

Protection of trademarks having trans-border reputation in India

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PUBLISHED 20 November 2014

With the astronomical development in communication technology and advent of globalised market, every country can be a market place for traders who dream of expanding their reach across nations. The role played by trademarks in identifying the source of the product has become extremely important in these case as we identify a product by its trademark- be it name, logo, colour combination, script style, etc. Whenever a product gains reputation, its trademark also gains reputation often internationally. Hence, it is of utmost importance for those who wants to spread their business across nations to have protection for their trademarks in those countries which are a prospective market for them. This article discusses about how the Indian legal framework views and protects trademarks with trans-border reputation.

The best way to protect your trademark is by registration. However, it might not be possible for every business concern to register its mark with trademark registry of every nation in the world. The alternate remedy available, for both registered as well as non registered marks, is the common law remedy of 'passing off' action. However, this remedy has certain limitation in protecting trademark internationally. The traditionally accepted grounds for success in 'passing off' suit requires establishing 'prior use' of the product, as one of the most important criteria on deciding which party had got rightful claim over the trademark in question. Establishing 'prior use' of the product requires identifying the first person to 'use' the trademark. The term 'use' has been a bone of contention. Questions like whether the mark is considered to be 'used' only when actual sale of the product with the trademark had occurred and whether the 'use' must have happened in India or is it enough if the mark was 'used' anywhere in the world were discussed by Indian Courts in many cases.

In the land mark case of *N.R. Dongre v. Whirlpool Corporation*[1] the Supreme Court of India, despite observing that the Respondent Company did not had actual sale in India, held that the Respondent had "acquired trans-border reputation in respect of the trade mark 'WHIRLPOOL' and has a right to protect the invasion thereof". Extensive advertisements of the Respondent's products in international magazines which were circulated in India had aided in garnering reputation in India. The Court also observed that "Even advertisement of trade mark without existence of goods in the market is also to be considered as use of the trade mark." On commenting upon the reach of trans-border reputation, the Court observed that:

"The knowledge and awareness of a trade mark in respect of the goods of a trader is not necessarily restricted only to the people of the country where such goods are freely available but the knowledge and awareness of the same reaches even the shores of those countries where the goods have not been. When a product is launched and hits the market in one country, the cognizance of the same is also taken by the people in other countries almost at the same time by getting acquainted with it through advertisements in newspapers, magazines, television, video films, cinema etc. Even though there may not be availability of the product in those countries because of import restrictions or other factors. In today's world it cannot be said that a product and the trade mark under which it is sold abroad, does not have a reputation or goodwill in countries where it is not available. The knowledge and awareness of it and its critical evaluation and appraisal travels beyond the confines of the geographical area in which it is sold. This has been made possible by development of communication systems which transmit and disseminate the information as soon as it is sent or beamed from one place to another. Satellite Television is a major contributor of the information explosion. Dissemination of knowledge of a trade mark in respect of a product through advertisement in media amounts to use of the trade mark whether or not the advertisement is coupled with the actual existence of the product in the market."

This legal position was reinforced in the case of *Milmet Oftho Industries & Ors v. Allergan Inc*[2] wherein the Apex Court after establishing the trans-border reputation of the Respondents stated that "The mere fact that the Respondents have not been using the mark in India would be irrelevant if they were first in the world market."

Again, in the *Blenders Pride* case[3] the Delhi High Court observed that "merely being first past the post in India is not enough" (i.e being the first to use the mark in India) and added that "the Plaintiffs were first past the post worldwide and this is of crucial importance." The requirement to actually carry on business in India was considered unfair by the Court and ought not to be applied to the case of passing off.

The Delhi High Court has observed that "courts entertaining the case of passing off can discount the localized existence of goodwill and the business in the territory specific if the substantial nature of reputation has been proved which has some kind of nexus in the territory where the protection is sought and the said concept in the modern language is called trans-border reputation whereas the goodwill is always local in character, the concept of reputation is dynamic and is all encompassing. The reputation of a person can transcend boundaries by virtue of its advertisement in the newspapers, media circulation, expatriate

reputation due to cultural akinness[sic] and all other relevant factors which connect one countries business with that of another.”
[4]

One of the interesting judgments regarding protection of trans-border reputation came from The Delhi High Court in the case of *Country Inn Private Ltd v. Country Inns And Suites By Carlson Inc And Anr*[5]. Delivering judgment in this connected matters of interim applications filed by both the parties seeking injunction, considering the trans-border reputation of the Defendants and also the use of the Trademark by the Plaintiffs for a long time and prior to Defendant in India, the Delhi High Court allowed both parties to continue to use the trade name in question. However the Plaintiff Indian Company was mandated to make a disclaimer that it has no connection with the Defendant Company in future advertisements made by them.

Therefore, the legal propositions regarding protection of Trademarks with trans-border reputation is more or less settled in India. The international players are no more required to prove that they are the prior users of the mark in India, if they had used the mark in some other market and the reputation of the same had echoed on Indian shores. Also, advertising the product and trademark in Indian market is considered as ‘use’ of trademark while ascertaining prior user of the mark.

However, it is to be noted that protection under common law is given only to those traders who intend to make their products available in Indian market. Multinational corporations, who have no intention of coming to India or introducing their product in India will not be allowed to throttle an Indian Company by not permitting it to sell a product in India, if the Indian Company has genuinely adopted the mark and developed the product and is first in the market[6]. In the recent case of *Jones Investment Co v. Vishnupriya Hosiery Mills*[7], the Intellectual Property Appellate Board (IPAB) had ruled against the notion of preventing Indian companies from using trademarks even though the MNCs have no intention to introduce their product in Indian market.

[1] 1996 (16) PTC 583 SC

[2] 2004 (28) PTC 585 SC

[3] *Austin Nichols & Co & Anr v. Arvind Behl and Anr* 2006 (32) PTC 133 (Del)

[4] *The Royal Bank Of Scotland Group Plc V. Sharekhan Limited*, Order Dated 7th November, 2014 in CS(OS) No.1023/2013

[5] Order dated 11th February 2013 in IA No. 13146 in CS(OS) No. 2264/2008

[6] *Milmet Oftho Industries & Ors vs Allergan Inc*, 2004 (28) PTC 585 SC

[7] Order (No.24 of 2014) , OA/48/2010/TM/CH & MP NO. 260/2010 IN OA/48/2010/TM/CH