

Protection of Well Known Trademarks and Weakening of Honest Concurrent User Defense

Vivek Kumar Choudhary†

WB National University of Juridical Sciences, NUJS Bhavan 12, LB Block, Sector III, Salt Lake City, Kolkata 700 098

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This paper sheds light on the protection of well known trademarks in India *vis-à-vis* various parameters and evidence requirements, primarily by way of analysing relevant case laws. In order to assess how 'IP-savvy' Indian courts are, this paper also shows through empirical data that the trend in Indian courts in the last few decades has consistently been pro-plaintiff while deciding intellectual property cases. Further, the paper examines the 'honest and concurrent user' defense against the action of passing off pertaining to trademarks' use by analysing the latest case laws. This shows a paradigm shift regarding honest user defense in the sense that it is gradually becoming weaker; the main reasons being 'trademark-smartness' of trademark proprietors, advanced information technology and ease of access to information, among others. The paper also pinpoints a few exceptional cases where the courts have been more lenient in allowing this defense; pertaining to education sector in particular, on the grounds of public interest.

Keywords: Well known trademarks, transborder reputation, honest concurrent user, descriptive name, secondary meaning

The term 'well known' in relation to trademarks originates from the term 'reputation' which was recognized for the first time in the age-old case of *JG v Stanford*¹ wherein it was held that the law of passing off prevents commercial dishonesty on the part of traders. The essence of passing off has retained its classic form till date. The very basis of the said action is existence of goodwill or reputation attached to the particular goods and the degree of representation that is likely to deceive the public.²

In the absence of a statutory definition, acquisition of reputation depends upon the usage of a particular good or service in connection with business. However, a plaintiff's reputation does not have to extend throughout the country and may be restricted to a particular locality where the business is conducted.³

In India, protection to well known trademarks is given more importance as compared to ordinary trademarks. Formerly, this protection was given by way of common law formulations like passing off. For example, in *Daimler Benz Aktiengesellschaft v Hybo Hindustan*⁴, the manufacturers of Mercedes Benz sought an injunction against the defendants who were using the famous 'three pointed star in the circle' and the word 'Benz'. The Court granted

injunction against the defendants who were using these marks for selling apparel. Similarly, in *Whirlpool Co & Anr v N R Dongre*⁵, the plaintiff, Whirlpool had not subsequently registered their trademark after the registration of the same in 1977. At the relevant time, the plaintiff had a worldwide reputation and used to sell their machines in the US embassy in India and also advertised in a number of international magazines having circulation in India. However, the defendant started using the mark on its washing machines. After an action was brought against them, the Court held that the plaintiff had an established 'transborder reputation' in India and hence the defendants were enjoined from using the same for their products.

Later, the Trade Marks Act of 1999 (TM Act) brought about many statutory changes, e.g., protection of well known trademarks even without registration or use in India apart from making some changes to harmonize it with the obligations under the TRIPS Agreement. The Act also allowed the proprietors of well known trademarks a ground to oppose at the stage of registration itself, thereby giving special treatment and rights for such marks.⁶ The following examples illustrate some of the judicial remedies granted in the past:

Anton Piller orders: These are the orders for search and seizure in a civil suit which are passed when there

†Email: vivek4141@gmail.com

is a possibility of a defendants destroying or disposing of the incriminating material. For example, in *National Garments v National Apparels*⁷, where the defendants were sought to be restrained from using the tradename in dispute, the Court passed orders, though not expressly but in the nature of 'Anton Piller orders' for inspection of premises without prior warning so as to discover records from the defendant's premises. The Court made an observation that such an order was similar to an *ex parte* interlocutory order to take an inventory of the articles etc. passed in an ordinary suit.⁸

Mareva injunctions: These orders are meant for freezing the defendants' assets so as to restrain them from disposing off their assets before the court gives its judgment. Section 135(2)(c) of the TM Act provides for an order of injunction restraining the defendants from disposing of or dealing with his assets in a manner which may adversely affect plaintiff's ability to recover damages, costs or other pecuniary remedies that may be finally awarded to the plaintiff. In UK, such an injunction is called 'Mareva injunction'.⁹

Norwich Pharmacal orders: These are the orders by which a discovery is sought from third parties who are not the defendants in the suit concerned. To obtain such orders, the respondent must be a party who is involved in a wrongdoing, irrespective of his innocence, and is unlikely to be a party to the potential proceedings. Under these orders, mostly the third parties like the Customs and Excise personnel may be directed to disclose details regarding the movement of goods, quantities etc. to aid in the suspected infringing activities.¹⁰

John Doe orders: Generally, the proprietors of the well known products face difficulty in obtaining timely relief as the identity of the defendant is not easily ascertainable. To sort out this problem, 'John Doe orders' are passed in relation to the infringing goods which may be seized wherever they are located and would apply against any person who is later found to be an infringer. A very important case in this regard is that of *Taj Television v Rajan Mandal*¹¹ pertaining to broadcast reproduction rights of Football World Cup 2002. The Delhi High Court passed the 'John Doe orders' in order to raid the premises of different cable operators for searching and seizing the equipment used in infringement. It is worth mentioning that these orders were passed in the wake of such broadcasting rights being for a very short

interval (i.e. till the conclusion of the event), thereby making this case an 'urgent' one. Such orders can be highly useful in the realm of trademark protection in India.

Indian courts have earlier been conservative in their approach and constantly harped upon the circulation of magazines, journals and extent of Indian travelers going abroad while deciding cases on transborder reputation. But, more recently, the courts have also started relying on other things like development of international communication and speed and efficiency of modern technology.^{2,12} Illustrative cases include *Indian Shaving Products Ltd v Gift Pack*¹³ (regarding use of the words 'Duracell-ultra' by the plaintiffs and 'ultra' by the defendants) and *Allergan Inc v Milmet Oftho industries*¹⁴ (regarding the use of word 'ocuflux' for their medicinal preparations). In these cases, although the plaintiffs did not have any business in India, the trade circles in India were well aware of the transborder reputation of the said marks. The courts took this reputation into consideration and passed injunction orders against the defendants concerned.

Protection of Well Known Trademarks in India

Criteria for Recognition as Well Known Trademark

Section 2(1)(zg) of the TM Act defines a well known trademark as follows:

'well known trademark in relation to any goods or services, means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first mentioned goods or services.'

According to Section 11 of the TM Act, the following particulars need to be considered before taking cognizance of a trademark as a 'well known trademark':

1 The knowledge of recognition of the alleged well known mark in the relevant section of the public, indicating knowledge obtained as a result of promotion of the trademark. A peculiar case in point is the *Hari Puttar* case¹⁵, where there was a trademark dispute between the Indian movie name called 'Hari Puttar' and the well known novel series 'Harry Potter'. The Court in this case held:

What has to be borne in mind is that the Harry Potter films are targeted to meet the entertainment needs of an elite and exclusive audience - the cognoscenti - an audience able to discern the difference between a film based on a Harry Potter book on the one hand and a film which is a Punjabi comedy on the other..... To put it differently, an illiterate or semi-literate movie viewer, in case he ventures to see a film by the name of Hari Puttar, would never be able to relate the same with a Harry Potter film or book. Conversely, an educated person who has pored over or even browsed through a book on Harry Potter or viewed a Harry Potter film, is not likely to be misled.

Similarly, in another recent case of *Rolex S A v Alex Jewellery Pvt Ltd*¹⁶, the defendants were involved in the business of selling artificial jewellery in the name of 'Rolex' which is a well known trademark for watches and is popular the world over. Invoking the definition of 'well known trademark' in Section 2(4)(c), the Delhi High Court held:

Section 2(4)(c) defines a well known trademark as the one which in relation to any goods, means a mark which has become so to the substantial segment of the public which uses such goods that the use of such mark in relation to other goods would be likely to be taken as indicating a connection in the course of trade between those goods and a person using the mark in relation to the first mentioned goods. In my view the segment of the public which uses the watches of the category/price range as the watches of the plaintiff, 'Rolex' is a well known trademark. The said segment of the public if comes across jewellery/artificial jewellery also bearing the trademark 'Rolex' is likely to believe that the said jewellery has a connection to the plaintiff.

2 The duration, extent and geographical area of any use of that trademark. The duration might be long or even short but extent of use also matters a lot. In fact, courts have been lenient with respect to this requirement in favour of the plaintiff, thereby not requiring him to always furnish a proof of a high degree or a long duration of use. A case in point is the *Duracell Ultra* case¹³, where the sale concerned was for less than a year but the Court considered the fact

that the plaintiffs had achieved high sales and advertised heavily. So, it can be said that there is no such legal requirement of long duration of sale.

3 The duration, extent and geographical area of any promotion of the trademark including advertising or publicity and presentation at fairs or exhibition of the goods or services in which the trademark appears. In fact, promotion in the form of advertising is an important material for consideration for the courts in passing off cases pertaining to well known marks cases. In the historic *Whirlpool* case¹⁷, even though the product of the company was totally absent from the Indian markets, its trademark was protected by the Court; obviously on the ground that its volume of advertising was sufficient enough to have reached the relevant section of the public. Similarly, in *Marico Ltd v Madhu Gupta*¹⁸, the Court took cognizance of the huge amount of money spent by the plaintiffs in their advertisements and finally granted injunction in their favour.

4 The duration and geographical area of any registration of or any publication for registration of that trademark under this Act to the extent they reflect the use or recognition of that trademark.

5 The record of successful enforcement of the rights in that trademark, in particular the extent to which the trademark has been recognized as a well known trademark by any Court or Registrar under that record. For instance, the well known alcohol manufacturing company, Shaw Wallace, successfully enforced its trademark rights, especially the numerical part of its brand name '5000' in the cases of *Shaw Wallace & Co v Superior Industries Ltd*¹⁹ and *Shaw Wallace & Co v Mohan Rocky Spring Water Breweries Ltd*.²⁰

6 The number of actual or potential customers of the goods or services. For example, in the very recent case of *Aveda Corporation v Dabur India Ltd*²¹, the plaintiffs were involved in the business of selling beauty products in the name 'AVEDA' and the defendants started selling their own beauty products in the name of 'UVEDA'. The Delhi High Court considered that the plaintiffs had a miniscule presence in India (as they had supplies only in one spa in India, in Rishikesh) and the question of confusion in the minds of people would thus not arise. The plaintiff

could not be said to be likely to have a huge customer base as compared to the defendants. Thus, the balance of convenience lay in favour of the defendants and finally the Court gave only minor suggestions to the defendants to increase the font size of their name 'Dabur' to make it more prominent in order to avert any likely confusion. In the same way, in *Marico Ltd*¹⁹, the Court gave due credence to the sale invoices of the plaintiffs in order to assess the size of their business.

7 The number of persons involved in the channels of distribution of the goods or services.

8 The business circle dealing with the goods or services, to which the trademark applies.

9 Where a trademark 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 trademark as a well known trademark for registration under this Act.

Furthermore, the sub-clause (2)(b) of the same Section 11 provides that 'a trademark which is to be registered for goods or services which are not similar to those for which the earlier trademark is registered in the name of a different proprietor, shall not be registered if or to the extent the earlier trademark is a well known trade mark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trademark'.

All the afore-mentioned particulars have to be considered by the courts in a balanced way in order to ascertain whether there is any likelihood of confusion/deception. Thus, the question has to be approached from the point of view of a man of average intelligence and imperfect recollection.²² Such a test is not subjective but an objective one. In *Mahendra and Mahendra Paper Mills Ltd v Mahindra and Mahindra Ltd*²³, in a dispute regarding the names of the two parties, the Supreme Court held that whether there is a likelihood of deception or confusion arising is a matter for decision by the court, and no witness is entitled to say whether the mark is likely to deceive or to cause confusion; that all factors which are likely to create or allay deception or confusion must be considered in combination. So, broadly speaking, factors creating confusion would be, for example, the nature of the market itself, the class of customers, the extent of the reputation, the trade channels, the existence of any connection in the course of trade, and others.²⁴

Latest Trends in the Indian Judiciary

When There is Delay or Laches in Filing the Opposition

Though well known trademarks are suitably protected, there are certain circumstances when they may not be protected. For example, though mere delay in filing an opposition against the infringing mark may be condoned by the courts, if the trademark owner has delayed the application for opposition or rectification of a trademark against another party despite having knowledge that the latter is using the same trademark, the former loses such a claim. A case in point is *Khoday Distilleries Limited (now known as Khoday India Limited) v The Scotch Whisky Association and Ors*²⁵, where the Supreme Court observed that the respondents did not have any reason to adduce as to why they did not pursue the case against appellant for a span of 14 years even though they were aware of the registration of trademark 'Peter scot' in favour of appellant. It was held that the class of buyers which is supposed to know the value of money, the quality and content of Scotch whisky is supposed to be aware of the difference of the process of manufacture, the place of manufacture and their origin; and thus there is no likelihood of confusion.

When the Name is Descriptive in Nature

It has often been a matter of intense debate as to whether a 'descriptive name' has acquired a 'secondary meaning' or not; so as to accord greater protection to the mark. But in the recent case of *Cadila Healthcare Ltd v Gujarat Co-operative Milk Marketing Federation Ltd and Ors*²⁶, the court clearly explained the two facets of a 'descriptive name'. It said that a word can be descriptive in two ways, i.e., 'descriptive in meaning' and 'descriptive in understanding' because what a particular thing means and what it is generally understood to be, are two different aspects altogether. In this case, the plaintiffs were engaged in the manufacturing of some sugar substituting products under the names 'sugar free natura', 'sugar free gold' and 'sugar free d'lite' and they tried to restrain the defendants from using the words 'sugar free' for selling frozen desserts. The court observed that although the plaintiff's words 'sugar free' have acquired distinctive meaning despite being descriptive in nature, the defendants, nevertheless, can be allowed to use these words in descriptive and laudatory sense for their products.

The Court, while dismissing the suit, held:

'Inasmuch as a sweetener is known to exist only when added to foods and beverages, its identity in

terms of its functional utility is quite dissolved or metamorphosed in the foods and beverages to which it is added. Thus, the expression 'sugar free', when used in relation to a sweetener/sugar substitute, may not really describe a sweetener in the sense of its generic meaning, nevertheless, it connotes the specific nature and characteristic of the foods and beverages to which it is added. Thus, the expression 'sugar free', when used in relation to a sweetener/sugar substitute, may not be descriptive in meaning but it is certainly descriptive in understanding.'

Similarly, in the cases of *Cadila Healthcare Ltd v Dabur India Ltd*²⁷, *Cadila Healthcare Ltd v Shree Baidyanath Ayurved Bhawan Pvt Ltd*²⁸ and *Cadila Healthcare Ltd v Diat Foods (India)*²⁹, the same plaintiff could not restrain the respective defendants from manufacturing and marketing 'Chyawanprash', a tonic, by using the mark 'sugar free' in descriptive and laudatory sense.

When the Name is a Common Name of Person/s in India

In *AB Textiles case*³⁰, the well known electronic goods company, Sony, opposed the registration of the mark 'ABT Sony' for textiles. But the court, while accepting the 'well known' status of the opponents, held that since 'Sony' is a common feminine name in India and the fields and trade-channels of operation of both these parties are different, there would be no likelihood of deception in the minds of the public. The Court also took cognizance of various other prior valid registrations in the same name 'Sony', for example, nail-polish, frames and spectacles etc.

Defense of Honest Concurrent User

The trademark law, in several jurisdictions allows the trademark of an honest and concurrent user to co-exist with another similar mark. In fact, the defense of honest concurrent user came into being through two cases. Firstly, the case of *Dent v Turpin*³¹ determined that two users of a mark (which had derived from a common predecessor) had a separate right to obtain an injunction against a third person using the mark. Secondly, in *Southorn v Reynolds*³², the *Dent* case was relied on to come to a conclusion on very similar facts. But it is worth noting that neither of these two cases was related to dispute between concurrent users. The courts in these two cases were not protecting the exclusive property rights but restraining a person from misrepresenting his goods as those of another.

The Rationale of Honest Concurrent User Defense

The rationale that would remain the cornerstone of the honest concurrent user was put forth in *Dewhurst & Sons' Ltd*³³, where the Court held:

Let us, then consider what the position of the register will be, and how far the interests of the public will be protected if this mark is registered. As to the consents, I do not say that they are immaterial. They are valuable as affording some evidence that there will not be deception...³⁴

In *John Fitton & Co*³⁵, following five factors were laid down in order to have success in honest concurrent user defense³⁴:

- 1 The extent of use in time and quantity and the area of the trade
- 2 The degree of confusion likely to ensue from the resemblance of the marks which is to a large extent indicative of the measure of public inconvenience
- 3 The honesty of the concurrent use
- 4 Whether any instances of confusion have in fact been proved, and
- 5 The relative inconvenience which would be caused if the mark were registered, subject if necessary to any conditions and limitations.

On the lines of above-mentioned rationale, Section 12 of the TM Act provides for registration of a trademark in case of its honest concurrent use by providing that 'in the case of honest concurrent use or of other special circumstances which in the opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of the trademarks which are identical or similar (whether any such trademark is already registered or not) in respect of the same or similar goods or services, subject to such conditions and limitations, if any, as the Registrar may think fit to impose'. So, it is clear that the Registrar is not obliged to register such an honest concurrent user; rather it depends upon his subjective discretion.

The law pertaining to honest concurrent use was laid down in *Kores (India) Ltd v M/s Khoday Eshwarsa and Son*³⁶ with regard to Section 12(3) of the Trade and Merchandise Marks Act, 1958 (being *ejusdem generis* with Section 12 of the Act of 1999). It was held that the following facts are required to be taken cognizance of, while determining the registrability of a trademark under the said provision:

- 1 The honesty of the concurrent use
- 2 The quantum of concurrent use of trademark shown by the petitioners having regard to the duration, area and volume of trade and to the goods concerned
- 3 The chances of confusion resulting from the similarity of the applicant's and opponent's trademarks, as a measure of the public interest or public inconvenience
- 4 Whether any instances of confusion have in fact been proved, and
- 5 The relative inconvenience that may be caused to the parties concerned.

In *Lowenbrau AG and Anr v Jagpin Breweries Ltd and Anr*³⁷, the plaintiffs Lowenbrau AG and the defendants Lowenbrau Buttenheim, both incorporated in Germany were involved in the dispute over the usage of the word 'Lowenbrau' for their beer in India. It was observed by the Court that the word 'Lowenbrau' means 'lion's drink' and had also been used by many other beer manufacturers in Germany for a substantial time, thereby making this word synonymous with beer of German origin and source. Moreover, the plaintiffs did not pursue any legal action against the defendants for a long time as both of them were involved in their business in other countries as well. It was a perfect case of the word 'Lowenbrau' having become *public juris* or a generic word, and acquiescence of the same. After taking into consideration the high volume of sales of defendants' products, the Court did not find merit in grant of injunction in favour of the plaintiffs and thus, allowed the defense of honest concurrent user in favour of defendants along with damages to the tune of Rs 20,000.

Dilution of Honest Concurrent User Defense: The Changing Paradigm

Element of Public Interest and/or Likelihood of Confusion

In *Dalip Chand Aggarwal v Escorts*³⁸, it was held that it was not necessary for the applicants' trade to be larger than that of opponents in order to obtain registration on the ground of honest concurrent use. Instead, it was held that the extent of the applicant's business and that of opponents' business interest along with public interest, are necessary factors to ascertain the registrability of the applicants' trademark. Considering that the opponents were in the field with the trademark 'Escorts' since 1951, even if for other goods, and considering that the applicants sold only a small quantity of the goods prior to the

opponents' registration of the trademark, the defense of honest concurrent user was not allowed to the applicants. Thus, the applicant was not granted registration even after having established honest concurrent and prior use.

In 1994, a new amendment was brought about in the Trade Marks Act and the preservation of the honest concurrent user defense got further diluted since it required that the proprietor of an earlier mark would have to oppose an application for registration in opposition proceedings. Soon thereafter, in the *Roadrunner* case³⁹, it was held that where the proprietor of an earlier trademark objects to registration of an identical trademark by a concurrent user, the registrar is required to reject the application. Another case in point is the *In re Majestic Distilling Co*⁴⁰, in which Majestic pleaded that they had used the trademark even prior to other companies such as the mark owners of 'Red bull' did and thus they being senior user should be allowed to manufacture 'tequila'. But the Court rejected their contention on the ground that it would cause confusion in the minds of the public.

Increasing Role of Transborder Reputation and 'Spillover Effect'

Transborder reputation had earlier been recognized through *Whirlpool* case.¹⁷ Later, in the case of *Indian Shaving Products Ltd v Gift Pack*¹³, the Court while looking at the advancement of technology and fast access to information, said that the reputation, goodwill and intrinsic worth of goods spread like wild fire to every nook and corner of the world through magazines and newspapers, television, telephone, computers, film and cinema. Moreover, India is also slated to join the World Intellectual Property Organization's (WIPO's) Madrid System for the International Registration of Marks, which would enable the owners of registered trademarks to protect their brands in member countries.⁴¹ This would make it more difficult to apply the defense of honest concurrent user because it follows that the great deal of evidence would be required to satisfy the courts with regard to the 'honesty' of the use of trademark concerned. It implies that the courts would perhaps allow a 'reasonably conscious innocent adoption' of the trademark, not an 'ignorant/careless/bad faith adoption' of the mark. Hence, the test is to ascertain the honesty of a trademark owner would be an objective one, wherein he would be deemed to have been reasonably well aware of other trademarks

(especially the well known ones) at the time of choosing his own trademark.

Role of 'Coined' Marks or Unique/Fancy Choice of Trademarks by the Proprietors

Those proprietors who choose unique trademarks are protected to a greater extent because of less likelihood for the defendant to give satisfactory reasoning behind the choice of the mark in question. For example, in *Rainforest Café Inc v Rainforest & Ors*⁴², the Court had recognized the uniqueness in the name of this American chain of restaurants characterized by an ambience of rainforests and the flora and fauna etc. and prohibited the defendants from using the same theme and name.

Similarly, in *Mc Cain International Ltd v Country Fair Foods Ltd*⁴³, it was held that while a descriptive name does not indicate the source of goods, but the nature of goods, the fancy name on the other hand, is an indication of a 'single source' and that is why it becomes very difficult for a defendant to appropriate this fancy name without committing the wrong of passing off.

It has also been found through some court decisions that the use of some numerals accords more strength to an existing trademark/tradename. For example, in the *Shaw Wallace cases*^{19,20}, the courts protected the numeral '5000' in the trademark of the plaintiffs and restrained the defendants from using the same. Similarly, in another case, involving defendants 'Khoday Breweries' and plaintiffs 'United Distillers', the plaintiffs were owners of the well known liquor brand 'VAT-69'. When the defendants adopted a confusingly and deceptively similar name 'VAT-999' for their brand, an injunction was passed against the defendants regarding the use of the same.⁴⁴

Diversification of Well Known Brands and Territorial Restrictions upon the Honest Concurrent User

Even while allowing such a defense, the courts usually mandate territorial restrictions for the defendants, e.g., in *ABT Sony case*³⁰, the 'successful' defendants were ordered to limit their operations within a specified field and place so as to avoid confusion. Similarly, in *Vranjilal Manilal & Co v Bansal Tobacco Co*⁴⁵, the defendants pleaded the honest concurrent user defense over the use of '22' as a part of their trademark for 'bidis' and other tobacco products. The assertions of the defendants were found to be true and the Court allowed their defense but at the same time, ordered them to limit their operations to three states of UP, Bihar and West Bengal.⁹

It is an ongoing trend that several well known brands are foraying into other fields of business (e.g., the well known brand ITC trying to establish itself in the field of stationery, biscuits, matchboxes, FMCG goods etc.) and this is likely to tip the balance in courts towards much stricter 'territorial limitation' upon the honest concurrent user to avoid confusion in the minds of public.

Pro-Plaintiff Attitude of the Judiciary: Last Few Decades

In the recent years, the judiciary's attitude appears to be undergoing a transition, in the sense that they are becoming increasingly 'IP savvy'. To study the trends in the judiciary, an empirical investigation taking into account all reported intellectual property cases in the law reporter, Patent and Trademarks Cases (PTC) (for the year 1976, the law reporter Intellectual Property Law Reports was reviewed as PTC was not published at that time), was carried out. This study took 1976 as the base year and the median three years of every decade since then (i.e. 1984-86; 1994-96; 2004-2006). Though not all the cases in the PTC were decided on merit; the purpose of this study was to obtain an overall idea about the courts' inclination while dealing with IPR cases.

Out of all the cases reported in 1976, 32 per cent were adjudged in favour of the plaintiff while 68 per cent were in the favour of the defendant. In 1984-86, the percentage of cases in favour of plaintiffs and defendants was 64.07 per cent and 35.93 per cent respectively. Likewise, the plaintiff: defendant ratio was 56.11 per cent: 43.89 per cent for 1994-1996 and 56 per cent: 44 per cent for the years 2004-2006 (Fig. 1). The compiled data indicates that barring the 1970s, the ruling trend has been in favour of the plaintiff/appellant/petitioner/opponent in

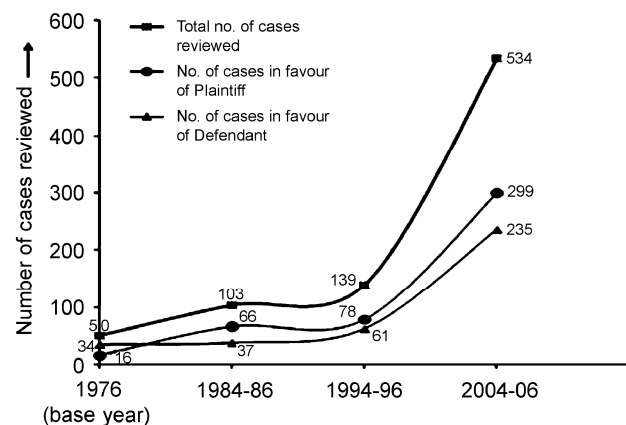


Fig. 1—Trends followed by the courts in IP cases

intellectual property cases. The trend appears to suggest that when a trademark registration is opposed by the well known trademark owner, he is more likely to win the case, even if the other party puts forth the defense of honest concurrent user.

Cases Involving Liberal Grant of Honest Concurrent User Defense

A careful perusal of recent case law would indicate that the courts seem to be lenient when it comes to adoption of a trademark/tradename regarding educational institutions. For example, in the case of *Goenka Institute of Education and Research v Anjani Kumar Goenka & Anr*⁴⁶, the High Court upheld the defense of honest concurrent user, but it went on to give directions to the parties to give additional information or disclaimers so that students or the general public are not confused into thinking that they both originate from the same source. Similarly, in the case of *Satilila Charitable Society v Skyline Educational Institute*⁴⁷, engineering institution in the name of 'Skyline' was allowed to be continued despite the existence of 'Skyline' business school of the other party. The Court held the following:

To say the least, the present litigation is to have more commerce in education and less education in commerce. Private commercial houses by advertising fancy name of foreign universities lure student in this country. All this exercise is not in realm of imparting education but knowing fully well that in India the name of a foreign university is lucrative enough to get larger chunk of money from the pockets of the parents.

The Court said that a student who would like to go to an educational institution is not a lay customer. If he/she prefers to go to a specific college, say, St Stephens College or Hindu College in Delhi, he will go to these colleges and not to others although there may be other colleges with similar names. The Court was thus of the view that students are sufficiently aware of the credentials of the educational institutions they wish to enroll with and thus there would be no likelihood of confusion among the student fraternity. However, the courts allow such leniency regarding similar names of educational institutions, mostly upon the public interest ground and the need to preserve interests of the students.

Conclusion

Today, well known trademarks enjoy special protection under the law because of their 'brand

value'. Over the years, the law has changed so much that a trademark owner can oppose a deceptively similar trademark even at the stage of latter's registration. Among the various characteristics of a well known trademark, an important one is the great amount of publicity, no matter how old the mark concerned. Trademark-smartness of the proprietors lies in the use of fancy names, numerals or anything which would make their trademarks unique and hence afford greater degree of protection to them.

With the advancement in information technology and evolving modes of communication that have become available, access to information has become easy for trademark users and the law, therefore, expects them to be 'reasonably well aware' of other trademarks before going in for registration of their marks. As a consequence, the courts are likely to be stricter while hearing the defense of honest concurrent user. As India gets ready to join the Madrid system, the umbrella of protection to the well known trademarks worldwide will further expand uniformly; and in the light of the 'pro-plaintiff' trends observed earlier, it would be more cumbersome for the honest concurrent user defense to sustain in the near future. Besides, increased awareness of IP-nitty-gritties will strengthen the process of IP-adjudication which would further dampen the honest concurrent user defense, owing to the want of a higher quality of evidence from the defendant.

Quite understandably though, but as an exception, the Indian courts allow the honest concurrent user defense in a more lenient way where, for example, the name concerned is a common name of any person/entity or when the names/marks in question pertain to educational institutions with an objective of inhibiting commercialization of education. The courts hold the view that the students are sufficiently aware to discriminate between the similar looking names of these institutions. A utilitarian approach would be to give effective directions to these institutions to 'substantially' alter/modify their names in such a way that there is no likelihood of deception thereafter.

Finally, these exceptions apart, it goes without saying that the law expects the trademark proprietors to be more careful about similar marks in existence, even beyond the national boundaries; as the ever evolving legal paradigm manifests that transborder reputation has also got a firm stronghold in the intellectual property domain of India.

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