work conducted under the supervision of Prof. KRISHNA

DEO SINGH CHAUHAN at College of Legal Studies, University of Petroleum and

Energy Studies, Dehradun.

I declare that the dissertation comprises only of my original work and due

acknowledgement has been made in the text to all other material used.

SAMRIDDHI RAWAT

BBA-LLB (Hons)

12TH APRIL, 2016

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BBA-LLB (Hons.)

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¹ 2003 (27) PTC 478 Del

² 1996 (16) PTC 583

³ 22nd February, 2008

⁴ 2003 Supp(3) SCR 686

⁵ AIR 1994 Delhi 239

⁶ PTC 15 392

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⁸ AIR1963 SC 449

⁹ 1965 AIR 980

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¹¹ 16th December, 2005

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¹² AIR 1960 SC 142

Alk 1960 SC 142

13 485 F. Supp. 1185 (1979) December 28, 1979

14 148 F. 2d. 909 (1945) Circuit Court of Appeals, Eighth Circuit April 26, 1945

15 232 F.2d 477 U.S. Court of Appeals for the Eighth Circuit April 30, 1956

LIST OF ABBREVIATIONS

A.I.R. - All India Reporters

ALR- American Law Reports

DCGI- Drug Controller General of India

EU- European Union

ETO- European Trademarks Office

F.C. - Federal Court

F. Supp. — Federal Supplement

F.Supp.2d — Federal Supplement, 2nd Series

FLR- Federal Law Review

FTA- Free Trade Agreement

GATT- General Agreement on Tariffs and Trade

IP- Intellectual Property

IPR- Intellectual Property Rights

PTC- Patent, Trademarks and Copyright Cases

TRIPS- Trade Related Aspects of Intellectual Property

TLT- Trademark Law Treaty

SCC- Supreme Court Cases

SCR- Supreme Court Reporter

U.S- United States

U.S.C. - United States Code

USPTO - United States Patent and Trademark Office

USTR – U.S. Trade Representative

Vs. - Versus

WIPO – World Intellectual Property Organization

WTO – World Trade Organization

INTRODUCTION

• Statement of the Problem

The problem of study or as may be referred to as the difficult area of the research is the question with regard to the question of deceptive similarity of trademarks in Indian as well as the US laws. The study will deal with various provisions dealing with deceptive similarity of trademarks under both the laws and the legal standards adapted to judge deceptive similarity. In addition, it will cover what are their implications with respect to the confusion which is created. Also the research will include the repercussions that it shall pose on the holders of such trademarks stating the measures to be taken to eradicate the same. It shall also deal with the solutions which the owner could take in such cases.

Objective of study

The objective behind the study of deceptive similarity under the trademarks is that there exists no uniform basis of determination of deception under the Indian as well as the US laws. In order to reach to a consensus as to what are the grounds under which the courts under both the laws and their respective statutes shall determine deceptive similarity is to be deciphered by way of this research as conducted by the researcher.

• Scope of the research

The scope of research shall be quite vast as it shall include the pros and cons of the laws under India as well as US with regard to deceptive similarity in trademarks. The scope of research shall be to the extent of including case laws and on the precedents with the respect of the same. The areas of research will widen as the research will extend to various issues. At many points the research will be limited to the particular area and at other it shall widen its scope and move to the various other issues which this dissertation shall deal in. Therefore, the scope of research shall be wide enough to cover all the possible aspects of the deceptive similarity in trademarks.

• Identification of the issues (Research Questions)

The issues which shall be highlighted in the dissertation shall be deception in trademarks. It shall include the similarities and differences in the laws of India and US with respect to deceptive similarities. The issues which shall be mentioned will be mainly stating that how far is the trademarks laws for deceptive similarity are similar and also what are the probable differences in the provisions of both the laws. It shall

deal with a detailed analysis of the case laws which shall state the same and also the lacunae if at all are present in the laws. The research will be stating the issues of deceptive similarity under both laws and how the probable outcomes can be achieved and the steps which one can take under infringement. There are various issues with respect to deceptive similarity and it will deal with all the issues faced and also suggest the probable solutions to the same.

• Hypothesis

There are no uniform standards of deceptive similarity in the current legal standard between the two jurisdictions, leading to the lack of uniformity causing unfair treatment to the interests of the owners of trademark.

• Research Methodology adopted

The research methodology adopted is doctrinal. The methodology adopted is that of the already established laws in the statutes and deriving of the results thereto. It shall depend upon the existing laws and interpretation of the same under both the Indian as well as US trademarks act. Thus, the research shall be based on the legal data which is available and not on the society's aspect of the law. The researcher has used Bluebook 18th Edition citation format.

• Survey of the existing literature

The existing literature in this regard of Deceptive similarity of trademarks is that the in India, after the Trademarks Act of 1999 came up, the provision with regard to the deceptive similarity of trademark as in the earlier legislation was stated as **Section 2(h)**¹⁶ of the Trademarks Act, 1999 which stated that any trademark which causes or likely to cause confusion shall be termed as deceptively similar mark.

Under the US law, Section 42 and 43 of the Lanham Act of 1946¹⁷ set out the remedies that can be sought when a trademark is infringed. These provisions forbid the importation of goods that infringe registered trademarks, and restrict, through the use of injunctions and damages, the use of false descriptions and trademark dilution.

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¹⁶ Deceptively similar—a mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion.

¹⁷ 15 U.S.C. §§ 1124–1125

Section 43(a) (15 U.S.C. § 1125(a))¹⁸ is the "likelihood of confusion" standard for infringement of an unregistered trademark or trade dress, and courts still frequently refer to the provision as Section 43 (a).

In the landmark case of Cadila Health Care Ltd v Cadila Pharmaceuticals Ltd¹⁹, the Supreme Court of India mandated a stricter standard for comparing competing pharmaceutical trademarks than for ordinary marks. The court noted that medicines are potentially dangerous. It also took into account the fact that even prescription drugs are routinely sold without prescription. Further, it observed that the general public in India is unable to discern these dissimilarities because of lack of education and the multiplicity of languages used across the country, among other reasons. This, the court determined, justified the application of a stricter standard for drugs. The Supreme Court also directed that the authorities, under the Drugs and Cosmetics Act 1940, should satisfy themselves that a drug does not cause any confusion in the market before granting permission to manufacture a drug under a brand name. Taking things a step further, the court also suggested that the drug authorities consider requiring applicants to submit an official search report from the Trademark Office pertaining to the trademark in question, to enable the drug authorities to reach the correct conclusion.

One of the first landmark judgments in this regard is the "Whirlpool case" (N. R. Dongre v. Whirlpool Corporation²⁰ in which the Court held that a rights holder can maintain a passing off action against an infringer on the basis of the trans-border reputation of its trademarks and that the actual presence of the goods or the actual use of the mark in India is not mandatory. It would suffice if the rights holder has attained reputation and goodwill in respect of the mark in India through advertisements or other means.

Some other references made while carrying out the survey for the literature review of the said topic were:

✓ Fred S. McChesney; Deception, Trademark Infringement, and the Lanham Act: A Property-Rights Reconciliation, Virginia Law Review.

This article provided with the understanding as to the trademark laws functioning in US and the background of the Lanham Act with respect to deceptive similarity and its implications on infringement thereto.

✓ Rustam Singh Thakur; Judicial View Regarding Deceptive Similarity: A Chronological Case Study, Hidayatullah National Law University, February 15, 2011

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¹⁸ Is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.

¹⁹ 2001 PTC 300 (SC)

²⁰ 1996 (16) PTC 583

This article provided with the importance of deceptive similarity hold in infringement of trademark and mainly that the importance is based from case to case basis. Also the view of the judiciary in deciding the matters relating to deceptive similarity and have to come up with laid standards to carry out the same.

✓ P. Narayanan; Law of Trademarks and Passing off, 6 Ed Rev 2010

This book stated the explanation of the provisions of the Trademarks Act of 1999. It had the interpretations which were required to be made to understand the topic and comply with the same.

✓ Dr. V.K. Ahuja; Law Relating to Intellectual Property Rights, 2 Ed Rev 2015

The relevant parts of this book used by the researcher are the provisions prevailing to trademarks and the case laws including the landmark judgments have been taken form this book.

✓ J.S. Sarkar; Trade Marks - Law & Practice, 5 Ed 2008

The author has given a detailed analysis of the trademarks act of India and has mentioned the various case laws which have been decided by the courts. The language of the book is quite easy for the researcher to understand hence, making it much easier for the interpretation.

Thus, the brief literature survey so far in this regard suggests that the laws are somewhat similar to one another in both the jurisdictions. It suggests that the concept of deceptive similarity poses a great threat to the registered trademark users and is a serious offence under this law.

CHAPTER 1

INTRODUCTION TO CONCEPT OF DECEPTIVE SIMILAIRTY UNDER **TRADEMARKS**

Deceptive similarity in trademarks is one of the main issues that is sought to be resolved by the Trademarks Act of 1999. As per **Section 2(h)** of the Trademarks Act; "any mark which causes or is likely to cause confusion shall be a deceptively similar mark",21; and "mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof". 22

The Trademark Act of 1999 states the mark which causes confusion or is likely to causes confusion shall be deceptively similar mark. This poses the burden of proof upon the party who is claiming the said mark being deceptively similar and to prove the same by producing evidence for it.

The infringement that deceptive similarity of goods and service or has been causing may arise in the following ways:

- 1. Deception or confusion as to goods- A person might purchase the goods or avail the services seeing one particular mark imagining that it is the particular brand in his psyche, which actually not the situation. This is the most widely recognized sort of confusion or deception caused to the consumers.
- 2. Deception or confusion as to trade origin- A person by just looking at a mark might purchase the products imagining that it is originating from the same source as some different merchandise bearing a similar mark with which he is familiar. This is deception or confusion as to trade source.

Section 2(h) Trademarks Act, 1999
 Section 2(m) Trademarks Act, 1999

3. Deception or confusion as to trade connection- A person only by seeing at mark may not imagine that it is the same as one with a deferent brand in his mind yet the likeness might make him trust that the two are some way or other associated with each other. The use of the mark may offer a brief in the buyers mind of there being some association with the products and the proprietor of the registered mark.

But before getting on to the question of confusion, the mark shall be a valid mark and should be registered in order to fall under the category of registration.

Section 23 provides for the Registration of the trademark after it has been duly seen to fulfill the grounds of not falling into the non registered category under Section 9 and 11 of the Trademarks Act whereas, Section 28 provides for the Rights conferred on registration of the trademark.

- "Registration of Trademark: (1) Subject to the provision of section 19, when an application for registration of a trade mark has been accepted and either---- (a) the application has not been opposed and the time for notice of opposition has expired or
- (b) The application has been opposed and the opposition has been decided in favor of the applicant. the Registrar shall, unless the Central Government otherwise directs, register the said trade mark and the trade mark when registered shall be registered as of the date of the making of the said application and that date shall, subject to the provisions of section 154, be deemed to be the date of registration.
- (2) On the registration of a trade mark the Registrar shall issue to the applicant a certificate in the prescribed form of the registration thereof, sealed with the seal of the Trade Marks Registry.
- (3) Where registration of a trade mark is not completed within twelve months from the date of the application by reason of default on the part of the applicant, the Registrar may, after giving notice to the applicant in the prescribed manner, treat the application as abandoned unless it is completed within the time specified in that behalf in the notice.

(4) The Registrar may amend the register or a certificate of registration for the purpose of correcting a clerical error or an obvious mistake." ²³

The interpretation of this provision of the Trademarks Act is that the mark shall be registered only if the application has been accepted and not been opposed by anyone, or the opposition is decided in the favor of the applicant, then in that case the mark is termed to be registered and the mark shall subsist in the market. Also, the registration of the said mark means that the mark has acquired the Certificate of Registration from the Trademark Registry and has been duly signed by the authority. Thus, the mark is said to be a Registered Mark and shall be having the rights conferred upon it over infringement or otherwise as mentioned under Section 28 of the Trademarks Act, 1999.

"Rights conferred by Registration: (1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of trade mark in the manner provided by this Act.

- (2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.
- (3) Where two or more persons are registered proprietors of trademarks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trademarks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."²⁴

The interpretation of this particular provision with regard to the registration of the trademark is that the said trademark is said to be registered as and when it gets

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²³ Section 23 Trademarks Act, 1999

²⁴ Section 28 Trademarks Act, 1999

authorization from the Trademark Registry and the said registration of the trademark gives the exclusive rights to use the trademark by the proprietor. Also, if there are more than one registered users of the same or identical trademark, then in that case both or all the users shall share the same type of exclusive rights as if they would have incase been individual users or registers of the mark.

Thus, these provisions with regard to the registration of the trademark state that the importance of Registration is needed in case the fair use of a trademark is to be done in India or under the Trademarks Act of 1999.

Under the US laws the concept of deceptive similarity is to some extent similar to that in India. Section 43 of the Trademarks Act of US states "False designations of origin; false description or representation" where sub clause (a) of the provision talks about the concept of deceptive similarity.

- "43 (a) (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—
- (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
- (B) In commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.
- (2) As used in this subsection, the term **any person** includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(3) In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional." ²⁵

This provision states it that the concept of deceptive similarity is somewhat similar to the Indian laws. The US law also provides for the same meaning of deception as provided under the Indian trademarks act of 1999.

Also, before the deceptive similarity clause, under the US law it is seen that whether the mark is registered or not. **Section 29** provides for Registration of Trademark under Lanham Act of 1946. **Section 1** of the Act provides for any proprietor or party shall have to register the mark in order to get the rights over the registration of the mark.

The provisions are mentioned as under:

"1. Application for registration; verification of Trademark

- (a)(1) The owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director, and such number of specimens or facsimiles of the mark as used as may be required by the Director.
- (2) The application shall include specification of the applicant's domicile and citizenship, the date of the applicant's first use of the mark, the date of the applicant's first use of the mark in commerce, the goods in connection with which the mark is used, and a drawing of the mark.
- (3) The statement shall be verified by the applicant and specify that—
- (A) the person making the verification believes that he or she, or the juristic person in whose behalf he or she makes the verification, to be the owner of the mark sought to be registered;

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²⁵ Section 43(a) Lanham Act. 1946

- (B) To the best of the verifier's knowledge and belief, the facts recited in the application are accurate;
- (C) The mark is in use in commerce; and
- (D) to the best of the verifier's knowledge and belief, no other person has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive, except that, in the case of every application claiming concurrent use, the applicant shall—
- (i) State exceptions to the claim of exclusive use; and
- (ii) Shall specify, to the extent of the verifier's knowledge—
- (I) any concurrent use by others;
- (II) The goods on or in connection with which and the areas in which each concurrent use exists;
- (III) The periods of each use; and
- (IV) The goods and area for which the applicant desires registration.
- (4) The applicant shall comply with such rules or regulations as may be prescribed by the Director. The Director shall promulgate rules prescribing the requirements for the application and for obtaining a filing date herein." ²⁶

29 Notice of registration; display with mark; recovery of profits and damages in infringement suit

"Notwithstanding the provisions of section 1072 of this title, a registrant of a mark registered in the Patent and Trademark Office, may give notice that his mark is registered by displaying with the mark the words Registered in U.S. Patent and Trademark Office or Reg. U.S. Pat. & Tm. Off. or the letter R enclosed within a circle, thus ®; and in any suit for infringement under this chapter by such a registrant failing to give such notice of registration, no profits and no damages shall be

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²⁶Section 1 (15 U.S.C. § 1051)

recovered under the provisions of this chapter unless the defendant had actual notice of the registration." 27

The provision for Remedies is provided under Section 32 of the Lanham Act i.e. the US Trademarks Act.

Thus, this chapter gave an overview of the provisions which shall deal with the Concept of Deceptive Similarity of Trademarks under the Indian and the US laws with other important and required provisions that is of Registration and also, the interpretation of the same.

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²⁷ Section 29 (15 U.S.C. § 1111)

CHAPTER 2

TRADEMARKS ACT OF 1999

DECEPTIVE SIMILARITY STATUS UNDER INDIAN LAW

2.1 HISTORY OF TRADEMARKS

Trademarks commonly referred to as "identifying marks" or "distinctive marks" have been since the ancient times, recognised in different forms. It is one of the famous and foremost form of IP known all over the world and have evolved steadily over all these years. It was the England's legislation on Trademarks which was the first one to come into force where the Bakers Marking Law in 1266 was enacted, which governed the use of stamps or pinpricks on loaves of bread. The first case of trademark infringement witnessed was the Southern v How was heard as far back as 1618.

The "passing off" law known under the common law of Trademarks arose mainly to prevent the manufacturers from trying to pass off their goods as someone else. Since then, the trademarks law has evolved majorly and in the present scenario, it provides protection to just not only the words and phrases but also to three-dimensional objects and musical notes known as sound marks and shape marks.

2.2 PURPOSE OF TRADEMARKS

Trademarks serve for the creation and maintenance of custom by their use, as they demonstrate the origin of goods and services. The Supreme Court has sketched out the purpose behind trademarks as follows:

"The function of a trademark is to give an indication to the purchaser or possible purchaser as to the manufacture or the quality of the goods, to give an indication to his eye of the trade source or trade hands through which they pass on their way to the market."

Thus, the purpose behind the use of trademarks is to place the focus and attention of the consumers on the origin of goods, not the proprietor or the owner of the goods.

2.3 LEGISLATIVE HISTORY OF THE TRADEMARKS ACT OF 1999

The first enactment overseeing trademark in the nation was the Trademarks Act, 1940 which came to be supplanted by the Trademark and Geographical Indications Act, 1958. This Act gave the some insurance to the holders of trademarks, however in the meantime neglected to perceive a trademark in connection to benefits instead of products. Further the Act gave trademark protection just for a period of five years and embraced an unwieldy strategy for registration of a trademark.

With expanding globalization and the spate of multinational partnerships, some uniformity was felt essential in the grant of trademarks and intellectual property rights by the different countries of the world. It was out of this need the Agreement on Trade Related Aspects of Intellectual Property Rights, 1995 (TRIPS Agreement) emerged. The Agreement, which is tying on its members, represents all licensed intellectual property rights and gives the basic standards of consistency and uniformity to be embraced by countries in drafting their intellectual property enactments.

Section 2 of the TRIPS Agreement, lays down the subject matter of trademark protection as under:

"15- Protectable Subject Matter: 1 any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible." ²⁸

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²⁸ Section 2 TRIPS Agreement

Adding on, Article 16 of the TRIPS Agreement states the rights conferred upon the holder as:

"16- Rights Conferred: 1 The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use."²⁹

India turned into a signatory to the TRIPS Agreement in 1995. Thus, it was bound by India to change its domestic laws to get them understanding and in consonance with the provisions of the TRIPS Agreement. With regards to its commitments under TRIPS, the Trade Marks Act, 1999 came to be instituted, which interestingly acquainted registration of trademarks relating to goods and services in India and the procedure regarding the registration of trademarks.

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²⁹ Article 16 TRIPS Agreement

2.4 SALIENT FEATURES OF THE TRADEMARKS ACT, 1999 (post amendment)³⁰

The salient features of this Act after amending the older act has included the following clauses and is briefly set out as:

- (a) Providing for registration of Trademarks of goods as well as services;
- (b) Registration of trademarks, which are imitation of well known trademarks, is not to be permitted besides enlarging the grounds for refusal of registration mentioned in Section 9 and 11 of the Trademarks Act of 1999. Consequently, the provisions of defensive registration of trademarks are proposed to be omitted;
- (c) Amplifications of factors to be considered for defining a well known mark;
- (d) Doing away with the system of maintaining different applications for registration of trademarks in various classes and to provide only a single register with simplified procedure for registration and with equal rights;
- (e) Simplifying the procedure for registration of registered user and widening the scope of permitted use;
- (f) Providing enhanced and serious punishments for the offences relating to trademarks on par with the present Trademarks Act.
- g) Providing an Appellate Board for speedy disposal of appeals and rectification applications which at present lie before High courts;
- (h) Transferring the final authority relating to registration of "certification trademarks" to the Registrar instead of the Central Government;
- (i) Prohibiting use of someone else's trademarks as part of corporate names, or name of business concern;
- (j) Incorporating other provisions, like amending the definition of "trademarks";
- (k) Incorporation of provisions for filing a single application for registration in more than one class, increasing the period of registration and renewal from 7 to 10 years;

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³⁰ http://ipindia.nic.in/tmr_new/TMR_Manual/TMR_Manual_2008.pdf

(l) Making trade mark offences cognizable, widening the jurisdiction of Courts and to bring the law in this respect on par with the copyright law, granting the powers to the Court to give ex parte injunction in certain cases and other related amendments in order to simplify and streamline the trademarks law and procedure. 31

http://ipindia.nic.in/tmr_new/TMR_Manual/TMR_Manual_2008.pdf

2.5. REQUIREMENTS FOR TRADEMARK REGISTRATION UNDER THE ACT

"Trademark" according to the Trademarks Act of 1999 as mentioned in **Section** $2(1)(zb)^{32}$ means "a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours." All marks are not capable and cannot be registrable as 'trademarks' under the Act.

According to the **Trademarks Act of 1999**, certain definitions in relation to trademarks are:

Section 2(1) (j) "goods" "means anything which is the subject of trade or manufacture."

Section 2(1) (q) "package" "includes any case box, container, covering, folder, receptacle, vessel, casket, bottle, wrapper, label, band, ticket, reel, frame, capsule, cap, lid, stopper and cork"³⁴

which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours: and--

³² Section 2(1) (zb) Trademarks Act 1999 : **trade mark** "means a mark capable of being represented graphically and

⁽i) in relation to Chapter XII (other than section 107), a registered trade mark or a mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark; and

⁽ii) in relation to other provision of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so to indicate a connection in the course of trade between the goods or services as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark".

³³ Section 2(1) (i) Trademarks Act 1999

³⁴ Section 2(1) (a) Trademarks Act 1999

Section 2(1) (z) "service" means "service of any description which is made available to potential users and includes the provision of services in connection with business of any industrial or commercial matters such as banking, communication, education, financing, insurance, chit funds, real estate, transport, storage, material treatment, processing, supply of electrical or other energy, boarding, lodging, entertainment, amusement, construction, repair, conveying of news or information and advertising." 35

In order to get a mark registered, or for a mark to make registrable, it must abide by certain statutory solutions and guidelines. The legal requirements for a mark to be registered under the said Act are:

- i. The selected mark should be capable of being represented graphically, i.e. the paper form representation.
- ii. It should be fit for recognizing the goods or services of one undertaking or proprietor from those of others i.e. it should be distinctive;
- iii. It should be utilized or proposed to be utilized in relation to goods or services with end goal of showing or in order to demonstrate a connection in the course of trade between the goods and services.

In order to secure registration of their mark as a 'trademark' under the Act, the above mentioned requirements shall have to be satisfied. In other words, the goods and services for which a trademark is used or registered shall have individually satisfy the mandatory requirements of graphical representation, distinctiveness and connection with services offered by them as stated under the Act.

The requirements are discussed in detail as follows:

i. Graphical representation

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³⁵ Section 2(1) (z) Trademarks Act 1999

There are various marks which have been recognised under the Act. In any case, this does not imply that all marks holding fast to the meaning of "mark" under the Act are registrable. The most important requirement to be met with in order to get a mark registered should be that the mark must be equipped for being put on the Register of Trademarks in the physical structure. Consequently, as long as the mark can be 'graphically spoken' i.e. represented in paper form, even three-dimensional marks and sound marks are also subject to registration under the Act.

ii. Distinctiveness of a mark

The distinctiveness of a mark is sign of the law of trademark. A distinctive mark is one which has achieved a reputation with respect to its association to a particular good or service in the minds of its consumers or traders as well. It is a mark which enables the goods or services to which it is connected being marked out or different from other goods or services regardless of the fact that they are of the same class. The **National Bell** case laid down the significance of Uniqueness of a mark as stated by the apex court:

'One of the standards for outright refusal of registration of trademarks states: the marks which are without any distinctive character that is, not fit for recognizing the goods or services of one person from those of another'

- a. Whether the general reaction of the interested public, looking at the mark, is to think of the maker of the goods bearing of the mark?
- b. Whether, even without a comparison with another mark, will it cause confusion in the minds of the public and as such deceives or confuses the public?

In this manner, the distinctiveness or uniqueness of a mark basically implies that the mark must be such that it distinguishes a product from a particular undertaking or a proprietor. It is one of the vital necessities to be satisfied before a mark can be registered as a 'trademark' under the Act.

iii. Connection with goods or services

It is evident from the definition of trademark as mentioned earlier that the mark must be put to use and used in connection to the goods or services. The apex court while highlighting this requirement observed:

"A trademark is meant to distinguish the goods made by person from those made by another and hence cannot exist in vacuo. It can only exist in connection with the goods in connection with which it is to be used or intended to be used."

Section 47 of the Act further lays down removal of trademark form registers on its non usage which states that "a trademark, once registered, can be removed from the Register if the registration was obtained without a 'bona fide' intention to use it in relation to goods and services." Hence, it is clear that another specific requirement for registration of trademarks under the Act is that the mark should have some connection with goods or services offered or intended to be offered.

In addition to the three requirements mentioned above, the mark must not fall within the ambit of Section 9 of the Act, which states the absolute grounds for refusal of a trademark. Thus, marks which are likely to hurt religious susceptibilities or which contain scandalous or obscene matter and does not fall under the grounds mentioned in Section 9 of the Trademarks Act are not subject to registration under the Act.

It is important to note that as the Act takes after a first registrant approach, a hunt would need to be embraced at the Trademark Registry to learn whether the said company name has been already registered, for the same class of services as those offered by the company. If the name does not appear on the Register of Trademarks for such class of services, then the company may make an application for registration of its company name. Similarly, in order to register its logo, the logo would need to fulfill the necessities said above.

RELIEF IN CASE OF AN ACTION OF PASSING OFF

Essentially, in a case of misrepresentation with regard to the mark is pointed out, or any wrong impression of the mark or the product or service it is associated with, then in that case an action of passing off lies with the owner of the trademark to cause less injury to him. The inclination to mislead or confuse or deceive forms the gist of a passing off action and the plaintiff need not establish fraud, actual damage or actual deception. The motive is not the intention of the alleged infringer in using the mark but the effect that such an action shall be making in the minds of the consumer. The Act gives that the jurisdictional District Court may grant an **injunction** as a relief in a suit for passing off under Order 39 of the Code of Civil Procedure.

In the cases of Passing Off action, two tests are applied in determining that whether the plaintiff is entitled to grant of injunction or not?

- 1. Whether the words used as the trademark or the name of plaintiff are mere descriptive words of common use or whether they have acquired a distinctive or secondary meaning in connection with the plaintiff's business.
- 2. Whether there is a reasonable chance that the use of the name taken up by the defendants is likely to mislead and confuse the consumers of the plaintiff by reason of similarity between the two marks.

Thus, the general look or get up of the logo advertisement of services etc., the company may receive protection under the common law of passing off.

CHAPTER 3

LANHAM ACT OF 1946

DECEPTIVE SIMILAIRTY STATUS UNDER US LAW

3.1 HISTORY OF TRADEMARK LAW

The first trademark statute enacted after the Civil War, came as a reaction to the fast growth and development of trade that took after the time of Reconstruction and the need of producers for trade identity and better protection from infringement. The first Federal Trademark law was enacted in 1870. The law was amended in 1878, and from that point it was struck down by the Supreme Court in *The Trade-Mark Cases*, 100 U.S. 82 (1879), for exceeding the powers granted by the patent and copyright clause of the Constitution. Congress responded with the Trademark Act of 1881, which was based on its Commerce Clause powers. It was therefore nullified. In its place, a trademark law was enacted on March 3, 1881 that focused on trademarks used as a part of interstate business (and in the commerce with Indian tribes) in view of the interstate trade proviso in the U.S. Constitution (art. 1, sec. 8, and cl. 3). This law was nonetheless, not able to oblige the improvement of the American economy and consequently, needed to experience a noteworthy change in 1905. It experienced further fractional modifications sometimes amid consequent years.

"Post World War II, economic boom gave rise to trademark activity and brought about the need to educate the public about trademark law. Upon the enactment of the Lanham Act on July 5, 1946, American trademark law came to rank equally with English or German trademark laws. The Act was named after a congressman who had devoted himself to its creation in accordance with American traditions. The Lanham Act is similar to English trademark law because it adopted use-based principles as its foundation. The Act, however, put much more emphasis on use than the English law did initially, requiring not merely an intention to use the mark, but an actual use of the

mark in order for the mark to be registered. This emphasis, however, was later altered in response to changes made internationally". ³⁶

United States trademark law is for the most part administered by the Lanham Act. "Common law" trademark rights are obtained consequently when a business uses a name or logo in trade, and are enforceable in state courts. Marks registered with the U.S. Patent and Trademark Office are given a higher level of protection in government courts than unregistered marks—both registered and unregistered trademarks are allowed some level of protection under the Lanham Act 43(a).

United States law has protected trademarks under state common law since provincial times, yet it was not until 1870 that Congress initially endeavored to set up a federal trademark regime. This 1870 statute indicated to be an activity of Congress' Copyright Clause powers. Be that as it may, the Supreme Court struck down the 1870 statute in the Trade-Mark Cases. In 1881, Congress passed a new trademark act, this time according to its Commerce Clause powers. Congress modified the Trademark Act in 1905.

In 1946, Congress passed the Lanham Act (15 U.S.C. §§ 1051–1127). The Lanham Act defines federal trademark protection and trademark registration rules. The Lanham Act gives the United States Patent and Trademark Office ("USPTO") regulatory power over trademark registration.

State law keeps on including its own protection, supplementing (and complicating) the federal trademark framework.

Recent developments in U.S. trademark law have incorporated the appropriation of the Federal Trademark Dilution Act of 1995, the 1999 Anti cyber squatting Consumer Protection Act, and the Trademark Dilution Revision Act of 2006.

http://www.tabberone.com/Trademarks/TrademarkLaw/History/History.shtml

³⁶ "History of Trademark Law"

3.2 PURPOSE OF TRADEMARKS ACT

Trademark law protects a company's goodwill, and helps customers effectively identify and recognize the source of the things they buy.

In the primary guiding principle, trademark law, by keeping others from duplicating a source-distinguishing mark, decreases the customer's costs of shopping and making purchasing decisions, for it quickly and easily assures a potential buyer that a specific item—the item with this mark—is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will procure the monetary, reputation-related rewards associated with a desirable product. The law along these lines empowers the creation of value items and at the same time discourages the individuals who would like to offer substandard items by profiting by a shopper's powerlessness rapidly to assess the nature of a thing offered available to be purchased.

> Acquiring trademark rights

Trademark rights are gained by the use and utilization of a specific mark in the ordinary course of business. For example, by using a brand name or a logo on an item or a product or its retail packaging or even on services.

Things that can qualify as a trademark

A word, phrase, or logo can act as a trademark. But so can a slogan, a name, a scent, the shape of a product's container, and a series of musical notes.

The language of the Lanham Act evidently states that mostly all of the things present in the universe can qualify as a trademark in the broadest of terms. It says that trademarks "include any word, name, symbol, or device, or any combination thereof."³⁷. Since humans may use a "symbol" or "device" almost anything that is at all capable of carrying meaning, this language, is not restrictive. The courts and the Patent and Trademark Office have authorized for use as a mark a particular shape (of a Coca-Cola bottle), a particular sound (of NBC's three chimes), and even a particular scent (of plumeria blossoms on sewing thread).

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³⁷ § 1127 Lanham Act. 1946

3.3 TRADEMARK REGISTRATION

Once a trademark has been acquired by any proprietor, trademark rights shall be registered with the USPTO. "The Lanham Act gives a seller or producer the exclusive right to register a trademark", and "to prevent his or her competitors from using that trademark."39

Benefits of Federal Trademark Registrations

Trademark protection depends upon its use in the business and not on its registration. Under the Lanham Act, it is both the registered and the non-registered marks which are eligible for protection. However, registration (on the "Principal Register") attracts many advantages:

- Nationwide trademark rights
- A registered mark is presumed to be a valid trademark
- The owner listed on the registration is presumed to be the true owner of the trademark rights
- Presumption that the mark has not been "abandoned" through non-use
- Access to Federal Courts for litigating trademark infringement

Constructive notice – is that where the infringer is not given any right to claim that he was unaware of the registration of the said mark which is deceptively similar to his mark.

Enhanced remedies for infringement, including the possibility of triple damages and criminal penalties for counterfeiting (counterfeiting is a more culpable type of infringement).

³⁸ 15 U.S.C. § 1052 Lanham Act, 1946 ³⁹ 15 U.S.C. § 1114(1) Lanham Act, 1946

PROCESS OF APPLIACTION FOR FEDERAL TRADEMARK REGISTRATION

Trademarks can be enrolled on the web. The USPTO charges a \$275 expense for online trademark applications. The procedure takes around 6 months from initial application to final registration of the said mark. It is a general practice to enlist a trademark legal counselor to file the application in the interest of future proprietor.

Once the application is recorded, it sits in a line for a couple of months. Inevitably, a USPTO Trademark Examiner will look at the application as indicated by the rules of the Trademark Manual of Examining Procedure. On the off chance that the Trademark Examiner recognizes issues with the applications, the applicant will be sent a "preliminary rejection." The applicant will then have 6 months to document an answer that is a reply with contentions for his trademark application. On the off chance that the Trademark Examiner is influenced by the answer contentions, the application will be allowed registration. If not, a "final rejection" will be issued.

At the point when an application is permitted, it proceeds onward to "publication" in the Trademark Official Gazette. Once it is published, there is a 30-day open door for different organizations to bid the registration no appeal filed. In the event, the registration is at last issued.

If the registration receives a final rejection from the Trademark Examiner, the applicant may advance the dismissal or rejection to the Trademark Trial and Appeal Board. Similarly, if the application is opposed by a third party, the appeal will be evaluated by the Trademark Trial and Appeal Board.

3.4 INFRINGEMENT

This term means that when another party or a proprietor is selling or producing its products or services under the similar or identical trademark or a mark or logo or slogan which in turn shall cause confusion in the minds of the consumers is liable under **Infringement of the Trademark**.

Likelihood of confusion test: Trademark infringement is calculated by the so-called "likelihood of confusion" test. A new trademark will infringe on an existing one if the new one is so like the first that customers are prone to confound the two marks, and erroneously buy from the wrong organization.

The deceptive similarity factor also comes into picture where the trademark of the certain goods or services is creating deception in the minds of the buyers and is hampering the interest of the owner of the said trademark.

Infringement by confusion can involve:

- Confusion between related products: If one product is offered under a mark comparable or indistinguishable to another, and the products would be deceived by the consumers who are buying such products if they are sold under the similar or identical mark then in that case, trademark infringement can be found. Examples from actual infringement cases include Slickcraft and Sleekcraft boats, Bonamine and Dramamine medications, Pledge and Promise cleaners, and Duron and Durox paints.
- Confusion as to source: Confusion can also be found when the identical or similar mark is applied to different types of goods. In a case, involving Borden milk and Borden ice cream, was deemed to be non-infringing in 1912; in more recent years, such cases have routinely led to findings of infringement.

- Confusion as to sponsorship: In cases even when the consumers are not likely to be deceived at the source, there may be confusion as to the sponsorship. Team logo merchandise is a common example; consumers may expect that they are supporting the New York Yankees by purchasing a Yankees cap.
- Initial interest confusion: There are instances when famous marks are used to lure the buyers of the products to different businesses. "Cyber squatting" by way of getting a well-known mark registered as a domain name is a well-known example. Another is the use of Meta tags to fool search engines: a little-known adult Web site may attempt to attract visitors by showing up in web searches for more well-known adult entertainment franchises. Both of the above stated acts can be stated as trademark infringement caused out of confusion.
- Post-sale confusion: Post-sale confusion is frequently used to find infringement in counterfeit goods, for example, fake watches and handbags.
 While the buyer is liable to comprehend that they are purchasing a fake item, the point is to confuse others into thinking the item originates from an alternate or different source.
- **Reverse confusion:** Although deception cases generally involve a little-known business using a well-known mark, confusion can also be found when a well-known business uses a little-known mark.

FACTORS FOR LIKELIHOOD OF CONFUSION

The likelihood of confusion test states several factors, some of which include the ones mentioned below:

- Strength of the plaintiff's trademark.
- Degree of similarity and identity between the two marks in dispute.
- Similarity and Identity of the goods and services for which the mark is used.
- Evidence of actual confusion.
- Buyer's judgment of the goods and services.
- Quality of the defendant's goods and services so deceived.
- Another question as to deceptive similarity is that whether the defendant's had a bona fide attempt i.e. attempt made in good faith while getting their trademark registered?

The answer to the question is dependent on the very fact that the user of the trademark which is similar to prior user or another user of the same trademark is making it in good faith and is a honest concurrent use on his part. The user shall be at the liability to prove his honest and fair use without knowing of the existence of any such already prevailing trademark in the market. And also the user shall have to prove that the mark is nor causing confusion in the minds of the consumers and that the mark does not takes illegal or unreasonable benefits out of their goodwill which if at all exists as in case of the well-known marks. Thus, these factors shall have to be proved by the user of the similar or identical mark.

3.5 REMEDIES

Injunction

Injunctions are a standard remedy for trademark infringement. The typical injunction is to end or stop the generation or production and sale of infringing goods and services by the infringer.

At times under certain cases, the court might also award an injunction for corrective advertising, which forces the defendant to pay for an amount of advertising necessary to reverse the damage to the plaintiff's mark.

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Damages

A court may grant damages⁴⁰ for trademark infringement stating some of the factors which are mentioned below. Trebled damages are available for damage amounts derived from defendant's profits, actual damages plaintiff sustained, and cost of bringing the lawsuit.

- ✓ Profits of the defendant's⁴¹
- \checkmark damages sustained by the plaintiff⁴²
- \checkmark cost incurred for bringing the lawsuit (may include attorney's fees)⁴³
- ✓ prejudgment interest⁴⁴
- ✓ statutory damages⁴⁵

⁴⁰ 15 U.S.C. § 1117 Lanham Act, 1946

⁴¹ 15 U.S.C. § 1117(a)(1) Lanham Act, 1946

⁴² 15 U.S.C. § 1117(a)(2) Lanham Act, 1946

⁴³ 15 U.S.C. § 1117(a)(3) Lanham Act, 1946

^{44 15} U.S.C. § 1117(b) Lanham Act, 1946

⁴⁵ 15 U.S.C. § 1117(d) Lanham Act, 1946

Profits of the Defendants'

Plaintiff is required only to demonstrate the measure of defendant's sales. The burden then shifts to defendant to prove up its expenses and costs to be deducted from the aggregate sales amount to give the amount of defendant's profits. If the court finds the recovery amount based on defendant's profits is inadequate or excessive, the court may enter judgment a sum it believes is just in light of the "circumstances of the case."

Damages sustained by the Plaintiffs

Plaintiff must demonstrate accurately its actual damages. The court constructs its determination of damages with respect to the actual amount of damages plaintiff's has been able to rightly prove or any sum above that amount but not more than three times above the actual damage amount.

• Costs of the Action

The court may also award reasonable attorney's fees to the winning party but only in exceptional circumstances.

• Trebling of Damages:

In the case of a counterfeit mark or designation⁴⁶ as stated in non-statutory damage amounts are to be trebled unless the court finds "extenuating circumstances." Congress planned for courts to recompense trebled harms by and large.

Specifically, the Lanham Act states that where a plaintiff has proven any violation of 15 U.S.C. § 1114(1)(a) or 36 U.S.C. § 220506, a court shall enter judgment for three times such profits or damages, whichever amount is greater, together with a reasonable attorney's fee, if the violation consists of:

⁴⁶ 15 U.S.C. § 1116(d) Lanham Act, 1946

(1) Intentionally using a mark or designation, knowing such mark or designation is a counterfeit mark⁴⁷ in connection with the sale, offering for sale, or distribution of goods or services; or

(2) Providing goods or services necessary to the commission of a violation specified in paragraph (1), with the intent that the recipient of the goods or services would put the goods or services to use in committing the violation.

Prejudgment Interest

The court might likewise also grant the interest starting from the date of the service of the plaintiff's pleadings putting forward the case or the claim for such section of judgment and ending on the date such entry is made, or for such shorter time as the court considers suitable. 48

Statutory Damages

15 U.S.C. § 1117(c) provides a plaintiff with the option of electing (before final judgment) recovery of statutory damages for any such use. The statutory damages are based upon the "willfulness" of the counterfeit:

(1) if the court finds the utilization of the said counterfeit mark was not willful, the statutory damages will be at the very least \$1,000 or more than \$200,000 per counterfeit mark per sort of goods or services sold, offered for sale, or distributed, as the court considers just; or

(2) If the court finds out that the use of the said counterfeited mark was very much willful, then not more than \$2,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just.

 ⁴⁷ as defined in 15 U.S.C. §1116 (d) Lanham Act of 1946
 48 See 26 U.S.C. §6621 (a)(2) for method of determining interest rate of Lanham Act of 1946

This statutory sum is in lieu of and not withstanding to profits or actual damages; and is not subject to trebling under 15 U.S.C. § 1117(b).

• Criminal counterfeiting

Knowingly deceiving another's trademark is considered counterfeiting and is a lawfully offensive by fines and imprisonment under 18 U.S.C. § 2320.

CHAPTER 4

CONCEPT OF DECEPTIVE SIMILARITY: ROLE AND IMPORTANCE

A trademark can be used for identifying and distinguishing a specific vendor's products from others. Trademark additionally demonstrates the origin of the goods i.e. a customer can identify the producer and also get to know about the quality of goods that all goods bearing the particular trademark are of a particular quality desired by the consumer Trademarks are broadly utilized for the promotion purposes additionally which serves to consumers in associating any good with the quality, reputation and goodwill of any company. So it is imperative for any company to take safeguard measures while permitting any one to utilize its trademark because the name and reputation of the company is directly associated and shall be hampered with the use of the said trademark. There has been various new ideas which have emerged in relation to trademark due to the innovative upheaval in the communication, media and other areas and due to the increased knowledge and perception of individuals, business enterprises are showing more interest in registering non conventional marks such as color marks, shape marks, smell marks, sound marks, advertisement slogans, trade dress etc. to capture the market. Thus, this is the vital role which the trademarks play in the market and amongst the consumers and owners of the trademark. It makes it easier to associate the owner of a particular brand with its mark and once that becomes famous it somewhat becomes the identity of the owner of that trademark with that particular good.

The importance of the Trademark lies in the Rights which by virtue of the grant of the Registration of the trademark are possessed by the owner of the trademark. It is very important for the owner of the mark to have its identity with regard to its goods or the service which he is offering. Thus, the importance of the trademark lies with the owners and deceptive similarity of the trademark shall be hampering the image of the owner of the trademark at large.

The concept of deceptive similarity is what is meant by the Trademarks Act also, is to state that one mark is similar to another or identical to another mark of another proprietor. It poses a lot of problem and makes it assumable by the consumers and also creates confusion or deception in the minds of the consumers of associating the mark with other proprietor's goods or services. Thus, deceptive similarity is a very important concept under the Trademarks law and has to be dealt with caution and there arises many complications which shall be dealt in the further chapters and explained via case laws.

4.1 OWNER OF THE TRADEMARK

Trademark gives protection to the owner of a particular mark by ensuring the exclusive rights to use in to identify the goods or services or approve another to use it in return of certain sum of money. It works for the advantage of registered proprietor or owner of the mark and prevents other proprietors from unlawful use of the mark of the registered owner. Under Section 28 of the Trademarks Act, the registered proprietor on registration of the mark gets the exclusive right to the use of the mark for its goods in respect of which the mark has been registered and to obtain relief in respect of the trademark in the way as it has been stated under the Act. But, then there exists the clause of infringement under which the proprietor has a right to file a suit for infringement of his right and obtain:

- 1. Injunction or,
- 2. Damages or,
- 3. Account of profits.

4.2 TRADE DRESS

One another factor which is important while looking at the concept of deceptive similarity is the Trade Dress. It is so because the trade dress is one concept which hold a lot of importance while determining the deception or any factor which causes or is likely to cause confusion or deception to the public at large. This is because the trade dress is the first thing which is looked upon by the consumers or anyone and which could prove to be confusing if it is similar or identical.

Trade Dress is the characteristics of visual appearance of a product or its packaging that signify the source of the product to the consumers. This is why the deceptive similarity is important while looking at the trade dress.

MEANING

Stating the literal meaning of Trade Dress is the overall or complete image of the product used in its marketing or sales that is composed of the non-functional elements of its design, packaging, or labeling (as colors, package shape, or symbols). It means there is a prescribed manner of writing a product's name, its unique background and other uncommon signs. Trade dress has a lot of importance in a country like India where majority population, for instance, one third of the total population is still not that literate and judges by the physical appearance of the product. The people who cannot read the trademark, by way of Trade Dress, it helps them to figure out by the product's physical appearance and also helps the manufacturers to reach to the people with great amount of ease.

LANDMARK CASE

Delhi High Court had earlier in one of its landmark and very famous cases dealt with the concept of Trade Dress in a detailed manner. The case of "Colgate Palmolive Company and Anr. Vs. Anchor Health and Beauty Care Pvt. Ltd."⁴⁹ where the plaintiffs had filed the case for the 'passing off' of trademark and the dispute was on

⁴⁹ 2003 (27) PTC 478 Del

the colour scheme and combination of colors in a significant manner. Colgate Company in this case was the plaintiffs and was questioning the use of the mark on dental product which is the combination of 'red' and 'white' in proportion of 1/3:2/3 respectively and the manner in which the name of the product was written was also in dispute. Plaintiffs were using the mark of in the particular fashion from 1951 and the respondents started using it in 1996 in exactly the same fashion as that of the plaintiffs. Plaintiffs filed an application for injunction against the respondents to stop them from using their mark.

The plaintiffs made it evident to the court that the look of the trade dress of the two articles, one which was manufactured by the plaintiff and another by the defendant, not only from the point of view of unwary but also not so literate customers of household but semi-literate also as the trademarks "Colgate" and "Anchor" are written in English language cannot be distinguished by ordinary customer. There is every possible likelihood of confusion as to the source on account of the similarity and deception of substantial portion of the container having particular colour combination and also shape of the container. Such an action on the part of infringing party also has an element of unfair competition.

Court in this particular matter stated that "may be, no party can have monopoly over a particular colour but if there is substantial reproduction of the colour combination in the similar order either on the container or packing which over a period has been imprinted upon the minds of customers it certainly is liable to cause not only confusion but also dilution of distinctiveness of colour combination. Colour combination, get up, lay out and size of container is sort of trade dress which involves overall image of the product's features. There is a wide protection against imitation or deceptive similarities of trade dress as trade dress is the soul for identification of the goods as to its source and origin and as such is liable to cause confusion in the minds of unwary customers particularly those who have been using the product over a long period."

Wherein, a product having distinctive colour combination, style, shape and texture has been present in the market for many years, it got attached with the reputation and goodwill of the company which could be earned at huge cost.

In the present dispute if an illiterate servant or village person goes to the shop with the instruction to bring a Colgate Tooth Power having a container of particular shop with trade dress of colour combination of Red and White in 1/3 and 2/3 proportion he will not be in a position to distinguish if he is handed over "Anchor" Tooth Powder contained in a container having the identical trade dress and colour combination of "Red and White" in that particular order and proportion. Confusion is in large amount with regard to the source and origin as the difference in name will not make any difference to such a consumer and the goods of the defendant can easily be passed off as the goods of the plaintiff.

"Court said that significance of trade dress and colour combination is so immense that in some cases even single colour has been taken to be a trademark to be protected from passing off action. Except where the colour cannot be protected as the blue colour is for the Ink and red colour is for the lipstick or similar cases. Court said that it is been established that the defendants are using the trade dress of plaintiffs for their containers and hence Court had allowed the application of plaintiffs and restrained defendants from using the colour combination of red and white in the disputed order on the container/packaging of its goods."

Thus, Anchor was ordered to change the trade dress as Colgate had acquired the distinctiveness and consumers now related the color combination of Red and White with Colgate, allowing the application of the plaintiffs.

Therefore, trade dress plays a very important part in deceptive similarity concept and is a factor in causing confusion in the minds of the consumers. Thus, should be looked in the manner as stated by the Delhi HC in the above mentioned landmark judgment of Colgate vs. Anchor.

CHAPTER 5

COMPARISON OF LAW OF DECEPTIVE SIMILAIRTY UNDER INDIAN AND US LAWS

Indian trademark law, like U.S. trademark law but unlike most European trademark laws is based on a "first to use" system. Although the principle was codified for the first time in the Trade Marks Act 1999, a number of earlier judicial decisions gave the term "first to use" a wide interpretation. Unlike in the United States, first use anywhere in the world accompanied by a trans-border reputation of the mark in India is the determinant for ownership of trademark rights in India. This forms part of the major and foremost difference between the two nation trademark laws.

This means that where in India the first user principle means that the owner first user of the mark within the Indian territory shall be dealt with under this principle. Whereas, in Unites States, the first user principle shall be applicable throughout the world the user of the particular mark shall be first and is not just confined within the territories of US. But the laws shall be a little different when looked at the passing off action in case of infringement of the trademarks.

This trans-border reputation can be set up through minor accessibility in India of literature or advertising materials highlighting the mark in question, which need not be required to be coordinated to Indian customers. Accordingly, the presence of commercials in-flight magazines on flights bound for India has been considered sufficient evidence to demonstrate a "reputation." Even the presence of materials that are committed to products that are banned in India—and in this way unmistakably not coordinated toward the Indian open—has been viewed as adequate for these reasons. This was further highlighted in the "Whirlpool Case i.e. N. R. Dongre v. Whirlpool Corporation" in which the Court held that a rights holder can maintain a passing off action against an infringer on the basis of the trans-border reputation of its trademarks and that the actual presence of the goods or the actual use of the mark in

⁵⁰ 1996 (16) PTC 583

India is not mandatory. It would suffice if the rights holder has attained reputation and goodwill in respect of the mark in India through advertisements or other means. Likewise on account of Playboy, whose own magazines are banned in India, depended on worldwide ads to claim that the mark PLAYBOY had goodwill and reputation in India .The position in the United States is that, there the general use of a mark in commerce in the United States or in commerce between a foreign country and the United States is necessary to establish rights in the mark.

Trademark rights in India can likewise be obtained by means of **registration**. A trademark may be registered, regardless of the possibility that utilization it has not started, on a "proposed to be used" premise. The mark may stay unused, but still secured or protected, for a maximum period of ten years after it has been entered onto the register. At the end of this ten-year period, it will become liable for rectification (cancellation). However, rectification can occur only at the instigation of a third party; registered trademark owners are not required to periodically prove that their marks are in use in order to maintain their registrations. This is not the same position as in the United States, where, a registration based on the use can be obtained only after a mark is used in U.S. interstate commerce or in commerce between a foreign country and the United States. Foreign treaty applicants may base a U.S. registration on their foreign registration without demonstrating use in the United States, with the effect that registration will be cancelled automatically after five years if use is not shown.

But the position in India also differs in one very vital respect. In India, cancellation activities frequently come up short, even before any evaluation of genuine use of the challenged mark is carried out, on account of the lack of a bona fide intent of the third party bringing the action. In a 2008 judgment of the Intellectual Property Appellate Board (IPAB) in "Kanishk Gupta v. Liberty Footwear" ⁵¹discussed how removal of a mark on grounds of non-use is discretionary. The IPAB went ahead to decide that the unmitigated selection by the third party of a mark that is deceptively similar to an invented mark on the register disentitles that party to look for its evacuation or

⁵¹ 22nd February, 2008

removal. In other words, a mark consisting of an invented word cannot form the subject matter of a cancellation application, particularly when the party wanting for cancellation has adopted a similar mark with the intention to cause confusion or deception.

5.1 Constitution of "Use" of Mark in India

Use of a mark outside India or a trans-border reputation of a mark in India may not be enough to sustain a registration if the mark has not been used i.e. registration does not sustain on the grounds of non-use. Some use of the mark in India is required, although "use" generally has been given a broad meaning by the Indian courts. In its 2003 judgment in "Hardie Trading v. Addison Paints"⁵², the Supreme Court of India ruled that "use" may be "non-physical" but must be "material," that is, meaningful.

It is easier, in practice, to meet in India. In the Hardie case, the circulation of a price list for a product that was not yet available for sale was on its own held to amount to "material" use of the mark.

There is no quantity requirements that are needed to ne met for the use of a registered mark in India. In case of well-known marks, for instance, a single advertisement may be considered sufficient. In a recent judgment involving "Toshiba Corporation", the Supreme Court of India held that, against the backdrop of a government ban on account of which goods could not be imported into India, a single instance of an advertisement by Toshiba in India, coupled with its global reputation, registrations for the TOSHIBA brand and marketing, gave the corporation's trademark immunity from cancellation.

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⁵² 2003 Supp(3) SCR 686

5.2 DILUTION

In United States, the owner of a famous and distinctive mark has cause of action for dilution. This applies to dilution by blurring and dilution by tarnishment. However, a mark must be used in the United States to qualify as a famous mark (i.e., a mark "widely recognized by the general consuming public of the United States").

The principle of dilution has traditionally been well recognized in Indian trademark jurisprudence, with the result that proprietors of globally well-known trademarks, including APPLE, CARTIER, CATERPILLAR, DUNHILL, FORD, HONDA, HYUNDAI and MERCEDES-BENZ, have succeeded in passing-off actions in India against users of identical or similar marks in relation to dissimilar goods.

As the Delhi High Court, in the 1994 case of "Daimler Benz Aktiegesellschft v. Hybo Hindustan"⁵³, observed, "It will be a great perversion of the law relating to trademarks and designs, if a mark of the order of the 'Mercedes Benz'... is humbled by indiscriminate colorable imitation by all or anyone." Under the present scenario, dilution as a concept has statutory recognition under the provision of Section 29 of the Trade Marks Act 1999, which specifically allows an action for infringement where the goods in question are not similar and the marks are deceptively similar or identical.

Thus, concept of dilution plays a very important role as it is liable for tarnishing the image of the trademark especially the well-known marks and are thus, taken under the act of infringement of trademarks. It is mostly common in cases of well-known marks as they have a reputation and goodwill which has been achieved over the years by their good services and customer satisfaction.

⁵³ AIR 1994 Delhi 239

5.3 ENFORCEMENT

Similar to the United States, in India also administrative proceedings are available for dealing with matters concerning the register. Proceedings are conducted before the Registrar of Trademarks, and appeals are filed with the IPAB. The IPAB comprises a technical member (with a background in intellectual property) and a judicial member (a retired judge). The procedure involved is the same as in a court of law, although timelines are shorter.

Generally, the matters concerning the register are dealt with by the Registrar and matters concerning the use are dealt with by the court. Theoretically, cancellation actions can be filed either before the Registrar or before one of the High Courts, but in practice, if filed before the court, the case will usually be referred to the Registrar to be looked at first.

"There are 21 High Courts in India, of which four (Delhi, Mumbai, Kolkata and Chennai) have the authority to hear intellectual property cases. Those cases that lie outside the jurisdiction of these four High Courts are first heard by the relevant district court and then on appeal by a High Court. IP cases that have been heard by the district courts are few and far between, and the outcome of such cases is far from satisfactory, as judges often are not equipped to appreciate complex trademark issues."

- In an order of one of the four High Courts in the matter to have the jurisdiction over a trademark dispute, one of the below mentioned conditions must be satisfied with:
- (1) The cause of action arises in the jurisdiction of one of the High Courts;
- (2) The defendant's place of business is in the jurisdiction of one of the High Court's; or

http://www.inta.org/INTABulletin/Pages/IndianTrademarkLawAComparisonwithEUandUSLaws.aspx

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(3) The plaintiff's place of business is in the jurisdiction of one of the High Courts.

A defendant or plaintiff will have a "place of business" in a particular jurisdiction if its products are sold in that jurisdiction or if it provides after-sales service there.

For brand owners who wish to file a lawsuit before one of the four High Courts and find that they are unable to satisfy any of the conditions that would allow them to do so, a solution is offered by the 1995 decision of the Delhi High Court in "Glen Raven Mills v. Vaspar Concepts"55. This case established that a plaintiff may claim that a particular High Court has jurisdiction, on the basis of a cause of action, by making a "trap" purchase of the defendant's goods from the relevant locality. A cause of action will arise in any jurisdiction where the defendant was willing to make its goods available in "commercial quantities."

"Recently, courts and mediators have tried to encourage parties to consider alternative remedies in lieu of damages to accompany an injunction, particularly in cases where the defendant does not have a strong financial position. Examples include community service and participation in antipiracy initiatives.

In a recent matter involving an infringement of the trademarks of a global media giant by an Indian media company selling DVDs featuring nursery rhymes, the defendant offered to suffer an injunction and distribute free non infringing DVDs to various charities in lieu of monetary compensation. The rationale for these alternative remedies is that they are still considered to have a deterrent effect, while at the same time they can encourage a quicker resolution of a matter." ⁵⁶

http://www.inta.org/INTABulletin/Pages/IndianTrademarkLawAComparisonwithEUandUSLaws.aspx

⁵⁵ PTC 15 392

Continuing in this vein of promoting an expeditious disposal of IP matters, the Indian Supreme Court recently observed, in "Bajaj Auto Ltd. v. TVS Motor Co. Ltd."⁵⁷, that all courts and tribunals in the country hearing IP cases should proceed with such matters on a day-to-day basis and final judgment should be given, normally, within four months from the date of filing of the suit. Although this timeline sounds ambitious and difficult to achieve in light of the backlog of cases in India, the intent is loud and clear: if attorneys are willing to push a matter to an expeditious conclusion, the judiciary will not stand in the way. Most district courts have started to implement this judgment and to treat IP matters as equal in significance to criminal and other civil cases.

⁵⁷ 2008 (36) PTC 417

5.4 CONCLUSION FROM COMPARISON OF STATUTES

As we can see this chapter provided for the comparison dealing with the similarities and differences in the trademarks law of India and US. The laws of both the countries are to a lot of extent similar in terms of reliefs which are made available to the aggrieved party. The relief sought is Injunction in both the nations and then any further relief is claimed if at all is required to be. So the relief quotient is quite similar.

Another similar fact is with regard to the concept of deceptive similarity which means that in its meaning it is same under both the nation's laws. It is similar with regard to the enforcement of the laws as the District Courts shall deal with the matter first and further on appeal it shall move to the higher courts. Also, the order of the courts shall be binding on all the matters. Along with that the concept of and the process of Registration under both the nations is similar and the owner of the trademark has to follow the same procedure as in both nations. Therefore. To say the process and other provisions with regard to deceptive similarity or the trademarks under the Trademarks Act of both India and US are to quite a lot extent similar and there does not arise much differences in the statutory provisions of Infringement, etc.

Thus, in a nutshell the laws of deceptive similarity are similar under both the countries statutory provisions and attract the same penalties under both nations.

Stating the differences under the laws of US and India are mainly with regard to the usage of the terms and interpretation. That is in US the term "fair use" attracts the actual usage and then only shall it be termed as a fair use whereas, if we look into Indian laws there mere registration shall amount to the fair use by the parties or the owner of the trademark.

This is the main difference in the trademark laws of India and US and apart from that the renewal and registration process are to most of the extent similar under both laws.

Therefore, to conclude the laws of trademark and clauses of deceptive similarity and confusion are similar and also dependent on the judicial pronouncements of each nation.

5.5 JUDICIAL VIEW REGARDING DECEPTIVE SIMILARITY

CASE LAWS

This sub-chapter shall deal with the various case laws in India and US which are the basis in determining the concept of deceptive similarity in the trademarks under their nation laws. As we know that the intellectual property concepts and principles do apply in the same way as mentioned in the statues but the judgments play a very important role.

The reason is because it's the judgments which shall determine the meaning of the principle applicable and could go in a different direction to what is mentioned in the statutory provision. That is to say that the application in trademarks and for that matter in any IPR matter shall vary from case to case basis.

First this sub-chapter shall deal with the Indian case laws and interpreting the same under the concept of deceptive similarity and in the later part US cases shall be mentioned and interpretation of the same.

INDIAN JUDGMENTS

AMRITDHARA PHARMACY vs. SATYADEO GUPTA 58

Facts of the case

The respondent is a biochemical pharmaceuticals company with "Lakshmandhara" as its trademark.

The plaintiffs state that they are into the same business of pharmacy and manufacture medicines and they have a similar trade name as "Amritdhara".

The plaintiffs alleged the respondents of using the same trademark as theirs and it shall lead to causing confusion in the minds of the people as both are phonetically similar.

Order

The matter went to the High Court and was decided that there is no confusion as to the names as both are different even if the last terms seems to be similar or identical and also, even when Amritdhara is in the market since before.

"Lakshmandhara" only functions in Kanpur; UP as stated by the respondents and also that the plaintiffs were under the act acquiescence in letting the respondents knowingly grow their business.

Supreme Court in the matter finally held that there exists deceptive similarity and it shall definitely cause confusion in the minds of the people as both are dealing in pharmaceuticals only and the goods are similar. It also in addition said that the

⁵⁸ AIR1963 SC 449.

villagers and the illiterate people shall go by the similar sounding names and shall be confused and thus, it is matter of deception and should be allowed.

Thus, Supreme Court allowed the appeal and held it deceptively similar.

KAVIRAJ PANDIT DURGA DUTT SHARMA VS. NAVRATNA PHARMACEUTICALS LABORITARIES ⁵⁹

Facts of the case

The appellant has the business of manufacturing pharmaceuticals under the trademark "Navaratna Kalpa Pharmacy". The appellant has the laboratory of the name of Navaratna Pharmaceuticals Laboratory.

The appellant alleged the respondent of manufacturing the medicines under the same trademark of "Navaratna".

Order

The matter went to the High court and the plaintiff lost the case as the court held that there is no ground of any confusion which could be caused as the plaintiff has the laboratory of the name Navaratna and the respondents are into medicine manufacturing business. There could be no amount of confusion which could be caused on this mere fact of the word "Navaratna".

Supreme Court

The plaintiffs appealed in the Supreme Court and the court held that the trademark "Navaratna" is not in this particular case causing any deception or confusion in the minds of the consumers. It so because the business is different of both the parties and the appellant is having the lab of the name "Navaratna" and the respondents have the manufacturing business of medicine under the trademark "Navaratna". This does not cause any confusion and thus, was held not deceptively similar in this case. Dismissed and HC order was upheld.

⁵⁹ 1965 AIR 980

CADILA HEALTHCARE LTD. vs. GUJARAT CO-OPERATIVE MILK MARKETING FEDEREATION LTD. & ORS. 60

This case is the Division bench judgment adjudicating the "distinctiveness" character of the trademarks prima facie and the descriptive factor of the mark.

Facts of the case

Cadila Healthcare Ltd. launched a product which was a sugar substance with the name "Sugar Free" in the year 1988. Cadila had coined the termed and it had acquired distinctiveness in the market and in the minds of the consumers.

Gujarat Co-operative had adopted the same mark "Sugar Free" for their product frozen dessert which was identical and similar to the Cadila's trademark. They were not selling under the same trademark but had used the same mark and made its use as descriptive mark for their product- frozen dessert.

Cadila had filed a suit for permanent injunction against the defendants as they had used the same mark but the learned Single judge dismissed the application and an appeal against it was filed.

Order

The matter went on appeal and there also finally it was dismissed on the grounds that though it has acquired secondary meaning but the words are not supposed to be coined in the said fashion and it cannot be said that the respondents should be refrain from using them. It was so because they are normal English words and anyone can use them.

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⁶⁰ 2009 (41) PTC 336 Del

The court thus, ordered that the respondents to refrain from using the same kind of font and should also refrain from making their font size of the mark bigger than their actual product, in turn dismissing the appeal of the petitioner's.

The Court found it difficult to agree with Cadila that the term 'Sugar Free' was a coined word and thus stated:

"At best, the mark is a combination of two popular English words. Once a common phrase in the English language which directly describes the product is adopted by a business enterprise, such adoption naturally entails the risk that others in the field would also be entitled to use such phrases provided no attempt is made to ride on the band wagon of the appellant's indubitably market leading product 'Sugar Free'. In this connection, merely because the attributes of 'sugar free' can be described by other phrases cannot detract from the common usage of the phrase 'Sugar Free' as denoting products which do not contain sugar and any trader which adopts such mark in the market place, does so with the clear knowledge of the possibility of other traders also using the said mark. That is precisely the reason for the denial of protection to such marks by refusing registration as envisaged by Sections 9, 30 and 35 of the Trademarks Act, 1999." ⁶¹

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⁶¹http://www.mondaq.com/india/x/103446/Trademark/The+SUGARFREE+Case+Determination+of+D istinctiveness+in+Coined+Terms

GLAXO SMITH KLINE PHARMACEUTICALS LTD. Vs. UNITECH PHARMACEUTICALS PVT. LTD. 62

Facts of the case

The plaintiffs stated that the defendants are selling products under the trademark FEXIM which is deceptively similar to the plaintiffs' mark PHEXIN, which is used for pharmaceutical preparations. The defendants are selling anti-biotic tablets with the trademark `FEXIM' with the packing of the same and material used for the packaging is deceptively similarly to that of the plaintiff, whereby intending to not only to infringe the trademark but also to pass off the goods as that of the plaintiff as the two marks are also phonetically similar.

Order

The Court ordered restrain to the defendants from using the trademark `FEXIM' or any other trademark which is deceptively similar to the trademark of the plaintiff `PHEXIN', or any label/packaging material deceptively similar and containing the same pattern as that of the plaintiff.

⁶² 16TH December, 2005

CORN PRODUCTS REFINING COMPANY vs. SHANGRILA FOOD PRODUCTS LTD. 63

Facts of the case

The appellant is a USA based company and has its registered trademark "Glucovita" in India. The respondents are a manufacturer of biscuits and made an application for registration of trademark "Gluvita", which was opposed by the appellant.

The matter went to the Registrar and it had set aside the appellants case saying that it has although acquired reputation in the general masses but both the words are different and does not make any confusion in the minds of the general public or the consumers.

High Court Order

The High Court in its order had agreed that the Appellant have acquired the reputation among general masses and the judge found it to be deceptively similar and thus, set aside the order of the Registrar.

The matter further went to the Division Bench and they formed a different point of view saying that the appellants have acquired the reputation not among public but only the traders because of the use of the word ""in the trade". So, there exists no chance of confusion. Also, "Gluco" and "Vita" are commonly used prefix and suffix and not only associated with the appellants. Set aside the order of the Single bench.

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⁶³ AIR 1960 SC 142

Supreme Court Order

The final order of the Supreme Court was that "in the trade" has a wider interpretation and it included the consumers also and not just the traders. So there is confusion and reputation of the appellant's product. The court thus, stated it being deceptively similar to the appellant's trademark and stated the tests to be looked into:

"(a) Mark should be looked as a whole.

- (b) Average Intelligence.
- (c) Imperfect recollection."

Thus, was held deceptively similar and granted relief.

Thus, the above stated were the landmark judgments under Deceptive Similarity of trademarks in the Indian law. As it is stating that it shall be varying form case to case basis and the concept shall also vary in its validity.

Further we will look into the US case laws and judicial pronouncements in order to reach to a conclusion as to how the deceptive similarity law is governed in Indian and United states Trademarks Law.

UNITED STATES JUDGEMNTS

THE PROCTER & GAMBLE COMPANY

Vs.

JOHNSON & JOHNSON INCORPORATED and Personal Products Company⁶⁴

Facts of the case

P&G has acquired the trademark "Sure" in 1964 for a personal deodorant from a prior owner. P&G is considered using the mark on two different products which it had in development. One was an anti-perspirant underarm deodorant bearing the name "Sure", one of the best selling anti-perspirants in the country. Another product was a woman's tampon which was to be P&G's first entry into the woman's sanitary protection field. Accordingly, P&G applied in 1964 for a federal trademark registration for "Sure" for tampons. As a deodorant mark, "Sure" was already registered by the predecessor.

J&J's subsidiary PPC has been the country's leading manufacturers of women's sanitary protection device. It has now come up with tampons of using the trademark "Assure" manufactured by the subsidiary of J&J.

Allegations

The plaintiffs have alleged J&J of infringing their trademark "Sure" for underarm anti perspirant deodorant and for women's menstrual tampon under the action for false designation of origin, unfair competition and trademark dilution. Since P&G is one of the largest manufacturers of household and personal use products.

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⁶⁴485 F. Supp. 1185 (1979) December 28, 1979

The defendants' trademarks has been alleged by the plaintiffs P&G for infringing the rights of the plaintiffs by using "Assure!" on a woman's menstrual tampon, and "Sure & Natural", as used on an external menstrual protection shield.

Plaintiff is seeking damages and injunctive relief. Defendants have denied the plaintiffs allegations and seek an order directing the cancellation of P&G's registration of the Sure tampons and Assure mouthwash and shampoo trademarks.

Order

The court has ordered that the plaintiffs have not proven the following factors which are necessary to make other party liable for infringement:

- (1) There is presence of no substantial likelihood of consumer confusion as to a common source of the products at issue;
- (2) There exists no likelihood that P&G will use the Sure mark on a menstrual protection product; and
- (3) There is no threat to P&G's business reputation or to the strength of the Sure deodorant mark.

The court in this regard on considering the factors and characteristics of the trademark and its requirements and essential states that the defendant's contention of no infringement, unfair competition, and false designation of origin or unfair competition is likely to be upheld. Also the court orders that there exists no likely hood of confusion and the plaintiffs have failed to prove the same, thus, dismissing the matter.

SEVEN UP CO.

Vs.

CHEER UP SALES CO. 65

Circuit Court of Appeals, Eighth Circuit.

Facts of the case

Plaintiff's has the trademark "Seven Up" has been registered for use on the goods or on the packages or bottles containing non-alcoholic soft drinks and syrups, extracts and flavors used in making the same. Defendants' registration is for "Cheer Up", issued November 24, 1936, for use on similar soft drinks and their containers.

The plaintiffs aver that they have been the prior users of the trademark than that of the defendants since 1928.

The defendants have engaged in substantially the same business of making a lemonlime extract, contracting with bottlers for territory.

Allegations

The plaintiffs allege that the defendants have adopted and use the trade-mark "Cheer Up", which infringes plaintiff's trade-mark and also that the defendants have used a bottle and crown simulating plaintiff's package; and that further confuses the public by using the other devices following or suggested by the plaintiff's advertising. Also, the plaintiff's have stated that the defendants' trade-marks are interfering within the meaning of the Trade-Mark statutes, 15 U.S.C.A. § 102.

⁶⁵¹⁴⁸ F.2d 909 (1945) April, 26 1945

Order

The court in its order stated the following:

"We have observed and examined the exhibits in the case, and we do not think the plaintiff's criticism of the trial court's findings is meritorious. The only identical feature of the two competing packages is the green glass bottle used by each of them; and such bottles are used by other manufacturers of soft drinks and were so used before their adoption by the plaintiff. A further resemblance is that both parties use labels on their bottles, as do other manufacturers of soft drinks; but their labels are different in both color and design. When the rule of ensemble and general appearance is applied, and the elements which are common to the trade, such as bottles and labels of some sort, are considered, the resemblance is not sufficient to warrant a reversal of the trial court's judgment. We can see no probability of confusion or deception resulting from the concurrent marketing of the two packages in the same territory. The finding of the trial court that the defendants have not competed unfairly with the plaintiff is, therefore, supported by substantial evidence and will not be disturbed on this appeal. The difference in appearance between the competing packages is sufficiently distinctive to identify each of them and to avoid any reasonable probability of confusion. This is all that the law requires. The defendants are not required in equity to insure the plaintiff against confusion by careless purchasers."66

Thus, the court stated it evidently that there exists no infringement on the part of the defendants and that they have not acted in any unfair manner. The defendants are not liable for infringement as there exists no confusion or likelihood of confusion from the trademarks as the mere use of the word "up" does not make it deceptively similar.

Thus, appeal is dismissed by the court and not held deceptively similar.

 $^{^{66}\} http://law.justia.com/cases/federal/appellate-courts/F2/148/909/1503767/2009.$

CHECKER FOOD PRODUCTS COMPANY

Vs.

RALSTON PURINA COMPANY A CORPORATION⁶⁷

U.S. Court of Appeals for the Eighth Circuit

Facts of the case

This is an appeal by the plaintiffs under the Trade-Mark Act, 15 U.S.C.A., §§ 1116, 1117, 1121, upon the claim that the defendant had infringed the plaintiff's trade-mark rights in the name "Checker," and had engaged in unfair competition.

The plaintiff has been engaged in the sale at wholesale of breakfast foods made from grains and particularly from rice and wheat; that since the inception of its business it has engaged in nationwide advertising of its trade-marks "Checker Rice Puffs" and "Checker Wheat Puffs," which has resulted in the association of those names with the plaintiff's products in the minds of the buying public.

The defendants have advertised that they manufacture and sell breakfast foods and cereals known as "Rice Chex" and "Wheat Chex".

Allegations

The plaintiffs have alleged that the defendants use of these names is a "direct infringement on the good will and trademark built up by plaintiff," and that it has been done for the purpose of misleading and deceiving and thereby confusing the buying public into believing that the products of the defendant are in some way

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⁶⁷232 F. 2d 477 April 30, 1956

associated with the favorably known business of the plaintiff in the sale of "Checker Rice Puffs" and "Checker Wheat Puffs".

They have further alleged that the defendant's conduct in this regard is likely to cause confusion in the minds of buyers as to the source of the defendant's products, and thus in turn constitutes unfair competition.

Order

The court in this matter stated the following:

"The determination of the trial court that there was no confusing similarity between the trade-marks in suit and that the defendant had not infringed the plaintiff's trademark rights and had not engaged in unfair competition is not erroneous. The burden of proving confusing similarity was that of the plaintiff, and the defendant, as the prevailing party, is entitled to the benefit of all reasonable inferences which can be drawn from the evidence, viewed in the aspect most favorable to it." ⁶⁸

It means by the courts order that there exists no confusion or deception with regard to the defendant's trademark. It states that no prudent man shall be confused and shall have any slightest difficulty in distinguishing between the plaintiff's and defendant's products as they do not cause or are likely to cause any confusion in the minds of the consumers.

The judgment appealed from is affirmed and is set aside.

 $^{^{68}\} http://law.justia.com/cases/federal/appellate-courts/F2/232/477/253597/$

CONCLUSION FROM JUDICIAL DECISIONS

Both the Indian and United States judicial pronouncements have been stated in this particular chapter. The inference is to be drawn from the same.

If we look at the Trademarks law of both the nations, as also mentioned before, it works on the same lines and principles. The grounds of registration, enforcement, infringement and reliefs sought are to a lot of extent similar to each other. But one cannot rightly put those provisions as it is as it may vary from case to case basis.

We can infer from the case laws mentioned in this chapter, that under certain cases where the court is of the view that there shall exist deceptive similarity it has granted injunction to the party so aggrieved but where in cases one could feel that injunction should be given, but court has looked into the precise characteristics of deception and then pronounced the judgment and at certain times stated it not deceptively similar.

Visual representation of the goods and packaging of the goods is a very important criterion while determining the deceptive similarity between the two trademarks in the Indian context. Even if there is a resemblance between the two word marks, it is possible that the Defendant may escape liability if proven the below mentioned conditions:

- The Defendant's mark is used in respect of an active ingredient which s entirely different from the active ingredient for which the plaintiffs mark is being used.
- The mark does not cause any confusion and the products or services for which it is used are not similar or identical in any kind.
- The designs of the packaging have different colour schemes and different graphics.

These seem to be important criteria because a majority of the consumers of goods and services in India may not be able to decipher the English script on the packs but will distinguish products on the visual representations of the respective packages.

The similar kinds of pronouncements have been of the US courts also. The US courts have also gone into the main factor of "causing confusion or likelihood of causing confusion" factor which is the essence of the concept of deceptive similarity in trademarks law. The courts have precisely looked in to the fact that whether the parties have been successful in proving the confusion causing clause properly and have granted injunction where it actually deceives the public at large. Elsewhere the injunction relief has not been granted. Also, there are other factors of similarity and extent of that similarity or identically is to be proved.

Thus, in a nutshell, the courts have been upright in giving their judgments and have delivered them in justice, fairness and good conscience.

CHAPTER 6

SCOPE OF IMPROVEMENT UNDER THE TRADEMARKS ACT

The Trademarks Act of 1999 has made some of the major improvements in comparison to the earlier legislation being the Trade and Merchandise Marks Act of 1958.

To state a few of the improvements made in this regard are as follows:

a) Inclusion of Service Marks

The inclusion of "Service Marks" has been done in the new 1999 Act. Earlier it was only the goods which could be registered under the Act but the new act with its improvements now has 7 classes of services and can obtain registration under the Act.

The services include banking, communication, telecom; education financing, real estate, transport, storage, entertainment, etc. are some of them to name.

Thus, the improvements to include the service marks have happened as the economy has boomed and with the rise in it there is a need felt to include these marks also under the preview of the Act.

b) Procedure and Duration of registration

The procedure for which a trademark shall be valid has been increased from 7 to 10 years in the new act of 1999. Further, in the earlier act a separate application was to be made to register the same mark under different classes but in the 1999 Act a single application shall be made to include all the classes under which the registration is sought to be made and shall be valid now.

This has provided the owners of the trademark a lot of ease as in now they do not have to file separate applications saving their time and cost.

c) Expanded the definition of Trademarks

The expansion in the new act in the definition of "Trademarks" is that it now expanded to include the shape of the goods, their packaging, and combination of colors, so long as the mark is capable of distinguishing its goods and services from the another's.

These were not included in the earlier definition and also were not subject to registerability under the trademarks act at earlier stage. Now, the new act gives power to register ones shape of the good, or color combination also as a trademark under Shape marks or Color Marks as they are also unique and should be taken into consideration. This is a remarkable step in the improvements which have been made in the new Trademarks Act of 1999.

d) Introduction of Collective marks

An association to get a mark, distinguishing the goods and services of its members, registered as "collective mark". The conditions of membership of the association and the regulations governing the use of collective mark have to be furnished and got approved. The main aim of including the concept is that now one mark could be collectively by the association be registered and all shall be using that particular mark as it belongs to the association of people. Thus, making it easier to decide and grant the registration of marks by the Registry and also in matters of disputes it shall be easier to target the owners of the same.

e) Inclusion of Certification marks

This is a new inclusion in the new trademarks act wherein the "Certification marks" are also included. It means that a person who is competent to certify goods and services for their origin, mode of production, material, quality, etc. shall be given protection under the certification mark.

Like the BIS, electrical standards for electronics, etc. all shall fall under the certification marks, wherein they are competent to provide certification for the fir to use factor of the product and no one else can provide for the same in their absence. Thus, the new act aims to provide for protection in this regard and widens its ambit of kinds of trademarks to be dealt in

f) Expansion of the meaning of Trademark infringement

The earlier act has stated the protection against infringement of the goods for which the mark has been registered. This only protected the good from infringement for which the mark has been registered. But the new act has included the class of goods under which the mark has been registered and provides for protection of the mark under that class and good respectively.

There has been a wide scope of interpretation which has been provided in case of trademarks infringement under the new act. It has made it difficult to escape the liability of infringement of the mark. Thus, widening the meaning of infringement.

g) Stringent requirements for Registration

With the new Act being in force, and due to the opening up of economy, there are more stringent laws made in respect of the registration which is granted to the owners of the trademarks. Now there are stricter laws for grant of registration for the trademarks. There are certain grounds which are to be fulfilled in order to get your

said mark registered with the Registry. Thus, the new act has made it difficult at initial stage of registration of the similar or identical marks.

h) Foreign trademarks

It has become difficult in the earlier trademarks act to include the passing off action against the foreign trademarks and trade names. With the change and inclusion of the concept of Well-known trademarks it became easier now in the 1999 act to have passing off action or even infringement action against the infringer of the trademark. This is a major inclusion in the 1999 Act and has made it feasible for the foreign marks to acquire registration and also recognition under the Indian trademarks law.

i) Well known trademarks

The introduction of this concept of "well-known" mark has made it very beneficial for the foreign trademark holders. Now the mark even if is not registered in India can have protection if it is a "well known" mark. The registration of any mark similar or identical to a well-known mark is prohibited. It has provided a very wide and unconditional protection to the foreign trade names and has given them great powers over it.

The above mentioned is the improvements which are made in the new trademarks act of 1999. The said inclusions of various marks have proven to be very successful and have been in consumer as well as in the benefit of the trademarks owner.

SUGGESTIONS

In order to make further suggestions as to the improvements in the Trademarks Act of India as well as United States, it is observed that though the improvements made so far under the Indian Trademarks Act are very useful and beneficial for the owner as well as the public at large.

Since there has been inclusion of various other types of marks like the well-known marks, service marks, collective marks, etc in the Act, it has made the registration of the trademarks easier for the owners.

Suggestions of improvements apart from what has been included in the 1999 Act would not be that much. Certain amendments which could possibly be done shall be that there should be more stringent rules with regard to the interpretation of the laws under the trademark act and especially the deception clause as it forms the major part of the trademarks law. It means that the laws should be applied in the same manner and judicial pronouncements should have some amount of consonance with each other. Since the deceptive similarity is a factor which is difficult to prove, certain grounds mentioning the same should be included so as to save the interest of the trademark owner and the public at large. It is so because the IPR matters do not technically follow the laid principles and keep changing on case to case basis. It is possible that a law or rule according to the provisions applicable in one case is not put in the same manner in another one. This difference at times takes away the essence of the provision of the Act and the application is not sought the manner it should be. Therefore, in order to reach that uniformity in the laws, there should be certain amendments wherein there should be specific categories mentioned to escape the applicability at large.

Considering the United States trademark laws with regard to deceptive similarity, the improvements aren't much to be stated as such. It has abided by the TRIPS and International rules of Trademarks and is in consonance to them. Also the US act includes the various marks like service marks, etc and their registration has been made valid long back in their statute. The Act of Indian Trademarks is after the amendment

has been made similar to that of US as the Indian act included the various factors which were missing due to the unaware and less knowledge in the field of IPR and since not much matters relating to intellectual property were dealt in India. For US there are not much amendments or improvements sought to be made in their trademarks act. Some of the improvement could be with regard to the applicability of the laws as similar to that of the India is sought and also the uniform code for the deceptive similarity factor to be made so that there is a standard which the parties can rely upon and also the trademark owners. Else, the law is quite well developed and is fitting in all the required standards of international and national stature.

Therefore, it has been stated in this chapter about the scope of improvement regarding the trademarks act in US and India and what more could be included in the said acts of both the nations.

CONCLUSION AND RECOMMENDATIONS

The hypothesis of the dissertation at the starting was the assumption which was made by the researcher stating that there exist no uniform standards of deceptive similarity between the two jurisdictions i.e. India and US and this non-uniformity causes the interests of the owners and public left unfulfilled.

It shall be right to state that the laws dealing with deceptive similarity under the trademarks acts of India as well as United States are not uniform. One cannot judge the grounds for the same and comparison is not sought to be made in the right sense. It is so because there exists no grounds or laid rule or principle to judge the deception under both the laws. There are no uniform standards and that is the reason why it varies from case to case basis.

"Deceptive Similarity" term in Trademarks law under India and US laws means the same i.e. any mark which "causes or is likely to cause any confusion" in the minds of the people when two marks are similar or identical. The quotient of confusion is the one which forms the part of deceptive similarity in trademarks act. The cases are mainly decided on this factor of confusion only and are the main deciding element in infringement and passing off cases. But to contradict the same there are times where in the courts give a different judgment if proven by the user of the similar mark, that there has been an honest concurrent use of the mark. This is the kind of difference that exists in the orders that the courts give and are to be made uniform. It is so because the applicable laws are same and the same should be ruled. So there exists a need to have uniformity in the deceptive similarity laws and the interpretation should be in a fir manner.

Though the burden to prove the honest use of the similar mark is on the user of it, but then it will to some extent abuse the mark's goodwill from where it has been copied or deceived. Under the US law, it is the same scenario as the laws are same with regard to deceptive similarity of trademarks. There also exits these clauses of honest concurrent use but the matters or the cases decided in US at times are different from what the Indian courts decide. There is no similarity in making of the decisions due to no laid down principles for decision making. This way even though the laws of both the nations are same, they deal with clause of deception in the same manner, but the non uniformity gives rise to different pronouncements by each countries' courts.

It has been observed under various situations where in the subject matter of the case is same and the laws as we have already seen are similar to quite a lot of extent of India and US; but there arise a difference in the orders of the courts. Therefore, there is a need felt for the setting up of uniformity in the laws of trademarks and deceptive similarity as being dealt in here. This should be there because then worldwide there will be one same kind of governance of the deceptive similarity laws. Inculcating the same is very necessary.

To conclude, there has not been a uniform standard of deceptive similarity under both the jurisdictions and it has been proven via this dissertation too as the laws of both nations addressing the issue of deceptive similarity is same but due to the non uniformity in the applications and no laid down standards for the same, the results differ. Therefore, there is a need for uniformity in the laws as in the manner that decisions come out to be same in the similar kind of matters wherever it is addressing the issue of deceptive similarity in trademarks.

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