

INFRINGEMENT OF TRADEMARK AND ITS REMEDIES: CONTEMPORARY ISSUES RELATING TO IT

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Abstract

Infringement of a Trade mark occurs if a person other than the registered proprietor or registered user uses the same mark or a deceptively similar mark, in relation to the same goods or services for which the mark is registered by the real trade mark owner. The aim of this Article is to discuss the infringement of trademark and its remedies properly. We all know that trademark is a kind of property. We must give proper importance on the fact that trademark has a great financial value in the contemporary world of globalization so the infringement of trademark must be prevented and the trademarks of the real trademark owners must be protected properly.

Introduction

Trademark infringement is the **unauthorized use** of a trademark or service mark **on or in connection with goods and/or services** in a **manner that is likely to cause confusion, deception, or mistake** about the source of the goods and/or services¹. Trademark infringement is a violation of the exclusive rights attached to a trademark without the authorization of the trademark owner or any licensees (provided that such authorization was within the scope of the license). Infringement may occur when one party, the "infringer", uses a trademark which is identical or confusingly similar to a trademark owned by another party,

¹ <https://www.uspto.gov/page/about-trademark-infringement>

in relation to products or services which are identical or similar to the products or services which the registration covers. An owner of a trademark may commence civil legal proceedings against a party which infringes its registered trademark². When infringement occurs, a trademark owner (the plaintiff) may file a lawsuit against the infringing user of the same or similar mark (the defendant) to prevent further use of the mark and collect money damages for the wrongful use. The success of an infringement normally turns on whether the defendant's use causes a likelihood of confusion and so weakens the value of the plaintiff's mark³.

General principles applicable to infringement cases: - 1) The comparison involves a global assessment of the likelihood of confusion as to origin of the goods or services concerned. This involves an assessment of the distinctiveness of the mark, and involves the assessment of many factors familiar in passing off cases. 2) The person to be considered in considering the likelihood of confusion is the customers, who are rational but does not display excess carefulness or neither excess carelessness. They have an imperfect memory, and therefore, may not thoroughly distinguish between deceptively similar goods. 3) The mark is to be considered as a whole. All relevant similarities must be assessed having regard to the fact that some aspects of the mark and sign will be more distinctive and dominant than others. 4) The essential features should have been copied by the defendant⁴.

Essential of Infringement:-

- The taking of any essential feature of the mark or taking the whole of the mark and then making a few additions and alteration would constitute infringement.
- The infringement mark must be used in the course of trade, i.e in a regular trade wherein the proprietor of the mark is engaged.
- The use of the infringement mark must be printed or usual any oral use of the trade mark is not infringement.
- Any or all of the above act would constitute infringement if the same is done in such manner as to sender the used to the mark likely to be taken as being used as a trade mark.

² https://en.wikipedia.org/wiki/Trademark_infringement

³ <http://www.nolo.com/legal-encyclopedia/is-it-trademark-infringement>

⁴ <https://www.hg.org/article.asp?id=37451>

Forms of Infringement: -

- A registered trade mark is infringed if used in the course of trade by the person other than the registered proprietor or permitted user of trade mark. The infringement occurs because such mark used by the one other the registered proprietor or permitted user is likely to cause confusion in the mind of public or is likely to cause impression of association with the registered trade mark and such confusion is caused because of the identity of such mark with the registered trade mark with the registered trade mark as also the similarity of goods of services covered by such registered trade mark. Such confusion can also occur because of the similarity of such mark to the registered trade mark and the identity or similarity of goods or services covered by such registered trade mark. the confusion would also be caused because a such mark's identity with the registered trade mark as well the identity of goods or services covered by such registered trademarks.
- In case where the infringing mark is identical with the registered trade mark and the goods or services are also identical with the goods or services covered by the registered trade mark the court shall presume that such mark is likely to cause confusion of the part of the public.
- Infringement of a registered trade mark would also occur if the person who is not registered proprietor or a permitted user of registered trade mark uses in the course of trade, a mark which an identical or similar to the registered trade mark.
- Infringement also would occur if such a person uses a mark which is used in relation to goods and services which are not similar to those for which the trade mark is registered.
- Infringement would also occur if the registered trade mark has acquired a reputation in India and the uses of such mark or a mark identical or similar to it without due cause takes unfair advantage of or is detrimental to the distinctive chartered or repute of the registered trade mark.
- A registered trade mark is also infringed by a person if he uses such Registered trade mark as his trade mark or part of his trade name, or name of his business concern or part of such name dealing is goods or services is respect of which the trade mark is registered.
- For the infringement described above a person will be considered as using a registered trade mark if he in particular affixes it to goods or packaging thereof or offers or exposes

goods for sale, puts them on the market or stock them for such purpose under the registered trade mark on offers or for such purpose under the registered trade mark or offers supplies services under the registered trade mark.

- Such person would also be treated as using the registered trade mark if he import or export goods under such mark or uses such registered trade mark or uses such registered trade mark on his business paper or in advertisement.
- A registered trade mark is also infringed by a person who applies such trade mark to a material intended to be used for labeling or packaging goods, as a business paper or it is used for advertising goods or services provided that when he applied the mark in such manner, new or head reason to believe that such application of the mark was not duly authorized by the proprietor or a licensee of the registered trade mark.
- A registered trade mark is also infringed by any advertising of that trade mark if such advertising takes unfair advantage of it. Also if it is detrimental to the distinctive character of the registered trademarks also if it is against the reputation of the registered trade mark.

Kinds of remedies:-

Whenever, a registered trade mark is infringed, in order to protect that trade mark, the following remedies can be resorted to⁵:-

- I. Civil Remedies;
- II. Criminal Remedies;
- III. Administrative Remedies;

For the purpose of infringement of an unregistered trade mark, the Common Law remedy of passing-off action can be invoked.

- I. Civil Remedies :-

Whenever a registered trade mark is violated or infringed, the aggrieved person can make use of the remedies available in a civil court. The most common remedy for infringement of a registered trade mark is to file a suit in a civil court, to restrain the defendants from using the registered trade mark of that of the plaintiffs.

⁵ Dr. Reddy G.B., Intellectual Property Rights and the Law, 2017, Gogia Law Agency, p. 313.

Quia Timet Action :-

When, a registered proprietor or registered user of a trademark apprehends that the defendant who has taken certain steps in the direction of using a similar trademark and is likely to use a mark deceptively similar to his mark, he can obtain or he is able to obtain preventive relief against the defendant based on such apprehension. This remedy is known as Quia Timet action. The Delhi High Court has recently explained the rationale for grant of such action in *Mars Incorporated vs. Kumar Krishna Mukherjee*.⁶

Quia Timet is actually a Latin word which means “because he fears or apprehends”. In legal terminology it has been defined in *Osborne’s Concise Law Dictionary*⁷ as an action by which a person may obtain an injunction to prevent or restrain some threatened act being done which, if done, would cause him substantial damage, and for which money would be no adequate or sufficient remedy.

Reliefs that can be sought:-

In an infringement action, the plaintiff may seek any of the following reliefs-

- (i) an injunction restraining further use of the infringing mark ;
- (ii) damages on account of profits;
- (iii) an order for delivery-up of infringing labels and marks for destruction or erasure.

However, it may be noted and it can be said that the aforementioned reliefs are only illustrative and not exhaustive in nature;

The injunction that may be sought includes the-

- a) Anton Piller Order ;
- b) Mareva Injunction ;
- c) Interlocutory Injunction ; and
- d) Perpetual Injunction.

Anton Piller Order:-

⁶ 2003 (2) RAJ 321 (Del.).

⁷ London : Sweet and Maxwell, 8th edn. 1993, Bone and Rutherford.

It is an ex-parte order to inspect the defendant's premise without notice, where there is a possibility of the defendant destroying or disposing of the incriminating material. Such an order is for inspection of the premises of the defendant.

Mareva Injunction:-

In an order for Mareva Injunction, the court has power to freeze defendant's assets, where there exists a probability that the assets being dissipated or cancelled so as to make a judgment against him worthless and un-enforceable. This remedy appears to be similar to the interlocutory order to attach property before judgment under the Code of Civil Procedure, 1908.⁸

As regards the temporary injunctions, the procedure is well mentioned under the Code of Civil Procedure, 1908 and also the Specific Relief Act, 1963.

II. Criminal Remedies:-

The Trade Marks Act, 1999 provides for a comprehensive scheme whereby those persons who are doing unauthorized deal with the trade marks can be punished for various offences.

In case of infringement / passing off trademark, a criminal complaint can also be filed. It may be noted that the Infringement of a trademark is a cognizable offence and criminal proceedings can be initiated against the infringers.

Criminal prosecution against infringers of Registered Trademark is also provided under Section 103 and 104 of Trademarks Act, 1999 and Criminal Prosecution against violation of *Unregistered Trademark* is also available under various provisions of the Indian Penal Code, 1860.

In case of a criminal action for infringement of registered trademark [Section 103 of the Trademarks Act, 1999], the offence is punishable with imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than INR 50,000 but which may extend to INR 200,000.⁹

⁸ Order 38 of the Code.

⁹ <https://www.linkedin.com/pulse/remedies-pertaining-trademark-infringement-andor-passing-mishra>

Any person who uses a particular trademark without permission of the proprietor and makes that trademark deceptively similar shall be deemed to falsify a trade mark under section 102 of Trade Mark Act, 1999. Penalty for the same is given under Section 103 of the same act.¹⁰

According to section 104 if any person who helped the accused by selling, providing or hiring services of the such good, possessing such goods for sale or any other possible way will be punished with imprisonment for a term which shall not be less than 6 months but which may extend to 6 years and with fine which shall not be less than Rs 50,000 but which may extend to Rs 2,00,000.

Except in the case where that person can prove that-

1. He had taken all necessary precautions at the time of alleged offence.
2. He gave all the information in his power, to the prosecutor with respect to the person from whom he obtained such goods or things or services.
3. He had acted innocently
4. Under Section 105 if a person commits any of the offence provided in section 103 or 104 he shall be punishable for the second and for every subsequent offence, with imprisonment for a term which shall not be less than 1 year but which may extend to 3 years and with fine which shall not be less than Rs 1,00,000 but which may extend to Rs 2,00,000. Fines and imprisonment can be reduced if court thinks it fit.

¹⁰ <https://blog.iplayers.in/infringement-passing-off-trademark-india/>

This Section does not have retrospective effect. Under Section 111 of the Act forfeiture of goods is provided in the conviction or acquittal under Section 103 if there is no intent to defraud the plaintiff, the court convicting or acquitting him may direct the forfeiture to Government of all goods and things by means of, or in relation to, which the offence has been committed. Section 115(3) make offence under Section 103 cognizable and under Sub-Section 4 of Section 115, any police officer not below the Rank of DSP and equivalent may, if he is satisfied that any of the offences referred to in sub-section (3) of Section 115 has been, is being, or is likely to be, committed, search and seize without warrant the goods or things involved in committing the offence, wherever found, and all the articles so seized shall, be produced before a Judicial Magistrate of the first class or equivalent. Provided that the police officer, before making any search and seizure, shall obtain the opinion of the Registrar on facts involved in the offence relating to trademark and shall abide by the opinion so obtained.

Procedure under Criminal law

- A case filed under 103 is cognizable so FIR can be filed under section 154 CrPC if the police officer refuses to register a FIR the person can file complain before the magistrate under section 156(3) CrPC in accordance with the provision procedure laid down in Section 190 CrPC.
- Upon registering the FIR or on the order of magistrate (as the case may be) the investigation will be initiated and conducted by the police officer which include search and seizure of the good with infringed trademark.
- Benefit of criminal remedy in case of infringement is that victim can initiate proceeding even against unknown persons. Sometimes it happens that the identity of the manufactures and the distributors of the infringing material is not known to the complainant and the same operates as an obstacle in initiation of criminal action, but under Section 93 and 94 of CrPC under which one can request for initiation of a search and seizure proceedings against known and unknown persons.

III. Administrative Remedies:-

Apart from the civil and criminal remedies, the Act also vests certain powers in the various administrative authorities to grant reliefs and remedies to the aggrieved persons.¹¹ These powers may be exercised in respect of-

- (i) classification of goods and services for the purpose of registration;¹²
- (ii) publication of alphabetical index of classification of goods / services;¹³
- (iii) granting of or refusing to register a trademark;¹⁴
- (iv) correcting and amending the Register;¹⁵
- (v) renewal, removal and restoration of registration;
- (vi) assignability and transmissibility of registered trade marks;¹⁶
- (vii) registration of assignments and transmissions;¹⁷

and other aspects relating to trade marks. It may be noted that it is the Registrar, who mostly exercises these powers under the guidance of the Central Government.

The number of trademarks registered in India is increasing day by day with the rising wave of awareness about intellectual property. Infringing on a registered trademark can have a lot of legal consequences and liability. Hence, its important for Entrepreneurs to be aware of intellectual property regulations in India to avoid infringing on someone else trademark and to protect trademark belonging to him or her.

Section 29 of the Trade Marks Act describes “trademark infringement” as:

1. A registered trademark is infringed by a person who, not being a registered proprietor (owner of trademark can also be a legal entity like LLP or Company or Trust, etc.,) or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trademark in relation to goods or services in respect of which the

¹¹ Dr. Reddy G.B., *Intellectual Property Rights and the Law*, 2017, Gogia Law Agency, p. 322.

¹² Mohd. Zaheeruddin vs. Mohd. Yousufuddin, (2004) 16 ILD 640 (A.P.).

¹³ Under Section 7.

¹⁴ Under Section 8.

¹⁵ Under Sections 9-16.

¹⁶ Under Section 25.

¹⁷ Under Sections 38.

trademark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trademark.¹⁸

2. A registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of:

- (i) its identity with the registered trademark and the similarity of the goods or services covered by such registered trademark; or
- (ii) its similarity to the registered trademark and the identity or similarity of the goods or services covered by such registered trademark; or
- (iii) its similarity to the registered mark and the identity or similarity of the goods or services covered by such registered trademark; or
- (iv) its identity with the registered trademark and the identity of the goods or services covered by such registered trademark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trademark.

3. In any case falling under clause (c) of sub-section 2 (above mentioned section), the Court shall presume that it is likely to cause confusion on the part of the public.

4. A registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trademark, a mark which:

- (i) is identical with or similar to the registered trademark; and
- (ii) is used in relation to goods or services which are not similar to those for which the trademark is registered; and
- (iii) the registered trademark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trademark.

5. A registered trademark is infringed by a person if he uses such registered trademark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trademark is registered.

6. For the purposes of this section, a person uses a registered mark, if, in particular, he:

- (i) affixes it to goods or the packaging thereof;

¹⁸ <https://www.indiafilings.com/learn/trademark-infringement-in-india/>

(ii) offers or exposes goods for sale, puts them on the market, or stocks them for those purposed under the registered trademark, or offers or supplies services under the registered trademark;

(iii) imports or exports goods under the mark; or

(iv) uses the registered trademark on business papers or in advertising.

7. A registered trademark is infringed by a person who applies such registered trademark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

8. A registered trademark is infringed by any advertising of that trademark if such advertising;

(i) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(ii) is detrimental to its distinctive character; or

(iii) is against the reputation of the trademark.

9. Where the distinctive elements of a registered trademark consist of or include words, the trademark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.

A Court may grant relief for trademark infringement or for passing off (eg: counterfeit goods). Trademark infringement relief can be provided through an injunction, damages or an account of profits, together with or without any order for the deliver-up of the infringing labels and marks for destruction or erasure.

Section 135 of the Trade Marks Act mentions the following relief for trademark infringement:

1. The relief which a Court may grant in any suit for infringement or for passing off referred to in Section 134 includes injunction (subject to the terms, if any, as the Court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order for the delivery-up to the infringing labels and marks for destruction or erasure.

2. The order of injunction under sub-section (1) may include an ex parte injunction or any interlocutory order for any of the following matters, namely:

- (i) for discovery of documents;
- (ii) preserving of infringing goods, documents or other evidence which are related to the subject-matter of the suit;
- (iii) restraining the defendant 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 which may be finally awarded to the plaintiff.

3. Notwithstanding anything contained in sub-section(1), the Court shall not grant relief by way of damages (other than nominal damages) or on account of profits in any case:

- (i) where in suit for infringement of a trademark, the infringement complained of is in relation to a certification trademark or collective mark; or
- (ii) where in suit for infringement the defendant satisfied the Court:
 - a. that at the time he commenced to use the trademark complained of in the suit, he was unaware and had no reasonable ground for believing that the trademark of the plaintiff was on the register or that the plaintiff was a registered user using by way of permitted use; and
 - b. that when he became aware of the existence and nature of the plaintiff's right in the trademark, he forthwith ceased to use the trademark in relation to the goods or services in respect of which it was registered; or
- (iii) where in suit for passing off, the defendant satisfied the Court:
 - a. that at the time he commenced to use the trademark complained of in the suit he was unaware and had no reasonable ground for believing that the trademark of the plaintiff was in use; and
 - b. that when he became aware of the existence and nature of the plaintiff's trademark he forthwith ceased to use the trademark complained of.

In *Lakme Ltd. vs. Subhas Trading*,¹⁹ the Delhi High Court found that the defendant was using the trademark "Like-me" which was similar to "Lakme", the registered trademark of the plaintiffs. It was found that both the trade marks were, apart from dealing with the same range of cosmetic products, and both the trademarks were phonetically also similar. In this case the

¹⁹ 1996 PTC (16) 567 (Delhi).

court held that there was every possibility of deception and confusion being caused in the minds of the buyers of the plaintiff's products; therefore the court confirmed the injunction against the defendants.

Passing-off Action²⁰-

“Nobody has any right to represent his goods as the goods of somebody else.”

- Halsbury²¹

This means that no one has right to represent one's goods as the goods of someone else. People has the misconception in mind that the remedy to stop anyone to use his/her mark is available to one who has registered the trademark but the Trade Mark law provides the same remedy in form of passing off to unregistered trademark holder also.²² Passing Off is a common law tort which protects the goodwill and reputation of trade mark holder against damage caused by misrepresentation by defendant.²³ It is based on a principle that “A man may not sell his own goods under the pretence that they are the goods of another man”.²⁴ The Supreme Court has defined passing-off action in *Cadila Healthcare Ltd v. Cadila Pharmaceuticals Ltd.*,²⁵ as “the species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation, which the other has established for himself in a particular trade or business”. The action of passing off can be done by using the trade name, trade mark or other get up of the plaintiff as to induce in potential purchasers the belief that his goods or business were those of plaintiff.²⁶ The tort lies in misrepresentation by the defendant. The misrepresentation is aimed at the potential buyers of the goods or services, who are invited to buy the goods believing that the goods are of the plaintiff. This might be done through confusing or deceitful use of the trade names, marks or other indications used by the plaintiff in respect of such goods or services²⁷

²⁰ <https://www.indianbarassociation.org/wp-content/uploads/2013/02/Passing-off-action-under-trade-mark-law.pdf>

²¹ Mathew VC, Legal Expert Blog: How Passing Off Can Be a Legal Remedy For Unregistered Trademark Holders, www.lawisgreek.com/legal-expert-blog-how-passing-off-can-be-a-legal-remedy-for-unregisteredtrademark-holders

²² Section 27, Trade Mark Act, 1999.

²³ Trademark Dilution and Tort of Passing Off, letstalkaboutthelaw.wordpress.com/2013/03/29/trademarkdilution-and-the-tort-of-passing-off/

²⁴ *N.R. Dongre v. Whirlpool Corporation*, AIR 1995 Del 300.

²⁵ (2001) 5 SCC 73.

²⁶ Chopra Prema, Passing Off under Trademark, www.legalservicesindia.com/article/article/passing-off-undertrademark-1254-1.html

²⁷ Bansal Ashwini Kr., *Law of Trade Marks in India*, Center of Law, Intellectual Property and Trade, 2006.

The passing off action is to correct an actionable wrong, based on the broader common law principle that nobody has any right to represent his goods or business as the goods or business of somebody else. The principle is that “trading must not only be honest but must not even unintentionally be dishonest”.²⁸ The purpose of passing off action is to protect commercial goodwill and to ensure the purchasers are not exploited and dishonest trading is prevented. For that, the plaintiff must establish that his business or goods have acquired the reputation. Where the defendants’ goods are marked with the trademark of plaintiff or made-up or described as calculated to mislead the ordinary purchaser, it is this tendency to mislead or confuse which forms the gist of passing off action. There is no need to establish fraud or actual deception or actual damages in such cases.²⁹ The passing off action is independent of Statutory Right. The Supreme Court has laid down in no uncertain terms that in a passing off action, 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’. It was held that passing off is a species of unfair trade competition or of unfair actionable unfair trading by which one person through deception attempts to obtain economic benefit of the reputation which another has established for himself in a particular trade or business. The passing off action is regarded as an action for deceit.³⁰ The law of passing off thus does not protect the interest of the owner of the trademark but of the consumers also against misrepresentation. In the case of *Consumer Distributing Co. v. Seiko Time Canada Ltd.*,³¹ it was held that “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.”

Conclusion

A trademark is any sign that individualizes the goods of a given enterprise and it distinguishes them from goods of its competitors. The object of the Trade Marks Act 1999 is to confer the protection to the user of the trademark on his goods and prescribe conditions on the acquisition, and the legal remedies for enforcement of trademark rights.

²⁸ Lord Morris in *Parker – Knoll v. Knoll international Limited*, (1962) RPC 265 at 278.

²⁹ *Sri Shadi lal Enterprises v. Kesar Enterprises Ltd.*, 1998 PTC (18) 309.

³⁰ *Wander Ltd. v. Antox India (P) Ltd.*, 1990 (Suppl.) SCC 727.

³¹ [1984] 1 S.C.R. 583.

In my opinion, though law relating to trade marks is enacted by our Legislatures to protect the trademarks of our country, but in so many instances it is observed that it is not always enough to protect the trademarks and to prevent the trademarks infringement properly. So, according to my suggestion more rules regarding the protection of trademarks are necessary for the proper substantial development of economic activities of our country in the contemporary world of globalization.

