

THE CONUNDRUM OF DECEPTIVE SIMILARITY UNDER INDIAN TRADEMARK LAW

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INTRODUCTION

Intellectual Property Rights mainly focuses on Patents, Trademarks, Copyright, Geographical Indications, Designs and Trade Secrets.

A trademark is any unique identity that distinguishes one article, goods, or services from all others, i.e., in the form of a visual symbol that shall be a word, phrase, device, label, or combination of all of these in the commercial era to stand out from the rest of the competitors in the purchasing public. It shall be referred to as a 'trademark' or 'service mark'. A person who sells his goods under a particular trade mark acquires a sort of limited exclusive right to use of the mark in relation to those goods.²

HISTORY OF TRADEMARK LAW IN INDIA

The 1860s are when Indian trademark law first came into existence. Due to the combined efforts of the Bombay Mill Owners and the Bombay Charter of Commerce, who asked the state of Bombay to create a trademark protection statute, the first trademark Act entered into force on 1879. Despite having been passed in 1879, it was withdrawn in 1880.³ In India, there was no trademark legislation up to 1940. It caused a number of issues, including infringement and passing off, and Section 54 of the Specific Relief Act of 1877 was used to address these issues. The English trademark laws served as a model for the 1940 Trademark laws. It was eventually replaced by the 1958 Trademark and Merchandise Act. The trademark and merchandise legislation of 1958 allowed for trademark registration, assisted in preventing the unauthorized use of trademarks, and significantly improved protection.⁴

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²Kaviraj Singh, 'Trademark Law India' (HG. Org, May 1 2010) <<https://www.hg.org/legal-articles/trademark-law-india-4963>> accessed 1 May 2023

³Neetu B. Shambharkar, 'Notion of Deceptive Similarity under Trademark Law with Reference to Landmark Cases in India: A Legal Insight' (2020) 3 Int'l JL Mgmt & Human 457.

⁴Ibid 458.

The Trademarks Bill, 1994 was introduced in order to simplify the trademark management system, encourage investment, and give effect to judicial decisions even though the Trade and Merchandise Act of 1958 was able to keep up with modern trading and other commercial practices. But Trademarks Bill, 1994 got lapsed.⁵ It was in the year 1999, the trademarks act, 1999 was passed and it replaced the trademark and merchandise act, 1958. The trademark act 1999 was passed to comply with the TRIPS agreement. And was based on the recommendation of World Trade Organization(WTO).

DEFINITION AND CONCEPT OF TRADEMARK

Trademark has been defined in the Act of 1999 as follows, *“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.”*⁶

Consumers today are knowledgeable and informed. Only when they are confident in the products' quality do people make purchases. Because quality is a key factor in luring customers and convincing them to buy products, it is the responsibility of the manufacturer to ensure that the goods or services provided are of the highest calibre. Even if the manufacturers produce the best quality, good, the consumers will not be able to identify the goods unless there is a distinction of his goods from the other goods. This is the stage where trademark comes into play.

Trademark is a symbol which is attached with a goods in order to differentiate them from other similar goods. It may be a label, colour, combination, or a picture which is applied to the goods to act as its identity.⁷ It helps to portray the quality of goods in the customers mind.

DECEPTIVE SIMILARITY UNDER THE TRADE MARKS ACT, 1999

The term 'Deceptively similar' is defined in The Trade Mark Act,1999 as follows - *“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.”*⁸

⁵ Suvrashis Sarkar, 'History and Evolution Of Trademarks In India' [2016] Indian Journal of Applied Research 735.

⁶ The Trade Marks Act,1999, Section 2(zb).

⁷ Neetu B. Shambharkar, 'Notion of Deceptive Similarity under Trademark Law with Reference to Landmark Cases in India: A Legal Insight' (2020) 3 Int'l JL Mgmt & Human 457.

⁸ The Trade Marks Act,1999, Section 2(h).

A deceptively similar mark is a trademark which is considered to be very similar to an existing trade mark and there is a high possibility it can cause huge conundrums by creating confusions and deception in the customers mind.

Deceptively similar trademark, visually and verbally seems very close to an original trademark. There are high chances of consumers being cheated and it also results in economic loss and harm to the reputation of a genuine trademark holder.⁹ There are certain factors that should be taken into consideration while determining the deceptive similarity;

- (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, it can be visual, phonetic and can also include similarity in idea,
- (3) nature of the goods in respect of which they are used or likely to be used as trademarks,
- (4) the similarity in the nature, purpose and character 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.¹⁰

Various case laws have paved the way for various principles to be followed and factors to be taken into consideration by the tribunal in arriving at a decision in finding out whether a trademark is deceptively similar to another trademark or not.

In **K. R. Chinna Krishna Chettiar vs Sri Ambal & Co., Madras & Anr.**¹¹ Supreme Court held that there was no visual similarity between the two marks, 'Ambal' and 'Andal'. But there was a close proximity between their sounds, 'Ambal' and 'Andal'. Supreme Court further added that the test of deceptive similarity is not just confined to Visual comparison. The resemblance should be looked upon for both eyes and ears and court held that the marks are deceptively similar.

⁹Neetu B. Shambharkar, 'Notion of Deceptive Similarity under Trademark Law with Reference to Landmark Cases in India: A Legal Insight' (2020) 3 Int'l JL Mgmt & Human 458 459.

¹⁰P. Narayanan, 'Intellectual Property Law' (3rd Ed, Eastern Law House 2001)

¹¹ 1970 AIR 146.

In **M/s. Hitachi Ltd. v. Ajay Kr. Agarwal and Ors.**¹²The Hon'ble court observed that the marks 'Hitachi' and 'Hitaishare' are of two different languages and they are not visually similar. But both the terms are pronounced similarly thus creating a high phonetic similarity between the marks and hence the Hon'ble Court held that it will create confusion to the common customers.

In **M/S Allied Blenders and Distillers Pvt. Ltd. v. Govind Yadav & Anr.**¹³The plaintiff's contention was that the defendants mark "Fauji" will create confusion with the Plaintiff's mark "Officer's Choice". The Hon'ble Delhi High Court dismissed the Plaintiff's contention and held that both the words are conceptually different conveying two different meanings and are also phonetically different.

In **Cadila Healthcare Ltd. v. Cadila Pharmaceuticals.**¹⁴ Plaintiff was involved in manufacturing a medicine called "Falcigo". Defendant was selling a medicine by the name "Falcitab". Thus, it led to a dispute between the two parties. Both the parties were successors to Cadila group. The medicine manufactured by both, the plaintiff and the defendant, where are used to treat the same disease. Plaintiff demanded for an injunction as defendant's medicine "Falcitab" it's creating confusion in consumers mind. Defendant contended that the prefix "Falci" has been taken from the disease named Falcipharam malaria. The Hon'ble Court, after taking into consideration many factors in the medical sector, like probability of medical negligence, India's huge population, it was found necessary to strictly prohibit confusion of trademark with regard to pharmaceuticals, medicines and drugs. The court after careful consideration held that the marks "Falcitab" and "Falcigo" are deceptively similar.

WHAT AMOUNTS TO TRADEMARK INFRINGEMENTS IN INDIA

Section 29 of the Trademarks Act, 1999 deals with the infringement of registered trademarks. A registered trademark is said to be infringed if the trademark or similar mark in relation to the goods or service is used in a way that shall deceive the purchasing public if it is done by a person who is not the authorised user or who is permitted to use the same.

¹²1995 (2) Arb. LR 348

¹³2019 SCC 6834

¹⁴(2015) 221 DLT 35

They device the use of such marks for various reasons. Mostly due to the similarity in the goods or services rendered. The identity of the registered trademark holder may be gained by others to cause confusion among the purchasing public by deceiving them about the matter of association with the trademark holder, i.e., the unfair trade practises adopted. All these affect the reputation and goodwill of the holder of the trademark.

To fall under the ambit of Section 29:

- The registered trademark shall be affixed to the goods or packaging;
- offer, expose, or deliver the goods or service in the market or stock;
- import or export goods or services using this mark;
- The mark used in advertising shall be the words, visual representation, or reference to the same.

This amounts to infringement of a trademark if it is not duly authorised by the proprietor or licensee of the trademark to use the same.¹⁵

The limits on the effect of the registered Trade mark is prescribed under section 30 of the TradeMarks Act, 1999. It states that the matters that is dealt under section 29 cannot be construed to preventing the use of registered Trademark by any person if:

- It is for honest practices,
- It is not it take unfair advantage on the reputation,
- If it is expressly or impliedly consented to by the proprietor or licensee at any time,
- If it is for the legitimate purpose that is reasonably necessary.

TYPES OF TRADEMARK INFRINGEMENT:

Trademark infringement is of two types, which are as follows:

DIRECT INFRINGEMENT

Direct infringement is provided in Section 29 of the Trade Marks Act, 1999. There are certain elements that should be dealt with before a direct breach occurs. The elements include:

¹⁵ Nivetha K, 'Remedies Available for Trademark Infringement' (Vakil Search, 2 December 2022) <<https://vakilsearch.com/blog/remedies-available-for-trademark-infringement/>> accessed 29 April 2023

Usage by an unauthorized person: Trademark infringement takes place when a trademark that is registered, is used by an unauthorized person and the said person is also not the owner of the trademark. But on the other hand, if, with the owner's consent, the registered trademark is used, then it will not amount to infringement. Identical or deceptively similar: The trademark used will be deceptively similar or identical to an existing registered trademark if there is a chance of creating confusion among consumers. The main aim of trademark registration is to establish and prove the identity of the goods and services in comparison to other goods and services. Registered trademark: According to the Trade Marks Act, 1999, protection shall be rendered only when the marks are properly registered with the trademark registry. If an unregistered trademark is infringed, action can be taken by applying the common law concept of passing off. Class of goods and services: The registered trademark, when used by an unauthorized person for the purpose of propagating goods and services that fall under the same class of goods and services for which the original trademark has been registered, thereby creating confusion among consumers, will amount to a direct infringement of the trademark.

INDIRECT INFRINGEMENT

The Trade Marks Act, 1999, does not have an exclusive provision that deals with indirect infringement. The universal principles of law deal with the principle and application of indirect infringement. It holds both the principal infringer and the person who abetted or induced the principal infringer accountable for trademark, infringement. The categories of indirect infringement includes: Vicarious liability: Any company, that commits an offence under the Trademark Act shall be liable according to Section 114 of the Trademark Act, 1999. According to the section, when the company commits an offence under the act, every person who has responsibility for the company will be liable. The only exception is given to the person who has acted in good faith and does not have any knowledge of the infringement. Contributory infringement: A person shall be liable for contributory infringement when the person is knowledgeable of the infringement, the person has materially contributed to the direct infringement, and the person has induced the principal infringer to commit infringement.¹⁶

¹⁶ Compliance calendar, 'Trademark Infringement: Meaning, Types, Examples and How to Avoid TM Infringement' (Compliance Calendar) <<https://www.compliancecalendar.in/learn/trademark-infringement-law>> accessed on 29 April 2023.

PENALTIES OR PUNISHMENT FOR INFRINGEMENT OF A TRADEMARK

In India, trademark, infringement is a cognizable offence. Both civil and criminal proceedings can be initiated against the infringer, and registration of trademarks is not mandatory for the institution of civil or criminal proceedings. Section 104 of the Trade Marks Act, 1999, deals with the penalty for selling the goods or providing the services to which a false trade mark or a false trade description has been applied. Permanent injunction, interim injunction, delivery of the infringing goods for destruction, damages or accounts of profit and cost of legal proceedings are the reliefs that the court may grant in a trademark infringement suit. In case of criminal proceedings, the offences punishable with imprisonment for minimum period of six months, which may extend up to three years, and fine shall be not less than Rs. 50,000 and may extend to Rs. 2,00,000.¹⁷

DECEPTIVE SIMILARITY IN AN INTERNATIONAL SPHERE

When a company owner's trademark is identical to a well-known brand, it is reasonable to assume that they are trying to deceive customers. Protection is granted by the Paris Convention for well-known marks. According to Article 6b of the Paris Convention, if a party approaches the registrar to register a mark that is identical to or confusingly similar to a well-known mark, the registration will be rejected or revoked, banning the use of the mark, if permitted by local law.¹⁸

The possibility of confusion is the standard used by the United States of America to determine whether a trademark is eligible for registration. Various criteria were established in, *The Du Pont factors in Re E.I. du Pont de Nemours & Co.*¹⁹ are as follows:

1. The degree of resemblance or difference between the marks overall in terms of appearance, sound, connotation, and commercial impression.

¹⁷ Rituparna Padhy, 'Penalties For Trademark Infringement' (iPleaders, June 21, 2018) <<https://blog.iplayers.in/penalties-trademark-infringement/#:~:text=Penalties%20for%20Infringement%20of%20Trademark&text=The%20relief%20which%20a%20court,cost%20of%20the%20legal%20proceedings.>> accessed on 29 April 2023 .

¹⁸ Md. Abdul Matin Bhuiyan, Farzana Shashi, 'Analytical Study of the Existing Law and Reported Case Decision Regarding Deceptive Similarity of Trademark Infringement' (Global Main Stream Journal, September 2022) <globalmainstreamjournal.com/index.php/BEDPM/article/view/6/5> accessed on 29 April 2023.

¹⁹ 476 F.2d 1357, 177 USPQ 563 (CCPA 1973)

2. The nature of the goods, their similarity or difference from those mentioned in an application, registration, or in connection with which a prior mark is already in use.
3. The similarity or difference between well-established trade channels that are likely to endure.
4. The circumstances and clients to whom sales are made, i.e. "impulse" vs. Cautious, sophisticated buying.
5. The fame of the earlier mark.
6. The quantity and type of comparable markings used on related products.
7. The type and scope of any confusion that exists.
8. The period of time and the circumstances of concurrent use, without any indication of genuine confusion.
9. The range of products on which a mark is applied or not.
10. The point of commerce where the applicant and the owner of an existing mark meet.
11. The scope to which the applicant is entitled to prevent third parties from using its mark on products.
12. The possible degree of misunderstanding.
13. Any additional verified fact indicating the impact of use.²⁰

The members of the European Union can register the trademark in their country or within the European Union by means of registering them as community trademark that can be acquired by registering with the European Union Intellectual Property Office (EUIPO) that was created by European Union Trade Mark System (EUTM) system and it applies to all member states. In which deceptive mark is an absolute ground for refusal of registration; by applying the protection guaranteed under Article 8(1) (a) and 8(1) (b) of EUTMR by keeping the global impact into consideration.²¹

²⁰ibid

²¹Ibid

Pakistan Battery Manufacturing Co. Karachi v Md. Hussain and Others, it as was held by the court while dealing the matters related to deceptive similarity, it must be taken into regard regarding the class of purchasers who would normally buy it and the circumstance of sale.²² In accordance with current Australian practise, this cause for rejection isn't utilized to resolve problems that may arise from a consideration of whether an earlier trade mark conflicts with the trade mark under investigation, or it doesn't apply to a comparison of trade marks. The grounds of resistance, infringement, or revocation cover the latter scenario.²³ Trade Mark Act, 1994 of the UK states with respect to the deceptive similarity, that the trademark of one enterprise shall not be registered if it deceive the public regarding the nature, quality and geographical indication or origin of the goods or services. Regarding these as the various factors to the matter in concern with respect to deceptive similarity.²⁴

It has been mentioned in the Act of the UK regarding the nature, quality and geographical indication as various factors to measure the deceptive similarity.

The European Court of Justice has inferred the likelihood of association may arise in case of three set of circumstances:

1. Likelihood of direct confusion,
2. Likelihood of indirect confusion or association,
3. Likelihood of association in the strict sense.²⁵

Recent cases relating to the concept of Deceptive Similarity.

Trademark place a crucial role in building the goodwill for a business and also helps to create an identity for the business. Trademark should be protected from miss used by fraudulent people who may use a market is very much identical to the original trademark. There has been a continuous effort from the side of judiciary to ensure proper protection to the trademark owners.

²²(1970) 22 DLR (WP) 118,10

²³ WIPO, 'Grounds Of Refusal In Australia' (WIPO)
<https://www.wipo.int/export/sites/www/sct/en/comments/pdf/sct21/ref_australia.pdf> accessed on 2 April 2023.

²⁴ UK Trademark Act, 1994, Sec 3 (3) (b)

²⁵ Himanshu Sharma, 'Confusion Among Confusions' (Mondaq, 16 November 2015)

<<https://www.mondaq.com/india/trademark/443686/confusion-among-confusions>> accessed on 2 May 2023.

Mondelez India Foods Pvt. Ltd v Neeraj Food Products²⁶(Cadbury's Gems v James Bond), In the suit seeking permanent and mandatory injunction by Mondelez India Foods Pvt. Ltd (previously known as Cadbury India Ltd) against Neeraj Food Products for using 'JAMES BOND' that is deceptively similar to their trademark 'GEMS BOND'. Here the court applies the principle of Res Ipsa Loquitur and relief of permanent and mandatory injunction was pronounced in favour of plaintiff along with damages.

PepsiCo v Ramdev Industries²⁷

An interim injunction and damages to the plaintiff was ordered by the Hon'ble High Court of Delhi against the defendant for using their logo that is deceptively similar to that of Lay's 'sun banner' device mark. It was also directed by the court for the confiscation of all products with the impugned logo. It was remarked by the court that an unaware customer shall be deceived by this similar mark.

In the case of **Atomberg Technologies Private Limited vs Polycab India Limited**²⁸, The Hon'ble court restrained Polycab India Ltd. from selling the alleged commodity of Atomberg Technology that holds to be dishonestly copied; identical in shape, configuration, design, and aesthetic appeal in packaging. The court inferred that it amounts to infringement of the registered design of the plaintiff and passing off. Deceiving the public through false representation. The relief of a temporary injunction was granted in favour of the plaintiff.

PhonePe Private Limited v. DigiPe Fintech Private Limited²⁹

DigiPe Fintech Private Limited, filed an application for registration of the mark "DIGIPE" even after they were issued a legal notice by PhonePe. Madras High Court temporarily restrained the defendant DigiPe Fintech Private Limited from using the "DIGIPE" mark after a trademark infringement suit was filed by plaintiff. Court also observed PhonePe is registered in Class 9, 35, 36 and 42 by PhonePe Private Limited and the offending trademark "DIGIPE" was similar to "PhonePe".

²⁶ 142 (2007) DLT 724

²⁷ CS (COMM) 540/2022

²⁸ 2022 SCC Bom 2845

²⁹ O.A.No.809 of 2022 in C.S.No.248 of 2022

CONCLUSION

Trademark is of pivotal importance and plays a major role in providing a business with goodwill and identity. Trademarks should be protected from misuse by fraudulent people, as they will use a mark that is closely similar to the original trademark, thus creating confusion in consumers' minds. A trademark enables buyers to identify the source of a product and to purchase products of the highest quality. The sale and manufacture of fake products, sometimes known as counterfeit goods, have increased alarmingly in recent years in India. These products will be marketed at low prices, which has led to widespread public deception. This will degrade the businesses that sell their original product, harm their reputation and goodwill, and lead them to lose a significant amount of money. It is now essential to stop this threat. Given the seriousness of the offence, the wrongdoers should face hefty penalties and an increased period of imprisonment. The judiciary has been playing a pivotal role in handling cases of deceptive similarity, and the judiciary has been stern in dealing with such matters in order to protect the rights of the genuine holder of a trademark and also to protect the interests of consumers. The courts have proposed various parameters that are to be taken into consideration while determining the question of trademark infringement. To ensure that cases of trademark infringement are handled effectively, the judiciary has been particularly committed and determined in matters of deceptive similarity. The judiciary's stance in these situations is remarkable and acts as a ray of hope that justice will undoubtedly be served.
