A CRITICAL ANALYSIS OF REGISTRATION, INFRINGEMENT, PASSING OFF, JUDICIAL ANALYSIS AND ENFORCEMENT IN DIGITAL CONTEXTS

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ABSTRACT

This paper will critically analyse the Trademarks Act, 1999, registration process and enforcement processes along with the evolving judicial approaches to deceptive similarity, passing off, well known marks and digital enforcement. This paper argues that there are many remedies available under Indian Law, however these will be effective if evidence is kept strict and easy access to the Courts. This paper will take a doctrinal approach to analyse the legislation, key Supreme/High Court cases and international obligations. This paper will highlight the difference between statutory infringement and passing off, it also argues that there is little enforcement of counterfeit trading, however there is an over expansion of the scope of trademark rights.

Keywords: Trademark, India, Deceptive Similarity, Passing Off, Well Known Marks, Digital Market, Enforcement, TRIPS.

Introduction and Research Design

A. Research Problem

Trademarks are important in protecting a source indicator in imperfect markets and reputation can easily spread. This research will focus on whether there is a logical and proportionate approach to traditional and digital infringement using the Indian doctrine and rules. This research will focus on how registration, priority, goodwill and remedies interact.[1]

B. Objectives and Questions

This research will provide the statutory context, analyse key decisions, identify any conflicts within the doctrine and recommend practical changes. How do trademarks gain protections? What must be proven to infringe or pass off? How do Courts view foreign reputation? Are current remedies appropriate for e-commerce and automated advertising? Is there a risk of over expanding protections to well known trademarks?

C. Methodology and Limitations

A doctrinal approach will be taken as this research is an analysis of the key statute, process, international obligations and reported cases. It will not claim to find data on how many infringements occur. The discussion on artificial intelligence is future focussed. Citations will be in a practical Bluebook format. The edition used will need to be checked to ensure pin point citations.

The statutory and case law provided in the literature gives a good understanding of registration, confusion, goodwill and reputation. However there are issues with integrating digital evidence and enforcement. This research will therefore look to address the following issues: There needs to be a consistent way to determine if infringement or passing off occurs. There needs to be a clear approach to evidence for territorial reputation and confusion. There needs to be a proportionate approach to remedies given by platforms. This will be achieved by looking at the doctrine in the authorities and providing recommendations on the institutions. This research will not claim to provide data on how many infringements occur.

[1] Trade Marks Act, No. 47 of 1999, INDIA CODE (1999), §§ 2(1)(zb), 27–30.

6. Research Gap and Contribution

There are new opportunities for generating brand like imagery, descriptions and advertising using generative AI. There is no justification for assuming all similarities generated by machines will be an infringement based on the current literature and statutory context. The issues to consider are whether the mark is being used commercially, who is responsible, if there is confusion/any statutory harm and what defences can be raised. Using TRIPS, The Paris Convention and international registration can help analyse this issue but Indian law must be considered.

5. New Technology and Comparative

Currently there are issues with evidence regarding online enforcement. Sellers can change quickly, advertising can be targeted and temporary. Therefore it is important to ensure that listings, advertising, correspondence and transactions are preserved. However there can be an over expansion of takedown processes meaning that legitimate resales, descriptiveness and comparative advertising can be impacted. This literature supports quick, reviewable and proportionate processes.

There has been much development in digital trademark law. The move from physical packaging to domain names, listings, sponsored search results and social media profiles. Satyam Infoway Ltd. v. Sifynet Solutions (P) Ltd shows that passing off can be applied to domain names. Christian Louboutin SAS v. Nakul Bajaj shows how important the online platform is in facilitating, displaying and promoting the goods. This suggests that there needs to be an analysis of what the platform actually did.

4. Digital Markets, Domain Names and Platforms

The literature surrounding well known marks and dilution shows there can be an issue with providing protections that are not justified by evidence. Section 11 and section 29(4) have specific requirements. There should not be an assumption that a well known brand will have a reputation, unfair advantage, detriment and no due cause. An important issue is how consistently the Courts explain what evidence is needed to satisfy each requirement, especially when the goods/services are not similar.

There is a large amount of case law from India looking at how much foreign reputation will be

protected. N.R. Dongre v. Whirlpool Corporation shows that there can be extensive advertising and reputation across borders without much sales in India. Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries shows that there must be evidence that the mark is recognised in the relevant market in India. This is not necessarily conflicting but shows how the evidence can be different.

3. Reputation, Well Known Marks and Territoriality

Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories shows the difference between statutory infringement and passing off. Often the literature will mention that there is an overlap between registration and goodwill. Passing off requires evidence that there is a reputation/goodwill, misrepresentation and damage. Infringement will depend on what statutory requirements apply. This is important to ensure there is a logical pleading, evidence and remedy.

There is a large amount of case law from India relating to deceptive similarity. Amritdhara Pharmacy v. Satya Deo Gupta shows that the overall impression should be considered from an ordinary purchaser with imperfect memory. Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd shows that there is a public health consideration when looking at medicinal marks. This shows that confusion can impact how the courts look at the matter. This therefore favours a contextual approach looking at the marks, purchasers, goods and trading channels.

2. Similarity and Passing Off

There is some case law looking at how trademarks are protected. Trademarks can help reduce search costs for consumers and encourage continued investment in quality. However there can be an over expansion of exclusive rights meaning descriptive vocabulary and comparative advertising can be impacted. This literature therefore supports a balance between protecting source indicators and allowing the statutory requirements and legitimate competition to have their own effect.

The literature can be split into sections looking at how trademarks help consumers identify, trader's rights and competition. Analysing the Trade Marks Act, 1999 will show how registration, exclusive rights, infringement, passing off and exceptions work. This is important as there are different legal consequences for similarity depending on if it is an application,

registered trademark or misleading in the market. This will therefore be the starting point for this study.

1. Statutory and Conceptual

D. Literature Review

II. Background and Policy

A. Passing Off to Legislation

Trademarks were originally protected using the common law action of passing off. The Trade Marks Act, 1940 introduced statutory registration and the Trade and Merchandise Marks Act, 1958 combined registration and enforcement. The Trade Marks Act, 1999 updated the legislation and provided explicit protection for services. It also included provisions for well known marks and international registration. This was implemented in September 2003 and represents a significant move to a modern and integrated approach.[2]

B. Protection

Trademarks can help reduce search costs for consumers and encourage continued investment in quality. However there can be an over expansion of exclusive rights meaning descriptive vocabulary and comparative advertising can be impacted. The statutory exceptions in India are not anomalies but are important to define the extent of the right.[3]

C. Consumer Welfare

Trademarks are not only important for avoiding mistakes. Confusion can cause issues in medicines and misleading associations in digital markets. However an over focus on the proprietor can cause useful information to be lost. The correct question to ask is whether the use being challenged is impacting the source indicator function of the mark or taking an unfair advantage of the well known reputation using the relevant statutory test.[4]

[2] Trade Marks Act, No. 47 of 1999, INDIA CODE (1999), §§ 1, 159.
[3] Id. §§ 9, 30, 35.
[4] Cadila Health Care Ltd. v. Cadila Pharm. Ltd., (2001) 5 S.C.C. 73 (India).

III. Registration

A. Definition

Section 2(1)(zb) defines a trademark as being capable of graphical representation and distinguishing goods/services. Trademarks can include words, logos, shapes, packaging and colour combinations. Unconventional trademarks can cause issues with clear representation, consistent identification and acquired distinctiveness. A registration system must provide clarity on the extent of the claim for competitors whilst providing protection to applicants.[5]

B. Absolute Grounds

Section 9 states that marks lacking distinctiveness, purely descriptive or commonplace will not be registered. However there is a statutory exception for acquired distinctiveness and well known marks. The distinction between inherent distinctiveness and descriptive helps protect normal commercial language. Evidence of use must be analysed to determine if it can be seen as a source indicator.[6]

C. Relative Grounds

Section 11 looks at conflict with previous trademarks. This includes confusion and protection of well known trademarks. This is based on the signs and goods/services. This will not necessarily be based on similar syllables. There are situations where honest concurrent use can be registered.[7]

D. Application, Opposition and Renewal

Applications will be analysed and may be advertised for opposition. A trademark can be registered for a renewable period of 10 years. However opposition and rectification can be an important way to protect the register but they can be costly and require significant evidence. The administration must be logical, reliable and accessible digitally.[8]

[5] Trade Marks Act, No. 47 of 1999, INDIA CODE (1999), § 2(1)(zb).
[6] Id. § 9.
[7] Id. §§ 11–12.
[8] Id. §§ 18–25, 47, 57; Trade Marks Rules, 2017 (India).

E. Priority, Use and Non-Use

A trademark does not always have priority in a commercial context. Previous use can be a deciding factor and a trademark may be at risk of removal for non-use. This avoids assuming that having a mark on the register means they have unlimited rights in the market. Often the claimant will have a strong claim based on the timeline of when they adopted, sold, promoted and continuously used the trademark.[9]

IV. Infringement, Passing Off and Statutory Exceptions

A. Registered Trademark Infringement

Section 28 and 29 provide and define the rights of registered trademarks. Section 29(4) provides a unique approach to well known trademarks used in dissimilar goods/services. Not all similarity will be actionable.[10]

B. Passing Off

Section 27(2) provides the common law action of passing off. This usually involves analysing if there is goodwill, misrepresentation and likely damage. This can be an important remedy for previous users and unregistered businesses. However this can be a challenging area to prove. This should not be confused with infringement as the same commercial activity can support both claims.[11]

C. Confusion

Deceptive similarity should be analysed from the perspective of an ordinary purchaser with imperfect memory. This will look at the overall impression. Phonetic, visual and conceptual similarities can be weighted differently depending on the market. The purchaser's attention, purchase conditions, goods and consequences of error are important.[12]

[9] Trade Marks Act, No. 47 of 1999, INDIA CODE (1999), §§ 34, 47.
[10] Id. §§ 28–29.
[11] Id. § 27(2); Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharm. Lab'ys, A.I.R. 1965 S.C. 980 (India).
[12] Amritdhara Pharmacy v. Satya Deo Gupta, A.I.R. 1963 S.C. 449 (India).

D. Honest Use, Descriptive and Depletion

Section 30 limits the effect of registration. Certain honest, descriptive and referential uses will be acknowledged. Section 30(3) and 30(4) look at further dealings with goods and legitimate reasons for objection. Section 35 provides protection for bona fide use of names and descriptions. This can help avoid trademarks becoming a tool to stop legitimate information sharing.[13]

E. Comparative Advertising

Comparative advertising can be beneficial to consumers by reducing information costs. A proprietor may have an issue with confusion, denigration and unfair advantage of a protected mark using the relevant rule. However referencing another mark should not always be prohibited. The Courts should consider if the product is clearly identified and if there is an implication of sponsorship. The actual advertisement should be analysed.[14]

V. In-depth Case Analysis

- Amritdhara Pharmacy v. Satya Deo Gupta looked at AMRITDHARA and LAKSHMANDHARA. The Supreme Court looked at the overall impression. This is an important case as it shows that it should not be artificially analysed. The reasoning should not be taken as if similar endings will always create confusion. The outcome was based on the overall comparison.This case shows the difference between infringement and passing off. Infringement will involve a comparison between the registered trademark and the use being challenged. Passing off may involve an overall impression. This decision shows that the same factual issues should not be applied to both legally different claims. This is still an important case to ensure the cause of action is clearly identified.[15]

- Cadila Health Care v. Cadila Pharmaceuticals looked at medicinal trademarks. A contextual approach was taken to deceptive similarity. The Court emphasised that mistakes with pharmaceutical products can have wider consequences than usual. This therefore supports being more cautious when analysing goods that effect health.

[13] Trade Marks Act, No. 47 of 1999, INDIA CODE (1999), §§ 30, 35.
[14] Id. §§ 29(8), 30(1).
[15] Amritdhara Pharmacy v. Satya Deo Gupta, A.I.R. 1963 S.C. 449 (India).

However the actual names, trading channels, purchasers and circumstances should be considered.[16]

- N.R. Dongre v. Whirlpool Corporation recognised the importance of having a reputation in India through international advertising. This shows that the claimant does not always need to have substantial sales in India at the time. However there must still be evidence that there was a reputation in the relevant Indian market.[17]

- Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries provided a more detailed look at goodwill. The Supreme Court wanted to see evidence that the relevant foreign reputation had entered the Indian market. When viewed alongside the Whirlpool case, this should be seen as there needing to be evidence. The evidence must be specific to the time and location.[18]

- Satyam Infoway v. Sifynet Solutions recognised that a domain name can act as a source indicator. Misleading use could result in passing off. This is an important case as it shows that established principles of commercial misrepresentation can be applied in a new technological context. This is still relevant to deceptive URLs.[19]

- Renaissance Hotel Holdings v. B. Vijaya Sai looked at section 29. This case shows that when looking at statutory infringement you must carefully consider what subsection applies and what the relationship is between the trademarks and services. Overall this case shows that passing off considerations should not be used instead of considering infringement as set out by the legislature.[20]

- Christian Louboutin SAS v. Nakul Bajaj looked at how the online platform had played a part in the alleged infringement. This shows how important it is to analyse what the platform actually did. The law must also consider what the regime is for intermediaries and how things have developed.[21]

[16] Cadila Health Care Ltd. v. Cadila Pharm. Ltd., (2001) 5 S.C.C. 73 (India).
[17] N.R. Dongre v. Whirlpool Corp., (1996) 5 S.C.C. 714 (India).
[18] Toyota Jidosha Kabushiki Kaisha v. Prius Auto Indus. Ltd., (2018) 2 S.C.C. 1 (India).
[19] Satyam Infoway Ltd. v. Sifynet Sols. (P) Ltd., (2004) 6 S.C.C. 145 (India).
[20] Renaissance Hotel Holdings Inc. v. B. Vijaya Sai, (2022) 5 S.C.C. 1 (India).
[21] Christian Louboutin SAS v. Nakul Bajaj, 2018 S.C.C. OnLine Del. 12215 (India).

VI. Well-Known Marks, Reputation and Territoriality

A. Statutory Requirements

Section 2(1)(zg) and section 11 recognise well known trademarks. A reputation must be analysed with regard to the relevant public. Evidence must be provided that it is recognised. This should not be assumed that all brands advertised internationally are well known in India.[22]

B. Dilution

Section 29(4) looks at use in relation to dissimilar goods/services. If a registered trademark has a reputation in India and the use being challenged lacks due cause then it will be taking an unfair advantage of or causing detriment to the distinctive character or reputation. This is not simply a case of confusion with a wider range of products. Evidence must be requested and logical findings must be made for each of the statutory requirements.[23]

C. Territoriality

Evidence of international recognition will come from advertising, tourism and digital. However the relevant evidence will come from the Indian market and the relevant date. The Whirlpool and Toyota Prius cases can be reconciled by realising that whilst there can be evidence from different sources, there should be evidence of impact. This ensures that genuine reputations are protected but does not give automatic worldwide monopolies.[24]

VII. Digital Trading & New Technologies

A. Online Copying

Online marketplaces can cause reduced distribution costs for legitimate traders and counterfeiters. The ease with which listings can be copied, changed and moved between accounts can make it difficult to identify counterfeit products. When dealing with trademarks, any warning notice should be provided quickly to enable review. Any action taken should be proportionate to prevent repeat offenders and ensure clarity that counterfeit products are being

[22] Trade Marks Act, No. 47 of 1999, INDIA CODE (1999), §§ 2(1)(zg), 11(6)–(9).
[23] Id. § 29(4).
[24] N.R. Dongre v. Whirlpool Corp., (1996) 5 S.C.C. 714 (India); Toyota Jidosha Kabushiki Kaisha v. Prius Auto Indus. Ltd., (2018) 2 S.C.C. 1 (India).

targeted.[25]

B. Social Media

With the development of social media accounts and influencer marketing there are new issues surrounding impersonation. Evidence could be obtained through the username, profile, adverts, evidence of any transactions and any customer complaints. It is important to preserve any digital evidence as this can change quickly. Any action taken should aim to prevent misrepresentation and commercial exploitation while also ensuring that there is no unnecessary limitation to comments or criticism.

C. Artificial Intelligence

With the use of generative AI, realistic images, adverts and descriptions can be created. This can cause issues with any AI generated trademarks as although there is a relevant statutory framework, if there is some commercial use of the AI output then this will satisfy the elements of an infringement or passing off claim. There are issues with determining who is responsible and how responsibility is shared between parties. There is also an issue with proving genuine use of the AI in trade. Careful guidance should be given.

D. Domain Disputes

Disputes can occur with regards to domain names between the registrant, registrar, host and consumer. Passing off principles can be applied domestically and domain disputes can be dealt with contractually. However, there are two different remedies available. When making orders the court should determine what specific actions are being taken and link it to the relevant territory.[26]

VIII. Enforcement, Process & Bodies

A. Civil Jurisdiction

Important rules apply under sections 134 and 135. Orders can be made including permanent or interim injunctions, damages, account of profits and orders relating to the infringing material.

[25] Trade Marks Act, No. 47 of 1999, INDIA CODE (1999), §§ 29, 30, 103–104.
[26] Satyam Infoway Ltd. v. Sifynet Sols. (P) Ltd., (2004) 6 S.C.C. 145 (India).

Interim injunctions can have serious consequences and whilst there may be quick build up of commercial loss there are considerations to be had regarding uncertainty of evidence and impacting defendants and third parties.[27]

B. Criminal Enforcement,

There are specific offences relating to falsification and false application of trademarks. This can be enforced to help protect consumers and legitimate trading however there should not be a presumption that all cases should be dealt with through criminal proceedings. Processes should be in place and it must be proven that all elements of the statute have been met.[28]

C. Registry

Opposition, rectification, removal for non-use and renewal all help provide a reliable registry. Processes should be in place to ensure that decisions are made with clear reasoning and consistent categorisation. A high-quality registry means that any applicants or competitors will get reliable notice of any claimed rights and avoid unnecessary litigation.[29]

D. Post-IPAB

The Intellectual Property Appellate Board has been abolished under the Tribunal Reforms Act, 2021. The Delhi High Court's IP Division have created specific rules for handling IP matters. The success should be considered based on the accessibility, speed, quality of reasoning and consistency of the orders.[30]

E. Jan Vishwas

The Jan Vishwas (Amendment of Provisions) Act, 2023 has caused some changes relating to penalties and adjudication with regards to trademarks. Modern research should not assume that all offences are unchanged. The impact will depend on the amendments and rules in force. The exact wording should be checked prior to any litigation or filings.[31]

[27] Trade Marks Act, No. 47 of 1999, INDIA CODE (1999), §§ 134–135.
[28] Id. §§ 101–105.
[29] Id. §§ 21, 25, 47, 57.
[30] Tribunals Reforms Act, No. 33 of 2021 (India); Delhi High Court Intellectual Property Rights Division Rules, 2022 (India).
[31] Jan Vishwas (Amendment of Provisions) Act, No. 18 of 2023 (India); Trade Marks Act, No. 47 of

IX. International & Comparative

A. TRIPS

TRIPS provides a minimum standard for trademark matters. Considerations can be made to ensure that the processes are tailored to each country. Indian law should be viewed as domestic legislation incorporating international obligations.[32]

B. Paris Convention

The Paris Convention deals with national treatment, priority and well-known marks. Article 6bis is an important reference for protection against confusing imitation of well-known signs.[33]

C. Madrid Protocol

With the Madrid Protocol there is an international filing process. However, this will need to be reviewed domestically. This helps with administration but will not create a unified trademark globally. Whilst it is easier for Indian businesses to expand abroad, consideration needs to be made regarding use in specific territories, categorisation and enforcement.

D. Comparative

A useful takeaway from comparing laws is that processes should be considered. Common issues will be distinctiveness, confusion, reputation, description and exhaustion. These will be solved depending on the wording of the statute. India can look to other countries for guidance on digital evidence and efficient processes but should keep the structure of their legislation.

X. Recommendations & Conclusion

A. Key Takeaways

This analysis has shown that Indian trademark law is not just a simple anti-copying law. There are many factors to consider such as registration criteria, causes of action for infringement,

1999, INDIA CODE (1999), §§ 107, 112A–112B, 140 (as amended).

[32] Agreement on Trade-Related Aspects of Intellectual Property Rights arts. 15–21, Apr. 15, 1994, 1869 U.N.T.S. 299.

[33] Paris Convention for the Protection of Industrial Property art. 6bis, Mar. 20, 1883, as revised at Stockholm July 14, 1967, 828 U.N.T.S. 305

common law passing off, protection by reputation and specific exclusions. While there has been helpful guidance from the judiciary, these must be applied carefully considering the facts. The main issues seen in practice are evidence, cost, speed and enforcement of distributed online activities.

B. Process Improvements

The Registry and Courts should focus on providing clear processes, identifying any issues to be disputed early, efficiently managing the electronic evidence and making reasoned orders. Small businesses should have clear guidance and affordable methods to resolve any disputes. This will provide greater certainty.

C. Digital Enforcement

Any notice on the platform should clearly outline what mark is being claimed, what registration or goodwill this relates to, what use is claimed to be infringing and what evidence supports this. Action should be taken quickly where there appears to be counterfeiting however there should be meaningful review. Legitimate traders should have a process to return. Repeat offender policies should be clear and understand the difference between counterfeit sales and legitimate description/resale.

Conclusion

India has developed a robust trademark system through legislation and judgement. This provides a robust way to protect commercial identity. The system is legitimate due to the careful balance between stopping misrepresentation and unfair appropriation but also allowing competition and honest communication. Going forward the focus should be more on using evidence to enforce, having efficient bodies and adapting proportionately to digital trading.

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