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## CONTOURS OF TRADEMARK INFRINGEMENT- NEED FOR ADDRESSING THE POST-SALE CONFUSION

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Ayushi Lakshmi Verma, Practicing Advocate at Patna High Court\*

### INTRODUCTION

Imagine walking down the streets and you come across a person wearing shoes with the brand logo of *Nike* except that the shoes look of an inferior quality and you wonder that the brand is no longer producing shoes of a good quality. Such a perception may cause you to think twice before going to purchase a pair of *Nike* shoes or you would dissuade a prospective buyer from purchasing shoes of that brand. Would such a perception of a brand based on the appearance of the brand's logo on an unrelated pair of shoes amount to trademark infringement? Before we approach this question it is pertinent to discuss the relevance of trademark and the reason behind why a 'mark' required legal protection in the first instance.

### NEED FOR TRADEMARK PROTECTION

The entire corpus of intellectual property law rests on the edifice that creations of an individual's mind emanating from his/her idea and unique thought process deserve protection and that the individual is the sole authority to exploit the proceeds and gains from such creation.

The idea of putting a 'mark' in order to differentiate ones products from another's has been going on since ages. Take for example, the seals of the Indus Valley Civilization. The different seals found have different signs on them which historians believe were personal identifiers used to indicate a trading group or a class.<sup>1</sup> Seals have been considered as precursors to what we now call 'labels' and these seals have existed in all known civilizations across all ages.<sup>2</sup>

WIPO defines 'trademark' as a "*sign capable of distinguishing the goods or services of one enterprise from those of other enterprises.*"<sup>3</sup> The sign serves as a proof of origin of that particular good or service for the customers<sup>4</sup>. Another essential function which a trademark

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\* Practicing Advocate at Patna High Court.

<sup>1</sup> AL BASHAM, THE WONDER THAT WAS INDIA, 18 (Picador India, 3<sup>rd</sup> edition).

<sup>2</sup> *Ibid.*

<sup>3</sup> WIPO, *Trademarks*, available at <https://www.wipo.int/en/web/trademarks> (last visited 5th October 2025).

<sup>4</sup> SkyKick UK Ltd v. Sky Ltd [2024] UKSC 36.

serves is that it speaks for the quality of the goods<sup>5</sup>. The presence of a sign makes an ‘average customer’ believe that the goods are a product of a certain company and of a particular quality and if such company has the market goodwill it will encourage the customers to purchase those goods.

To believe that a ‘mark’ only serves as an indicator of origin at the time of purchase of the goods or services is a myopic point of view. There are various products in the market which bear the mark of a particular brand although the same is not visible at the time of purchase. Take for example, wine bottles which carry the brand’s mark on the inside of the cork<sup>6</sup>. Similarly, when a product is bought for a third-party, that party believes in the origin of the goods based on the ‘mark’ on the product which indicates origin and henceforth quality.

Thus, the function of a ‘mark’ is not limited to the time when a good or service is purchased. While the academic discourse acknowledges this aspect of functioning of a trademark, the laws in India as well as those across mature intellectual property jurisprudence governing trademarks is somewhat silent on it.

It is pertinent to mention that there is a difference between post-sale confusion which gives rise to trademark infringement and passing off. In an action for passing off, the buyer of the product is deceived about the origin of the product, i.e., the seller of the ‘junior product’ misrepresents that there is some connection between their goods and the goods of the brand with whom they intend to show association. It is a ‘point-of-sale’ misrepresentation. On the other hand, in the case of trademark infringement due to post-sale confusion, the buyer of the product is well aware that the goods are not associated with the brands whose mark it carries. In this case it is the on-lookers or third parties who are deceived as to the origin of the goods. As the name suggests, there is no infringement at the point of sale but rather, after sale.

#### **‘POST-SALE CONFUSION DOCTRINE’: THE WESTERN UNDERSTANDING**

The jurisprudence on post-sale confusion evolved primarily in Europe, UK and the United States. Post-sale confusion doctrine aims to bring into ambit ‘confusion’ which takes place in the minds of the ‘average customer’ which is the crux of what trademark laws across various

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<sup>5</sup> L’Oréal SA v. Bellure NV (C-487/07) [2010] Bus LR 303.

<sup>6</sup> Montres Breguet SA v. Samsung Electronics Co Ltd [2023] EWCA Civ. 1478.

jurisprudences seek to address. It has been defined by one Justice Arnold in the case of *Datacard Corporation v. Eagle Technologies Ltd.*, as being:

*“...confusion on the part of part of the public as to the trade origin of goods or services in relation to which the impugned sign has been used which only arises after the goods or services have been purchased.”*<sup>7</sup>

Although the doctrine has not been incorporated in any statute explicitly, it has been developed by the case laws. In the United Kingdom, Section 10 of the Trademarks Act, 1994 deals with infringement of a registered trade mark. Under sub-clause (4) there are certain conditions which determine if a person is ‘using’ a sign which would amount to infringement. The provision reads as follows:

*“10. Infringement of registered trade mark*

*... (4)For the purposes of this section a person uses a sign if, in particular, he—*

*(a)affixes it to goods or the packaging thereof;*

*(b)offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;*

*(c)imports or exports goods under the sign;*

*(ca)uses the sign as a trade or company name or part of a trade or company name;]*

*(d)uses the sign on business papers and in advertising or*

*(e)uses the sign in comparative advertising in a manner that is contrary to the Business Protection from Misleading Marketing Regulations 2008.”*<sup>8</sup>

A perusal of the provision indicates that even acts which are remote in time from the point of sale are enlisted to be treated as acts of ‘using’ a mark. This means that the function of a registered mark is not limited till the sale of goods or services but it extends to post-sale

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<sup>7</sup> *Datacard Corporation v. Eagle Technologies Ltd*, [2011] EWHC 244 (Pat).

<sup>8</sup> Section 10, Trade Marks Act 1994, available at <https://www.legislation.gov.uk/ukpga/1994/26/section/10>.

scenarios too. Thus, if an ongoing passer-by sees a product with a sign on it which resembles another mark, he/she is likely to believe that the goods are associated with the original mark.

In the United States, the Lanham Act, 1946 is the principle statute governing trademark law. In 1962, the Congress amended the Act to remove certain provisions which enlarged the scope of protection offered by the statute<sup>9</sup>. The Amendment Act of 1962 widened the scope of protection by deleting the words “purchaser” and “source of origin” in Section 32 of the 1946 Act which deals with infringement provisions. In doing so, the Congress expanded *firstly*, the scope of ‘type of confusion’ which would henceforth be actionable. This meant that not only confusion at the point of sale was actionable but thereafter pre-sale confusion, post-sale confusion, reverse confusion etc. could be made grounds for action<sup>10</sup>. Similarly the meaning of ‘confusion’ extended from mere ‘confusion of source of origin’ to include ‘sponsorship confusion’<sup>11</sup> which meant any display of mark which gave the impression that the junior products were affiliated to the senior products amounted to infringement. There was a case instituted on behalf of *Ferrari* which brought forth the exact issue where the defendant’s kits bore a mark similar to that of Ferrari thereby indicating association between the two products.<sup>12</sup> *Secondly*, the population which would determine whether an infringement had taken place or not. Originally trademarks law sought to prevent confusion as to the source/origin of goods to the ‘purchaser’ of a good or service. Following the amendment, not only the actual purchasers but even the potential purchasers were made a relevant class and any confusion caused in the minds of these potential purchasers was made liable. *Thirdly*, the point of time at which infringement could occur was enlarged from ‘time of purchase’ to anytime either before or after sales which caused likelihood of confusion in the minds of the average customers.

#### RATIONALE BEHIND EXTENDING TRADEMARK PROTECTION TO POST-SALE SCENARIOS

Protection of trademarks serves a dual purpose- firstly, from a *consumer-centric approach*, protection of marks guarantees customers that the goods or services which are being purchased by them is of a certain quality and worth their money. As our dependencies on e-commerce grows, we are driven by brands and our purchasing habits are influenced by the good-will built

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<sup>9</sup> Anne M. McCarthy, *The Post-Sale Confusion Doctrine: Why the General Public Should Be Included in the Likelihood of Confusion Inquiry*, 67 FORDHAM L. REV. 3337 (1999).

<sup>10</sup> *Ibid.*

<sup>11</sup> Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, VIRGINIA LAW REVIEW 2012, Pg 78.

<sup>12</sup> *Ferrari S.P.A. Eser- cizio v. Roberts*, 944 F.2d 1235, 1244-45 (6th Cir. 1991).

by brands over time. Protection of trademarks also enhances the search-cost efficiency. “*The marks serves as repositories of information about the source and quality of products, thereby reducing the costs of searching for goods that satisfy their preferences.*”<sup>13</sup> Our experiences with brands dictate our future purchasing habits. If today one buys a pair of shoes of a particular brand, they would be sure of the quality and hence they would buy it again or maybe recommend it to a potential buyer.

On the other hand, if someone sees a person wearing shoes which carry the mark of another brand and from the looks of it, it doesn't appear appealing, they would be apprehensive of buying shoes of that particular brand. Such a confusion caused to a potential purchaser or even to an on-looker is called by-stander confusion.

A lack of protection of trademark after the point of sale may even encourage manufacturers to make lesser investments in their products in order to compete with their inferior counterparts. This harms the consumers of the original products who spend more to get those products than the cheaper knockoffs.

Protection of trademarks is equally important from the *capitalist-market point of view* where an entity is entitled to reap the benefits of its creation solely to the exclusion of others. Such a protection fosters innovation and technological advancements as companies are assured that they would be benefitted both in monetary terms as well as in goodwill for the goods and services provided by them. The absence of protection after a product has been sold gives rise to a legal lacunae which can be exploited. Companies which produce luxury goods thrive on the limited availability of their products. Consumers do not just pay for the product but for the name those products carry and the sense of rarity that comes with it. If post-sale confusion is not considered as a violation of a trademark it might erode away the very essence of a limited product<sup>14</sup>. Thereafter, why would anyone want to spend huge amounts of money over a product which can be purchased by the public at large. Such a microscopic protection of a mark would eventually be rendered useless.

#### **RECENT DEVELOPMENT IN POST-SALE CONFUSION JURISPRUDENCE**

While the topic of post-sale confusion had found its way in the discussions in various

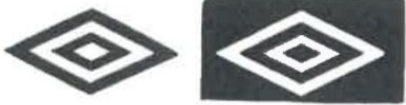

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<sup>13</sup> *Supra* 11, at Page 73.

<sup>14</sup> *Herme's Int'l v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104, 108 (2d Cir. 2000).

courtrooms in European Union and the United States over the years, it was only recently that the Supreme Court of UK passed a judgment in the case of *Iconix* wherein it held that post-sale confusion in itself can be a ground for trademark infringement. This judgement is a leap forward in IP jurisprudence as it recognises that ‘post-sale confusion’ is a substantive issue in itself and whether or not there is any confusion at the point of sale, any confusion which takes place later on is actionable.

The case was instituted by one ‘*Iconix Luxembourg Holdings SARL*’ which sold football boots and other sports merchandise under the brand name UMBRO. It had its trademarks registered in the UK which was as follows<sup>15</sup>:

Number and dates	Trademark	Class of goods
UK00000991668 (filed and deemed registered on 5 May 1972)  (“the 668 Mark”)		Articles of clothing for use in sports, athletics and gymnastics  (Class 25)
UK00903266459 (filed and deemed registered on 10 July 2003)  (“the 459 Mark”)		Articles of clothing, footwear and headgear  (Class 25)

The defendant was a company by the name of ‘*Dream Pairs Europe Inc and Top Glory Trading Group Inc*’ which sold multiple varieties of footwear across many countries under the brand name Dream Pair. Its sign was trademarked in 2015 in the United States. In 2018, it started selling its shoes in the UK via Amazon and E-bay. The trademark of Dream Pair was as follows:



Iconix filed a case against Dream Pair alleging violation of its UMBRO trademark under Section 10(2) and 10(3) of the Trademarks Act of 1994 contending that the mark which

<sup>15</sup> *Iconix Luxembourg Holdings SARL v. Dream Pairs Europe Inc and Another*, [2025] UKSC 25.

appeared on Dream Pair's boots when looked at from the angle of a passer-by, i.e. from the top, resembled like its own trademark and thereby caused a likelihood of confusion on the part of the customers. At first the suit filed by *Iconix* was dismissed on the ground that the degree of similarity was very low. *Iconix* filed an appeal stating that the judge was mistaken in conducting a side by side comparison of the two marks. It contented that the degree of similarity should be judged when viewed from the angle which an 'average customer' would see the mark i.e. from a top viewed side angle. At such a view, the two marks had a higher degree of similarity thus creating grounds of confusion. The Court of Appeal conducted a fresh '*multi-factorial assessment of similarity and confusion*'<sup>16</sup> and found that the above contention of *Iconix* merited reversal of the earlier decision. The Court of Appeal thus held that there was a violation of *Iconix*'s trademark when viewed in a 'post-sale environment' when viewers caught the sign on a pair of football boots from a top-angle looking down at the boots.

The case finally reached the UK Supreme Court by way of an appeal filed by Dream Pair alleging that the findings of the Court of Appeal were wrong and that there was an error of law on the part of the judge. Two main contentions were raised by the Appellants before the Supreme Court- *firstly*, there are more than one ways of viewing a mark and not just the '*looking down angle from head height at the feet of another person wearing the footwear*'<sup>17</sup> as alleged by the Defendant (*Iconix*) and *secondly*, the trademark law protects the mark from infringement at the point of sale or at a subsequent point in time in a '*transactional context*', i.e. at a subsequent buying or selling of the same product. The Supreme Court delved in detail on these two points and held that regarding the first issue, hitherto several case-laws had laid down that in determining whether a 'likelihood of confusion' occurred, the issue should be seen from the perspective of an average consumer<sup>18</sup>. In this case it meant that despite there being several angles of viewing the mark, the one by which an 'average consumer' would see it is relevant in determining the chances of confusion.

Regarding the second issue, the Supreme Court rejected the contention of Dream Pair that a trademark infringement can only occur at a subsequent stage in a transactional context when the goods are being sold again. Such a decision was made based on several reasons as enlisted below:

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<sup>16</sup> *Supra* 15.

<sup>17</sup> *Ibid.*

<sup>18</sup> *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24.

*“(i) a trade mark continues to identify origin even after sale so that, in appropriate circumstances, it can give rise to infringement on the basis of a likelihood of post-sale confusion; (ii) perceptions of a sign post-sale leading to confusion as to origin are not limited to perceptions at the point of a subsequent sale or in a subsequent transactional context; and (iii) that “it can be relevant to take the post-sale context into account when considering trade mark issues”<sup>19</sup>*

The above judgement thus paved the way for the development of a new area of research and a subsequent change in trademark law.

### **SCOPE FOR INCORPORATING POST-SALE INFRINGEMENT IN TRADEMARKS ACT, 1999**

India adopted its trademark protection framework following the TRIPS Agreement signed in 1999. Section 28 of the Trademarks Act 1999 confers the exclusive right to use a mark on the owner of the registered mark. Clause (3) also recognises a situation wherein there are two or more registered marks which resemble each other. In such a case, the relevant section states that the rights of the owners of the marks would co-exist.

Section 29 of the Trademarks Act 1999 which deals with infringement covers in detail the various ways in which a mark can be infringed and what constitutes ‘infringement’. The issue of post-sale confusion in trademark infringement in India has not been provided explicitly in the Act and neither has it been addressed by the courts. It was however mentioned as an obiter in the decision of the Supreme Court in the case of *Pernod Ricard India Private Limited & another versus Karanveer Singh Chhabra*<sup>20</sup> where the Court noted the decision of the Supreme Court of UK in the case of *Iconix* which recognized post-sale confusion as a ground of trademark infringement, however the Court did not delve into the subject matter of the same.

In order to understand whether post-sale confusion can be recognised under the Trademarks Act 1999, a perusal of the relevant sections is imperative. The relevant portion of section 29 for the purposes of the present discussion is as follows:

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<sup>19</sup> *Supra* 15.

<sup>20</sup> *Pernod Ricard India Private Limited & another v. Karanveer Singh Chhabra*, 2025 LiveLaw (SC) 803.



**“29. Infringement of registered trade-marks... (2)** *A registered trade mark 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—*

*(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or*

*(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or*

*(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.*

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

*(6) For the purposes of this section, a person uses a registered mark, if, in particular, he—*

*(a) affixes it to goods or the packaging thereof;*

*(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;*

*(c) imports or exports goods under the mark; or*

*(d) uses the registered trade mark on business papers or in advertising.”<sup>21</sup>*

Section 29(2)(c) covers cases which fulfil the dual requirement of similarity in ‘identity of the mark’ and the ‘identity of the goods’ bearing the marks which gives rise to a likelihood of confusion. Under clause (3), such a likelihood of confusion on the part of the public is to be mandatorily presumed by the court as is indicated by the operative word ‘shall’. What follows

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<sup>21</sup> Section 29, Trademarks Act 1999, Act No. 47 of 1999.

is that where a sign resembles a registered trademark for a particular good or service and a subsequent identical mark on a similar kind of product is brought in the market which creates confusion is actionable.

As per clause (3) the 'relevant population' in order to assess infringement is the 'public'. The word 'public' indicates that the ambit of protection of trademarks extends to likelihood of confusion caused to any person who comes across the product and is not just limited to a potential buyer. Although there are no cases in India which have read such a broad scope of the provision, the language facilitates such reading in order to accommodate the post-sale confusion doctrine.

As per Clause (6) usage of a registered mark is not limited to 'point of sale' periods. The clause states that affixing a mark on goods amounts to 'using' a mark. Thus a mark found on a product which resembles a registered mark and gives rise to confusion would constitute 'using' the mark.

At this point it is also pertinent to mention Section 2(h) of the 1999 Act which defines "deceptively similar" which states as follows:

*"A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion"*<sup>22</sup>

The above mentioned section uses two words- "deceive" and cause "confusion". The difference between the same was noted in the case of *F. Hoffmann-La Roche & Co. Ltd. v. Geoffrey Manner & Co. (P) Ltd.*,<sup>23</sup> wherein the Supreme Court made the following observation:

*"... 'to deceive' is one thing. To 'cause confusion' is another. The difference is this: When you deceive a man, you tell him a lie. You make a false representation to him and thereby cause him to believe a thing to be true which is false. You may not do it knowingly, or intentionally, but still you do it, and so you deceive him. But you may cause confusion without telling him a lie at all, and without making any false representation to him. You may*

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<sup>22</sup> Section 2(h), Trademarks Act, 1999, Act No. 47 of 1999.

<sup>23</sup> *F. Hoffmann-La Roche & Co. Ltd. v. Geoffrey Manner & Co. (P) Ltd.*, (1969) 2 SCC 716.

*indeed tell him the truth, the whole truth and nothing but the truth, but still you may cause confusion in his mind, not by any fault of yours, but because he has not the knowledge or ability to distinguish it from the other pieces of truth known to him or because he may not even take the trouble to do so.”*

Thus in order to constitute confusion, an intention on the part of a party is not necessary. It can arise out of no fault of the infringing party. Reading the above provisions of law and the law as interpreted by the Supreme Court, post-sale confusion can be considered as a ground of trademark infringement in India as well.

## CONCLUSION

The doctrine of post-sale confusion requires careful deliberations. The body of literature which exists on this subject is a bit scattered as to when this doctrine can be applied. In the case of *Iconix*, both the parties had registered trademarks in different countries but the entry of one of the companies in the market of the other, gave rise to the incumbent issue. In another case of *Arsenal v. Reed*<sup>24</sup>, which took place in the UK itself, the defendant was an unregistered seller of goods bearing the mark of the famous football team Arsenal. In this case, the defendant had put on display at his shops that his goods were in no way related to the Arsenal Football team. The Supreme Court still found him guilty of trademark infringement as the people who saw his goods after his customers left his shop, believed that the products were associated with the football company. In such a case, it becomes imperative to carefully draw the boundaries as to what would constitute infringement. It also raises the question as to who is causing the confusion? In most cases which have been dealt with in the foreign jurisdictions, the buyers of the inferior goods i.e. the goods which bore a mark similar to that of a well-known brand knew that the products they are purchasing are not associated with the brand which claims infringement. In such cases it is not the defendant companies who are causing confusion to the people at large but rather it is the public who are using the defendant's products to deceive others. Thus it raises the question if it is correct to hold the companies liable for 'confusion' which is actually being caused by the customers or the public itself.

The test of an 'average customer' who is likely to be confused does not lay down a watertight criteria as to who is an average customer and what are his abilities in judging the products and

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<sup>24</sup> Arsenal Football Club plc v. Reed (Case C-206/01) [2003] Ch 454.

the marks. Many courts have even acknowledged that people don't pay attention to the details and rather they just see the mark as it appears and form an opinion. In such a case making post-sale confusion a ground of trademark infringement will open the gates to a plethora of litigation unless there are some guidelines for determining the extent till which confusion can be considered a responsibility of the companies.

It is also important to note that in an open market, different players can co-exist in the same field of products. Many times brands use a mark which might be a derivative of a well-known and established brand. The same does not amount to infringement as long as the two marks are not similar to such an extent that they cause a likelihood of confusion to the public. The evaluation thus requires a sensible balance between protection of an individual's right to the exclusive use of a mark and the right to people to carry on any business or profession.

Moreover, in order to constitute infringement there needs to be a clear definition of the relevant population who is likely to be affected by 'confusion'. Should it be limited to potential purchasers or the general public at large who form an opinion about a brand based on the products they see carrying a mark? It is also important to note that there is a close link between trademark protection and protection of competition in the market at large. A trademark infringement causes harm to both the owner of the mark as well as the public. It has the potential to slowly erode away the goodwill and consumer base of a particular brand thereby reducing competition in the market. This is more likely to happen in those markets where there are fewer number of players such as high-end product markets such as luxury wearables<sup>25</sup>, automobiles<sup>26</sup>, bags<sup>27</sup> etc. Thus, a multi-pronged evaluation of this kind of infringement needs to be done to ensure a balance between the rights of a trademark owner and the liberty of other players to function in a market.

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<sup>25</sup> United States v. Torkington, 812 F.2d 1347, 1350, 1352-53 (11th Cir. 1987).

<sup>26</sup> Ferrari S.P.A. Eser- cizio v. Roberts, 944 F.2d 1235, 1244-45 (6th Cir. 1991).

<sup>27</sup> Hermes Int'l v. Lederer de Paris Fifth Ave., Inc., 219 F.3d 104, 109 (2d Cir. 2000).