

Subject: Law

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Paper : Intellectual Property

Module : Trademarks- Concept of Distinctiveness and grounds for refusal of trademarks registration



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Module Detail	
Subject name	Law
Paper name	Intellectual Property
Module name/ Title	Trademarks- Concept of Distinctiveness and grounds for refusal of trademarks registration
Module Id	Law/IP/#17
Pre- requisites	General Principles of Intellectual Property; trademark basics; economics of trademarks; TRIPS requirements
Objectives	<ol style="list-style-type: none">1. Introduction to trademark law as a species of Intellectual Property.2. Familiarize students with the fundamental concepts of distinctiveness as required for trademark protection.3. To examine and understand the relevant grounds for refusal for trademark registration, the legal provisions and case law.
Key words	Distinctiveness, secondary meaning, arbitrary and fanciful, generic, descriptive and suggestive, trademark laws



Introduction

This module aims to familiarize students with the Trademark Act 1999, and traverse the interesting concepts pertaining to distinctiveness and the grounds of refusal for trademark registration. The content briefly comprises of the following: functions of a trademark TM – term of TM - Basic principles of distinctiveness – the spectrum of trademark distinctiveness – generic – dilution.

Learning Outcome:

1. To examine the fundamental concepts pertaining to law of trademark.
2. Conduct case law analysis, i.e. identify and understand the legal principles supporting the relevant decisions.
3. To understand the functions of Trademarks and its usefulness to both consumers and owners of trademarks

What are the functions of Trademark?

The trademark performs the role of identifying the goods of a particular manufacturer and gives an indication of its origin, or establishes a connection in the course of trade. It assures quality of the product and acts as a symbol representing the goodwill of the business. Also a trademark advertises the product and protects the user and/or purchaser from confusion and deception by identifying the source or origin of particular goods and services and distinguishes them from other similar products. If consumers believe that all items bearing the symbol come from the same source, the said symbol has acquired the ‘source-identifying’ property of a trademark.

Priorly, registration of trademarks was not a prevalent practice; the law based on common law which was substantially the same as in England was followed. Thereon, the Trade Marks Registration Act 1875 came into being and it was the Trade Marks Act, 1940 which was the first enactment to institutionalise the machinery for registration and statutory protection of trade marks in India. In order for any subject-matter to qualify as property a trade mark had to be ‘distinctive.’ In the matter of *General Electric Co. v. General Electric Co Ltd.*,¹ the Court observed that the right [of property in trademark] was an adjunct of the goodwill of a business and was incapable of separate existence dissociated from that goodwill.

¹[1972] 2 All ER 507.



Therefore, distinctiveness became a notion to define the subject-matter protectable as trade mark. As per S.2(1)(zb) of the Trade Marks Act, 1999, a ‘trade mark’ 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; 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 provisions 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.”

Furthermore the definition of a mark within the meaning of S. 2(1)(m) includes, ‘a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof.’

The initial registration of a trademark shall be for a period of ten years but may be renewed from time to time for an unlimited period by payment of the renewal fees. Therefore the term of protection for a trade mark can last till perpetuity. Such long-lasting monopoly-like right requires the trade mark to be one that is capable of performing the necessary function of distinguishing the goods or/and services of one trader from those of the others. This function or capability of distinguishing is referred to as ‘**distinctiveness**’ of a trade mark. The capability may be some inherent distinctiveness in the mark itself or perhaps acquired distinctiveness through use of the mark over a period of time.

Illustratively speaking, the case of Abercrombie Formulation, developed by the 2nd Circuit Court of Appeals in *Abercrombie & Fitch Co. v. Hunting World, Inc.*,² is a good reference for understanding the spectrum of distinctiveness. Justice Learned Hand has laid down a spectrum which measures distinctiveness on the following categories:

- Generic—does not qualify for protection
- Descriptive—sometimes qualifies for protection

²537 F.2d 4 (2nd Cir. 1976)



- Suggestive—qualifies for protection
- Arbitrary or fanciful—qualifies for protection
- *Invented* – affords strongest protection

Generic <<<< Descriptive <<<< Suggestive <<<<Arbitrary/Fanciful <<<< Invented

(Weakest protection) ----- (Strongest protection)

The determination of whether a mark qualifies for protection is based, in part, on the category to which the mark belongs to. An account of the categories is given below for the purpose of clarification.

Generic: By their nature, generic marks are not distinctive. They do not warrant protection because if one seller could trademark a generic name, other sellers would be unable to describe their products and would thus be at a great disadvantage. For example, it is not permissible to use a word mark "Milk" to brand the product milk or the words "Hiking Boots" to brand boots. Such words which have become *publici juris* or generic cannot be appropriated as they belong to the public at large.

Descriptive: Descriptive terms and symbols generally identify attributes of the product, such as the purpose, size, colour, ingredients, origin, and so forth. Merely descriptive, general marks do not qualify for protection. To qualify for protection, a mark must acquire a 'secondary meaning.' To acquire a secondary meaning, the public must associate the mark with the manufacturer or seller rather than the underlying product itself. For example, "Jiffy Lube" describes a speedy lube and oil but has acquired a secondary meaning in the mind of the consumers. A surname incorporated into a mark is treated as a descriptive mark—it does not qualify for protection until it acquires a secondary meaning. Examples include McDonald's and Hilton Hotels.

Suggestive: A suggestive mark does not describe the product; it suggests its nature or characteristics. Although an inference must be made about the product, the product must still bear some relationship to the mark. For example, a *Pathfinder* suggests something that is at home off-road, but it has no inherent relationship to a four-wheel-drive SUV made by Nissan. Similarly, "Titleist" has no inherent relationship to a golf ball, but it does suggest correlation to championship sports equipment.

Arbitrary and Fanciful: Marks that are arbitrary and fanciful do not describe or



suggest any characteristic of the product. When the meaning of the symbol used in the mark is not inherently related to the product, the product is more likely to be associated with the symbol, ensuring that the consumer recalls the arbitrary association drawn by use of the unrelated symbol for identifying a product. Examples include Apple for computers, Yamaha for motorcycles, Chevron for gasoline and Maytag for appliances. These words have no inherent relationship with their products and are thus understood to be fanciful. Invented words are afforded strongest protection owing to their inherent newness. *Per Parker, J., in the Diabolo case*,³

“[t]o be an invented word within the meaning of the Act a word must not only be newly coined, in the sense of not being already current in the English language, but must be such as not to convey any meaning, or, at any rate, any obvious meaning to ordinary Englishman. It must be **a word having no meaning or no obvious meaning** until one has been assigned to it.”⁴

Herein it may be noted that the Trade Marks Act 1999 prohibits the registration of a trade mark which consists exclusively of marks or indications which may serve to designate the geographical origin of the goods, such that only those geographical names which do not serve in trade may be registrable. For instance, the use of geographical names in an arbitrary or fanciful manner. For example, *North Pole* bananas. Moreover, Rule 102 of the Trade Marks Rules 2002 allows parties to request the Registrar to refuse or invalidate a registered trade mark on account of the following:

- (i) The trade mark contains or consists of a geographical indication with respect to goods or class or classes of goods not originating in the territory of a country, or a region or locality in that territory which such geographical indication indicates, if the use of such geographical indication in the trade mark for such goods, is of such nature as to confuse or mislead the persons as to the true place of origin of such goods or class or classes of goods; or
- (ii) The trade mark contains or consists of geographical indication identifying goods or class or classes of goods notified under S.22(2) of the Geographical Indications of Goods (Registration and Protection) Act 1999.

As a matter of practice, the Trade and Merchandise Marks Act 1958 of India provided for a bifurcation in registrability of marks depending upon the inherent or acquired

³25 RPC 565.

⁴*Ibid.*



distinctiveness of the mark;⁵ in that only inherently distinctive marks were registrable in Part A of the trade mark register, while a trade mark could be registered in Part B even if it was not 'distinctive' but was 'capable of distinguishing' the goods of its proprietor from the goods of others by reason of the use of the trade mark or of any other circumstances, the trade mark was in fact so adapted to distinguish or was in fact capable of distinguishing. The Trade Marks Act 1999 has simplified the system of registration by doing away with Part A and Part B and has now incorporated both Parts A and B into one register. Therefore now, the Act has adopted the expression 'distinctive character' in the mark which refers to the 'capability of distinguishing.' By that, words such as 'best', 'superior' etcetra (used for instance to signify the quality of transport services such as 'Best Bus' services) are not distinctive of the goods/services but merely descriptive of the qualitative aspects of the good/service, hence it cannot constitute a distinctive trade mark. S.9 (1) of the Trade Marks Act, 1999 provided that even a descriptive trade mark may be registered if before the date of application of registration, the mark acquires a distinctive character on account of the use or has become a well-known trade mark. Such descriptive trade mark may be registrable owing to the mark having acquired a 'secondary meaning' in the minds of the consumers. The Hon'ble Supreme Court in the matter of *Godfrey Philips India Ltd v. Girnar Food & Beverages (P) Ltd*⁶ elucidates upon the protection accorded to descriptive trademarks in the following manner: 'a descriptive trade mark may be entitled to protection if it has assumed a secondary meaning which identifies it with a particular product or as being from a particular source.'⁷

Trademark law unlike patent law allows the proprietor of a distinctive mark to enjoy exclusive rights with respect to its use even without registration. However, the advantages of registering a trademark are as follows:

- i. It confers on the proprietor certain exclusive rights to use a particular mark in relation to specified commercial activities.
- ii. In contrast to passing off, it enables the traders to protect their marks before they are introduced onto the market.
- iii. Once a mark is registered, there is a presumption, not guarantee although, that the registration is valid.
- iv. Registration reduces the possibility of disputes. This is because, it confers on the trademark proprietor increased certainty as it determines the scope of the property protected as trademark.

⁵S.9 of the Trade and Merchandise Marks Act 1958 provides that the Tribunal were to determine whether a trade mark was 'distinctive' or 'capable of distinguishing'.

⁶(2004) 5 SCC 257 at 258.

⁷Ibid.



Notably, registering a trademark doesn't necessarily mean a party cannot successfully sue the proprietor for passing off.⁸ When an applicant applies for the registration of a trademark, the registry may or may not accept the application. There are several grounds of refusal on which the Registrar may base the rejection. Any mark may be registered as a trademark unless a specific ground for refusal exists. The grounds for refusal are divided into two classes: 'absolute', which relates to the intrinsic qualities of the mark, and 'relative,' which relate to conflicts with earlier trade mark rights belonging to third parties.

4.1 Absolute Grounds for Refusal: (Sec. 9 of Trade Marks Act, 1999.)

As mentioned above, according to the Trademarks Act, a trademark can only be registered if it is distinctive in nature. An invented word can also be registered as long as it is not descriptive. There is a provision in the Act which deals with well-known trademarks wherein a trademark which has become so popular that the people immediately associate the product with the mark, then such a mark can be registered as well. The Act further provides that -

- a. The mark should not cause confusion
- b. The mark should not be devoid of distinctiveness
- c. The marks which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade should not be registered
- d. The mark should not hurt religious sentiments
- e. The mark should not be obscene
- f. Marks, which are protected under the Emblems and Names (Prevention of Improper Use) Act, 1950 should not be registered.
- g. A mark shall not be registered as a trade mark if it consists exclusively of –
 - a) The shape of goods which results from the nature of the goods themselves; or
 - b) The shape of goods which is necessary to obtain a technical result; or
 - c) The shape, which gives substantial value to the goods.

To elaborate upon the aspect of confusion, reliance is placed upon the Supreme Court's observation in the matter of *Amritdhara Pharmacy v. Satya Deo Gupta*,⁹ which is stated below:

⁸This was also noted in the case of *Dongre v. Whirlpool* discussed later.
⁹[1963] 2 SCR 484.



[I]t will be noticed that the words used in the sections and relevant for our purpose are ‘likely to deceive or cause confusion.’ The Act does not lay down any criteria for determining what is likely to deceive or cause confusion. Therefore, every case must depend on its own particular facts, and the value of authorities lies not so much in the actual decision as in the tests applied for determining what is likely to deceive or cause confusion. On an application to register, the Registrar or an opponent may object that the trade mark is not registrable by reason of clause (a) of S.8, or sub-section (1) of S.10 (of Trade Marks Act 1940), as in this case.¹⁰

Further, as per Section 9 of the Trade Marks Act, 1999 the following are the grounds on which the Registrar can refuse the registration of a certain trademark: if the mark is of a non-distinctive character, descriptive, generic, contrary to public policy or morality, likely to deceive public, prohibited by law or are in bad faith. For a mark to be valid, it must not fall within any of the following three grounds, namely- it should not be of a non-distinctive character, should not be descriptive in nature and should not be generic. The section has a proviso that a sign, which falls within any of these provisions isn't to be treated as invalid, if, as a result of use, it has *acquired* distinctive character i.e., secondary meaning in the minds of the consumers.

In order to assess if a mark has attained **secondary meaning**, customer's perception displaced primary meaning, exclusivity of use, manner of use, duration of use, volume of goods marketed, advertisement, consumer surveys have to be factored in. In making the predictive assessment, the relevant class from whose perspective the sign must be assessed has been defined as comprising the average consumers of the category of goods, who are reasonably well informed and reasonably observant and circumspect. A mark will normally be viewed as a whole: a sign will not be rejected just because parts of the sign lack distinctiveness or are descriptive or customary in trade.

In order to exclude marks, which do not even perform the distinguishing function, it is important to assess whether the mark is devoid of distinctive character. The focus is again on how the trademark would be perceived by the relevant public. This ground excludes those signs, which the average consumer doesn't identify as reliably indicating the commercial origin of the product. There is no requirement for the sign to be inventive, innovative, imaginative, unusual, creative, etcetra- signs are excluded only if they are devoid of distinctive character. A minimal degree of distinctive

¹⁰*Ibid.*



character is enough. However, simple colour marks are likely to be treated as devoid of distinctive character. A colour *per se* isn't inherently capable of distinguishing the goods of a particular undertaking. Moreover, limited number of colours makes it not preferable to marking them. However, shades, narrowing the scope of specification can be fine.¹¹In determining the question of shape as a distinctive trade mark, one must see if the shape significantly departs from the norm or customs of the sector and thereby fulfils its essential function. So it ought to be noted whether there is anything unusual or idiosyncratic about the shape, such that the relevant consumer would notice and remember it. So the assessment is to be made for measuring whether the relevant consumer shall think of the shape as indicative of the source, rather than being merely functional or decorative.¹²The shape ought to be distinctive in that it is a significant departure from those ordinarily used in the sector and has the capability to enable a consumer to view it as indicative of trade origin, so much so that the consumers can perceive the difference between the shape in question and other shapes. One of the aims of Trade Marks is to protect the public interest by keeping **descriptive** signs or indications for use by all traders. Trademarks are only excluded on this ground if they consist exclusively of signs, which characterize the goods and services. The mark as a whole must be descriptive for it to be excluded. So marks that are made up of descriptive and non-descriptive matter can be protected. For a sign to be descriptive, the association between the sign and goods must be sufficiently specific and direct to show that that sign enables the relevant public to identify those goods and services immediately. This test is also applicable for pictures, shapes, colours, etcetra and not just words. Furthermore, there is a two-fold reason to exclude **customary and generic** marks- one is that such signs are incapable of distinguishing the goods; second, signs which are customary in the trade ought to remain available for the benefit of all other traders as well. However, the proviso provides that if the use is for so long that it became synonymous with the good, then the mark can be registered. So even if a mark is inherently lacking distinctiveness, it is possible to register the mark, if it does in fact become distinctive through use. Consumer recognition is the ultimate litmus test.

Finally, the marks contrary to public morality such that they may hurt religious sentiments, or be objectionable in content or if they are protected under the Emblems and Names (Prevention of Improper Use) Act, 1950 ought not be registered.

4.2 Relative grounds for refusal (Sec. 11 of the Trade Marks Act, 1999)

¹¹According to S.10, a trade mark may be limited wholly or in part to any combination of colours. Any such limitation is to be taken into consideration by the tribunal while deciding the distinctive character of the trade mark. The Supreme Court in the matter of Whirlpool Corporation v. Registrar of Trade Marks (1998) 8 SCC 1, p. 14 observed, "So far as a trade mark is registered without limitation of colour, it is deemed to have been registered for all colours."

¹²S. 9 (3) (c) of the Act.



S. 11 deals with the relative grounds for refusal of registration. The absolute grounds of refusal prevent registration prima facie, whereas relative grounds for refusal deal with the mark in connection to other earlier marks. For example the trademark for a spare-parts manufacturer being deceptively similar to an earlier trademark for an automobile manufacturer may mislead or confuse the consumer as being associated with each other owing to the common trade connection.

S. 11. Relative grounds for refusal of registration –

- (1) Save as provided in S.12, a trade mark shall not be registered if, because of –
- (a) its identity with an earlier trade mark and similarity of goods or services covered by the trade mark; or
 - (b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark,

There exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

- (2) A trade mark which –
- (a) is identical with or similar to an earlier trade mark; and
 - (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor,

Shall not be registered, if or to the extent, the earlier trade mark is a well-known trade mark in India and the use of the latter mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

- (3) A trade mark shall not be registered if, or to the extent that, its use in India is liable to be prevented –
- (a) by virtue of any law in particular the law of passing off protecting an unregistered trade mark used in the course of trade; or
 - (b) by virtue of law of copyright.

(4) Nothing in this section shall prevent the registration of a trade mark where the proprietor of eth earlier trade mark or other earlier right consents to the registration, and in such case the Registrar may register the mark under special circumstances under section 12.

(5) A trade mark shall not be refused registration on the grounds specified in subsections (2) and (3), unless objection on any one or more of those grounds is



raised in opposition proceedings by the proprietor of the earlier trade mark.

The Section provides that a mark can be refused because of its identity and association with an earlier trademark and similarity of goods or services covered by the trademark or, its similarity to an earlier trademark and the identity or similarity of the goods or services covered by the trademark. This helps in reducing the likelihood of confusion in the public who would assume the newly registered mark is somehow connected or associated to the previous trademark. It also provides that objections can be raised in case of any similarity between the earlier marks. However, an applicant can register such trademark if the proprietor of the earlier mark has given his/her approval or the mark is registrable under S.12 by virtue of honest concurrent use. It is the duty of the Registrar to protect a well-known trademark against the identical or similar trademarks. Primarily, protection of public interest and the interest of other *bonafide* traders who are entitled to object if the use of the trade mark proposed for registration will enable the applicant's goods/services to be passed off as such other traders' goods.

Given the above, S.11 prescribes that any mark which is similar to a mark which is already registered (earlier trademark) or is used for similar goods will not be allowed registration. Before rejecting a trade mark application on the relative grounds, three essential questions should be examined:

1. What is an earlier trademark?
2. Does the opponent have an appropriate interest on which to base a challenge?
3. Has the earlier mark been used?

The explanation to S.11 provides clarity in respect of the meaning of an earlier trade mark –

¹³(a) a registered trade mark or an application under section 18 bearing **an earlier date of filing or an international registration** referred to in section 36E or convention application referred to in section 154 which has a date of application earlier than that of the trade mark in question, taking account, where appropriate, of the priorities claimed in respect of the trademarks;

(b) a trade mark which, on the date of the application for registration of the trade mark in question, or where appropriate, of the priority claimed in respect of the application, was entitled to protection as a **well-known trade mark**.

¹³1. Substituted by the Trade Marks (Amendment) Act, 2010 (Act No. 40 of 2010) w.e.f. 08.07.2013 for the following :- “(a) a registered trade mark or convention application referred to in section 154 which has a date of application earlier than that of the trade mark in question, taking account, where appropriate, of the priorities claimed in respect of the trademarks;”



The next module discusses well-known trade marks in detail, however the statutory provisions pertaining to the concept of well-known trademark is stated hereinbelow.

S.11 Continued –

(6) The Registrar shall, while determining whether a trade mark is a well-known trade mark, take into account any fact which he considers relevant for determining a trade mark as a well-known trade mark including –

(i) the knowledge or recognition of that trade mark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trade mark;

(ii) the duration, extent and geographical area of any use of that trade mark;

(iii) the duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trade mark applies;

(iv) the duration and geographical area of any registration of or any application for registration of that trade mark under this Act to the extent they reflect the use or recognition of the trade mark;

(v) the record of successful enforcement of the rights in that trade mark; in particular, the extent to which the trade mark has been recognised as a well-known trade mark by any court or Registrar under that record.

(7) The Registrar shall, while determining as to whether a trade mark is known or recognised in a relevant section of the public for the purposes of sub-section (6), take into account –

(i) the number of actual or potential consumers of the goods or services;

(ii) the number of persons involved in the channels of distribution of the goods or services;

(iii) the business circles dealing with the goods or services, to which that trade mark applies.

(8) Where a trade mark has been determined to be well-known in at least one relevant section of the public in India by any court or Registrar, the Registrar shall consider that trade mark as a well-known trade mark for registration under this Act.

(9) The Registrar shall not require as a condition, for determining whether a trade mark is a well-known trade mark, any of the following, namely :--

(i) that the trade mark has been used in India;

(ii) that the trade mark has been registered;

(iii) that the application for registration of the trade mark has been filed in India;

(iv) that the trade mark --

(a) is well known in; or

(b) has been registered in; or



(c) in respect of which an application for registration has been filed in, any jurisdiction other than India; or

(v) that the trade mark is well-known to the public at large in India.

(10) While considering an application for registration of a trade mark and opposition filed in respect thereof, the Registrar shall –

(i) protect a well-known trade mark against the identical or similar trade marks;

(ii) take into consideration the bad faith involved either of the applicant or the opponent affecting the right relating to the trade mark.

(11) Where a trade mark has been registered in good faith disclosing the material information's to the Registrar or where right to a trade mark has been acquired through use in good faith before the commencement of this Act, then, nothing in this Act shall prejudice the validity of the registration of that trade mark or right to use that trade mark on the ground that such trade mark is identical with or similar to a well-known trade mark.

It must be borne in mind that, since the question of refusal of registration of a mark similar to an earlier trademark where the goods are different can be considered only in opposition proceedings; an opposition on relative grounds can only be commenced by a person who has a relevant interest in an earlier mark, no one else can, no matter how much ever confusion it causes.

Hereinafter the important concepts and supporting case law is discussed for improved comprehension.

- **Likelihood of confusion:**

The confusion should be on the part of public, from the point of view of the average consumer of the products concerned, comparing the marks as a whole. The default characteristics of the average consumer may vary with the sector and the relevant market concerned. For instance, when the applicant's goods are intended for the purposes of exports, the question of likelihood of confusion ought to be considered in the relevant export markets in India. Further if the intention to deceive the relevant export public in a foreign country is proven, the Registrar may not allow the mark to go on the Trademark register.

What may the public be confused about?

- Classic form confusion regarding the source of origin of the goods or services : The public ought to be confused as to the designer, manufacturer, etcetra. Classic confusion concerns with the situation where



consumers believe that goods or services emanate from one origin. However this has been extended - a person will be confused if they incorrectly assume that there is some broader kind of economic connection between the user of marks. Trade mark law requires that genuine and properly substantiated likelihood of confusion is required; it cannot be hypothetical and remote. Also, likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope.

An often quoted test for establishing degrees of comparison between sets of similar word marks, when 'Neola' was held not similar to 'Pianola' as laid down in *Pianotist* case, is as follows:¹⁴

“You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trademarks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be confusion—that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that **there will be confusion in the mind of the public which will lead to confusion in the goods—then you may refuse the registration, or rather you must refuse the registration in that case**”.¹⁵[*emphasis added*]

An Indian case for establishing degrees of comparison between sets of similar word marks, as laid down in the matter of *Amritdhara Pharmacy v. Satyadeo*,¹⁶ when 'Amritdhara' and 'Lakshmandhara' were held similar are : wherein instead of the words being subjected to a side by side comparison or to a meticulous individual analysis, some structural examination of the words is permissible, particularly with the object of ascertaining if either possesses any outstanding characteristic that will inevitably cause a more or less lasting impression on the hearers' mind.¹⁷

- **Similarity of marks but the goods are different**

¹⁴(1906)23 RPC 774

¹⁵*Ibid.*

¹⁶AIR 1963 SC 449.

¹⁷*Ibid.* See also the Supreme Court's reasoning in the matter of *Corn Products Refining Co. v. Shangrila Food Products Ltd*, [1960] 1 SCR 968 when the marks 'Glucovita' and 'Gluvita' were held similar. *Per* Desai, J., apart from the syllable 'co' in the Appellant's mark, the two marks are identical.



S. 2 (1)(h) defines the term ‘deceptively similar’ as 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. In considering the registrability of a mark which is deceptively similar but being applied for a different class of goods/services, the following factors will have to be taken into account:

- a) the extent to which the earlier trade mark is a well-known trade mark in India;
- b) whether the use of the applicants mark without due cause would take unfair advantage of the earlier trade mark;
- c) whether the use of the applicants’ mark would be detrimental to the distinctive character or repute of the earlier mark.

While deciding upon the question of similarity of marks and their likelihood of confusion or deception, no conclusion must be reached in isolation; instead the surrounding circumstantial factors must be considered as well. For instance, the following factors must be accounted for:

- 1) the nature of the marks i.e. whether they are invented words, words having descriptive significance, non-descriptive words, geographical names, surnames, letters, numerals or devices,
- 2) the degree of resemblance between the marks—phonetic, visual as well as similarity in idea,
- 3) the nature of the goods in respect of which they are used or likely to be used as trademarks,
- 4) the similarity in the nature, character, and purpose of the goods of the rival traders,
- 5) the class of purchasers who are likely to buy the goods bearing the marks, their level of education and intelligence, and the degree of care they are likely to exercise in purchasing the goods,
- 6) the mode of purchase of the goods or of placing orders for the goods,
- 7) any other surrounding circumstances.

- **Similarity of goods/services:**

In order to ascertain whether ‘goods were of same description’ three tests have been laid down in *Jelinek’s Application*¹⁸ by Justice Romer while

¹⁸(1946) 63 RPC 59.



holding that the shoes and shoe polish were not goods of the same description. The tests are:

- (a) The nature and composition of the goods;
- (b) The respective use of the goods;
- (c) The trade channels through which the respective goods were bought and sold.

The above tests have found credence with the likes of Lord Wilberforce who agreed that the 'test of sameness in description has rightly been taken to be a business and practical test, and would accept the utility for most purposes of the matters stated by Justice Romer.

In practice, the marks are to be compared as a whole in the way an average consumer would see them. Attention should be paid to the dominant and distinctive components of the mark - degree of aural, visual or conceptual similarity between the marks. The marks should be examined on the face of it, should not go too much into details. Each case is to be viewed on its own context.¹⁹ Similarity should be accessed conceptually as well as visually and phonetically. It is necessary to take account of the ideas that lie behind or inform the earlier mark. Another ground for refusal is when the latter mark proves detrimental to the distinctive character of the earlier mark. This is also known as dilution of a mark, which may result in blurring or tarnishment of the value in the mark.

5. Summary

To surmise, questions of whether marks are similar will often be dependent on the inherent or acquired distinctiveness of the mark to be registered. The less distinctive the earlier mark, the less literal or visual alteration is necessary to ensure that the later mark isn't similar. But, if the earlier mark is highly distinctive, then a mark that has been substantially modified might still be similar. Also, the chance of there being a likelihood of confusion on the basis of ideas that underlie a mark is influenced by the distinctiveness of the earlier mark.²⁰ Finally, S.11(5) of the Trade Marks Act, 1999 provides that a trade mark is to be refused registration on any of the aforesaid grounds only when objection on any one or more of those grounds is raised in opposition proceedings by the proprietor of the earlier trade mark.

¹⁹This can be viewed in the cases of *Cadila v. Cadila*, 2001 (21) PTC 541 (SC) and *Amritdhara Pharmacy v. Satyadeo*, AIR 1963 SC 449 discussed later.

²⁰The famous case from European Court of Justice, *Sabel v. Puma* (Case C-251/95) can be referred here - if the image of *Puma* was imaginative then mere conceptual similarity might be sufficient to give rise to finding a likelihood of confusion



6. Important case law

Cadila v Cadila, 2001 (21) PTC 541 (SC)

The facts of the case, in brief, were that the plaintiffs had filed an infringement action before a Single Judge of the High Court seeking directions restraining the defendants from using medicinal or pharmaceutical preparations, or other products, under the trademark “HB TONE” or any other trademark deceptively similar to the plaintiffs’ trademark, “RB TONE”. The defendants, incidentally, were only using the impugned trademark for export purposes, and had no intention of selling their products under that name in India. The plaintiffs succeeded. The defendants appealed to the Division Bench.

Before the Division Bench, the defendants had two contentions to make: firstly, as the goods bearing the impugned trademark were meant for export, there was no question of infringement or passing-off of the plaintiffs’ trademark; and secondly, Section 56 of the Trade Marks Act did not apply to passing-off actions such as this one.

The first contention was rejected. The Court held that merely because certain goods were only meant for export, it did not mean that the proprietor of the mark would not suffer damage to his property in the goodwill of trademark. Exported goods may also be exposed to the citizens and residents of India. Manufacturers of the labels containing the mark, the manufacturers of cartons on which the labels may be applied, the transporters of the goods, and the various authorities that deal with the goods before they are actually exported and are in the course of export, are all exposed to the trademark. The processes of inspection, quality control, and export would involve the exposure of the infringing mark to employees, workers, proprietors, and a variety of other persons.

The second contention, which involved a question of interpretation of Section 56 of the Trade Marks Act, was also rejected. In plain language, Section 56 deems that the application of a trademark to goods to be exported from India, which if it had been done to goods sold in India, would constitute “use” in India, will be “use” for any purpose for which such use is material under the Trade Marks Act “or any other law”. It thus puts goods to be exported from India at par with goods to be consumed in India. The defendants’ argument was that this Section did not apply to passing-off actions, where the trademark is not registered, but where the complaint made is that goods of one person were being passed off as those of another person.

Dismissing the defendants’ arguments, the court held that in interpreting the Trade Marks Act, courts would always “lean in favour of a construction which would confer the benefit of proprietorship in a trade mark rather than deny the same”. Any ambiguity in the Act was to be construed in favour of the proprietor of the trademark. Taking this into account, the court held that Section 56 must therefore apply to



passing-off actions just as it does to actions for trademark infringement.

Dongre v. Whirlpool 1996 PTC (16)

This is a landmark case concerning the trans-border reputation and good will of a company.

It so happened that in 1986 that Mr. N.R Dongre and his company filed for an application for registration of trademark 'Whirlpool'. Thereafter, when the registration application was published, Whirlpool Corporation and TVS Ltd, under the banner of TVS Whirlpool Ltd opposed the granting of registration of the trademark. However, the Assistant Registrar of Trade Marks dismissed the claims of TVS Whirlpool Ltd on the following grounds:

- i. Non-use and non-reputation of trademark 'Whirlpool' in India.
- ii. There would not be any likelihood of any confusion arising if Mr. N.R Dongre and his company is allowed to sell out products bearing the name 'Whirlpool'.

The TVS Whirlpool Ltd filed for an appeal against the order of the Assistant Registrar before the Delhi High Court. They filed for a petition under Section 46 and 56 of the Trade Marks Act, 1958 seeking for cancellation of registration of trademark for N.R Dongre and his company. And in July 1994 the TVS Whirlpool Ltd came across an advertisement of the latter inviting dealers for 'Whirlpool' washing machines. They bought a washing machine bearing the name with the mark 'Whirlpool' and found it be to inferior in quality in comparison to their own washing machine.

Disturbed by this, the Corporation initiated a proceeding against the latter in the Delhi High Court seeking permanent injunction on the latter from using the mark 'Whirlpool'.

The Single Judge Bench of the court ruled in favour of the corporation and held that they were already indulged in selling their products to the U.S embassy in India. And further that were advertisements in various international magazines being circulated in India about the products sold by the corporation bearing the trademark and name 'Whirlpool'. Henceforth, the learned Single Judge granted a temporary injunction in favour of the corporation stating that there were no reliable and conclusive evidence of Mr. N.R Dongre and Co. having carried out marketing of their washing machines bearing the trademark 'Whirlpool' for any considerable time prior to the date of grant of injunction.

It was taken in appeal before the division bench of the High Court. The decision bench upheld the decision of the Single Judge bench.

Thereafter, in a Special Leave Petition before the Supreme Court under Article 136 of



the Indian Constitution, the court finally upheld the decision of the Learned Single Judge as well as that of the Division Bench and reaffirmed the decision granted by the Single Judge bench of the Delhi High Court.

Thus, in this manner the Supreme Court recognized the concept of 'Trans-Border Reputation'. And the trademark 'Whirlpool' was deemed to have acquired trans-border reputation which enjoys due protection of law in India as well, irrespective of its market base or registration in India.

Illustrative case on dilution -- *Benz v Hybo Hindustan*, AIR 1994 Delhi 239

The mark and word in the instant case is "Benz" and "Three Pointed Human Being in a Ring". The word "Benz" has been associated with a Car ever since I remember. This car had a device upon it; a three pointed star in a circle/ring. Both, the name and the device, have always, in my memory, been inextricably linked. I am unable to ignore this connection. It was, however, registered in India in 1951. It is one of the most famous marks of the world.

I think it will be a great perversion of the law relating to Trade Marks and Designs, if a mark of the order of the "Mercedes Benz", its symbol, a three pointed star, is humbled by indiscriminate colorable imitation by all or anyone; whether they are persons, who make undergarments like the defendant, or any one else. Such a mark is not up for grabs -- not available to any person to apply upon anything or goods. That name which is well known in India and world wide, with respect to cars, as is its symbol a three-pointed star.

There are marks, which are different from other marks. There are names, which are different from other names. There are names and marks, which have become household words. Every family that has ever used a quality car would know "Benz" as name of a Car. The name "Benz" as applied to a car, has a unique place in the world. There is hardly one who is conscious of existence of the cars/automobiles, who would not recognize the name "Benz" used in connection with cars. Nobody can plead in India, where "Mercedes Benz" cars are seen on roads, where "Mercedes" have collaborated with TATAs, where there are Mercedes Benz Tata trucks have been on roads in very large number, (known as Mercedes Benz Trucks, so long as the collaboration was there), who can plead that he is unaware of the word "Benz" as used with reference to car or trucks.

In my view, the Trade Mark law is not intended to protect a person who deliberately sets out to take the benefit of somebody else's reputation with reference to goods, especially so when the reputation extends world wide. By no stretch of imagination



can it be said that use for any length of time of the name "Benz" should be not objected to. We must keep in mind that the plaintiff company exists in Germany. An insignificant use by too small a product may not justify spending, large amounts needed in litigation. It may not be worthwhile.

It is not the case of the defendant that the defendant is only seeing underwear's under the trademark "Benz". It markets undergarments bearing different trade names, such as "VIP" etc. In my view, destruction of the underwear's, or non-use of the said goods should send a clear, message to persons, at least of the eminence, of Hybo Hindustan, that they should not demean other people's name and reputation by using the name like "Benz" with reference to the goods produced by them.

In my view, it is but right that the defendant should be restrained from using the word "Benz" with reference to any underwear which is manufactured by them, and in my view, injunction should issue, restraining the defendant to cease and desist from carrying on trade in any undergarments in the name of "Benz" and "Three Pointed Human Being in a Ring", forthwith. So ordered.

Amritdhara Pharmacy v Satyadeo, AIR 1963 SC 449.

The Respondent (Satyadeo Gupta) had applied for registration of the trade name of a medicinal preparation "Lakshmandhara" in relation to the medicinal preparation since 1923. It was admitted by the Respondent that the Respondent's product was mainly sold in the State of Uttar Pradesh and there were only sporadic sales in other states. The Appellant (Amritdhara Pharmacy) opposed the registration of the mark 'Lakshmandhara' on the ground that it had an exclusive proprietary interest in the trade mark "Amritdhara" in relation to a similar medicinal preparation which had acquired considerable reputation since 1901 and that the respondent's trade name "Lakshmandhara" was likely to deceive and cause confusion and therefore the registration was prohibited by Sections 8 and 10(1) of the Trade Marks Act, 1940. In response to the same the Respondent filed a counter affidavit, raising the defenses of honest concurrent user and acquiescence on part of the Appellant as the Respondent was using the mark 'Lakshmandhara' since 1923.

The Registrar of Trade Marks held that There was sufficient similarity between "Amritdhara" and "Lakshmandhara" so as to cause confusion and it was likely to deceive the public, but the acquiescence of the appellant in the use of the trade name "Lakshmandhara" by the respondent in the relation to his product for a long period to the knowledge of the appellant was special circumstance under S. 10(2) entitling the respondent to have his name registered along with the appellant's trade name. Registrar, however, confined the registration to sales with the State of Uttar Pradesh only. As a result of this order, passed by the Registrar, two appeals were filed. One by the Appellant seeking cancellation of Registration of Respondent's mark altogether



and one by the Respondent seeking registration for other states apart from Uttar Pradesh.

In appeals the Hon'ble Allahabad High Court, rejected the appeal of the Appellant and allowed the appeal of the Respondent allowing the registration of the mark 'Lakshmandhara' for the whole of India. The Hon'ble High Court held that the marks 'Amritdhara' and 'Lakshmandhara' are dissimilar and the words 'Amrit' and 'Dhara' being of common language cannot be made the monopoly of any individual and thus the Hon'ble High Court found no reason to disallow registration of the trade mark 'Lakshmandhara'. On the question of honest concurrent use the Hon'ble High Court favoured the Respondent but on the question of acquiescence founded favour in the arguments of the Appellant and held in his favour.

Aggrieved by the order of the High Court, an Special Leave Petition (SLP) was filed in the Supreme Court of India. The full bench of the Hon'ble Supreme Court held that the marks 'Amritdhara' and 'Lakshmandhara' are similar and thus overruled the decision of the Allahabad High Court and upheld the decision of the Registrar of Trade Marks. In coming to the said conclusion, the Court relied on:

The test of comparison of marks, which states that the **question of comparison of two marks has to be approached from the point of view of a man of average intelligence and imperfect recollection.** The Court held that—"A critical comparison of two names may disclose some points of difference but an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two names having regard to the nature of the medicine he is looking for with a somewhat vague recollection that he had purchased a similar medicine on a previous occasion with a similar name"

F. Hoffmann-La Roche & Co. Ltd vs Geoffrey Manners & Co. Pvt. Ltd, 1970 AIR 2062

In 1946 the trademark 'PROTOVIT' was registered for one of the vitamin preparations manufactured by the appellant company. In 1957 the respondent company applied for registration of its mark 'DROPOVIT' in respect of "medical and pharmaceutical preparations and substances". The application was granted. When the appellant came to know about this trademark it asked the respondent to alter it. On the respondent's refusal to do so, the appellant in 1959, applied to the Registrar for rectification of the Register of Trade Marks by removal therefrom of the respondent's trademark. Later the appellant amended its application by adding the ground that 'DROPOVIT' was not an invented word. The Joint Registrar by letter dated August 5, 1961 rejected the appellant's application for rectification. The appellant went in appeal to the Bombay High Court. During the hearing of the appeal the respondent restricted the designation of goods covered by the mark 'DROPOVIT' to "medical preparations and, substances containing principally vitamins." The Single Judge as well as the Division Bench decided in favour of the respondent.



The appellant came to this Court with certificate. The questions that fell for consideration were: (i) whether the word 'DROPOVIT' was deceptively similar to the word 'PROTOVIT' and thus offended the provision of s. 12(1) of the Trade and Merchandise Act, 1958; (ii) whether the word 'DROPOVIT' was an invented or a descriptive word for the purpose of s. 9(1) of the Act.

HELD: The appeal must be dismissed.

In order that a trademark may be found deceptively similar to another it is not necessary that it 'should be intended to deceive or intended to cause confusion. It is its probable effect on the ordinary kind of customers that one has to consider. For this purpose it is necessary to apply both the visual and phonetic tests. It is also important that the marks should be compared as wholes. It is not right to take a portion of the word and say that because that portion of the word differs from the corresponding portion of the word in the other case there is no sufficient similarity to cause confusion. The true test is whether the totality of the trademark is such that it is likely to cause deception or confusion or mistake in the minds of the persons accustomed to the existing trademark.

The terminal syllable 'VIT' in the two marks 'DROPOVIT' and 'PROTOVIT' was both descriptive and, as the evidence showed common to the trade. If greater regard was paid to the uncommon element in the two words it was difficult to, hold that one would be mistaken for or confused with the other. The letters 'D' and 'P' in 'DROPOVIT' and the corresponding letters 'P' and 'T' in 'PROTOVIT' could not possibly be slurred over in pronunciation and the words were so dissimilar that there was no reasonable probability of confusion between the words either from the visual or phonetic point of view. This was all the more so because the preparations from their very nature were likely to be purchased on the prescription of doctors, and under r. 61(2) of Drug Rules, 1945 could be sold only by licensed dealers so that the possibility of confusion would be reduced to a considerable extent.

It could not be accepted that the Word 'DROPOVIT' would strike an ordinary person knowing English as meaning 'DROP OF VITAMINS'. The appellant's original application for rectification did not contain the ground that the word 'DROPOVIT' was descriptive. It was therefore reasonable to presume that it did not strike even the legal advisers of the appellant as descriptive. It was true that the word 'DROPOVIT' was coined out of words commonly used by and known to ordinary persons knowing English. But the resulting combination produced a new word, a newly coined word, which did not remind an ordinary person knowing English of the original words out of which it was coined unless he was so told or unless at least he devoted, some thought to it. It followed that the word 'DROPOVIT' being an invented word was



entitled to be registered as a trade mark and was not liable 'to be removed from the Register on which it already existed.

Points to Remember

1. The trademark performs the role of identifying the goods of a particular manufacturer and gives an indication of its origin, or establishes a connection in the course of trade
2. The initial registration of a trademark shall be for a period of ten years but may be renewed from time to time for an unlimited period by payment of the renewal fees.
3. There are two grounds for refusal of registration of a mark :
 - (i) Absolute grounds u/s 9 of the Act
 - (ii) Relative grounds u/s 11 of the Act.
4. Cadila v/s Cadila , 2001 (21) PTC 541 SC
5. Dongre v. Whirlpool 1996 PTC (16)
6. Amritdhara Pharmacy v Satyadeo, AIR 1963 SC 449.

Self-check Exercises

- Explains the significance of registration of trademarks?
- What are the functions of a trademark?
- Examine the absolute and relative grounds for refusal of trademark in detail.
- Elucidate “the use of trademark” with reference to Cadila vs Cadila