
Shielding the unregistered marks: a judicial analysis

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Abstract

With the advent and growth of economy, trade has been consistently on the rise & such rise has been increasing at a steady pace. To recognize a product as one's own, the traders tend to associate themselves with the name by which their product is commonly known to the masses and it is this name which is regarded as Trade Mark. The Trade Mark Act, 1999 along with the Trade Mark Rules, 2017 gives an array of rights related to Trade Mark. The principal legislation along with the rules aims at providing plenty of rights to the registered trade mark holder. Going by this notion, does this mean that those who do not have a registered Trade Mark are not subjected to any right or they are disentitled from getting any right? Simply put, the answer is no, it isn't so. Those who do not possess a registered trade mark can also stop the other person from using the identical or similar trade mark by invoking the Doctrine of Passing Off. This doctrine is based on the principle that no one has right to represent one's goods as the goods of other. To get the remedy of passing off the plaintiff has to proof that he is the owner of the mark, and the same has gained reputation and goodwill in the market and that the misrepresentation which has been done by the defendant due has caused the plaintiff to have suffered irreparable losses and damages. This article delves into the concept of passing off, the main elements that constitutes passing off, the evolution of law of passing and the role of

judiciary to uphold the concept of passing off in the Indian Judicial system. Though, the person who has not registered the trade mark gets the rights but these rights are per se limited. In order to prove that an action of passing off holds ground, one has to show that reputation and goodwill are attached to the trademark that is in question. For an action of Passing off there as such is no criteria or definition that is expressly provided in any of the statutes. So it becomes a cumbersome job for the plaintiff to proof the same and even judiciary takes different approaches in different cases with regard to a passing off action.

Keywords: *Passing Off, Infringement, Goodwill, Reputation, Misrepresentation*

Introduction

The common law tort of passing off, is an indispensable remedy which affords protection to the unregistered trademarks which developed in England historically, to protect the goodwill of the traders. The Doctrine of Passing Off is often invoked to prevent the opposite party to use such identical or similar mark that isn't registered. According to Lord Halsbury, it is based on the principle that “no one has right to represent one's goods as the goods of other”¹. To invoke the remedy of passing off, the complainant must proof that he's the owner of the mark, and the mark in question has acquired goodwill in the market. Further, it is also necessary to prove that the

¹Reddy v. Banham (1896) A.C. 199 p.204.

falsification has been done by the defendant and as a result of which the complainant has suffered irreparable loss and damages².

Thus, one can regard an action of passing-off as the species of unfair trade practice by virtue of which a person, by means of deception makes an attempt to obtain an unfair economic advantage of the name that the opposite party has established for him in an exceedingly explicit trade or business³.

Passing off is often done by exploitation of the brand, trade to induce the potential purchasers to believe that his merchandise or business were same as those of complainant. The wrong lies within the falsity done by the suspect against the complainant. The falsity aims at deceiving the potential consumers of the products or services⁴. This may be done through confusing or deceitful use of the trade names, marks or alternative indications employed by the complainant in respect of such merchandise or services⁵.

Further, the principle enshrined in an action of passing off is that “*trading should not solely be honest however it should not even accidentally be dishonest.*”⁶Hence, it is often said that an action of passing off aims to guard business, goodwill and to confirm that the purchasers isn’t exploited due to any kind of dishonest commercialism.

²Kailasam KC, *Venkateswaran on Trade Marks & Passing Off*(Lexis Nexis, Gurgaon) 2015, p.1188-89.

³*Cadila Healthcare Ltd v. Cadila Pharmaceuticals Ltd* (2001) 5 SCC 73.

⁴Narayanan P, *Law of Trademarks & Passing Off* (Eastern Law House, Kolkata) 2017, p.685-686.

⁵History of Passing Off,http://shodhganga.inflibnet.ac.in/bitstream/10603/132510/10/10_chapter%202.pdf(08November 2018).

⁶ Ryder Rodney D,*Brands, Trademark & Advertising* (Lexis NexisButterworths India, New Delhi) 2003,p. 315.

An action of passing off is a Statutory Right⁷.The Apex Court⁸ of our country has time & again laid down that in no uncertain terms a passing off action to enforce the plaintiff’s right is independent of a statutory right to trade mark and it is against the conduct of the defendant which leads to or is intended or calculated to lead to ‘deception’. In the case of *Wander Ltd*⁹ it was held that passing off could be regarded as a species of unfair trade competition by virtue of which one person through deception makes an attempt to get economic advantage of the name that another has established for him in an exceedingly explicit trade or business through consistent effort. Thus, a passing off action is thought to be an action for deceit.

Passing off, however doesn't shield the interest of the owner of the trademark however it does protect the interest of the buyers.In the case of *Seiko Time Canada Ltd*¹⁰, the Apex Court has held that the “the simple wrong of selling one's goods deceitfully as those of another is not now the core of the action. It is the protection of the community from the consequential damage of unfair competition and unfair trading.”

Passing off in India

In India, passing off is crucial – firstly, since the registration of trade marks in India is a time-consuming process. Further, an application to

⁷ Difference between Infringement & Passing Off of Trademark in India, <http://www.ssrana.in/Intellectual%20Property/Infringement/Difference-between-Infringement-and-Passing-Off-in-India.aspx>(08 November 2018).

⁸*Cadila Healthcare Ltd v. Cadila Pharmaceuticals Ltd* (2001) 5 SCC 73.

⁹*Wander Ltd. v. Antox India (P) Ltd.* 1990 (Suppl.) SCC 727.

¹⁰*Consumer Distributing Co. v. Seiko Time Canada Ltd.*(1984) 1 S.C.R. 583 .

register a trade mark can often take several years, due to the Indian Trade Marks Registry's slow pace of functioning. This has often resulted that the Indian courts have been bound to hear a number of passing off cases where trade mark infringement could not be alleged only because the mark in question was pending registration and at times such pendency was for quite a long period of time. In this regard, it is pertinent to note the recent case of *ITC vs. Godfrey Phillips*¹¹, where it was observed by the Calcutta High Court that the suit filed by the plaintiff 'emanates from two separate trademark applications, one registered and other pending registration', and that the plaintiff was suing for 'passing off' of its unregistered label mark since such mark was pending registration for a considerably long period of time and that the plaintiff was left with no other option than to go for an action of passing off .

Historic glimpse of the doctrine of passing off in India

Passing off actions existed in India much before the enactment of the current Trade Marks Act, 1940. To institute a suit of passing off, one was to firstly establish a title on the trade mark. Secondly, one would have to show that the mark obtained a name and goodwill in the market. Thirdly, it was to be shown absolutely that the suspect had used a mark just like the mark belonging to the complainant and has thus passed his merchandise or sought to pass off his merchandise as those of the plaintiff¹².

The modern law pertaining to passing off and its development as part of common law may be

understood as follows. It originated as an action in tort, to redress the wrongful conduct of a defendant in passing off his goods as the goods of the plaintiff, by using the trade name or trade mark of the plaintiff, in order to induce potential buyers into believing that his goods or business were those of the plaintiff. The tort was in the misrepresentation by the defendant to the potential buyers of his goods that the goods were of the plaintiff¹³.

The Trade Marks Act, 1958 and Trade Marks Act, 1999 provide for passing off actions. "*Section 27 of the Trade Marks Act, 1999 states about no action for infringement of an unregistered trade mark. -*

- 1. No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark.*
- 2. Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof."*

Clause (2) of Section 27 "preserves the rights and remedies of the prior user. It states as even if the application for the registration of trade mark has been filed by the subsequent user and the same got the registration, even then the prior user can file for passing off action under Section 27(2)."

¹¹*ITC vs. Godfrey Phillips* AIR 2014 Cal. 19.

¹²Narayanan P, *Law of Trademarks & Passing Off* (Eastern Law House, Kolkata) 2017, p.689.

¹³Kailasam KC, *Venkateswaran on Trade Marks & Passing Off*(Lexis Nexis, Gurgaon) 2015, p.1190.

In the noted case of *Rupa & Co. Ltd vs. Dawn Mills Co. Ltd.*¹⁴, the defendant was in the business of manufacturing underwear under the name “Dawn”, which was found to be quite similar to the plaintiff’s manufactured underwear, “Don”, which in turn created immense confusion in the minds of the people due to the layout and colour combination since they were too similar to the plaintiff’s product and hence an order of injunction was granted.

This concept was further elaborated upon in the case of *Honda Motors Co. Ltd vs. Charanjit Singh & Others*¹⁵, wherein the plaintiff had been using the trademark “HONDA” for automobiles and power equipment. The defendants began to use the mark “HONDA” for their pressure cookers. The plaintiff brought an action of passing off against the defendants. It was held by the Court that “*the use of the mark “Honda” by the defendants couldn’t be said to be honest, and that its usage by the defendant was likely to cause confusion in the minds of the public and the injunction was granted for the same*”.

In *Koninkhijke Phillips Electronics vs. Kanta Arora*¹⁶, Justice Thakur had laid down the following propositions: “*Section 27(2) makes it abundantly clear that registration of a mark in the trade mark Registry is irrelevant in an action of passing off and the mere presence of the mark in the Register does not prove its user by the person in whose name the same has been registered.*”

Passing off action: Ingredients

¹⁴*Rupa & Co. Ltd. v. Dawn Mills Co. Ltd* AIR 1998 Guj. 247.

¹⁵*Honda Motors Co. Ltd v. Charanjit Singh & Others* 2003 (26) PTC 1.

¹⁶*Koninkhijke Phillips Electronics v. Kanta Arora* 2005 (30) PTC 589.

The law of passing off arises once there's falsity, goodwill is injured within the course of trade, that causes injury to the trade or goodwill of the owner by whom the action is brought. The characteristics of passing off are mentioned and explained in a variety of cases.

In the case of *Erven Warnik B.V. vs. Townend*¹⁷, Diplock, J. laid down five main characteristics for which an action of passing off can be invoked.

They are as follows-

- “1. *Misrepresentation;*
2. *Created by someone in course of trade;*
3. *To prospective shoppers of his or final shoppers of products or services equipped by him;*
4. *That was calculated to injure business or goodwill of another trade (in the sense that this can be moderately predictable consequence); and*
5. *That caused actual injury to a business or goodwill of the person by whom the action was brought.*”

Further, there are three main elements of passing off that are conjointly referred to as the “*classical trinity*”¹⁸. Further, in the case of *Harrods vs. Harrodian School*¹⁹ the classical trinity test

¹⁷*Erven Warnik B.V. v. Townend* [1979] AC 731.

¹⁸Lord Oliver continued that “*The tort of passing off may be expressed in terms of the elements that a claimant (then called a “plaintiff”) has to prove. There are three such elements known as “the classic trinity”: They are-*

- a) *The claimant’s goods or services must have acquired a goodwill or reputation in the market by reference to a name, logo, get-up or some other distinguishing feature.*
- b) *There is a misrepresentation by the defendant (whether or not intentional) in that he adopts a trade name, logo or other indicia that is the same or similar to the claimant’s that leads or is likely to lead the public to believe that goods or services offered by the defendant are goods or services of the claimant.*
- c) *The claimant loses sales or suffers other damage such as the erosion of his or her goodwill.*
- d) *In practice, damage is presumed to have been caused if the first two probanda can be established.*”

¹⁹*Harrods v. Harrodian School* (1996) RPC 698 .

involves the elements namely “*reputation, deception & damage*”.

Once a falsity is established it's affordable to infer that the purchasers of the products bought them on it falsity unless there's proof to the contrary.

In Reckitt & Colman's case²⁰ which is commonly referred to as the “*Jif Lemon Case*” it was held that wherever it absolutely was declared by the House of Lords that in line with the law relating to passing off that “*No man may pass off his merchandise as those of another. It may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. Firstly, goodwill must be established or the name connected to merchandise or services that he provides within the mind of buying public by association with the characteristic “get up” under which his particular goods or services are offered to the public as distinctive specifically of the plaintiff goods and services. Secondly, he must demonstrate a misrepresentation by the defendant to the public leading or likely to lead the public into believing that goods or services offered by him are goods and services of the plaintiff. Thirdly, he must demonstrate that he suffers or likely to suffer damage by reason of erroneous belief engendered by the defendant's misrepresentation that the source of defendant's goods or services is the same as the source of those offered by the plaintiff. There are two necessary elements, first a misrepresentation expressed or implied but not necessary fraudulent and second a consequent likelihood of damage to the plaintiff's goodwill.*”

²⁰Reckitt & Colman Ltd v Borden Inc [1990] 1 All E.R. 873.

In Baker Huges Ltd. vs. Hiroo Khushalani²¹ the Delhi High Court had held that the plaintiff in an action of passing off must be able to establish the following elements:

- “*1. The plaintiff has acquired a reputation or goodwill in his goods, name or mark;*
- 2. A misrepresentation, whether intentional or unintentional, which proceeds from the defendant by the use of the name of mark of the plaintiff or by any other method or means and which leads or is likely to lead the purchaser into believing that the goods or services offered by the defendant are the goods and services of the plaintiff; or that the goods and services offered by the defendant are the result of the association of the plaintiff;*
- 3. The plaintiff has suffered or likely to suffer damage due to the belief endangered by the defendant's representation.”*

These three elements of passing off namely the reputation of goods, possibility of deception and likelihood of damage have been upheld by the Apex Court in the case of Laxmikant V. Patel vs. Chetanbhat Shah.²²

Jurisdiction of courts in an action of passing off

Section 134(2) of the Trade Marks Act, 1999 states that “*for the purpose of clauses (a) and (b) of sub-section (1), a District Court having jurisdiction*” shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 or any other law for the time being in force, include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than

²¹Baker Huges Ltd. v. Hiroo Khushalani(2000) 102 Comp Cas 203 (Del).

²²Laxmikant V. Patel v. Chetanbhat Shah AIR 2002 SC 275.

one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.” It means that a suit for passing off can be filed where the proprietor(s) or the owner(s) lives or carries the business.

International perspective to passing off

It is a well settled position that an Indian based plaintiff who can establish his wide consumer base in India can easily prove goodwill in the event of passing off cases. However, the question arises about the position of a foreign based organisation, for instance UK based Fortnum & Mason or US based food chain White Castle, which has neither any operation in India nor has applied to register their trade names in India.²³ Will the laws of India prevent a local trader from opening a store named Fortnum & Mason or a local fast food stall being named White Castle?²⁴ Can those foreign organisations argue that its reputation or good will is being *Stopped over* or damaged?²⁵ In the Indian setting, the foreign entities are most likely to succeed in such a suit. The subsequent sections will elaborate upon the India’s liberal understanding of goodwill.

The Indian Approach to Goodwill

²³ A search of the website of the Indian Trade Marks Registry <<http://ipindiaonline.gov.in/tmrpublicsearch/firmmain.aspx>> conducted on 7 June 2014 in “*Nice Classes 35 (for Fortnum & Mason) and 43 (for White Castle) confirms this. However, a person with no ostensible links to White Castle applied to register the White Castle logo in October 2013 (Application No 2614755). The mark is currently pending registration. Email queries by the author to White Castle’s trade mark counsel, seeking confirmation on whether the applicant is a squatter, have not been answered.*”

²⁴ A list of references to White Castle in popular culture can be found at <<http://www.whitecastle.com/cravers/pop-culture>>(08 November, 2018).

²⁵ This expression has been used in, *inter alia*, *Esanda v Esanda* [1984] 2 NZLR 748 (High Court of New Zealand) 752; (1984) FSR 96, 101.

Goodwill of a business not only depends on the locality but also other circumstances.²⁶ The concept of goodwill shouldn’t just be lifted bodily and applied to passing off cases.²⁷ “Goodwill” and “reputation” were widely used interchangeably by the Judges and the main focus was nevertheless the determination of reputation. India’s attitude towards this was extremely liberal to that extent that even evidences like advertisements were sufficient for passing off suits.²⁸

In *Kamal Trading vs. Gillette*,²⁹ Gillette sued a local trader for the use of the mark ‘7 O’clock’ on the trader’s toothbrushes which Gillette used on razor blades. Albeit the defendant argued that the goodwill of Gillette had no existence in India at all, the court disregarded the argument and held that ‘the goodwill or reputation of a product is independent of its availability in a particular country. However, even if certain goods weren’t freely available in India, they could still acquire a ‘wide reputation’ through the use of advertisements in newspapers and magazines, which per se is protectable.³⁰ Using the same principle, the defendants were restrained from using the mark ‘APPLE’ despite its negligible presence in India.³¹ This view is indeed in contrary to the view adopted by the English Judges however appropriate keeping into

²⁶ Per Hidayatullah J, *Cambatta v. Commissioner of Excess Profits Tax*, 1961 SCR (2) 805.

²⁷ *Apple Computer Inc v. Apple Leasing Industries* (hereinafter APPLE case), (1992) 1 Arb LR 93 (Delhi High Court) [119].

²⁸ *Apple Computer Inc v. Apple Leasing Industries* (hereinafter APPLE case), (1992) 1 Arb LR 93 (Delhi High Court) [119].

²⁹ *Kamal Trading v. Gillette* (1988) 8 PTC 1 (Bom HC).

³⁰ *ITC v Godfrey Phillips* AIR 2014 Cal 19.

³¹ *Ryder Rodney D, Brands, Trademark & Advertising* (Lexis Nexis Butterworths India, New Delhi) 2003, p. 315.

consideration the exchange of information, and the movement of newspapers, magazines, videos, motion pictures and movement of people across boundaries.³²

In the famous case of *William Grant vs. Mc Dowell*,³³ the same principle was re-iterated by the Court while holding that Glenfiddich whisky had caused a spill-over reputation in India due to advertisements in the in-flight magazine of Air India as well as in various foreign magazines available in India. The reputation was extended to the shape of the bottle and the defendant were barred from selling bottles which are shaped in a similar manner. The same principles were subsequently upheld in various cases like *Calvin Klein vs. International Apparel*³⁴, *NR Dongre vs. Whirlpool* (hereinafter referred to as “Whirlpool case”),³⁵ *Dunhill vs. Makkar*,³⁶ *Jolen vs. Doctor*,³⁷ *Las Vegas Sands vs. Bhasin*,³⁸. Interestingly, the court distinguished between the concepts of “reputation attached to a trade mark in India” from “the use of a trade mark in India”, stating that advertisements by ‘a foreign trader in respect of a product need not be associated with the actual use of the product in order to establish reputation.³⁹ The Whirlpool case has been the landmark case in the India in Jurisprudence in

regards with the concept of goodwill. In fact, its ratio was further extended to include spill-over reputation through the internet⁴⁰ and even through other social media sources.⁴¹

Notwithstanding, even though the courts have progressively interpreted the provisions regarding goodwill, they accept spill-over reputation claims only if there are adequate evidence for the same. There have been situations where the cases have been dismissed on the grounds that the magazines were not read by Indian public⁴² or that there were no evidences that there has been spill-over reputation prior to the filing of the suit.⁴³ Post the joining of India in Madrid System for International Registration of Marks in April, 2013, there has been greater digitisation in the aspect of trade mark applications.⁴⁴ This has reduced the time taken to obtain trademark in India to a great extent.

Observation of Change on a Case to Case Basis

It is pertinent to note that the Indian Courts have restrained spill-over reputation in cases of dissimilar goods and services too. This level of progressive stance taken by Indian courts could be understood by the following reasons:

- (a) to promote fair play and honesty in commerce and to protect the creators of brands;

³²Ryder Rodney D, *Brands, Trademark & Advertising* (Lexis Nexis Butterworths India, New Delhi) 2003, p. 315.

³³*William Grant v. Mc Dowell* [199(4) FSR 690 (Delhi High Court).

³⁴*Calvin Klein v. International Apparel* (1996) 16 PTC 293 (Calcutta High Court).

³⁵*NR Dongre v. Whirlpool* AIR 1995 Del 300 (Delhi High Court).

³⁶*Dunhill v. Makkar*, (1999) 19 PTC 294 (Delhi High Court).

³⁷*Jolen v. Doctor* (2002) 25 PTC 29 (Delhi High Court).

³⁸*Las Vegas Sands v. Bhasin* (2012) 51 PTC 260 (Delhi High Court).

³⁹*Las Vegas Sands vs. Bhasin* (2012) 51 PTC 260 (Delhi High Court).

⁴⁰*EasyJet v. EasyJet*, (2013) 55 PTC 485 (Delhi High Court).

⁴¹*Cadbury UK Limited & Anr. v. Lotte India Corporation Ltd*, (2014) 57 PTC 422 Del.

⁴²*Roca v. Gupta*, (2010) Indlaw DEL 898 (Delhi High Court) (hereinafter referred to as “Roca case”).

⁴³*Chorion v. Ishan* (2010) 43 PTC 616 (Delhi High Court) (hereinafter referred to as ‘Noddy case’).

⁴⁴Leung Peter, ‘India’s Trade Mark Office Goes Digital’ (Managing Intellectual Property, 27 March 2014) <http://www.managingip.com/Article/3324659/Indias-trade-mark-office-goes-digital.html> (18 November 2018).

(b) to prevent the consumers from being deceived;

(c) rejection of the strict English approach by other countries in the international arena.⁴⁵

The Courts have emphasised upon the importance of honesty and the impacts of dishonest cum fraudulent acts in the Gillette and the Apple cases. It was held in Apple case that:

*“It would not be right for courts to permit the persons who have spent considerable time, effort, money and energy in building up a name sufficient to have an impact to lose control over such an impact by improper use of the very same or colourably similar name by another in an unauthorized manner or even dishonestly”.*⁴⁶

Yet again the principles of commercial honesty were upheld in the famous Benz case⁴⁷ wherein it was held that law could not ‘protect a person who deliberately sets out to take the benefit of somebody else’s reputation .Especially so when the reputation extends worldwide. The interest of the consumer has always been the concern for the Courts in India which was expressly enunciated by the Delhi High Court in *Mathys vs. Sunthes*.⁴⁸

In fact, the court reasoned out that the rejection of English approach was necessary to protect the interest of the consumers.

In the Apple case, the Court referred to cases of several other countries *C&A Modesv vs. C&A*

(Waterford)(Irish Case),⁴⁹Fletcher vs. Fletcher (Australian case),⁵⁰Esanda vs. Esanda (New Zealand case),⁵¹&Orkinvs Pestco(Canadian case)⁵² and held that India needs to match up with the said countries in order to prevent the public from getting deceived.

The realistic groups however criticize and fear the influence of a Judge’s personal socio-economic background in deciding in the passing over cases as there are no statutory provisions regarding the issue. One of the best ways to overcome this fear could be to borrow certain provisions from Section 11 of the Trade Marks Act 1999, which lays down the rules that guide the determination if a trade mark is regarded as a well-known trade mark’ for registration⁵³and the conditions that

⁴⁹*C&A Modesv v. C&A (Waterford)*[1978] FSR 126 (Supreme Court of Ireland).

⁵⁰*Fletcher v. Fletcher* [1982] FSR 1 (Supreme Court of New South Wales).

⁵¹*Esanda v. Esanda* [1984] FSR 96 (High Court of New Zealand).

⁵²*Orkinvs Pestco*(1985) 50 OR (2d) 726 (Ontario Court of Appeal).

⁵³“Trade Marks Act 1999 (India), ss 11(6). “*The criterias are:*

- 1. The knowledge or recognition of that trade mark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trade mark.*
 - 2. The duration, extent and geographical area of any use of that trade mark.*
 - 3. The duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trade mark applies.*
 - 4. The duration and geographical area of any registration of or any application for registration of that trade mark under this Act to the extent they reflect the use or recognition of the trade mark.*
 - 5. The record of successful enforcement of, the rights in that trade mark, in particular, the extent to which the trade mark has been recognised as a well-known trade mark by any court or Registrar under that record.”*
- Section 11 (7) states that “while determining as to whether a trade mark is known or recognised in a relevant section of the public’ under s 11(6), the following shall be taken into account:*
- (i) the number of actual or potential consumers of the goods or services.*

⁴⁵Ryder Rodney D,*Brands, Trademark & Advertising* (Lexis NexisButterworths India, New Delhi) 2003,p. 318.

⁴⁶Ryder Rodney D,*Brands, Trademark & Advertising* (Lexis NexisButterworths India, New Delhi) 2003,p. 315.

⁴⁷*Daimler-Benz v. Hybo Hindustan* AIR 1994 Del. 239.

⁴⁸*Mathys v. Sunthes*(1997) 17 PTC (Delhi High Court).

should not be considered for making such a determination.⁵⁴ Surprisingly, these provisions are similar to the recommendations made on Paris Convention.⁵⁵

There are chances of an undeserving plaintiff easily convincing a judge to hold in favour of him in a spill over reputation case. However, the plaintiff ought to further prove the likelihood of misrepresentation i.e. 'a real risk that a substantial number of persons among the relevant section of the public would in fact believe that there was a business connection between' the plaintiff and the defendant.⁵⁶ The Supreme Court⁵⁷ finally decided the factors that should be taken into account before giving a judgement in a spill-over reputation case, which are as follows:

- “(a) The nature of the marks;
- (b) The degree of resemblance between the marks;
- (c) The nature of the goods in respect of which they are used;

(ii) the number of persons involved in the channels of distribution of the goods or services.
(iii) the business circles dealing with the goods or services to which that trade.”

⁵⁴Trade Marks Act 1999 (India), ss 11(9). These conditions are:

- “(i) that the trade mark has been used in India.*
- (ii) that the trade mark has been registered.*
- (iii) that the application for registration of the trade mark has been filed in India.*
- (iv) that the trade mark—*
 - (a) is well-known in, or*
 - (b) has been registered in, or*
 - (c) in respect of which an application for registration has been filed in any jurisdiction other than India.*
 - (v) that the trade mark is well-known to the public at large in India.”*

⁵⁵Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, Article 2, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organisation, 20 to 29 September, 1999.

⁵⁶*Lego v. Lemelstrich* (1983) FSR 155 (Ch) 187–8.

⁵⁷*Cadila Health Care Ltd. v. Cadila Pharmaceuticals Limited* (2001) 5 SCC 73.

(d) The similarity in the nature, character and performance of the goods;

(e) The class of purchasers who are likely to buy the goods, their education and intelligence;

(f) The mode of purchasing the goods; and

(g) Any other surrounding circumstances which may be relevant.”

The Apex Court further held that the weight-age that needs to be given to each factor and that such factors may vary on a case to case basis.⁵⁸

It can be inferred from the above sections that Indian courts can be easily played with and the foreign traders could 'legally harass'. To sum up, it can be said that there should be a requirement to produce a strong evidence of spill-over reputation along with the rigorous need of requiring the plaintiff to prove deception and the likelihood to cause damage.

Conclusion

To conclude it can be said that the Indian courts have consistently been recognising spill-over reputation issues, even in the absence of any goodwill, as a sufficient ground to fulfil the first requirement of the classical trinity test as to the requirements in case of a passing off action. The Courts have been mindful as to the judicial trends which has been prevailing in other Commonwealth countries and of all modern advancements through which the reputation of a mark can go beyond the territorial borders. Thus, the tort of passing off in India continues to remain highly relevant even in the 21st century and can be regarded as one of the most sought after remedy which has stood the test of time and has proved to

⁵⁸*Khoday Distilleries Ltd. v. Scotch Whisky Association*, AIR 2008 SC 2737.

be an indispensable remedy consistently over the ages.

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