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SIMILARITY OF TRADEMARKS AND ITS JUDICIAL TRENDS IN INDIA

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ABSTRACT:

The concept of Trademark and its similarities is dealt in detail in this article. The article briefly covers almost all the factors - definition of Trademark, uniqueness, registration, functions, similarity of trademarks and deceptive similarity in Trademarks. It also highlights the use of deceptive similar Trademarks that causes confusion in the minds of the consumer thereby damaging the reputation and financial loss to an individual/association or a company. A brief note on infringement and passing off is also dealt. The author has also discussed case laws for better understanding the concept of similarity in trademarks, infringement of trademarks, use of passing off and thus shows how the affected person can approach the court for justice and legal remedy.

I. Introduction:

A Trademark has been enshrined in the new Trademarks Act, 1999 and has come into force w.e.f., September 15, 2003. It is in accordance with the World Trade Organization and is in compliance with the Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS) to which India is a signatory. It is one of the elements of International Property Rights and is represented by symbol ® for Registered Trademark and ™ for Unregistered Trademark to promote or brand goods or services.

A trademark is defined under [Sec 2(zb)] of Trademarks Act, 1999 as “a mark that represents graphically and which is capable of distinguishing the goods or services of one person from those of the others and may include shape of goods, their packing and combination of colours”. It can just be a denomination (*Kodak Xerox*), Surnames (*Levis*), Image or Symbols (*The Lacoste Crocodile*), Emblems (*the Mercedes Benz star*) etc

. This is a sign that is affixed by the manufacturer or the trader on his product and is used in marketing. It encourages the production of quality products and helps in making purchasing decisions. There are two types of trademarks - Verbal and Figurative. Verbal Trademarks comprise of letters or of numbers (*Example SONY*). Figurative Trademarks consists of pictures, designs, animals etc.

II. Features of a Trademark:

A Trademark should be distinctive, descriptive and not deceptive. It should be in relation to the goods and services, indicate a connection in the course of trade or render services between those goods or services. Its main feature is that even an average person with imperfect recollection remembers it. A Trademark is considered to be good for the use of a particular product only when it fulfills the following features:

- 1) It should be easy to pronounce and to remember
- 2) It should be easy to spell and legibly written.
- 3) It should not be descriptive.
- 4) It should be short and preferably only one word.
- 5) It should appeal the eye and pleasing to hear.
- 6) It should belong to the class of marks which can be registered.
- 7) It must satisfy the prerequisites of registration.

III. Concept of Well- Known Trademark:

This concept has been introduced in Section 2 (zg) of the Trademarks Act, 1999 and is defined as “ 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.”

IV. Registration of Trademark:

Registration of the Trademark enables the individual, association or company as the case may be to claim ownership of the mark. According to the Trademarks Act, 1999, Section 3 to Section 8 deals with the registration and conditions for registration. A Trademark that is selected for registration should be easy to speak, spell and remember. A preliminary investigation is to be done to ensure that there is no similar existing mark. The records of such investigation are to be maintained and preserved. In future this can be used as a proof, when opposition proceedings arise, against the application made. It is not necessary that the Trademark should be used only after registration. It can be used once the application for the registration of the Trademark is made as it is time consuming. Trademark creates a good reputation of the quality of goods and services.

As markets have become very extensive and the distribution systems are becoming more complex trademarks have become an important instrument of advertising.

V. Types of Trademarks:

Trademarks can be in different forms:

- 1) Device – It is a pictorial representation. Any objects like animals, birds, landscapes, building, etc., can come under this category.
Eg . *Mc Donalds “ double Arches.”*
Apple Computers and Cell phones- “bitten apple”
- 2) Letters –This has been a very useful element for designers to venture and develop a successful mark.
Eg. *IBM , 3M*
- 3) Numerals: It can be registered as Trademark upon validation of users.
Eg. “555” brand of cigarettes.
- 4) Symbols: It takes the character of brands or logos.

A logo is a visual depiction of a manufacture or a company and gives an identity to it.
Eg. *BMW, Maruti etc.*

Brand refers to these kinds of marks which are branded on the goods or services. It is a process of applying mark on goods constituting a trademark.
Eg. *Cycle Brand Agarbati, Cycle Brand Safety matches.*

5) Label and Tickets: It is an amalgamation of marks consisting of various features like devices, words, usually painted on papers attached to the goods. It may contain apart from trademarks matter which does not have trademark value.

A ticket is set to be a label attached to goods by a string.

VI. Similarities and Deceptive Similarities:

Where any organization/association/person or company is using a registered Trademark without the permission of the proprietor of the Trademark then it is considered to be a crime and this causes damage to the business and the brand name. The said organization/association/person or company infringes the said Trademark in order to gain advantage in the market.

Section 2(h) of the Trademarks Act, 1999 defines deceptive similar Trademark as “a mark shall be deemed to be deceptively similar to another mark when it resembles that other mark likely to cause confusion”

The mark is identical enough to cause confusion in the minds of buyer and is misleading relating to that of the original Trademark. There is an element of resemblance so strong that it causes confusion and deception in the minds of the consumers. Deception arises with regard to the goods, to the origin of the trade and to the connection of the trade. The criterion for determining deceptive similarity is as follows:

- 1)The nature of the marks that may be words, labels or composite marks.
- 2)The extent of resemblance between the marks : Phonetic or Visual

Such kind of activities fall under two categories: Infringement and passing-off.

VII. Infringement:

Infringement is a way of creating a deceptively similar Trademark which already exists. This is done in order to confuse the consumers and enhances an expectation of successful trade. It damages the reputation of the original Trademark holder causing economic and financial loss to the company/association/organization or an individual. It is a violation of exclusive rights of the Trademark owner or any licensee. Offenses of infringement shall be penalized depending on the case. Imprisonment for a term of minimum six (6) months and can be extended up to three (3) years and a minimum fine of Rupees Fifty Thousand (50,000) or even more. Only owners of registered Trademark can file infringement suits for the violation of his rights where a user of an unregistered Trademark has to search for remedies in common law.

VIII. Passing off:

Passing off is not defined specifically in the Trademark Act, 1999 but its meaning is drawn from the common law tort by courts. The concept of passing off has undergone many changes since its inception depending on the cases. Formally it was restricted to the representation of one person's goods as those of another. It forbids the misrepresentation of the products and services as others. Later on, it was extended to business and services, subsequently it was extended to profession and non-trading activities. Today it is applied to unfair trading and unfair competitions that cause damage or injury to the goodwill associated with the activities of another person.

It is a common law tort which can enforce unregistered trademark rights. It protects the goodwill of the trader. It always discusses the advantage of an individual with that of the other individual. Though some aspects of the unregistered trademarks have been enacted in the Trade Marks Law 1999 but previously were governed by the common rules based on the principles evolved out of judgments of courts. The Common law only protects the reputation of a business symbolized by means of a label by an action of Passing Off. This procedure is very cumbersome and the result is not very certain and raises doubt.

The registration of a trademark is more extensive than Passing off but at the same it is the most convenient method of protection of rights against infringement.

IX. Appreciation of case laws regarding Similarity of Trademarks:

1) **Premnath Vs Registrar**¹

The Respondents filed an application for registration of the Trademark bearing a label of Goddess seated on a Lion with the words “MA DURGA BRAND” with regard to agricultural implements Chaff cutters. The Appellant opposed on the grounds that they were prior users of registered Trademark “Lion Brand” in respect of the same goods. The court held that the essential feature on the Trademark was the device of a Lion. It was the idea of a Lion that was carried in the mind of an average purchaser of ordinary intelligence. It was found that the use of same feature of Lion in the proposed mark would undoubtedly lead to confusion in the minds of the purchasers. The presence of the Goddess was not impressive as to make the Goddess an essential feature of “MA DURGA BRAND”. There was visual similarity between the two competing marks though there was no phonetic similarity in the two marks.

2) **P.L.Anwar Basha Vs M. Natarajan**²

Where the Plaintiff has been using his trademark of fish in water encircled with an oval ring with the letter PLA on either side of oval ring within a circle with the trade name “MEEN BIDI” both in Tamil and Urdu beneath it and in Telugu above it with the words “Fish Mark Beedi” and “Meen Mark Beedi” on either side of it. These were of high quality and acquired reputation in the market. He has been using this Trademark since 1959 onwards and had applied for registration in the year 1965 under the Indian Copyright Act and the application was pending. The defendant started using this trademark. The District Judge found that there was no infringement of the trademark used by the plaintiff, and that the defendant has not been passing off his goods as those of the plaintiffs. The High Court of Madras allowed the plaintiffs appeal and restrained the defendant to use his mark “Meen Mark Beedi” and held that where the two marks are held to be deceptively similar, even an intention of deception need not be proved.

The Court held that the similarity between the labels of the plaintiff, with the labels of the defendant bear an identical name “Meen Mark Beedi” used by both the plaintiff and the defendant. They are likely to cause deception or confusion in accordance with Section 2(d) of the Trade and Merchandise Marks Act, 1958 and therefore the mark used by the defendant is deceptively similar to that of the plaintiff’s Trademark.

3) **Kala Niketan, Carol Bagh, New Delhi Vs Kala Niketan (Basement), South extension market, New Delhi Capital**³

In the Present case the plaintiff carried on the business of selling sarees as “Kala Niketan” sought a degree for permanent injunction restraining the defendant from dealing in sarees as ‘Kala Niketan’ or any other identical or deceptively similar trade name. The plaintiff business was carried out under the name ‘Kala Niketan’ for more than 20 years. A considerable amount of money was spent on advertisement and the revenue of the business was in several lakhs. Since the last 20 years, the plaintiff had achieved exclusive reputation, name and goodwill in the market. The trading style ‘Kala Niketan’ was exclusively associated with him and it achieved name for the fresh stock of sarees and durable material. The defendant adopted the same trade name ‘Kala Niketan’ and started business in sarees. There was no evidence that the appearance, the packaging, writing and marks on the goods and on packets in which the defendant offered his goods for sale showed remarkable difference and indicated a different trade origin. The Delhi High Court restrained the defendants from using the plaintiff’s trade name and held that, the disputed named ‘Kala Niketan’ has become distinctive of the plaintiff’s business and the defendant’s use of trading style ‘Kala Niketan’ was likely to deceive or cause confusion and injury to the business reputation of the plaintiff.

The court held that the trade name ‘Kala Niketan’ was not descriptive of the sarees in which the parties were dealing. It did not refer to sarees or its quality and its type. The defendant was therefore not entitled to trade under the name ‘Kala Niketan’ and the plaintiff was entitled the relief of permanent injunction. The court held that the above mentioned circumstances were sufficient to associate the trade name so closely with

¹ AIR 1972 Cal 261

² AIR 1980 Mad 56

³ AIR 1983 Del 161 at p. I 66

the goods of the plaintiff as to become a part of the goodwill of the business of the plaintiff. He had thus acquired a quasi-proprietary right to the exclusive use of this trade name. The Court held that the difference of address does not distinguish the business of the defendant from that of the plaintiff. Therefore, the Court granted injunction in favour of the plaintiff.

4) **Bata India Limited Vs Pyarelal and Company, Meerut & others⁴**

The plaintiff Bata Company filed a suit for temporary injunction against the defendants restraining them, their servants, employees or agents from using the mark “Bata” form, or otherwise associating the name of “Bata” in any manner or form or advertisement, etc. and further restraining them from passing off or enabling others to pass off mattresses, sofa cushions and other articles associating them with the name of “Bata” in any manner or form. The name of “Bata” was registered under the Trademarks Act, 1940 in respect of the canvas, rubber heels and leather sole etc. It was well established that the word “Bata” was well known all over the country and was in use even prior to 1940. The word “Bata” was not associated with any Indian name, place, object or term. “Bata” was the surname of a foreigner from Central Europe who started his business in India making shoes and rubber products. The word “Bata” was associated with his name. The defendants were using the registered name of the plaintiff Company in the same form and style as that of the defendant Company and the goods of the defendants were likely to be mistaken for the goods of the plaintiff Company by the ordinary purchasers with average memory. The plaintiff alleged that the defendant was infringing their trademark and damaging the rights. The High Court of Allahabad held that merely because the plaintiff in the present case is not producing foam, it is not enough to hold that there can be no passing off action in respect of the user’s name “Bata” to the products marketed by the defendant. The use of the name or mark “Bata” by the defendants is indicative of his intention. It appears that the desire to market their foam with a view to gain some advantage in a competitive market. There is no explanation as to why the name “Bata” was being used by them. A passing off action would lie even if the defendants were not manufacturing or producing any goods similar to that of the plaintiff. A passing off action would lie where a misrepresentation is likely to be caused or a wrong impression created, if the product was of someone else in an action of passing off. Similar production by the plaintiff is not necessary.

5) **M/S Mahashian Di Hatti Ltd. vs Mr. Raj Niwas, Proprietor Of MHS, Masala⁵**

The plaintiff company deals in the business of manufacturing and selling "spices & condiments", which are being sold under a registered logo “MDH” in three hexagon devices, on red colour background. The Trademark is registered in the name of Plaintiff Company since 1991. The plaintiff also claims to be using the trademark since 1949 in respect of various spices. The defendant has been using the logo “MHS” within hexagon device with red colour background on carton which is supposed to be similar to those being used by the plaintiff’s company.

The plaintiff claims that this is being done with the purpose to pass off the goods of the defendant as to those of the plaintiff and is infringement of its registered trademark. Hence the plaintiff has sought an injunction to restrain the defendant from using the logo “MHS” or any other trademark identical or deceptively similar to the registered trademark of the plaintiff. It also sought injunction restraining the defendant from passing off its goods as those of the plaintiff seeking destruction of the infringing material and claimed damages.

The defendant claimed that there is no visual and phonetic similarity. But on comparison there were striking similarities mentioned below:

- (a) The three hexagons for writing three different letters
- (b) The colour of the written letters is white
- (c) The red background colour is used.
- (d) There is a white border on the hexagons
- (e) The shape of the letters is identical

⁴ AIR 1985 All 242 at p 25

⁵ 2011 (46) PTC 343 (Del)

Thus, visual similarity is seen in both the trademarks although there is no phonetic similarity.

Therefore, held that the defendant has infringed the registered trademark is hereby restrained from manufacturing, selling or marketing any spices or condiments using the impugned logo “MHS” or any other trademark which is identical or deceptively similar to the registered trademark “MDH” of the plaintiff. The defendant was asked to pay the plaintiff punitive damages.

6) **Pidilite Industries Pvt. Ltd. Vs Mitters Corporation and Another**⁶

Where the trademark of the plaintiff “FEVICOL” is registered under the Trade and Merchandise Act, 1958 and is being renewed regularly. The plaintiff has been marketing the adhesive in plastic and tin containers with specific designs and colors having particular shape, in white and blue colours. Both boxes have an identical pattern that is within a box, the front and back of each container contains the main features of which, is the term pidilite on the top a device of two elephants pulling apart a sphere below it, with the word synthetic resin adhesive. Both the containers of plastic and tin have a dark blue background with yellow band in the middle. The said registered trademark “FEVICOL” was written in the yellow band with red color scheme. The said trademark had been in use since 1960.

The defendant claims to have been manufacturing synthetic resin adhesive since 1985 under the trade mark “TREVICOL” with same design and colour combinations which was strikingly similar to that of the plaintiffs. The plaintiff filed for an injunction for the use of the trademark “TREVICOL” by the defendant on the plastic and tin containers which have both visual and phonetic similarity. The court also held that the two marks were visually and phonetically similar.

7) **M/S. Lakme Ltd. vs M/S. Subhash Trading And Others**⁷

The plaintiff was selling cosmetic products under the registered trademark “Lakme”. The defendant was using the trademark “Like-me” for the same class of products. It was held that there was striking resemblance between the two words are also phonetically similar. There is a very close proximity of deception and confusion in the minds of the consumers. The court granted permanent injunction in favour of the plaintiff.

8) **Sudhir Batra Trading as Merch (India) Vs Arjies Aluminum Udyog**⁸

The plaintiff Sudhir Batra trading as Merch (India) has his trademark registered as “ARCHIS” The defendant has been using the trademark “ARJIES” phonetically similar to that of the plaintiff “ARCHIS” which was under subjudice. The plaintiff sought an interim injunction against the defendant. The High Court held that words look identical and ordinary customer can easily be misled and be confused. Hence allowed the application restraining the defendant from using trademark “ARJIES”

9) **IND Swift Limited Vs Registrar**⁹

An application for the registration of trade mark STEMIZ was made with regard to medicinal preparation. The registration was opposed and was refused as there was already a registered trademark STEMIN for the medicinal product (though the sale of the medicinal product was banned). The trade marks were found to be phonetically, visually, and structurally identical and therefore was refused.

X. **Conclusion:**

There has always been a demand for genuine and branded products and services. Generally, the consumers prefer to go in for best brands, best products and best services for a good price. To keep abreast with the demands of the public for quality goods and services, a new product with a new brand name is launched in the market thus making it difficult for the consumers to select and purchase a genuine product. There are a

⁶ AIR 1989 Del 157

⁷ PTC 1996 567

⁸ 2002 (24) PTC 55 (Del)

⁹ 2005 (30) PTFC 646 (IPAB)

variety of similar products of different brands displayed and it is difficult to choose a genuine one. The customers associate the products with the brand which may be a registered trademark or an unregistered trademark. The association of branding and labeling the product and the services are of utmost importance. The uniqueness of the trademark is intended to attract the consumers and also to differentiate from that of others. It is a major asset of a company, organization or an individual. The scope of trademark protection is widened in the present Trade Mark Act, 1999 when compared to previous Trade Mark Act, 1958. A good trade mark is the best salesman of the goods.

It is important to protect the trademark from the vulnerable competitors who tend to give a wrong impression by way of visual and phonetic similarities in business field while dealing with the consumers. They confuse their minds and earn huge profits by damaging the image, reputation and the genuineness of the company or organization as the case may be. No one can use a well-known trade mark even though it is not registered but which is in use for a long time. No one can use the trade mark belonging to another organization, individual or a company. A Registered Trade Mark is the property of a company or of an individual or its associates. It is a representation of the goodwill, name, source, origin and quality of the product of a company, an individual and an association. The court has the authority and power to evaluate the validity, the genuineness of a trademark that has been infringed and for which a suit is filed by the affected party for infringement or passing off.

Thus, registration of a trademark is advised and highly recommended in order to provide legal protection and also to avail legal advantage. Finally it reduces the risk, burden to the proprietor who will have to provide evidences required for passing off. At the same time registration of a Trademark also helps to maintain his reputation in the field of business which he has earned with his /her skills and sheer hard work over the years.

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