

**INTERNATIONAL JOURNAL OF LAW
MANAGEMENT & HUMANITIES**
[ISSN 2581-5369]

Volume 3 | Issue 6

2020

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Notion of Deceptive Similarity under Trademark Law with Reference to Landmark Cases in India: A Legal Insight

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ABSTRACT

Every business or company is known by its goodwill and brand value. This goodwill and brand value acts as its identity. The business gets its identity through trademark. A good quality product and trademark goes hand in hand, attracts consumers and is a source of income. Trademark helps the business to build a reputation of its own for a successful venture ahead. But every coin has two sides. Similarly, trademark on one hand helps the business to form a successful goodwill and on the other hand it is susceptible of being infringed or misused. "Deceptively similar" trademark is one of the ways by which an existing trademark can be infringed or misused. Consumers thus cannot differentiate between a genuine trademark product and a deceptively similar trademark product. As a result, goodwill and reputation of a genuine trademark holder remains at stake and one who deceptively uses that trademark encashes the goodwill of the genuine trademark holder. This research article aims to study the concept of deceptive similarity under the Trade Marks Act in India, its origin, historical background, development and the various landmark judgments on deceptive similarity of trademarks in India.

I. INTRODUCTION

Main areas that Intellectual Property Rights covers are Patents, Trademarks, Designs, Copyright, Geographical indications, and Trade Secrets.

Patents deals with how something works. Trademarks deals with what will you call it. Design deals with what it looks like. Copyright deals with literally or artistic expression. Geographical indication deals with the origin of goods. Intellectual property rights gives protection to the creativity of people and their novel ideas.

II. HISTORICAL BACKGROUND OF TRADEMARKS LAW IN INDIA

India's Trademarks law dates back to 1860. In the year 1877, the Bombay Mill owners and

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Bombay Charter of Commerce collectively approached the State of Bombay to have a Trademark protection law. This was when the first Trademark Act was enacted in 1879. This Act was however withdrawn in the year 1880.

Prior to 1940, there was no other official trademark law in India for the protection of trademark. As a result, numerous problems arose on infringement, passing off, etc., and they were solved by the application of Section 54 of Specific Relief Act, 1877. The declaration regarding ownership of Trademark was obtained under the Indian Registration Act, 1908.

The aforesaid difficulties and problems were overcome when the Trade Marks Act, 1940 was passed. This Act was based on the English Trademark Act. Strict protection of Trademark was required due to enormous growth in trade and commerce. Many amendments were passed after Indian Trademarks Act, 1940. The Indian Trademark Act, 1940 was replaced by Trademark and Merchandise Act, 1958. This Act provided for registration of Trademarks, better protection and for prevention from fraudulent use of trademark.

Another Trade Marks Act was passed in the year 1999 (i.e.) The Trade Marks Act, 1999. This Act replaced the Trademark and Merchandise Act, 1958. The Trade Marks Act, 1999 was passed in order to comply with the TRIPS obligation and is based on the recommendation by the World Trade Organization. The aim and object of Trade Marks Act, 1999 is to grant better protection to the Trade Mark holder and legal remedies for enforcement of Trade Marks rights in case of infringement.

Recently, the Trade Marks Rules, 2017 came into force. It repealed the Trade Marks Rules, 2002. So, currently the Trade Marks Act, 1999 along with the Trade Marks Rules, 2017 are into force which govern the Trade Marks law in India.²

III. DEFINITION AND CONCEPT OF TRADE MARKS

“A Trade Mark is a company’s persona and identity in the marketplace”.

– **Dr. Kalyan C. Kankanala**

Section 2 (zb) of Trade Marks Act, 1999 defines Trade Mark means “a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and

² Intense IP, *History of Indian Trademark Law*, INTENSE IP KNOWLEDGE CENTRE (Oct. 15, 2018) <http://intenseip.com/blog/history-of-indian-trademark-law/#:~:text=India's%20statutory%20Trademark%20Law%20enacted,to%20the%20Government%20of%20India>.

combination of colours”.³

Quality and brand value of any company or product plays a pivotal role in attracting consumers for purchasing goods. Here, Trade Mark comes into picture. Trade Mark is a mark or symbol identifiable or attached with the goods so that they can be distinguished from other types of similar goods. Trade Marks helps the consumers to identify particular goods with a particular trader. Trade Mark can be a label or a picture or combination of colors which is applied to the goods which acts as its identity. It portrays the quality of goods in the minds of the consumers and with the passage of time, that mark may become a well known name.⁴

Trade Mark acts as an indication of the products source of origin. A registered Trade Mark enjoys certain rights in case of infringement under the Trade Marks Act, 1999, while for an unregistered Trade Mark; rights are enforced under the common law tort of passing off.

Trade Mark bestows upon its owner with the statutory rights to protect it from being fraudulently misused by others with a similar confusing mark/symbol. Trademark gives an identity to a product with respect to its quality and thus helps consumers to purchase products without getting confused or deceived.⁵

IV. CONCEPT OF DECEPTIVE SIMILARITY UNDER TRADE MARKS ACT, 1999

According to Section 2(h) of Trade Marks Act, 1999, deceptively similar means “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.”⁶

A deceptively similar trade mark means a trade mark which is very identical to an already existing trade mark and which is capable of easily deceiving and creating confusion in the minds of the consumers.⁷

Deceptively similar trademark visually and phonetically seems very close to an original trademark and because of such close resemblance; there are high chances of consumers being cheated and it also results in economic loss and harm to the reputation of a genuine

³ The Trade Marks Act, 1999, Section 2(zb).

⁴ Lincoln, *Trade Mark Funtion-The Changing Landscape*, CHRYSILIOU IP (Jan. 2, 2014), <http://www.chrysip.com/trade-mark-funtion-changing-landscape/>.

⁵ Sheetal Chauhan, *Concept of Deceptive Similarity under Trademark Law in India and USA*, 4 SAJMS. 173, 174-75.

⁶ The Trade Marks Act, 1999, Section 2(h).

⁷ Soumya Bajpai, *An Overview of the Concept of Deceptive Similarity In Trademarks*, CORPBIZ (Oct. 22, 2020), <https://corpbiz.io/learning/concept-of-deceptive-similarity-in-trademarks/>.

trademark holder owner.

Deceptive similarity is one of the factors for trademark infringement. The Registrar of Trade Marks can refuse the application of Trademark registration of an applicant on the ground of deceptive similarity.⁸

V. CRITERIA FOR DETERMINING DECEPTIVE SIMILARITY

In *Cadila Health Care Ltd .v. Cadila Pharmaceutical Ltd*, Supreme Court provided the grounds for testing “Deceptive Similarity”. The factors which are to be taken into consideration for determining deceptive similarity are as follows:-

- i. Nature of mark (word, label or composite mark)
- ii. The degree of resemblance between the marks
- iii. The nature of goods (services for which the Trade mark is used)
- iv. The level of care and intelligence exercised by the purchaser while purchasing goods or services
- v. The mode used by the purchaser to purchase or place the order
- vi. The similarity in the nature, performance and character of goods of the rival traders

Images showing examples of deceptive similarity⁹



⁸ *Ibid.*

⁹ Prakriti Dadsesna, *Deceptively Similar Trademarks: Examples & Case Study*, INTEPAT, (Aug. 7, 2020) <https://www.intepat.com/blog/trademark/deceptively-similar-trademarks-examples-case-study/>.

VI. LANDMARK CASES ON DECEPTIVE SIMILARITY OF TRADE MARKS IN INDIA

1) Cadila Health Care Ltd. V. Cadila Pharmaceutical Ltd.

This is a landmark case of pharmaceutical sector in which Supreme Court has prescribed certain guidelines to be followed for adjudication of matters related to deceptive similarity between two pharmaceutical products.¹⁰

The parties in this case were the successors of the Cadila group. The defendant was selling a medicine named “Falcitab”, which was very similar to the name of the medicine called “Falcigo” manufactured by the plaintiff. This was the reason of dispute between both the parties. Both the medicines were used to treat the same disease. Hence, the plaintiff demanded injunction on the ground that the defendant’s medicine name “Falcitab” is creating confusion in the minds of the consumers. Defendant, on this, in his defense, stated that the prefix “Falci” has been taken from the name of the disease i.e. Falcipharam malaria.

Court observed that taking into consideration the vast population of India, probabilities of medical negligence, medical professions changing infrastructure because of language, etc, it is very necessary that confusion of Trade Marks with regards to medicines, pharmaceuticals and drugs should be strictly prohibited.

The court further said that extra caution and care should be exercised with regards to medical products and the brands names that are phonetically similar shall be considered as deceptively similar.¹¹

2) M/S Lakme Ltd .v. M/S Subhash Trading

In this case, the plaintiff was the seller of cosmetic products selling his cosmetics under the registered Trademark name – “Lakme”. The defendant was also selling same class of product under the name “LikeMe”. Thus, the plaintiff filed the case of Trademark infringement. The Delhi High Court in this matter held that there is striking resemblance between the two brand names “Lakme” and “LikeMe”. They are phonetically similar and there are high chances of it causing deception and creating confusion in the minds of the consumers regarding plaintiff’s products. Injunction was thus granted.¹²

3) SM Dyechem Ltd .v. Cadbury (India) Ltd.

¹⁰ Shirish Raj, *An Analysis of Judicial View On Test Deceptive Similarity In India*, RACOLB LEGAL (Apr 6, 2018), <https://racolblegal.com/an-analysis-of-judicial-view-on-test-of-deceptive-similarity-in-india/> .

¹¹ Ms Sonal Sodhani, *Deceptive Similarity and Judicial View*, IIPRD (Feb. 20, 2019, 1:14 PM), <https://www.iiprd.com/deceptive-similarity-and-judicial-view/> .

¹² M/S Lakme Ltd .v. M/S Subhash Trading And Others, (1996), <https://indiankanoon.org/doc/1483216/> .

The plaintiff was running a business of selling chips and wafers under the Trademark “PIKNIK”. Defendant also started his business of selling chocolates under the name “PICNIC”. Plaintiff filed a suit for Trade Mark infringement.

Trial court held that the two names “PIKNIK” and “PICNIC” are deceptively similar and passed judgement in favour of plaintiff. The matter then went into appeal. High court reversed the judgement of the Trial Court by holding that the two marks “PIKNIK” and “PICNIC” are not deceptively similar. They are different both in appearance and composition of words.

Supreme Court also upheld the High Court’s view.¹³

4) Starbucks Corporation .v. Sardarbuksh Coffee and Co. & Ors.

The plaintiff had a registered Trade Mark “STARBUCKS”. The defendants started a venture named “Sardarbuksh Coffee & Co.” The goods and services provided by both plaintiff and the defendant were of same nature. It was held by the Delhi High Court that the name Sardarbuksh Company is phonetically and visually similar to the logo “Starbucks” and hence it comes under the category of “Deceptively Similarity”. Therefore, Sardarbuksh was ordered by the Delhi High Court to change its name to “SARDAR-JI-BAKSH” or “SARDAR-JI-BAKSH COFFEE & CO” and also ordered to change its logo. Sardarbuksh was further ordered to mark a fresh application with a new name for trademark registration. It was agreed that if any third party uses the mark “BAKSH”, then the defendant can file a suit against the violator.¹⁴

5) M/S Allied Blenders and Distillers Pvt. Ltd .v. Govind Yadav & Anr.

Plaintiff owned the Trademark “Officer’s Choice”. Plaintiff claimed that the defendant’s trademark “Fauji” is deceptively similar to his trademark “Officer’s Choice”, on the ground that “Fauji” means a military officer when translated in Hindi.

Both plaintiff and defendant run business of alcoholic beverages. Further the packaging of bottle is also identical. It was held by the court that there is no deceptively similarity between the trademarks “Officer’s Choice” and “Fauji” and dismissed the suit for trademark infringement.¹⁵

6) M/S Mahashian Di Hatti Ltd .v. Mr. Raj Niwas

¹³ Nipun Paleja, *Deceptive Similarity under Trademarks*, SLIDESHARE, (Aug. 27, 2017), <https://www.slideshare.net/NipunPaleja/deceptive-similarity-under-trademark> .

¹⁴ Archana Upadhyay, *Notion of Deceptive Similarity in Trademark*, LEX REPOSITORY, (July 29, 2020, 11:34 PM) <http://www.thelexrepository.com/notion-of-deceptive-similarity-in-trademark/> .

¹⁵ *Supra note* 10.

The plaintiff is a manufacturer and seller of spices under the registered logo – MDH written in 3 hexagon device on red background since 1991. The defendant started using the logo – “MHS” written on the same red background and within a hexagon device. This was alleged to be deceptively similar to the plaintiff’s trademark.

It was held that both the logos are very similar and can create confusion and cause deception in the minds of the consumers with regards to the plaintiff’s products. Thus, court held that this is the case of trademark infringement as the trademark was deceptively similar.¹⁶

7) Ranbaxy Laboratories Ltd. v. Dua Pharmaceuticals Pvt. Ltd.

Plaintiff is the owner of a trademark “CALMPOSE” for a medicine. It was alleged by the plaintiff that the defendant started manufacturing a similar medicine under the mark “CALMPROSE”.

It was held by the court that both the marks “CALMPOSE” & “CALMPROSE” are used for the same class of products and that they are both phonetically and visually similar and hence was held to be deceptively similar.¹⁷

VII. CONCLUSION

Trademark plays a very pivotal role in giving a business its identity and goodwill. Thus, it is very important that it is to be protected from being misused by the fraudulent people who use a mark /logo which is very similar or closely resembles to the original trademark. This creates confusion in the minds of the consumers. Trademark helps the consumers to know the products origin and helps to purchase a good quality product.

Judiciary has broadly handled the cases of deceptive similarity and has shown strictness in such matters so as to save the rights of the genuine trademark holder and to protect the interest of the consumers. Courts have used the Doctrine of Deceptive similarity for protection against trademark infringement and passing off.

Judiciary has been very determined and dedicated towards matters of deceptive similarity so that it can provide justice in the matters of trademark infringement. The approach of judiciary in such matters is very appreciable and also acts a ray of hope that justice would surely be served.

¹⁶ *Supra note 12.*

¹⁷ Satya Sababharwal & Alisha Rastogi, *Evolution of Deceptive Similarity Tests under Trademark Law*, THE AGENDA (IYEA), (Aug 23), <https://medium.com/the-agenda-iyea/evolution-of-deceptive-similarity-tests-under-trademark-law-a781b8bd9e30> .