

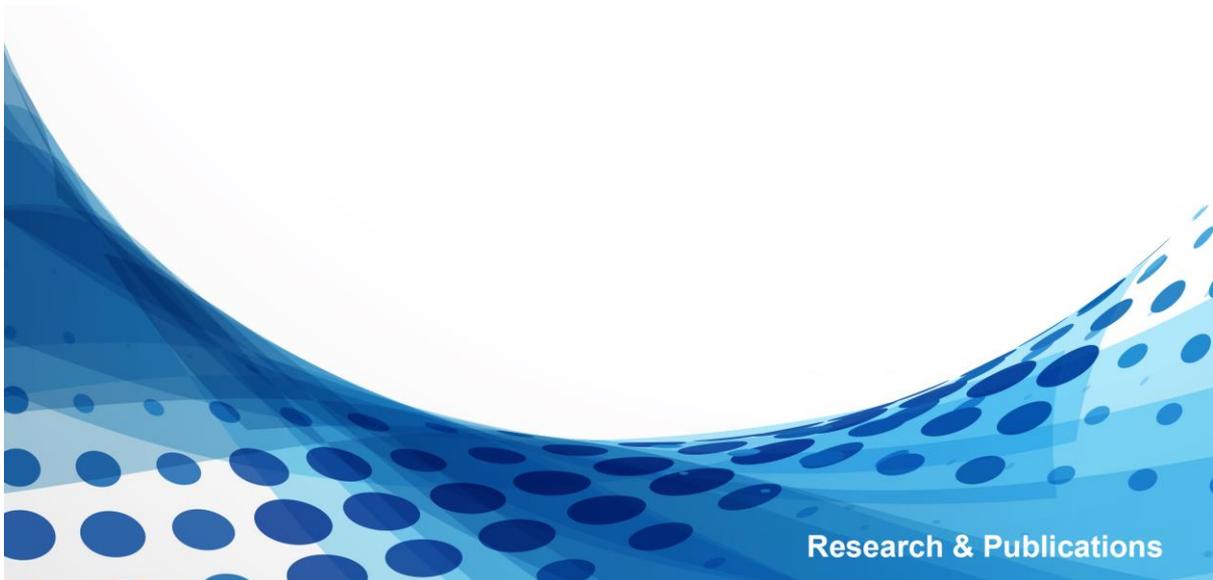


INDIAN INSTITUTE OF MANAGEMENT AHMEDABAD

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**Mutation of the trade mark doctrine: Analysing actionable use to reconcile brand identities with constitutional safeguards**

M.P. Ram Mohan  
Aditya Gupta



Research & Publications

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(Revised version as on May 23, 2022)

M.P. Ram Mohan  
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**April 2022**

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# **Mutation of the trade mark doctrine: Analysing actionable use to reconcile brand identities with constitutional safeguards**

M P Ram Mohan\* & Aditya Gupta<sup>‡</sup>

## **Abstract**

Trade marks serve as a storehouse of information, assuring consumers about the quality of a product by ensuring that products bearing the trade mark originate from a consistent source. The trade mark doctrine has accommodated this position as its underlying thesis for several decades, and consumer confusion has served as a touchstone for trade mark liability. However, given the configurations of the modern marketplace, trade marks transcend their role as source-identifiers and are framed in the language of relationships rather than transactions. With continuous and consistent use, trade marks can come to signify opulence, luxury, dependability, and become cultural icons. The modern trade mark doctrine must accommodate these realities of the marketplace while, at the same time, accommodating the flourishing exchange of expressive uses through unauthorised use of trade marks. This push-and-pull has resulted in the complete obliteration of what were already obscure boundaries between the expressive and marketing spheres of trade mark law. The present study examines the normative foundations of the modern trade mark doctrine, drawing from American, English, and European trade mark jurisprudence. These foundations are then extrapolated to Indian trade mark law to create a workable limitation of the mutating trade mark doctrine through recalibrating the actionable use requirement. The authors attempt to discern the normative foundations of the individual cause of actions in the infringement liability and argue that such foundations should serve to delimit the scope of protection offered therein. Given the relevance of expressive uses in trade mark law, the present study also examines the relevance of constitutional and policy-based arguments in determining trade mark infringement liability. We find that within Indian judicial discourse, there is an alarming disconnect between the normative foundations of infringement liability and their interpretation. This affects the interpretation of the limitations offered by the trade mark statute and can potentially push trade mark law in troubling directions.

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\* Associate Professor, Strategy Area, Indian Institute of Management Ahmedabad

<sup>‡</sup> Research Associate, Indian Institute of Management Ahmedabad.

We are grateful to Dev Ganjgee and V K Unni for review comments and Ujjwal Jain for pointing out case citation discrepancies in the earlier version of the paper. This project was supported by the Research and Publications Area of IIM Ahmedabad.

## Table of Contents

<b>INTRODUCTION.....</b>	<b>3</b>
<b>1. WHAT DOES A TRADE MARK REGISTRATION PROTECT? .....</b>	<b>6</b>
1.1. INFORMATION TRANSMISSION <i>vis-à-vis</i> MISAPPROPRIATION .....	7
1.2. THE FUNCTIONS THEORY OF TRADE MARK PROTECTION .....	10
<b>2. UNDERSTANDING THE INDIAN TRADE MARK LANDSCAPE .....</b>	<b>13</b>
<b>3. TRADE MARK PROTECTION SPECTRUM .....</b>	<b>18</b>
3.1. AN ARGUMENT FOR LIMITATION: SECTION 29(1) .....	20
3.2. STATUTORY REQUIREMENT OF LIKELIHOOD OF CONFUSION: SECTION 29(2).....	23
3.3. A STOREHOUSE OF THE EXPANDED FUNCTIONS: SECTION 29(4) .....	26
3.3.1. <i>What use constitutes Blurring?</i> .....	29
3.3.2. <i>What use constitutes Tarnishment?</i> .....	30
3.3.3. <i>What use constitutes unfair advantage</i> .....	31
3.3.4. <i>Statutory safeguards against dilution</i> .....	33
<b>4. CONSTITUTIONAL SAFEGUARDS AND TRADE MARK DOCTRINE.....</b>	<b>36</b>
4.1. USE OF TRADE MARKS IN COMPARATIVE ADVERTISING .....	36
4.2. TRADE MARK PARODYING .....	40
<b>CONCLUSION .....</b>	<b>43</b>

*In an acquisitive society, the drive for monopoly advantage is a very powerful pressure. Unchecked, it would no doubt patent the wheel, copyright the alphabet, and register the sun and moon as exclusive trade marks.*<sup>1</sup>

## Introduction

What is the first thing that comes to your mind when you hear the word ‘*Barbie*’? Initially adopted as a totem to indicate the origin and confirm the source of a toy, with continuous and consistent use, *Barbie* has descended as a part of the popular language<sup>2</sup> and has since assumed the status of a cultural icon.<sup>3</sup> Since its initial launch in 1959,<sup>4</sup> *Barbie* has accrued an extraordinary level of scrutiny.<sup>5</sup> A subject of continuous appropriation and reinterpretation, *Barbie* begs the question: how has Mattel embraced this development?

With gross sales over USD 1 billion<sup>6</sup> and an overall brand value of USD 571 million,<sup>7</sup> Mattel claims that they sell over 100 Barbie dolls every minute and over 58 million dolls are sold per annum.<sup>8</sup> With such astronomical sales and revenue figures, it is safe to say that Mattel has reaped considerable financial gains from the use of its *Barbie* mark. Owing to its significance as a cultural icon and the associations of femininity associated with *Barbie*, it has been the subject of an *antibranding movement*. Artists and authors have continually ridiculed and parodied the colloquial conceptualisations associated with the mark.<sup>9</sup> These parodies and

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<sup>1</sup> Ralph S Jr. Brown, *Advertising and the public interest: Legal protection of trade symbols*, 57 YALE LAW JOURNAL 1619, 1659 (1948).

<sup>2</sup> See: Rachna Sharma, *Barbie: American Icon to World Idol*, 5 ICFAI JOURNAL OF BRAND MANAGEMENT 39–51 (2008); For example: Udo Wagner et al., *Possession Attachment toward Global Brands: How the “World of Barbie” is Shaping the Mindsets of Millennial Girls*, 33 JOURNAL OF INTERNATIONAL CONSUMER MARKETING 434–451 (2021) This study examines the possession attachment of Indian women with Barbie dolls.

<sup>3</sup> Mattel, Inc. v. MCA Records Inc., 296 D. 3d 894 (9th Cir. 2002); Ann duCille, *Dyes and Dolls: Multicultural Barbie and the Merchandising of Difference*, in THE BLACK STUDIES READER 265, 268 (2004).

<sup>4</sup> MARY F. ROGERS, BARBIE CULTURE 86–112 (1999).

<sup>5</sup> KRISTIN NOELLE WEISSMAN, BARBIE: THE ICON, THE IMAGE, THE IDEAL: AN ANALYTICAL INTERPRETATION OF THE BARBIE DOLL IN POPULAR CULTURE 9–11 (1999).

<sup>6</sup> Annabelle Timsit, *Barbie is back to being a billion-dollar brand*, QUARTZ, 2019, <https://qz.com/1546252/barbie-is-back-to-being-a-billion-dollar-brand/> (last visited Feb 10, 2022).

<sup>7</sup> ‘I’m a Barbie Girl, in a changing world’, <https://brandfinance.com/press-releases/im-a-barbie-girl-in-a-changing-world> (last visited Feb 10, 2022).

<sup>8</sup> Emily Dixon, *As Barbie turns 60, how has the world’s most famous doll grown up?*, CNN STYLE, 2019, <https://www.cnn.com/style/article/us-barbie-60th-birthday-scli-intl/index.html> (last visited Apr 16, 2022).

<sup>9</sup> MATTEL, INC. v. MCA RECORDS INC., *supra* note 3; Heather Wallack, *Mattel, Inc. v. MCA Record, Inc.*, 12 DEPAUL JOURNAL OF ART, TECHNOLOGY AND INTELLECTUAL PROPERTY LAW 477 (2002); See: Rebecca Tushnet, *Make me walk, make me talk, do whatever you please: Barbie and exceptions*, in INTELLECTUAL PROPERTY AT THE EDGE: THE CONTESTED CONTOURS OF IP 405–426 (Jane C. Ginsburg & Rochelle Cooper Dreyfuss eds., 2014).

satires run directly hostile to Mattel’s motivations.<sup>10</sup> This situation raises a serious concern for trade mark law: Which concerns should trade mark law protect? Should the antibranding movements be protected, or should Mattel be allowed absolute control over their mark?

Barbie is one of the possibly hundreds of brands and trade marks which have been appropriated and reappropriated by the linguistics of modern culture.<sup>11</sup> As soon as trade marks transcend their source identifying function and become the basis of important and evocative metaphors, the trade mark doctrine starts to struggle.<sup>12</sup> As Justice Kozinski observes, *where trade marks come to carry so much communicative freight, allowing the trade mark holder to restrict their use implicates our collective interest in free and open communication.*<sup>13</sup> The modern marketing and advertising values counteract with the expressive and public use of trade marks to thrust trade mark doctrine in opposing directions.<sup>14</sup> Analysing this *tug of war*, Prof. Dreyfuss points out, “*the dichotomy between marketing and expressive spheres, which was always somewhat indistinct, has collapsed entirely.*”<sup>15</sup>

The authors in the present study attempt to analyse the *actionable use* requirement to trace a discernible boundary of trade mark protection within Indian trade mark jurisprudence. The authors limit their study to infringement actions. Registration and common law trade mark actions do not form a part of the present study. The conceptualisation of actionable use is fertilised by a discussion of trade mark law’s normative justifications. From *source designators* to *property simpliciter*, the rationales for trade mark protection remain varied and contested. The present study extends this debate to educate the actionable use requirement within trade mark litigation in India.

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<sup>10</sup> Mattel has continuously tried to contain the social discourse surrounding Barbie. See for example: Body positive Barbie dolls: Afua Hirsch, *Yes, Barbie has got bigger. But her old body-image message endures*, THE GUARDIAN, May 16, 2017, <https://www.theguardian.com/commentisfree/2017/may/16/barbie-bigger-body-image-fashionista-thin> (last visited Feb 10, 2022); Barbie dolls made from ocean plastics: Barbie makers launch first doll collection made from recycled ocean-bound plastic, THE INDIAN EXPRESS (2021), <https://indianexpress.com/article/lifestyle/life-style/barbie-makers-launch-first-doll-collection-made-from-recycled-ocean-bound-plastic-7352758/> (last visited Feb 10, 2022).

<sup>11</sup> For more examples see: Steven M Cordero, *Cocaine-Cola, the Velvet Elvis, and Anti-Barbie: Defending the Trademark and Publicity Rights to Cultural Icons*, 8 FORDHAM INTELL. PROP. MEDIA & ENT. LJ 599 (1997).

<sup>12</sup> Rochelle Dreyfuss Cooper, *Reconciling Trademark Rights and Expressive Values: How to Stop Worrying and Learn to Love Ambiguity*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH , 262 (Graeme B Dinwoodie & Mark D Janis eds., 2008); Lemley, Mark A., *Fame, Parody, and Policing in Trademark Law*, MICHIGAN STATE LAW REVIEW, 2 (2019) Famous marks become a part of social conversation in a way ordinary marks don’t.

<sup>13</sup> Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 973 (1993).

<sup>14</sup> See: Teresa Scassa, *Trademarks Worth a Thousand Words: Freedom of Expression and the Use of the Trademarks of Others*, 53 CD1 877–907 (2012).

<sup>15</sup> Dreyfuss Cooper, *supra* note 12.

Before studying the Indian trade mark jurisprudence, the authors highlight some pragmatic realities of trade mark litigation in India. Firstly, trade mark litigation in India remains slow and complex, which leads to most intellectual property disputes being determined at the stage of interlocutory applications.<sup>16</sup> Even the Supreme Court of India has lamented their disapproval over the state of intellectual property litigation.<sup>17</sup> Secondly, the Indian trade mark law provides a proprietor with two sets of remedies: the statutory remedy of infringement<sup>18</sup> and the common law remedy of passing off.<sup>19</sup> While there are considerable differences between the protection offered within the two remedies,<sup>20</sup> the *two strands have been rather messily merged together, which leads to incoherence within individual decisions and inconsistency across the body of case law.*<sup>21</sup>

To counteract the realities of Indian trade mark litigation, the authors supplement the Indian trade mark jurisprudence with judicial opinions from the UK and the EU. Given the common law heritage of Indian trade mark law, historically, the Indian trade mark doctrine has developed in close correlation with its English counterpart.<sup>22</sup> However, with the UK's adoption of the European Union's (EU) harmonising legislation,<sup>23</sup> the English law explicitly adopted the European civil law approach. This adoption divorced English trade mark jurisprudence from its common law origins.<sup>24</sup> Therefore, while decisions from the UK, and by extension the EU, can serve as important aids of interpretation, they should not lead to *Europeanisation* of the Indian trade mark law.<sup>25</sup> The present study relies on foreign judicial opinions only to supplement the interpretation offered within Indian trade mark jurisprudence. The study fosters

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<sup>16</sup> Dev Gangjee, *Chapter 12: India*, in INTERNATIONAL TRADEMARK DILUTION, 304 (Daniel R Bereskin ed., 2021).

<sup>17</sup> *Shree Vardhman Rice & General Mills v. Amar Singh Chawalwala*, 2009 10 SCC 257 3; *Bajaj Auto Ltd. v. TVS Motor Copmany Ltd.*, 2009 9 SCC 797.

<sup>18</sup> Section 29, Trade Marks Act, 1999.

<sup>19</sup> Section 27(2), Trade Marks Act, 1999.

<sup>20</sup> See: *Renaissance Hotel Holdings v. B. Vijaya Sai & Ors.*, Civil Appeal No. 404 of 2022.

<sup>21</sup> Gangjee, *supra* note 16 at 305.

<sup>22</sup> Dev Gangjee, *Non conventional trade marks in India*, 22 NATIONAL LAW SCHOOL OF INDIA REVIEW 67, 69, 70 (2010) However, it is important to note that, before Brexit, the UK trade mark jurisprudence was bound to follow the European Civil Law constructions. This can potentially divorce the common law connection between the UK and India. This very fact has been identified in judicial opinions from South Africa and Singapore. .

<sup>23</sup> Council Directive 89/104/EEC later replaced by codified version 2008/95/EC, 22 October, 2008, implemented by way of the UK Trade Marks Act, 1994; Alison Firth, *Reception of EU Trade Mark Law in New Zealand*, in IMPORTING EU NORMS: CONCEPTUAL FRAMEWORK AND EMPIRICAL FINDINGS 169–188, 171 (Annika Björkdahl et al. eds., 2015).

<sup>24</sup> 70 Gangjee, *supra* note 22 Ironically, the common law approach to registered trade marks is no longer an option for UK courts – the home of the common law – since they are now bound by ECJ precedents.

<sup>25</sup> *Id.* at 70; Rasmus Dalgaard Laustsen, *Likelihood of Confusion: Legislative Harmonisation?*, in THE AVERAGE CONSUMER IN CONFUSION-BASED DISPUTES IN EUROPEAN TRADEMARK LAW AND SIMILAR FICTIONS 253, 277–279 (Rasmus Dalgaard Laustsen ed., 2020).

deviations from foreign jurisprudence when it can create a discord between the normative thesis and statutory interpretation of trade mark infringement liability.

Part 1 of the present study attempts to trace the normative justifications of protecting trade marks. This understanding educates the examination of the ideal interpretation and the scope of expansion for trade mark rights in India. Part 2 explains the legislative framework which provides the infringement remedy to registered trade mark owners. Part 3 attempts to discern the ideal scope of actionable use that should be protected by the infringement remedy in line with the doctrinal and normative justifications of trade mark protection. Finally, Part 4 studies how far concerns based in free expression and fair competition have cross-fertilised the concerns of trade mark protection and expansionism.

### **1. What does a trade mark registration protect?**

Decades of research has been devoted to the investigation of the functions of trademark protection within the commercial marketplace. Fluctuating market forces and legislative policies have continually worked to alter the nature of trade mark law.<sup>26</sup> With brands such as Coca-Cola assuming more monetary might than the combined value of the company's entire asset portfolio,<sup>27</sup> it is difficult to limit trade mark protection to its informative identities.

In the middle of the 20<sup>th</sup> century, eminent scholars traced the central premise of trademark protection to its informative function.<sup>28</sup> These scholars argued that the *intrinsic symbolic value* of marks does not deserve protection.<sup>29</sup> Towards the end of the 20<sup>th</sup> century, this position witnessed significant disapproval. Prof. Lemley argued in 1999 that that *as commercial transactions become more complex and less tangible, reputation becomes more central*.<sup>30</sup> However, despite an explicit admission that trademark law needs to adapt to the changing realities of trade mark's economic function,<sup>31</sup> Prof. Lemley cautioned, "*Unless we are careful,*

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<sup>26</sup> Connie David Powell, *We all Know it's a Knock Off-Re-Evaluating the Need for the Post-Sale Confusion Doctrine in Trademark Law*, 14 NCJL & TECH. 1, 4–13 (2012).

<sup>27</sup> Bruce Proctor, *Unauthorised Use of Trade Marks: A Trade Mark Proprietor's Perspective*, in UNAUTHORISED USE OF TRADE MARKS: A TRADE MARK PROPRIETOR'S PERSPECTIVE 212, 216, 217 (Jeremy Phillips ed., 2006).

<sup>28</sup> Brown, *supra* note 1 at 1167–1170.

<sup>29</sup> *Id.* at 1205–1206.

<sup>30</sup> Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 THE YALE LAW JOURNAL 1687, 1693 (1999).

<sup>31</sup> *Id.* at 1715; For an example of the expansion of the core of the trademark doctrine, see: Ilanah Simon Fhima, *The Court of Justice's protection of the advertising function of trade marks: an (almost) sceptical analysis*, 6 JOURNAL OF INTELLECTUAL PROPERTY LAW & PRACTICE 325 (2011).

*we may end up in a world in which every thing, every idea, and every word is owned. And we will all be poorer for it.*"<sup>32</sup>

To reconcile Prof. Lemley's concerns with the realities of the contemporary marketplace, it is important to identify the normative justifications underlying trade mark monopoly. Legal scholars have long debated the theoretical justifications for trade mark protection:<sup>33</sup> Did it originate to protect the seller's goodwill from free riding and misappropriation, where protecting the trade mark owner's investment assumed importance?<sup>34</sup> Or were the primary objectives of trade mark law primarily consumer-oriented, where protection from confusion in the marketplace occupied the core of the trade mark doctrine?<sup>35</sup>

This section investigates the debate about the doctrinal foundations of trade mark law. In doing so, Part 1.1 analyses the varying models of trade mark protection and their potential effects on the future expansion and interpretation of the law. Part 1.2 turns to the ECJ's *functions theory* to examine how the protection afforded to the expanded roles of trade mark law recalibrates the canonical discussions about the scope of the trade mark formula. In doing so, the authors propose a *three-step* model, which is explained towards the end of this section, where the protections afforded to trade marks are carefully catered to accommodate the doctrinal discussions on the subject.

### **1.1. Information Transmission *vis-à-vis* Misappropriation**

Prof. Bone divided the debate over the trade mark protection paradigm between the *information transmission* and the *misappropriation* models in 2007.<sup>36</sup> The information transmission model intends to protect consumer confusion and argues that *the essence of the wrong lies in making consumers believe that a product comes from, is affiliated with, or is sponsored by the trade*

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<sup>32</sup> Lemley, *supra* note 30 at 1715.

<sup>33</sup> Deven R. Desai, *The Chicago School Trap in Trade mark: The Co-evolution of Corporate, Antitrust, and Trade mark Law*, 37 CARDOZO LAW REVIEW 551, 553 (2015) "Dissatisfaction with trade mark has only grown...with critics arguing that trade mark rights have expanded too far in protecting right holders' interests, have become property rights and that trade mark law does not regulate competition well. Other reproaches focus on the way trade mark law allows mark holders to chill expression."

<sup>34</sup> Lemley, *supra* note 30 at 1707.

<sup>35</sup> For a better understanding of this debate see: Rober G. Bone, *Hunting Goodwill: A History of the concept of Goodwill in Trademark Law*, 86 BOSTON UNIVERSITY LAW REVIEW 547 (2006); Glynn Lunney, *Trademark Monopolies*, 48 EMORY LAW JOURNAL 367 (1999).

<sup>36</sup> There are other authors who classify this debate with different nomenclatures, See: David Nichols & Charley Carroll, *Trouble in Trademark Law: How Applying Different Theories Leaves the Door Open for Abuse*, 17 SMU SCIENCE AND TECHNOLOGY LAW REVIEW 1, 5 (2014); Search costs theory is also an interesting theory which seeks to retrace the justification for trademark protection. See: Ariel Katz, *Beyond search costs: the linguistic and trust functions of trademarks*, BYU L. REV. 1555 (2010).

*mark owner when it is not.*<sup>37</sup> It serves three policy objectives:<sup>38</sup> First, it reduces consumer search costs by allowing trade marks to serve as abbreviated indicators of important product information. This information may have been obtained by a consumer through advertising, personal experience, or word of mouth.<sup>39</sup> Second, protecting an exclusive association between a mark and a proprietor incentivises the seller to maintain and improve product quality.<sup>40</sup> Third, and most importantly, it reduces the risk of consumer confusion and prevents consumer from being misled into purchase unwanted products.

In its most uncomplicated distillation, the misappropriation argument asserts that a person *should not be able to appropriate the benefits of another's investment without a similar investment of their own.*<sup>41</sup> The American Supreme Court explained the misappropriation argument in *International News Service* as “*he who reaps where he has not sown is said to be unjustly enriched.*”<sup>42</sup> The misappropriation argument focuses on a trademark's goodwill and reputation, rather than preventing consumer confusion in the marketplace.<sup>43</sup>

Some scholars maintain that the information transmission model should dominate trade mark theory.<sup>44</sup> Others, however, argue that *trade mark laws were never specifically designed to protect consumers or encourage information availability in the markets, but were to protect producers from illegitimate copies of their products.*<sup>45</sup> While the scholarly debate about the provenance of trade mark policy has witnessed many disagreements, there appears to be some consensus that the present version of trade mark law incorporates both models of protection.<sup>46</sup>

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<sup>37</sup> Bone, *supra* note 35 at 556.

<sup>38</sup> *Id.* at 555–556.

<sup>39</sup> Robert G Bone, *Enforcement costs and trademark puzzles*, VIRGINIA LAW REVIEW 2099, 2105 (2004).

<sup>40</sup> BARTON BEEBE, TRADEMARK LAW: AN OPEN-SOURCE CASEBOOK 24–25 (8 ed. 2021).

<sup>41</sup> David W. Barnes, *Misappropriation of Trademark*, 9 NORTH CAROLINA JOURNAL OF LAW AND TECHNOLOGY 171, 174–176 (2008).

<sup>42</sup> *International News Service v. The Associated Press*, 248 U.S. 215 (1918); Brown, *supra* note 1 at 1199–1205.

<sup>43</sup> Powell, *supra* note 26 at 6–13.

<sup>44</sup> See for example: Mark A Lemley & Mark P McKenna, *Owning mark (et) st*, 109 MICHIGAN LAW REVIEW 137–189 (2010) “The market preemption and free-riding arguments have served to distract attention from the question of whether consumers are in fact confused to their detriment? or, in the case of dilution, whether they are otherwise harmed by such uses. In so doing, those arguments have contributed to the expansion of trade mark law beyond its traditional conceptual moorings.”

<sup>45</sup> Patricio Sáiz & Rafael Castro, *Trademarks in branding: Legal issues and commercial practices*, 60 BUSINESS HISTORY 1105, 1107 (2018); Powell, *supra* note 26 at 7–110; William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 THE JOURNAL OF LAW & ECONOMICS 265, 265–275 (1987); Mark P McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME LAW REVIEW 1839, 1873–1880 (2007) First, “traditional” American trademark law was primarily concerned with protecting producers' interests. In many cases, protecting those interests yielded an additional benefit to consumers, but that side benefit did not motivate decisions.

<sup>46</sup> Nichols and Carroll, *supra* note 36 at 7 As such, the functions of trademarks now extend beyond source identification; Stacey L Dogan & Mark A Lemley, *Parody as Brand*, 47 UC DL REV. 473 (2013) “Trademark law, even as it has expanded to prevent dilution, has purported to focus on preventing harm, either to the trademark holder or to the public (and sometimes even both).”

As Prof. Desai explains “As the economy shifted to mass production and distribution on a national scale, this doctrine (the information transmission model or strict source doctrine ) became suspect. Once companies moved beyond direct competition, trade mark theory and law struggled to find a way to explain what trade marks protect.”<sup>47</sup>

With the proliferation of trade mark functions in the commercial marketplace, the motivation to protect every possible iteration of a trade mark's secondary use should not be permitted in the name of protecting a trade mark's reputation and goodwill. The influence and authority of the two protection paradigms in modern trade mark law must be classified. As Prof. Lemley and McKenna point out:

“It (trade mark law) is designed to facilitate a competitive marketplace by allowing consumers to know what they are buying, or at least from whom. But a trade mark law that is distorted into a right to own markets- one that seeks out and tries to forbid all free riding on a mark ends up interfering with rather than enabling competition.”<sup>48</sup>

Therefore, the *misappropriation argument* should be applied with caution and should not colour the entire spectrum of trade mark protection. While goodwill, reputation, and free riding can be considered as important aspects of trade mark protection, they need to be reconciled with the conflicting concerns of competition and speech.<sup>49</sup> Alternatively, even if the *information transmission* model occupies the core of trade mark protection, it has to be counteracted with the modern realities of branding and advertising.<sup>50</sup> This coherent understanding of the law is necessary lest it handicaps efforts to identify the ideal direction for its development and push *trade mark law in troubling directions*.<sup>51</sup>

Regardless of the importance of this distinction and delimitation, even judicial opinions have used the information transmission and misappropriation arguments concurrently.<sup>52</sup> In light of the provenance of the information transmission model and the reservations cited against the

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<sup>47</sup> Deven R. Desai, *From Trademarks to Brands*, 64 FLORIDA LAW REVIEW 981, 1010–1011 (2012); Also see: McKenna, *supra* note 45.

<sup>48</sup> Lemley and McKenna, *supra* note 44 at 187.

<sup>49</sup> Lunney, *supra* note 6 at 486 “In this light, property-based trade mark goes too far toward prohibiting imitation as imitation, rather than limiting itself to imitation as material deception.”

<sup>50</sup> Prof. Resai identifies a brand theoretical approach to trademark law which attempts to reconcile the information transmission model with the two-way transmission model created by use of brands in marketing and advertising. Desai, *supra* note 47.

<sup>51</sup> Bone, *supra* note 35 at 549.

<sup>52</sup> See for example: *Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel & Ors.*, (2006) 8 SCC 726 The Court opined that a loss to the goodwill and reputation of the mark would be sufficient to prove irreparable harm. Irreparable harm is a necessary ingredient for a temporary injunction in a trademark litigation. Thus, the court indirectly conflated goodwill protection with consumer protection. ; *Australian Gold, Inc. v. Hatfield*, 436 F. 3d 1228 (10th Cir. 2006).

misappropriation argument, the authors suggest a three-step model for analysis of trade mark infringement cases. This model can be applied to administer all the archetypes of trademark law, including the trademark use requirement and the likelihood of confusion.<sup>53</sup> When evaluating the validity of an action based on trade mark law, the primary concern of the legal doctrine should be preventing consumer confusion. Resultantly, restricting the scope of trademark protection to the information transmission model. Reputation, goodwill, and free riding should only be considered if consumer confusion is insufficient to prevent secondary use harm. The second step should be a conjoint reading of the two models, where goodwill and reputation is considered in conjunction with the confusion paradigm. Lastly, there will be instances, such as dilution, where consumer confusion cannot prevent the resulting harm from the secondary use. These situations should be exceptions warranting a total abandonment of the consumer confusion requirement. As the court progresses from the first to the third step, it should increase its scrutiny of the harm caused by a secondary use and its reluctance to provide protection. The analysis of these suggestions run across the expanse of this paper. The authors will further examine the statutory language considering the three-step model in Part 3 and 4 of the paper.

## **1.2. The Functions theory of trade mark protection**

The diversion from the core of the trade mark doctrine and its foray into misappropriation protection has been a subject of concern for judges, scholars, and practitioners alike. Stakeholders have proposed a plethora of measures to rebalance the *trade mark formula* and reconcile the expanding trade mark uses with the principles of free competition and expression.<sup>54</sup> Unlike the American judiciary, where misappropriation-based concerns are not readily accepted,<sup>55</sup> the *European doctrine has traditionally been congenial to the anti-*

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<sup>53</sup> Stacey L. Dogan & Mark A Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA LAW REVIEW 1669, 1682–1683 (2007) The inquiry of “trademark use” turns on many of the same factors as the likelihood-of-confusion analysis.

<sup>54</sup> For example see: Barnes, *supra* note 41; Desai, *supra* note 47.

<sup>55</sup> Jeremy N. Sheff, *Misappropriation-Based Trademark Liability in Comparative Perspective*, in THE CAMBRIDGE HANDBOOK OF INTERNATIONAL AND COMPARATIVE TRADEMARK LAW 452, 456 (Irene Calboli & Jane C. Ginsburg eds., 2020).

*misappropriation impulse*.<sup>56</sup> In a long line of arguably overbroad protection to trade marks,<sup>57</sup> the ECJ in the latter part of the twentieth century started developing a *functions theory*.

The primary argument of the functions doctrine suggests that, given the configurations of the modern marketplace, the role performed by trade marks cannot be circumscribed by their core function of signalling origin and source.<sup>58</sup> Unlike other intellectual property rights, trade mark *protection is not related to what trade marks are, but what they do*.<sup>59</sup> For trade marks, the protection is limited to the functions they perform in the marketplace.<sup>60</sup> Trade Marks develop brand characteristics through advertising, marketing and prolonged use.<sup>61</sup> These characteristics then *form the basis of consumer communities, inspire tribal loyalties and are framed in the language of relationships rather than transactions*.<sup>62</sup> Therefore, it is safe to suggest that *although essential, indication of commercial origin is by no means the sole function that trade marks perform in modern-day economies*.<sup>63</sup>

The observation by the ECJ, stands to reason as these acquired brand characteristics associated with a trade mark also deserve protection. After a long line of decisions, where the ECJ implicitly recognised the expanded functions served by a trade mark,<sup>64</sup> it was only in 2009 that the ECJ identified four additional trade mark functions: *quality, advertising, investment and communication*.<sup>65</sup> However, the court did not provide adequate guidance on the interpretation, scope and difference between these functions. Even at the time of writing this paper, the delimitation of functions remains substantially obscure.<sup>66</sup>

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<sup>56</sup> *Id.* at 453, 454; Dev S. Gangjee, *Property in brands: The commodification of conversation*, in CONCEPTS OF PROPERTY IN INTELLECTUAL PROPERTY LAW 29 (Helena Howe ed., 2013) noting that the EU is the “most generous trade mark regime.”; L’Oréal v. Bellure, [2010] EWCA Civ 535 “the EU has a more ‘protective’ approach to trade mark law than other major trading areas and blocs.”

<sup>57</sup> See generally: RASMUS DALGAARD LAUSTSEN, THE AVERAGE CONSUMER IN CONFUSION-BASED DISPUTES IN EUROPEAN TRADEMARK LAW AND SIMILAR FICTIONS 9–20 (2020).

<sup>58</sup> Annette Kur, *Trademark Functions in European Union Law*, in THE CAMBRIDGE HANDBOOK OF INTERNATIONAL AND COMPARATIVE TRADEMARK LAW 162–177, 162, 163 (Irene Calboli & Jane C. Ginsburg eds., 2020).

<sup>59</sup> *Id.* at 162; Séverine Dusollier, *Building Coherence in Technological Transitions: Putting Exploitation at the Core of IP*, in TRANSITION AND COHERENCE IN INTELLECTUAL PROPERTY LAW: ESSAYS IN HONOUR OF ANNETTE KUR 284–293, 290–291 (Ansgar Ohly et al. eds., 2021).

<sup>60</sup> Kur, *supra* note 58 at 162, 163.

<sup>61</sup> Jurgita Randakevičiūtė-Alpman, *The Role of Trademarks on Online Retail Platforms: An EU Trademark Law Perspective*, 70 GRUR INTERNATIONAL 633–643 (2021).

<sup>62</sup> Gangjee, *supra* note 56 at 38–39.

<sup>63</sup> Alvaro Fernandez-Mora, *Trade Mark Functions in Business Practice: Mapping the Law Through the Search for Economic Content*, 52 IIC 1370, 1374 (2021).

<sup>64</sup> See: Arsenal Football Club Plc. v. Reed, 120(5) RPC 144 (2002); Adam Opel AG v. Autec AG, [2007] E.T.M.R. 33.

<sup>65</sup> L’ORÉAL v. BELLURE, *supra* note 56; See: Mats Björkenfeldt, *The genie is out of the bottle: the ECJ’s decision in L’Oréal v Bellure*, 5 JOURNAL OF INTELLECTUAL PROPERTY LAW & PRACTICE 105–110 (2010).

<sup>66</sup> See: Fernandez-Mora, *supra* note 63 at 1381–1401.

The functions theory was developed to suppress the protection offered to trade mark owners by Article 5(1)(a) and 10(1)(a) of the European Trademark Directive.<sup>67</sup> Also referred to as *double identity provisions*, these provisions protect against a secondary use<sup>68</sup> of identical marks on identical goods and services. In cases of double identity, the statute assumes a likelihood of confusion,<sup>69</sup> providing *absolute* protection to trade mark owners.<sup>70</sup> To reign in the *absolute protection*, the ECJ held that unless a secondary user can demonstrate an adverse effect on the four additional functions of the mark, the secondary user cannot be held liable.<sup>71</sup> However, without providing any guidance on the import of the four additional functions, the ECJ subjected the double identity provision to a showing of an adverse effect upon the expanded functions.<sup>72</sup>

Within the remit of its expanded functions doctrine, the ECJ confirmed that the *prestige* associated with *luxury brands* cannot be appropriated by *downmarket imitations*.<sup>73</sup> With the functions formulation, EU's trade mark jurisprudence increased its reliance on protecting against unfair competition, while reducing the relevance of consumer confusion in the infringement analysis.<sup>74</sup>

The merit of the functions doctrine as pointed out by Prof. Dusollier, resides in the caveat that any liability within trade mark law should show an adverse effect on the functions of the trademark. The requirement of an adverse effect for establishing any liability, therefore, creates a direct correlation between the scope of protection and the very objective of trademark protection.<sup>75</sup> If applied reasonably, it can insulate trade mark law from mere property-based misappropriation protection to a *purpose bound property right that only confers its owner a right to control the exploitation of the right, defined as what the grant of the right aims at*.<sup>76</sup>

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<sup>67</sup> DIRECTIVE (EU) 2015/2436; *Id.* at 1374–1380; Charles Gielen, *Chapter 10: Trademark Dilution in the European Union*, in INTERNATIONAL TRADEMARK DILUTION, 229–231 (Daniel R Bereskin ed., 2021).

<sup>68</sup> The term 'secondary use' for the present study denotes the possible use by the alleged infringer or any use that the plaintiff can potentially indict as being infringement.

<sup>69</sup> Kur, *supra* note 58 at 164–167.

<sup>70</sup> Annette Kur, *Trade marks function, don't they? CJEU jurisprudence and unfair competition principles*, 45 IIC-INTERNATIONAL REVIEW OF INTELLECTUAL PROPERTY AND COMPETITION LAW 434, 442 (2014) fn. 45.

<sup>71</sup> D. Ribbons, *What's the difference between Article 5(1)(a) and 5(1)(b)? Not a lot ...*, 6 JOURNAL OF INTELLECTUAL PROPERTY LAW & PRACTICE 435, 436 (2011).

<sup>72</sup> Andrew Bailey, *Trade mark functions and protection for marks with a reputation*, 8 JOURNAL OF INTELLECTUAL PROPERTY LAW & PRACTICE 868, 871 (2013).

<sup>73</sup> L'ORÉAL v. BELLURE, *supra* note 56.

<sup>74</sup> See: Sheff, *supra* note 55 at 453–456 "EU authorities have responded by minimizing the relevance of confusion in such cases."

<sup>75</sup> Dusollier, *supra* note 59 at 290.

<sup>76</sup> *Id.*

Further, the functions doctrine also provides for a contextual inquiry of trade mark liability.<sup>77</sup> The mandatory requirement of finding an *adverse effect* or *market harm* requires a court to consider the compounding market realities.<sup>78</sup>

In the next part, the authors examine infringement liability within the Indian Trade Marks Act, 1999, in an attempt recalibrate and identify the misappropriation-based protection impulse, and identify the trade mark functions sought to be protected by each individual cause of action.

## 2. Understanding the Indian trade mark landscape

Having analysed the doctrinal debates surrounding trade mark protection and its growth in line with commercial expectations, the authors now examine the Indian Trade Marks Act, 1999. The Indian trade mark jurisprudence also accepts that the primary purpose of a trade mark is to indicate the source of the goods or services which bear the subject mark.<sup>79</sup> The capacity to distinguish one person's goods and services from others is a necessary element in the very definition of a trade mark within the Act of 1999.<sup>80</sup>

The Act of 1999 replaced *The Trade and Merchandise Marks Act, 1958*. In doing so, the new enactment marked a radical shift from its predecessor. The statute introduced protections against dissimilar goods, unfair advantage and free-riding. It also introduced a species of infringement actions independent of any likelihood of confusion.<sup>81</sup> With the new protection paradigms offered, the Act of 1999 was arguably a movement towards the *modern trade mark doctrine*, where misappropriation is protected alongside the concerns based in information transmission. This section illustrates the different infringement actions fostered by the Act of 1999.

Section 29 of the Trade Marks Act, 1999 deals with the different situations where secondary use would amount to infringement of a registered trade mark.<sup>82</sup> Section 29(1) is a general

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<sup>77</sup> Porangaba Luis H., *A contextual account of trade mark functions theory*, 3 INTELLECTUAL PROPERTY QUARTERLY 230 (2018).

<sup>78</sup> For example in the case of, ADAM OPEL AG v. AUTECH AG, *supra* note 64 The court accommodated the realities of the German scale toys manufacturing industry in order to protect the defendants from infringement liability. Luis H., *supra* note 77 at 231–234.

<sup>79</sup> Gaurav Polymers v. Delight Chemicals Private Limited, 2020 SCC OnLine AP 1484 22–24.

<sup>80</sup> Section 2(1)(zb), Trade Marks Act, 1999.

<sup>81</sup> Roshan Lal Oil Mills Ltd. v. Assam Company Ltd, 16 PTC 699 (1996) In reference to the Trade and Merchandise Marks Act, 1958, the Delhi High Court held that there cannot be a monopoly in the use of trademark in respect of goods falling in different classes. Preeti Mehta, *The Trade Marks Act, 1999-India Conforms to TRIPS*, 2 INT'L J. FRANCHISING L. 15, 18 (2004); AKHILESHWAR PATHAK, *Changing context of trade mark protection in India: a review of the trade marks act, 1999*, 18–21 (2004).

<sup>82</sup> Cadila Pharmaceuticals Ltd. v. Sami Khatib of Mumbai, 2011 (3) Bom. C.R. 587.

proposition of the law, while subsections 2 through 9 deal with specialised situations in which a trade mark is infringed.<sup>83</sup>

Section 29(1) allows a plaintiff to proceed against the use of a mark that is (1) identical to or is deceptively similar to a mark used by a registered proprietor;<sup>84</sup> (2) The secondary use is in the course of trade,<sup>85</sup> and, (3) in reference to goods and services of the plaintiff's registered trade mark. (4) Further, the secondary use should be likely to be taken as being used as a trade mark.<sup>86</sup>

While other provisions in Section 29 require the use of an *identical* or *similar* mark, Section 29(1) clubs the *identical* requirement with the higher qualification of *deceptive similarity*. This requirement falls closer to identical use than similar use as is applied in different subsections.<sup>87</sup>

In comparison to Section 29(1), Section 29(2) is broader in its approach.<sup>88</sup> Along with an explicit likelihood of confusion requirement, Section 29(2)(a)-(c) provide three situations where a secondary use would be actionable:

- Use of an identical mark in reference to similar goods and services.
- Use of a similar mark in reference to identical or similar goods and services.
- Use of an identical mark in reference to identical goods and services. When both the mark, and the goods/services in reference to which the mark is applied are identical, the statute, through Section 29(3), assumes likelihood of confusion.<sup>89</sup>

The above three uses should be in the course of trade and should be 1) likely to confuse the relevant part of the public, or; 2) likely to have an association with the registered trade mark.<sup>90</sup>

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<sup>83</sup> 1 K. C KAILASAM, VENKATESWARAN ON TRADE MARKS AND PASSING - OFF 1504 (Sixth ed. 2015).

<sup>84</sup> Section 2(1)(h) of the Trade Marks Act, 1999 defines the term 'deceptively similar'; For principles deciding the question of deceptive similarity see: *Macleods Pharmaceuticals v. Swisshem Healthcare and Ors.*, (2019); *S.M. Dyechem Ltd. v. Cadbury India Ltd.*, 5 SCC 573 (2000).

<sup>85</sup> *Pepsi Co. Inc. & Anr. v. Hindustan Coca Cola & Ors.*, 94 DLT 30 (2001) "The right conferred by registration is a right to use the mark in the course of trade and obviously this right is increased only when the infringer also uses the mark in course of trade."

<sup>86</sup> *Mother Care v. Penguin Books*, 1998 RPC 113; *Wockhardt Ltd v. Aristo Pharmaceuticals*, 19 PTC 540 (1999) "It stands to reason that a Trade Mark Act would only be concerned to restrict the use of a mark as a trade mark or in a trade mark sense, and should be construed accordingly."

<sup>87</sup> *Balkrishna Hatcheries v. Nandos International*, (2007) 35 PTC 295; *Marico Limited V. Pratik Goyal*, 2014 (60) PTC 185 (Del).

<sup>88</sup> While the point of comparison in Section 29(1) is limited, (i.e., the two marks should be identical or deceptively similar in respect of the goods or services for which the trade mark is registered), this point of comparison is comparatively broader within Section 29(2), where any of the three conditions can be fulfilled to assume liability. Similarly, the effect that the latter protects is also comparatively broader (such a manner as to render the use of the mark likely to be taken as being used as a trade mark likely to cause confusion in the minds of the public or likely to have an association with the registered trade mark.)

<sup>89</sup> Section 29(3), Trade Marks Act, 1999.

<sup>90</sup> *Dev Gangjee, Lots in a Name: Would "Diluted" marks still sell as sweetly?*, 15 STUDENT BAR REVIEW 5, 11, 12 (2003).

In the case of *Canon Kabushiki Kaisha*, the European Court of Justice explained that a likelihood of confusion may arise in one of three circumstances: “1) where the public confuses the sign and the mark in question (likelihood of direct confusion); (2) where the public makes a connection between the proprietors of the sign and those of the mark and confuses them (likelihood of indirect confusion or association); (3) where the public considers the sign to be similar to the mark and perception of the sign calls to the mind the memory of the mark, although the two are not confused (likelihood of confusion in the strict sense).” This conceptualisation of the confusion requirement has also been confirmed in India by the Delhi High Court<sup>91</sup> and the Supreme Court<sup>92</sup>

Section 29(4) is not cut from the same cloth as the remainder of Section 29,<sup>93</sup> in the sense that the provision applies in reference to application of the mark in reference to dissimilar goods.<sup>94</sup> It embodies the Indian trade mark law’s protection against *dilution of a registered mark*.<sup>95</sup> The provision imposes liability where an identical or a similar trade mark is used in the course of trade in reference to dissimilar goods and services. Such secondary use of the registered mark should take unfair advantage of or be detrimental to the distinctive character or reputation of the mark.<sup>96</sup> The provision incorporates two statutory limitations to its general rule: 1) it only protects *marks with reputation*,<sup>97</sup> 2) secondary use should be *without due cause*.

Section 29(5) provides that a third party cannot adopt a registered trade mark as a trade name while dealing with goods or services in reference to which the registered trade mark is applied. A *no-fault* provision,<sup>98</sup> Section 29(5) does not require a showing of likelihood of confusion, unfair advantage or detriment to the distinctive character of the registered mark.<sup>99</sup> As long as

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<sup>91</sup> ITC Limited v. Philip Morris Products SA & Ors., 2010 Indlaw DEL 643.

<sup>92</sup> RAMDEV FOOD PRODUCTS (P) LTD. V. ARVINDBHAI RAMBHAI PATEL & ORS., *supra* note 52.

<sup>93</sup> RPG Enterprises Ltd. v. Riju Ghoshal & Ors., 2022 SCC OnLine Bom 626 39–43; Ford Motor Company v. C.R. Borman, 38 PTC 76 (2009) “This also indicates that the Parliament intended Section 29(4) as a pandect or fasciculus operating on its own; that it is an important exception to the other provisions of the Act.”

<sup>94</sup> Bloomberg Finance LP v. Prafull Saklecha & Ors., (2014) 207 DLT 35, 37 “Section 29(4) is also distinct from Section 29(1) to (3) of the TM Act is another important aspect. The element of having to demonstrate the likelihood of confusion is absent.”

<sup>95</sup> Gaurav Mukherjee & Srishti Kalro, *What Is the Confusion over Dilution: Towards a Meaningful Understanding of Section 29(4) of the Trademarks Act, 1999*, 4 INDIAN J. INTELL. PROP. L. 139, 141–142 (2011).

<sup>96</sup> Renuka Medury, *Trade mark dilution before and after Section 29(4) of the Indian Trade Marks Act*, in ANNOTATED LEADING TRADEMARK CASES IN MAJOR ASIAN JURISDICTIONS, 242 (2019); Bennett Coleman and Company Ltd. & Anr. v. Sol Lifestyle Pvt. Ltd., 2016 SCC OnLine Bom 6946 The import of these provisions is further discussed in part 3.3 of the present study.

<sup>97</sup> FORD MOTOR COMPANY V. C.R. BORMAN, *supra* note 93 “What should not be lost sight of is the fact that section 29(4) is palpably an exception to the scheme of the Act and applies only to those trade marks which have earned a reputation in India”; For the difference between “well-known marks” and “marks with reputation,” see: Ashok Leyland v. Blue Hill Logistic Pvt. Ltd., 46 PTC 35 (2011); Gangjee, *supra* note 90 at 12–14.

<sup>98</sup> BLOOMBERG FINANCE LP V. PRAFULL SAKLECHA & ORS., *supra* note 94.

<sup>99</sup> Cisco Technology, Inc. v. Santosh Tantia, 2014 (59) PTC 356.

the secondary use of the registered trade mark is used as a part of the trade name and is used in reference to identical goods and services as the registered trade mark, liability is established.<sup>100</sup> Section 29(6) is illustrative in nature and identifies certain actionable uses of a registered trade mark.<sup>101</sup> The provision is fairly broad in character<sup>102</sup> and injuncts the use of the registered mark on packaging of goods, in marketing or stocking, importing or exporting and even secondary use on business papers and advertising.<sup>103</sup>

Section 29(7) provides that if a person applies a registered trade mark knowing that the application of such a mark was not authorized by the mark holder, it will amount to infringement.<sup>104</sup> Section 29(8) protects the use of a registered trade mark during advertising. If an advertisement takes unfair advantage and is a dishonest commercial or industrial practice or is detrimental to the distinctive character or reputation of the mark, infringement is established.<sup>105</sup> As far as the requirements set out in Section 29(8) are fulfilled *it would make no difference at all whether the goods are similar or dissimilar*.<sup>106</sup> The statutory language employed by Section 29(8) is identical to the language employed in Section 29(4). Both sections protect against unfair advantage and detriment to distinctive character and repute. However, the statutory limitations which form a part of Section 29(4) i.e., reputation and due cause requirement, are absent from Section 29(8).<sup>107</sup> Given the lack of the statutory limitations, the protection offered by Section 29(8) is arguably broader than Section 29(4).

Finally, Section 29(9) provides that where the distinctive element of a registered trade mark consists of or includes words, infringement can be established by the spoken use or visual

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<sup>100</sup> Cipla Ltd. v. Cipla Industries Pvt. Ltd., AIR 2017 Bom 75 25–28; BLOOMBERG FINANCE LP v. PRAFULL SAKLECHA & ORS., *supra* note 94 at 39; Mankind Pharma Ltd. v. Chandra Mani Tiwari, 75 PTC (Del) 8 (2018) (The Court held that the use of a trade name deceptively similar to a registered trade mark does not constitute trade mark infringement, as Section 29[5] only applies to the use of a trade name identical to a registered trade mark); Karan Trehan, *Delhi High Court rules that the use of a trade name similar or deceptively similar to a registered trade mark does not amount to infringement under the Indian Law*, 13 JOURNAL OF INTELLECTUAL PROPERTY LAW & PRACTICE 771 (2018).

<sup>101</sup> Crompton Greeves Ltd. v. Salzer Electronics Ltd., 46 PTC 450 (2011) “Interestingly, the whole of Section 29 deals with infringement and sub-s. (6) of Section 29 gives an indication of what constitutes use of a registered trade mark, for the purposes of Section 29 viz. infringement”; See: Tilaknagar Industries Ltd. v. DeeJay Distilleries Pvt. Ltd., 2009 SCC OnLine Bom 1449.

<sup>102</sup> 1 KAILASAM, *supra* note 83.

<sup>103</sup> Section 29(6), Trade Marks Act, 1999.

<sup>104</sup> The provision should be read in conjunction with Section 101 of the Trade Marks Act, 1999, which defines what would it mean to apply trade marks and trade descriptions.

<sup>105</sup> Cipla Ltd. v. Cipla Industries Pvt. Ltd., 67 PTC 509 (2016).

<sup>106</sup> *Id.*

<sup>107</sup> Raymond Limited v. Raymond Pharmaceutical Pvt. Ltd., 2016 SCC OnLine Bom 5159 “Section 29(4) of the Act requires all three sub-clauses to be satisfied unlike Section 29(8).”

representation of the trade mark.<sup>108</sup> For accrual of any liability under Section 29(9), the secondary use should “*either cause infringement by making a mis-statement or causing confusion and deception, or in the alternative, the said spoken words should cause infringement by diluting the distinctive character and repute which may either be intentional or unintentional.*”<sup>109</sup>

The findings of the above discussion have been summarised in the following table:

<b>Section</b>	<b>Activity</b>	<b>Point of comparison (mark)</b>	<b>Point of comparison (goods and services)</b>	<b>Effect</b>
29(1)	Use in the course of trade	Identical/ deceptively similar mark	Identical goods or services	Use in a manner as to render the mark likely to be taken as being used as a trade mark
29(2)	Use in the course of trade	Identical/ similar mark	Identical/ similar goods or services	Use in a manner likely to cause confusion on the part of public or likely to have an association with the registered trade mark <sup>110</sup>
29(4)	Use in the course of trade	Identical/ similar mark	Dissimilar goods or services	Takes unfair advantage OR detrimental to reputation OR accrues unfair advantage

<sup>108</sup> Vardhman Buildtech v. Vardhman Properties, 233 DLT (DB) 25, 10 (2016) The Court opined that Section 29(9), Trade Marks Act, 1999 applies only to the distinctive characters of the registered trademark. Individual and non-distinctive elements of a trademark are not protected within Section 29(9).

<sup>109</sup> Hamdard National Foundation v. Hussain Dalal, DLT 291, 13–17 (2013).

<sup>110</sup> To the exception of Section 29(2)(c), where likelihood of confusion/ association is assumed by reference to Section 29(3), Trade Marks Act, 1999.

29(5)	Use as part of trade name	Identical mark	Identical goods or services	NA <sup>111</sup>
29(8)	Use in the course of advertising	NA	NA	Takes unfair advantage OR detrimental to reputation OR accrues unfair advantage
29(9)	Use of those words or their visual representation	Secondary use should incorporate distinctive elements of a trade mark	NA	Any of the effects elaborated in Section 29 <sup>112</sup>

In summary, Section 29 can be abstracted into four sets of protections based on the actionable use requirement.<sup>113</sup> 1) Subsections 1 through 4 protect *use in the course of trade*, 2) subsections 5 through 7 enlist the specific use cases where a secondary use would amount to infringement. 3) Subsection 8 is concerned with the advertising of a mark, 4) while subsection 9 restricts the visual and spoken use of a trade mark. Authors in the present study are concerned with studying the first of these four protection paradigms, i.e., the *use in the course of trade*.

The next part examines Section 29(1), (2) & (4) of the Act of 1999, the only three subsections which include an explicit actionable use requirement. The authors now analyse how a secondary use becomes actionable within the three provisions in line with their statutory language and doctrinal expectations.

### 3. Trade mark Protection Spectrum

The last part identified the various kinds of infringement actions protected within the remit of the Indian trade mark law. From general infringement, to dilution, to infringement in advertising and through spoken words, Section 29 prohibits a broad range of secondary uses. However, despite its overarching swathe, Section 29 does not allow a mark holder to exercise

<sup>111</sup> As explained, this is a no-fault provision where an effect is not required by the statutory language.

<sup>112</sup> As has been declared by the court in HAMDARD NATIONAL FOUNDATION V. HUSSAIN DALAL, *supra* note 109.

<sup>113</sup> Consim Info Pvt. Ltd. v. Google India Pvt. Ltd., 45 PTC (Mad) 575 (2011).

absolute control over the secondary use of her trade mark.<sup>114</sup> Multiple statutory safeguards and limitations have been baked into the trade mark statute which control the expanse of a trade mark holder's monopoly.<sup>115</sup>

One limiting factor that determines the expanse of the infringement liability is the *actionable use* requirement. Infringement liability within trade mark law is triggered only when the defendant uses a registered mark “to brand or advertise the defendant’s services or to suggest an affiliation with the plaintiff- so called “trade mark use” .... Individuals or companies may make reference to, or use of, a trade mark without fear of liability unless they are making trade mark use.”<sup>116</sup> The actionable use or the trade mark use requirement is a form of legal formalism which suggests that some categories of secondary use should be immunised from liability.<sup>117</sup>

Every individual infringement action in Section 29 includes some requirement of actionable use.<sup>118</sup> The Delhi High Court in *Consim Info* held that Section 29 “brings within its fold (i) the use of the mark, (ii) the application of the mark and (iii) the advertisement of the mark.”<sup>119</sup> The requirement of actionable use is a ubiquitous element of trade mark law and appears in different iterations in every trade mark statute:<sup>120</sup> “using in the course of trade,”<sup>121</sup> “used in association with wares,”<sup>122</sup> “use in commerce,”<sup>123</sup> “commercial use in commerce”.<sup>124</sup> The ability of the actionable use requirement to limit the trade mark liability and expansionism has witnessed considerable debate and disagreements; with some scholars classifying this debate as a *hot*

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<sup>114</sup> *Rxworks Ltd. v. Hunter*, [2007] EWHC 3061 (Ch) (2007) A registered mark was a marketing instrument, not a platform for an absolute monopoly in its use; *R v. Johnstone*, [2003] 1 W.L.R. 1736 (2003); Dima Basma, *Trade mark protection versus freedom of expression: towards an expressive use defence in European Trade Mark Law*, *INTELLECTUAL PROPERTY QUARTERLY* 206, 213 (2021).

<sup>115</sup> For example see: Section 30, Trade Marks Act, 1999.

<sup>116</sup> Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 *HOUS. L. REV.* 777–838, 804–806 (2004).

<sup>117</sup> Luis H., *supra* note 77 at 234 The association with formalism is also one of the major critiques associated with the trademark use requirement. For further criticism see: Mark Janis & Graeme Dinwoodie, *Confusion Over Use: Contextualism in Trademark Law*, 92 *IOWA LAW REVIEW* 1597, 1632–1638 (2007).

<sup>118</sup> Every secondary use is not actionable. Only when the secondary use complies with the requirements of the statute does it become actionable. For eg: if the secondary user uses a registered trade mark in a nominative non-commercial sense, it would, in all probability, not be actionable as it fails to fulfil the *use in the course of trade* requirement.

<sup>119</sup> *CONSIM INFO PVT. LTD. V. GOOGLE INDIA PVT. LTD.*, *supra* note 113 at 164.

<sup>120</sup> *Dreyfuss Cooper*, *supra* note 12 at 268, 269.

<sup>121</sup> India: Section 29(1), (2), (4), Trade Marks Act, 1999; Australia: Section 120, Trade Marks Act, 1995, see: *Angela Christou v Tonch Pty Ltd* [2008] ATMO 24; United Kingdom: Section 10, Trade Marks Act, 1994, See: *Po Yap Jen, Making Sense of Trade Mark Use*, 29 *EUROPEAN INTELLECTUAL PROPERTY REVIEW* 420 (2007).; New Zealand: Trade Marks Act, 2002; Singapore: Section 27, Trade Marks Act, 1998; European Union: Article 10, Directive EU 2015/2436.

<sup>122</sup> Canada Trade-marks Act, R.S.C., c. T-13 § 4.

<sup>123</sup> 15 U.S.C. § 1114(1).

<sup>124</sup> 15 U.S.C. § 1125(c)(1).

button issue.<sup>125</sup> As Prof. Simon and Philips note, “*there is no significant aspect of trade mark law that does not require the concept of use. There is however no single cogent and authoritative definition of use.*”<sup>126</sup>

### 3.1. An argument for limitation: Section 29(1)

The statutory mandate of Section 29(1) is unique. To establish liability under this provision, the plaintiff does not need to establish consumer confusion.<sup>127</sup> The lack of a consumer confusion requirement brings Section 29(1) in close correlation with EU’s double identity provisions, where similar to Section 29(1), a showing of likelihood of confusion is not *sine qua non* for a finding of infringement.<sup>128</sup>

As long as the secondary use is *in the course of trade* and *is likely to be taken as a trade mark*, it would be actionable within Section 29(1). This part attempts to sensitize the actionable use analysis within Section 29(1) with the doctrinal expectations that the provision seeks to fulfil. In other words, the authors attempt to identify the paradigm case for the application of Section 29(1) by educating the actionable use analysis with the normative justifications and doctrinal expectations of the provision. In doing so, either of two approaches can be taken:<sup>129</sup> First, *The European Approach*, where the double identity provision protects trade marks beyond their source or origin identifying capabilities.<sup>130</sup> Second, *The Singaporean Approach*,<sup>131</sup> where the concomitant provision of Section 29(1),<sup>132</sup> limits the scope of actionable use to the origin/source identifying function of a trade mark.<sup>133</sup>

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<sup>125</sup> Dogan and Lemley, *supra* note 53 at 1670; Also see: Vicki T Huang, *Empirical Analysis of Australian Trademark Infringement Decisions: Implications for the US Trademark Use Debate*, 35 SANTA CLARA HIGH TECH. LJ 1, 4–7 (2018); McKenna, *supra* note 45 at 1887–1893.

<sup>126</sup> TRADE MARK USE, 1.05 (Jeremy Phillips & Ilanah Simon eds., 2005); Huang, *supra* note 125 at 13–16.

<sup>127</sup> Elofic Industries Ltd. & Ors. v. Mobis India Ltd. and Ors., 77 PTC (Del) 128, 34 (2019); 1 KAILASAM, *supra* note 29 at 1503–1504.

<sup>128</sup> Article 10(2)(a), Directive (EU) 2015/2436; While a closer comparison to the double identity provision would be Section 29(2)(c) r/w Section 29(3), even Section 29(1) provides a similar protection in the sense that neither the European provision and nor Section 29(1) require a showing of likelihood of confusion for ensuring liability.

<sup>129</sup> -Loy Wee Loon Ng, *The Conundrum of “Trade Mark Use”*: *City Chain Stores (S) Pte Ltd V Louis Vuitton Malletier [2010] 1 SLR 382*, 23 SINGAPORE ACADEMY OF LAW JOURNAL 640–652 (2011).

<sup>130</sup> For this section the analysis is limited to Article 5(1)(a) & 10(1)(a), Directive (EU) 2015/2436.

<sup>131</sup> The authors refer to the second approach as Singaporean for ease of reference. Other countries and judicial institutions have also sided with similar justifications. The case of Australia, for example is discussed in this part.

<sup>132</sup> Similar to Section 29(1), Section 27(1) of Singapore’s Trade Marks Act, 1998 impugns liability upon secondary use without a requirement of likelihood of confusion. However, unlike the Singaporean law, where both the mark and the goods it has been applied to should be identical, the Indian Law also allows for an infringement by use of similar marks over similar goods. However, this should not affect the trade mark functions that the two sections seeks to protect.

<sup>133</sup> Ng, *supra* note 129.

The European trade mark jurisprudence has *traditionally been more congenial to the anti-misappropriation impulse*.<sup>134</sup> This congeniality is also reflected in EU's flagship formulation for limiting trade mark monopoly: the functions doctrine.<sup>135</sup> Initially developed to suppress the *absolute* protection offered within the double identity provisions,<sup>136</sup> the functions doctrine has ended up expanding the protection available within the double identity provision to the brand characteristics of a mark.<sup>137</sup> The foundations of this extension can be traced back to 2003, where the ECJ in *Arsenal v. Reed* indicated that the protection offered within the double identity provisions extends beyond the origin identifying function of trade marks.<sup>138</sup> Critics cautioned that such an extension could cede to the trade mark owner the entire range of functions, potentially allowing her to bulldoze every secondary use of a trade mark.<sup>139</sup> In the wake of this criticism, the attempts at expansion were substantially thwarted in *R v. Johnstone*<sup>140</sup> and *Opel v. Autec*.<sup>141</sup> In both the decisions, the House of Lords and the European Court of Justice respectively highlighted the overarching relevance of finding *confusion as to the source* for establishing liability within the double identity provision.<sup>142</sup>

However, the critics' arguments did not persuade the courts for a very long time. In 2009, with *Loreal v. Bellure*, the ECJ explicitly noted that the expanded functions of a trade mark can be protected within the double identity provisions.<sup>143</sup> What the ECJ suggested in *Arsenal*, it explicitly admitted in *L'Oréal*: apart from *origin*, any adverse effect on a trade mark's *communication, investment and advertising function*<sup>144</sup> would confirm liability within double

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<sup>134</sup> Sheff, *supra* note 55 at 453, 454.

<sup>135</sup> Norma Dawson, *Non-Trade Mark Use*, 2012 INTELLECTUAL PROPERTY QUARTERLY 204–226, 223 (2012).

<sup>136</sup> DIRECTIVE (EU) 2015/2436; Fernandez-Mora, *supra* note 63 at 1374–1380; Gielen, *supra* note 67 at 229–231.

<sup>137</sup> Dawson, *supra* note 135 at 223.

<sup>138</sup> ARSENAL FOOTBALL CLUB PLC. V. REED, *supra* note 64; Also see: Flynn Pharam v. Drugrus Ltd. & Anr., [2017] Bus LR 1874; Alice Blythe, *A useful test for trade mark use: an analysis of current CJEU guidance and the difference between defining use online and offline*, 38 EUROPEAN INTELLECTUAL PROPERTY REVIEW 563, 564, 656 (2016).

<sup>139</sup> Jennifer Davis, *To Protect or Serve? European Trade Mark Law and the Decline of the Public Interest*, 2003 EUROPEAN INTELLECTUAL PROPERTY REVIEW 180, 187 (2003); Dawson, *supra* note 135 at 214–218.

<sup>140</sup> R V. JOHNSTONE, *supra* note 114; Arsenal Football Club Plc v Reed, [2003] EWCA Civ 696 Even after the ECJ's judgement in Arsenal v. Reed, the Court of Appeals relied on a finding of consumer confusion for the grant of an injunction.

<sup>141</sup> ADAM OPEL AG V. AUTEC AG, *supra* note 64; Kur, *supra* note 70 at 435; Luis H., *supra* note 77 at 232“Adam Opel is known for shaping the functions theory as a limiting doctrine.”

<sup>142</sup> Dawson, *supra* note 135 at 222; Noam Shemtov, *'Trade mark use' in Europe: revisiting Arsenal in the light of Opel and Picasso*, 2 JOURNAL OF INTELLECTUAL PROPERTY LAW & PRACTICE 557–563, 563 (2007) Reviewing the Opel decision, the authors argued that the interpretation of the House of Lords in R v. Johnstone was the correct position of the law. See: Blythe, *supra* note 138.

<sup>143</sup> See: Irina Pak, *The expansion of trademark rights in europe*, 3 IP THEORY 7 (2013).

<sup>144</sup> L'ORÉAL V. BELLURE, *supra* note 56; This position was reiterated and confirmed in Interflora v. Mark and Spencer's Plc, ECLI:EU:C:2011:173.

identity provisions.<sup>145</sup> The proponents of stronger trade mark protection welcomed *Loreal*.<sup>146</sup> However, the decision received overwhelming criticism.<sup>147</sup> The critics argument was based on a simple premise: *How can every individual trade mark develop brand characteristics?*<sup>148</sup>

Brand characteristics are a unique entitlement of a limited number of trade marks. They are acquired through continuous use, marketing and advertising.<sup>149</sup> Therefore, the general forms of infringement should be limited to protecting the origin function.<sup>150</sup> The double identity provision extends protection to every registered trade mark. It should not be cited to protect the expanded brand characteristics, where no such characteristics have been developed.<sup>151</sup> The argument stands to reason, how can the law be curated to protect what does not exist?

The Singaporean judiciary has explicitly aligned with arguments of the critics of the EU approach. Section 27(1) of the Singaporean Trade Marks Act, 1998, which is identical to the EU's double identity provision,<sup>152</sup> limits the protection offered therein to the origin function of trade marks.<sup>153</sup> Interpreting the ECJ jurisprudence, the Singaporean judiciary developed this view in *Nation Fittings*<sup>154</sup> and affirmed it in *City Chain Stores*.<sup>155</sup> In both these decisions, the court consciously rejected providing any protection to the expanded functions of a trade mark within Section 27(1) of the Trade Marks Act, 1998.<sup>156</sup> Similarly, the courts in Australia<sup>157</sup> and New Zealand<sup>158</sup> have opined that unless a secondary use is designed to distinguish the products in reference to which it is applied *in the sense of indicating origin*, liability cannot be

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<sup>145</sup> L'ORÉAL v. BELLURE, *supra* note 56; Dawson, *supra* note 135 at 223.

<sup>146</sup> See: James Nurton, *L'Oréal opinion welcomed as positive for brand owners*, 48 MANAGING INTELL. PROP., 2009, at 480; Mark Heritage, "Smells-alike" defeat for truthful comparative advertising., 15 COMMUNICATIONS LAW 105 (2010).

<sup>147</sup> See: Katy Dowell, *L'Oreal victory deemed anti-competitive*, 24 LAWYER 6 (2010); M.R.F. Senftleben, *Function Theory and International Exhaustion: Why it is Wise to Confine the Double Identity Rule in EU Trade Mark Law to Cases Affecting the Origin Function*, 36 EUROPEAN INTELLECTUAL PROPERTY REVIEW 518 (2014); ILANAH SIMON FHIMA, TRADE MARK DILUTION IN EUROPE AND THE UNITED STATES 247 (2011); MAX PLANCK INSTITUTE FOR INTELLECTUAL PROPERTY AND COMPETITION LAW, *Study on the Overall Functioning of the European Trade Mark System*, 103 (2011); Dev Gangjee & Robert Burrell, *Because You're Worth It: L'Oréal and the Prohibition on Free Riding*, 73 THE MODERN LAW REVIEW 282–295, 291–295 (2010).

<sup>148</sup> See: David Tan, *Differentiating between Brand and Trade Mark: City Chain v. Louis Vuitton Malletier*, SINGAPORE JOURNAL OF LEGAL STUDIES 202–210 (2010).

<sup>149</sup> *Id.*

<sup>150</sup> See: Kur, *supra* note 70 at 438–441; See: Senftleben, *supra* note 147.

<sup>151</sup> Tan, *supra* note 148 at 203.

<sup>152</sup> Article 10(1)(a), DIRECTIVE (EU) 2015/2436.

<sup>153</sup> Ng, *supra* note 129.

<sup>154</sup> *Nation Fittings Sdn. Bd. v. Oystertec plc.*, [2006] 1 SLR(R) 712.

<sup>155</sup> *City Chain Stores (S) Pte Ltd v. Louis Vuitton Malletier*, [2009] SGCA 53.

<sup>156</sup> Tan, *supra* note 148 at 203–205; Ng, *supra* note 129 at 643.

<sup>157</sup> Michael Handler, *Disentangling Functionality, Distinctiveness and use in Australian Trade Mark Law*, 42 MELBOURNE UNIVERSITY LAW REVIEW 55 (2018).

<sup>158</sup> Firth, *supra* note 23 at 183–184.

established within the concomitant provisions of Australian<sup>159</sup> and New Zealand Trade mark Law.<sup>160</sup>

In the present study, the authors also align with the critics of the EU approach and suggest that the Indian trade mark law should side with other common law jurisdictions. Three individual arguments can be relied on to substantiate this position. First, within Section 29(1) no liability can be established unless the secondary use qualifies *as use as a trade mark*. To satisfy this condition, the secondary use must distinguish the goods and services of the defendant from other similar options in the marketplace.<sup>161</sup> Therefore, unless the secondary use designates the origin/ source of the defendants' goods, it should not qualify as use as a trade mark and would therefore not be actionable within Section 29(1). Second, to gain protection within Section 29(1), the mark holder does not have to show that his trade mark has acquired any brand characteristics. Extending expanded protection without a showing of goodwill or reputation begs the question: *Have non-reputed marks sufficiently developed brand-dimensions susceptible to protection?*<sup>162</sup> Therefore, the protection offered within Section 29(1) should be limited to the core function of a trade mark i.e. designating origin. Lastly, affording extended protection to marks within Section 29(1) neglects the doctrinal thesis of underlying the protection against trade mark dilution.<sup>163</sup> Dilution explicitly protects *marks with reputation* and therefore, the protection against dilution is better suited to protect the brand characteristics of a trade mark.

### **3.2. Statutory requirement of likelihood of confusion: Section 29(2)**

Given that Section 29(1) does not protect the expanded functions and the brand characteristics of a trade mark, an obvious question arises: *which subsection of Section 29 can be cited as a repository of the expanded functions doctrine?* In this part, the authors examine if Section 29(2) can be cited to protect the brand characteristics of a trade mark.

As explained in Part 2, for establishing liability within Section 29(2) the plaintiff needs to show either 1) a likelihood of confusion on the part of the relevant public, or 2) likelihood of

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<sup>159</sup> Section 120, Australian Trade Marks Act, 1995.

<sup>160</sup> Section 89, New Zealand Trade Marks Act, 2002.

<sup>161</sup> ELOFIC INDUSTRIES LTD. & ORS. v. MOBIS INDIA LTD. AND ORS., *supra* note 127; Mahle Filter Systems India Private Limited v. Mobis India Limited & Anr., 2018 Indlaw DEL 4746.

<sup>162</sup> Gangjee and Burrell, *supra* note 119 at 286.

<sup>163</sup> Senfleben, *supra* note 147 at 520.

association with the registered mark.<sup>164</sup> An association is said to occur when the secondary use of a mark acts as a reminder of a registered trade mark.<sup>165</sup>

While many judicial decisions have dealt with the meaning of confusion in the commercial marketplace,<sup>166</sup> the relationship between confusion and association remains relatively obscure. The ECJ in *Sabel v. Puma* argued that “*the concept of likelihood of association is not an alternative to that of likelihood of confusion but serves to define its scope. The terms of the provision itself exclude its application where there is no likelihood of confusion on the part of the public.*”<sup>167</sup> The ECJ’s position in *Sabel v. Puma* has since been ratified by later judicial decisions.<sup>168</sup>

In line with the ECJ’s instruction, it can be argued that the likelihood of association does not operate independently of confusion.<sup>169</sup> Mere reminder of a registered trade mark by a secondary use, denoting association, would not be independently actionable.<sup>170</sup> The inclusion of the association requirement in statutory language serves as a mere reminder that association can be one of the ingredients of confusion.<sup>171</sup> Therefore, the confusion requirement subsumes the association requirement.

In interpreting the scope and temporal limits of the confusion requirement, the authors examine two approaches: the *European approach* and the *American approach*. Within the European jurisprudence, likelihood of confusion occurs *where the public can be mistaken as to the origin of the goods or services in question*.<sup>172</sup> Prof. Fhima and Gangjee suggest that the confusion requirement seeks to protect against the classic *diversion of trade scenario*, where consumers

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<sup>164</sup> An association occurs when the secondary use serves as a reminder of the registered trade mark; See: Laustsen, *supra* note 25 at 264–267.

<sup>165</sup> Fields Désirée, *British Amateur Gymnastics Association vaults to triple victory in trade mark infringement and passing off claim against “UK Gymnastics”*, 32 ENTERTAINMENT LAW REVIEW 9 (2021); *British Amateur Gymnastics Association v UK Gymnastics Ltd.*, [2020] EWHC 1678 (IPEC).

<sup>166</sup> See for eg: *Surya Agro Oils Ltd. v. Surya Coconut Oil Industries*, AIR 1995 Del 72; *GAURAV POLYMERS V. DELIGHT CHEMICALS PRIVATE LIMITED*, *supra* note 79.

<sup>167</sup> *SABEL BV v Puma AG, Rudolf Dassler Sport*, EU:C:1997:528 18; Subsequently approved in many cases including: *Tripadvisor LLC v. Handsam Ltd.*, [2016] EWHC 1659 (Ch); *BRITISH AMATEUR GYMNASTICS ASSOCIATION V UK GYMNASTICS LTD*, *supra* note 165.

<sup>168</sup> *TRIPADVISOR LLC V. HANDSAM LTD*, *supra* note 167; *BRITISH AMATEUR GYMNASTICS ASSOCIATION V UK GYMNASTICS LTD*, *supra* note 165.

<sup>169</sup> *SABEL BV v PUMA AG, RUDOLF DASSLER SPORT*, *supra* note 167; Paul L.C. Torremans, *The likelihood of association of trade marks: an assessment in the light of the recent case law of the Court of Justice*, 3 INTELLECTUAL PROPERTY QUARTERLY 295, 304–306 (1998).

<sup>170</sup> Fields Désirée, *British Amateur Gymnastics Association vaults to triple victory in trade mark infringement and passing off claim against “UK Gymnastics”*, 32 ENTERTAINMENT LAW REVIEW 9 (2021); *British Amateur Gymnastics Association v UK Gymnastics Ltd.*, [2020] EWHC 1678 (IPEC).

<sup>171</sup> ILANAH FHIMA & DEV S. GANGJEE, *THE CONFUSION TEST IN EUROPEAN TRADE MARK LAW* 6, 7 (1 ed. 2019).

<sup>172</sup> *CANON KABUSHIKI KAISHA V. METRO GOLDWYN-MAYER INC.*, 117 RPC (1999).

*mistake the junior goods for the goods of the senior user.*<sup>173</sup> This position has been ratified by the ECJ in *Daimler v. Egyud Garage*, where the court explicitly admitted that *despite functions other than the origin function, it is only possible to find confusion-based infringement, if use of the junior mark affects or is liable to affect the origin function.*<sup>174</sup> Therefore, unless the origin function is affected, the requirement of confusion cannot be satisfied. A similar position can be traced in Singaporean trade mark jurisprudence. Prof. Wee Loon notes that “*When the defendant’s use is non-origin-related in nature, it would be extremely difficult - if not impossible - to prove existence of confusion.*”<sup>175</sup>

Unlike EU and Singapore, the American trade mark law defines confusion in much broader terms. The Lanham Act defines confusion as *affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.*<sup>176</sup> This definition of confusion fosters infringement liability even in situations where the secondary use does not impact consumer behaviour/ purchasing patterns.<sup>177</sup> Such a protection can create a self-perpetuating crisis: If the law teaches consumers that every sponsorship has to be authorised, they will start to believe that every secondary use, irrespective of its expressive values, has been authorised by the trade mark owner.<sup>178</sup> This construction can have delirious effects on trade marks in parodic and satirical settings.

Given the criticism accrued by the US approach and the wide acceptance of the *confusion as to origin* approach fostered by the EU and adopted by other common law countries, the authors suggest that a similar interpretation should be retained in Indian trade mark law.

The *confusion as to origin* approach has already seen approval within Indian trade mark jurisprudence. The Andhra Pradesh High Court in *Gaurav Polymers* opined that the primary question that needs to be answered in case of trade mark infringement is *whether a buyer would get confused between the goods of the Defendant and the plaintiff because of the usage of the offending trade mark by the defendant.*<sup>179</sup> While the courts often consider multiple factors for assessing confusion, the underlying examination always attempts to determine if the average

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<sup>173</sup> FHIMA AND GANGJEE, *supra* note 171 at 5.

<sup>174</sup> *Daimler v. Együd Garage*, C-179/15, [2016]; LAUSTSEN, *supra* note 57 at 11.

<sup>175</sup> Ng, *supra* note 129 at 645.

<sup>176</sup> Lanham Act, Section 43(a).

<sup>177</sup> Mark A Lemley & Mark McKenna, *Irrelevant confusion*, 62 STAN. L. REV. 413, 430 (2009).

<sup>178</sup> *Id.* at 439–445.

<sup>179</sup> GAURAV POLYMERS V. DELIGHT CHEMICALS PRIVATE LIMITED, *supra* note 79 at 28.

consumer would be confused as to the commercial origin of the goods bearing the competing marks.<sup>180</sup>

### 3.3. A storehouse of the expanded functions: Section 29(4)

Since confusion only protects the adverse effect to the origin function, Section 29(2) cannot be cited as the repository of the protection afforded to extended functions. The requirement of confusion in the marketplace limits the scope of Section 29(2) to the origin function. Continuing the exploration into the repository of expanded functions, this section explores the doctrinal thesis underlying the protection against dilution and examines if Section 29(4) can be cited to protect the expanded functions of a trade mark.

The protection against trade mark dilution is a recent addition to the trade mark statute. It was introduced by the Trade Marks Act, 1999,<sup>181</sup> before which, dilution was protected as an extended arm within the common law remedy of *passing off*.<sup>182</sup> With the introduction of Section 29(4), trade mark law was freed from its traditional moorings steeped in protecting consumer confusion. The dilution doctrine is concerned with protecting the *selling power* of a trade mark,<sup>183</sup> and therefore any analysis of consumer confusion is rendered otiose within the dilution framework.<sup>184</sup>

The core of the dilution doctrine can be traced back to a seminal 1927 article by Prof. Schechter, where it was suggested that the primary concern of the trade mark doctrine should be protecting the *selling power* of trade marks.<sup>185</sup> Marking a *fundamental shift in the nature of trade mark*

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<sup>180</sup> SURYA AGRO OILS LTD. V. SURYA COCONUT OIL INDUSTRIES, *supra* note 166; RPG ENTERPRISES LTD. V. RIJU GHOSHAL & ORS., *supra* note 93 at 31.

<sup>181</sup> Medury, *supra* note 96 at 240, 241; ITC LIMITED V. PHILIP MORRIS PRODUCTS SA & ORS., *supra* note 91 at 44; Kamdhenu Ispat Ltd. v Kamdhenu Pickles and Spices Ind. Private Ltd. & Anr., 2010 Indlaw DEL 2694.

<sup>182</sup> Medury, *supra* note 96 at 241; Dev Gangjee, *The Polymorphism of Trademark Dilution in India*, 17 TRANSNAT'L L. & CONTEMP. PROBS. 611, 106, 107 (2008).

<sup>183</sup> See: Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARVARD LAW REVIEW 813 (1927).

<sup>184</sup> ITC v. Philip Morris, 42 PTC 572 (2010); CIPLA LTD. V. CIPLA INDUSTRIES PVT. LTD., *supra* note 100 at 24“Thus, for attracting sub-section (4), it is not necessary for the plaintiff to show possibility of confusion.”; Gangjee, *supra* note 182; PATHAK, *supra* note 81.

<sup>185</sup> Schechter, *supra* note 183; Prof. Schechter’s conceptualisation heavily relied on German case law jurisprudence. For details see: Barton Beebe, *The suppressed misappropriation origins of trademark antidilution law: The Landgericht Elberfeld’s Odol Opinion and Frank Schechter’s “The Rational Basis of Trademark Protection”*, in INTELLECTUAL PROPERTY AT THE EDGE: THE CONTESTED CONTOURS OF IP 59 (Jane C. Ginsburg & Rochelle Cooper Dreyfuss eds., 2014).

protection,<sup>186</sup> dilution treats trade marks as property that deserve protection in their own right<sup>187</sup> without showing consumer confusion.<sup>188</sup> The protection is geared towards the *substantial investment an owner has made in the mark and the commercial value and aura of the mark itself, protecting both from those who would appropriate the mark for their own gain.*<sup>189</sup> Prof. Carty notes that the protection offered by dilution is “*completely at odds with the identification and guarantee function of trade marks, from which the common law never swerved.*”<sup>190</sup>

Within the function-based formulation of trade mark protection offered by the European Union, the law on dilution was (arguably) *intended to protect the functions of mark beyond its source or origin functions.*<sup>191</sup> According to the ECJ decisions, the protection offered to trade mark dilution secures the investment and advertising functions.<sup>192</sup> These functions are closely correlated.<sup>193</sup> After conducting a detailed enquiry into the extent and scope of the expanded functions Dr Mora notes that there remains some uncertainty regarding how they would map in a dilution case.<sup>194</sup> The investment function is adversely affected when the secondary use “*substantially interferes with the proprietor’s use of the mark to acquire and preserve a reputation capable of attracting customers and retaining their royalty.*”<sup>195</sup> Closely related to investment, an adverse effect on the advertising function occurs when the secondary use denies the proprietor the opportunity of *using its mark effectively to inform and win over customers.*<sup>196</sup> In *Interflora*, the ECJ opined that while the two functions might overlap, the investment function is broader since it protects various other *commercial techniques* to create and sustain reputation.<sup>197</sup>

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<sup>186</sup> Lemley, *supra* note 30 at 1698.

<sup>187</sup> Alice Blythe, *Attempting to define unfair advantage: an evaluation of the current law in light of the recent European decisions.*, 34 EUROPEAN INTELLECTUAL PROPERTY REVIEW 754, 755, 756 (2012).

<sup>188</sup> Robert G Bone, *Schechter’s ideas in historical context and dilution’s rocky road*, 24 SANTA CLARA COMPUTER & HIGH TECH. LJ 469, 472–473 (2007).

<sup>189</sup> Clarisa Long, *Dilution*, 106 COLUM. L. REV. 1029, 1034, 1035 (2006).

<sup>190</sup> Hazel Carty, *Dilution and passing off: cause for concern*, 112 THE LAW QUARTERLY REVIEW 632–666 (1996).

<sup>191</sup> Graeme B. Dinwoodie, *The Function of Trademarks in the United States*, in THE CAMBRIDGE HANDBOOK OF INTERNATIONAL AND COMPARATIVE TRADEMARK LAW 178–191, 186–191 (Irene Calboli & Jane C. Ginsburg eds., 2020).

<sup>192</sup> INTERFLORA V. MARK AND SPENCER’S PLC, *supra* note 144.

<sup>193</sup> Robert Burrell & Michael Handler, *Reputation in European trade mark law: a re-examination*, 17 ERA FORUM 85–99, 88 (2016).

<sup>194</sup> Fernandez-Mora, *supra* note 63 at 1379.

<sup>195</sup> Heather Taylor, *The David-And-Goliath-esque Problematic of “Unfair Advantage” in Trade Mark Law: Is the EU Moving Towards a Categorical Protection of Famous Brands?*, 52 IIC - INTERNATIONAL REVIEW OF INTELLECTUAL PROPERTY AND COMPETITION LAW 1069, 1076–1079 (2021).

<sup>196</sup> Fernandez-Mora, *supra* note 63 at 1388; INTERFLORA V. MARK AND SPENCER’S PLC, *supra* note 144.

<sup>197</sup> INTERFLORA V. MARK AND SPENCER’S PLC, *supra* note 144 at 60; Gangjee, *supra* note 56 at 42, 43; Fernandez-Mora, *supra* note 63 at 1389, 1390.

While the Indian trade mark jurisprudence does not rely on the functions-based formulation, the relationship that dilution shares with the advertising and investment function can be abstracted through judicial discourse. While commenting on the nature of secondary uses protected by each subsection within Section 29, the Bombay High Court in *Raymond v. Raymond* noted that *investments made for developing the reputation of the mark and protecting against its unfair misappropriation of goods* is a primary concern for trade mark dilution.<sup>198</sup> In 2010, the Delhi High Court held that dilution is geared towards preserving the *uniqueness of the mark itself*.<sup>199</sup> Further in 2020, injuncting the unauthorised secondary use of the mark BMW on electric commercial vehicles, the Delhi High Court held that the dilution doctrine protects against an *unauthorised appropriation of the goodwill and reputation*.<sup>200</sup>

Therefore, while Indian judicial discourse does not incorporate the terminology of the functions doctrine, judicial decisions admit that the protection within Section 29(4) extends beyond the source identifying function. Having understood that the protection offered within Section 29(4) extends beyond the origin function, this part explores the relationship between Section 29(4) and the misappropriation argument. In line with the three-step model proposed by the authors in Part 1, the further the dilution paradigm moves away from the information transmission argument, the more relevance the statutory limitations, such as due cause, would assume.

Within dilution, three independent causes of action extend protection beyond the origin function: Blurring, Tarnishment and Unfair Advantage. While the recognition of these independent causes of action remains limited in Indian jurisprudence,<sup>201</sup> this tri-partite structure of Section 29(4) has been confirmed by the Delhi High Court in *Bloomberg Finance*:<sup>202</sup>

*The words 'detriment' in the context of the 'distinctive character' of the mark brings in the concept of 'dilution' and 'blurring'. In the context of 'repute' they are also relatable to the concept of 'tarnishment' and 'degradation'. The words "takes 'unfair advantage'" refers to 'free-riding' on the goodwill attached to mark which enjoys a reputation. The disjunctive 'or' between the words 'distinctive character' and 'repute' is designedly inserted to cater to a situation*

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<sup>198</sup> *Raymond Limited v. Raymond Pharmaceutical (P) Ltd.*, 69 PTC 79 (2017).

<sup>199</sup> *ITC v. Philip Morris*.

<sup>200</sup> *Bayerische Motoren Werke AG vs. Om Balajee Automobile (India) Private Limited*, 82 PTC (Del) 194 (2020).

<sup>201</sup> *Gangjee*, *supra* note 16.

<sup>202</sup> *BLOOMBERG FINANCE LP V. PRAFULL SAKLECHA & ORS.*, *supra* note 94.

where a mark may not have a distinctive character and yet may have a reputation.<sup>203</sup>

### 3.3.1. What use constitutes Blurring?

The first arm of protection offered within the dilution doctrine, i.e. Section 29(4), is a prohibition against detriment to the distinctive character, also referred to as *Dilution by Blurring*.<sup>204</sup> This concept is best explained based on the associative network theory.<sup>205</sup> Human memory is comprised of nodes, where each node links specific product categories with certain trade marks.<sup>206</sup> If multiple products bearing the same trade mark were presented to a consumer, it would inevitably diminish the immediate association that is evoked by the use of the original trade mark.<sup>207</sup> A similar situation can occur when a famous trade mark is subjected to expressive uses. Such uses can diminish the *recallability* of a trade mark and dilute its association with its parent products.<sup>208</sup> In simpler terms, a famous mark cannot be applied in reference to other goods, lest it loses its associative power and, by extension, its *selling power*. Many decisions from the Indian judiciary have sought to protect these associative nodes by ensuring exclusive associations of a mark with a source. Examples are many. For instance, in the case of *Ford Motor Company*, the trade mark *Ford* was used by the defendants in respect to footwear. The Delhi High Court cited Section 29(4) and the loss of distinctiveness of the mark to injunct the use by the defendants.<sup>209</sup> In *Krizm Hotels*, the plaintiffs used the mark *Lemon Tree* in reference to well-known hotel chains. The Delhi High Court injuncted the defendant's use of an identical mark in reference to housing projects.<sup>210</sup> In another case, the mark *Ultra Tech* was used in reference to cement. When the defendant started using the mark in reference to solar heaters, the Court injuncted the secondary use.<sup>211</sup>

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<sup>203</sup> Subsequently cited with approval in: *Nokia Corporation v. Manas Chandra & Anr.*, 2017 Indlaw DEL 2936; *Advance Magazine Publishers v. Just Lifestyle Pvt. Ltd.*, 2016 SCC OnLine Bom 8417.

<sup>204</sup> *BLOOMBERG FINANCE LP v. PRAFULL SAKLECHA & ORS.*, 207 DLT 35 (2014); *HYPNOS LIMITED v. HOSUR COIR FOAM PVT. LTD.*, 2015 SCC ONLINE IPAB 213 52.

<sup>205</sup> Washington Macías & Julio Cerviño, *Trademark dilution: comparing the effects of blurring and tarnishment cases over brand equity*, 12 *MANAGEMENT & MARKETING* 346, 349–352 (2017).

<sup>206</sup> See: Chris Pullig, Carolyn J Simmons & Richard G Netemeyer, *Brand dilution: when do new brands hurt existing brands?*, 70 *JOURNAL OF MARKETING* 52, 54 (2006).

<sup>207</sup> Dima Basma, *Dilution Versus Unfair Advantage: Myths and Realities*, 52 *IIC* 1217–1257, 1222 (2021); Also see: *C-253/07 Intel Corporation Inc. v. CPM United Kingdom Limited*, [2008] ECR I-08823; *C-375/97 General Motors Corp v. Yplon SA*, [1999] ECR I-5421.

<sup>208</sup> See: *MATTEL, INC. v. MCA RECORDS INC.*, *supra* note 3; Wallack, *supra* note 9.

<sup>209</sup> *FORD MOTOR COMPANY v. C.R. BORMAN*, *supra* note 93.

<sup>210</sup> *Krizm Hotels (P) Ltd. v. Vaishnavi Estates (P) Ltd.*, 2011 SCC OnLine Del 3157.

<sup>211</sup> *UltraTech Cement Limited v. Ultratech Solar Technologies Pvt. Ltd.*, 2018 SCC OnLine Bom 8644; Also see: *Ozone Spa Pvt. Ltd. vs M/S. Ozone Club*, CS (OS) No. 1528/2009 decided on 13.01.2010.

Therefore, blurring would occur when a viewer of the famous mark is led to either believe that the mark is now associated with a new product or service, or if the association between the famous mark and its owner is diminished/ reduced.<sup>212</sup> The protection against blurring can be reconceptualised as reducing the *search costs* of a consumer by protecting a consumer's associative nodes. Therefore, it can be argued that the protection against blurring considers the concerns of a consumer in the commercial marketplace and arguably confirms with the *information transmission* paradigm.<sup>213</sup>

### 3.3.2. What use constitutes Tarnishment?

The second cause of action after *blurring* is *tarnishment*. The protection against detriment to reputation is referred to as *Dilution by Tarnishment*. While the contours of tarnishment are not particularly clear, any association of a registered trade mark with unsavoury goods would result in negative associations with the mark and thus damage its reputation.<sup>214</sup> The principle of tarnishment has been explained in some detail by the Delhi High Court in *Rolex v. Alex Jewellery*. The defendant therein was selling artificial jewellery by applying the *Rolex* mark. The court held that if the defendant is allowed to continue his operations, “*The goods of the plaintiff may lose their sheen to the strata of the society for which they are intended if such strata finds the goods in the same brand name even though not from the house of the plaintiff being available for a much lower price. The goods of the plaintiff would then cease to be a status symbol or a fashion statement. Undoubtedly, the same would be to the detriment of the plaintiff.*”<sup>215</sup> Therefore, this protection of reputation associated with trade marks is activated to paralyse accrual of any negative associations with a registered trade mark.<sup>216</sup>

In *Piruz Khambatta*, the plaintiffs were using the mark *Rasna* in reference to soft-drink mixtures, which were primarily targeted towards children. The defendant adopted the mark *Pan Rasna* in reference to tobacco products. Injuncting the secondary use, the Delhi High Court noted that if “*The mark which has already acquired residual goodwill and reputation if used by another party other than real owner, there would be fair chances of danger of tarnishment and dilution.*”<sup>217</sup> Similarly, in *Skol Breweries*, the plaintiff was using the mark *Knock Out* in

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<sup>212</sup> Ilanah Simon, *Dilutive trade mark applications: trading on reputations or just playing games?*, 26 EUROPEAN INTELLECTUAL PROPERTY REVIEW 67, 71–74 (2004).

<sup>213</sup> See: *Ty Inc. v. Perryman*, 306 F. 3d. 509 (7th Cir. 2002) The concern motivating blurring "is that consumer search costs will rise if a trademark becomes associated with a variety of unrelated products.

<sup>214</sup> Patrick Emerson, “*I’m Litigatin’ It*”: *Infringement, Dilution, and Parody Under the Lanham Act*, 9 NORTHWESTERN JOURNAL OF TECHNOLOGY AND INTELLECTUAL PROPERTY 477, 482 (2011).

<sup>215</sup> *Rolex SA v. Alex Jewellery Pvt Ltd*, 2009 SCC OnLine Del 753 24.

<sup>216</sup> *Basma*, *supra* note 207 at 1232, 1233.

<sup>217</sup> *Piruz Khambatta v. Soex India Ltd.*, 2012 (49) PTC 330 (Del).

reference to beer. The defendant adopted an identical trade mark in reference to pepper sprays. The Delhi High Court agreed that the secondary use can be detrimental to the senior user's reputation.<sup>218</sup>

Be that as it may, the Indian courts have remained wary of an overbroad application of this protection. The courts have noted that the protection against tarnishment is only available to *well recognised, strong and famous marks*. The Delhi High Court in *Caterpillar Inc. v. Mehtab Ahmed* observed that “*the act of dilution of mark by way of tarnishment is always with regard to well recognised, strong and famous marks, it should have affect to diminish or weaken the strength and identification value of the mark.*”<sup>219</sup> Further, it has been declared that an identical secondary use would not automatically result in a damaging associations. A plaintiff would have to demonstrate the damaging associations for the secondary use to be rendered actionable.<sup>220</sup>

Since the protection against tarnishment is aimed at protecting the unsavoury associations, the idea of consumer confusion does not assume prominence. The protection is especially concerned with protecting goodwill and reputation, rather than consumer confusion. Therefore, the protection against tarnishment becomes difficult to reconcile with the information transmission model.

### 3.3.3. What use constitutes unfair advantage

Apart from tarnishing and blurring, the protection against unfair advantage can be cited as the statutory injection of the *misappropriation argument* within the Indian trade mark law. Marking a complete and absolute departure from the information transmission model, protecting against *unfair advantage* is concerned with a secondary user's unauthorised gains as opposed to any loss of the prior user.<sup>221</sup> Therefore, the protection is *more of a question of dilution of the proprietor's investments into building his brand than the mark per se.*<sup>222</sup>

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<sup>218</sup> *Skol Breweries v. Unisafe Technologies*, 2010 Indlaw DEL 2197 However, the plaintiff could not fulfil the threshold of reputation and therefore the secondary use was not injuncted. .

<sup>219</sup> *Caterpillar Inc. v. Mehtab Ahmed and Ors.*, 2002 Indlaw DEL 558; *RAYMOND LIMITED V. RAYMOND PHARMACEUTICAL (P) LTD.*, *supra* note 198 On the other hand, an act of tarnishment would as the term indicates results in detrimental reference to the mark when used by the defendant.

<sup>220</sup> *RAYMOND LTD. V. RAYMOND PHARMS. LTD.*, 2007 PTC (BOM) 334 (2007).

<sup>221</sup> *C-253/07 INTEL CORPORATION INC. V. CPM UNITED KINGDOM LIMITED*, *supra* note 207; *Gangjee*, *supra* note 16 at 321.

<sup>222</sup> *Taylor*, *supra* note 195 at 1073; *Audrey Horton, The implications of L'Oreal v. Bellure- A retrospective and a looking forward: the essential functions of a trade mark and when is an advantage unfair*, 33 *EUROPEAN INTELLECTUAL PROPERTY REVIEW* 550, 551, 552 (2011).

Characterised as a *particular form of unfair competition*,<sup>223</sup> the protection against unfair advantage provides a court with substantial latitude to determine its scope. Any enquiry within this protection should be divided into two parts. First, whether the similarity between the marks triggers a mental association. Second, using multifactor analysis, the court should assess whether the creation of such link is unfair and causes a transfer of reputation and goodwill situated in the earlier mark.<sup>224</sup> This two-part analysis ensures that unless an advantage is demonstrably unfair, it will not be injuncted within the infringement analysis.<sup>225</sup>

The first step i.e. accrual of an advantage is said to occur when a secondary use *brings to the mind* a prior mark, potentially altering the economic and behavioural patterns of the relevant consumers.<sup>226</sup> A failure to show such a possibility would mean that no advantage is being taken by the secondary user, *unfair or otherwise*.<sup>227</sup> The requirement of economic change is said to be implicit in the concept of unfair advantage, as free riding seeks to protect against the *cross-pollination* of the reputed mark's value.<sup>228</sup> Explaining how an economic change can occur, the England and Wales High Court in *PlanetArt* opined that if by reason of the subsequent use, the prior user feels *obliged to make (his) mark more different from that of a new comer in order to maintain the same level of recognition*, then the secondary user can be said to have taken an advantage of the goodwill and reputation of the mark.<sup>229</sup>

Once it has been established that the secondary use *brings to the mind* the prior use and takes an advantage upon it, the analysis should address whether such an advantage is unfair and, thus, actionable.<sup>230</sup> Such test of unfairness requires a global appreciation that accommodates multiple factors, including the possibility of a bad faith adoption, the intrinsic strength of the

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<sup>223</sup> *Jack Wills Limited v. House of Fraser (Stores) Limited*, [2014] EWHC 110 80; *W3 Ltd v. Easygroup Ltd & Anr.*, [2018] EWHC 7 (Ch) 300; *Sky Plc v. Skykick UK Ltd.*, [2018] EWHC 155 (Ch) 315.

<sup>224</sup> *Gangjee*, *supra* note 56 at 46; *Taylor*, *supra* note 195 at 1074–1079; *Basma*, *supra* note 207 at 1249; However, it is apposite to mention that the ECJ in *L'oreal v. Bellure*, seems to have conflated these two conditions. The protection provided by the ECJ's judgement can be cited to injunct every possible secondary use where some advantage is derived from the prior user's good will and reputation; See: *Blythe*, *supra* note 187.

<sup>225</sup> David Llewelyn, *Comparative Advertising: Does Trade Mark Law Over- or Under-Protect the Average Consumer? A Couple of Recent Examples of Asian Jurisdictions Going their Own Way*, in *TRANSITION AND COHERENCE IN INTELLECTUAL PROPERTY LAW: ESSAYS IN HONOUR OF ANNETTE KUR* 478–486, 482–485 (Ansgar Ohly et al. eds., 2021); *Whirlpool v. Kenwood*; *Argos Ltd v. Argos Systems Inc*, [2018] EWCA Civ 2211.

<sup>226</sup> *ARGOS LTD v. ARGOS SYSTEMS INC*, *supra* note 225 at 83.

<sup>227</sup> *Sazerac Brands LLC v. Liverpool Gin Distillery Ltd.*, [2020] EWHC 2424 (Ch); *Taylor*, *supra* note 195 at 1074, 1075; For a summary of the case, See: Julius Stobbs, Yana Zhou & Adeline Weber Bain, *Overview of United Kingdom Trade Mark and Designs Cases 2020*, 52 IIC 329–344, 333–335 (2021).

<sup>228</sup> *Taylor*, *supra* note 195 at 1075.

<sup>229</sup> *PlanetArt LLC v. Photobox Ltd. & Anr.*, [2020] EWHC 713 (Ch); For a summary of the case, See: Stobbs, Zhou, and Weber Bain, *supra* note 227 at 332–333.

<sup>230</sup> *Taylor*, *supra* note 195.

mark, its reputation and other market realities.<sup>231</sup> However, it should be noted that not every element of this test can be given similar weightage. For example, the presumption in a paradigm case for unfair advantage is that *a very strong mark is easier to harm and more tempting to take advantage of*.<sup>232</sup> The Delhi High Court in *Tata Sons v. Manoj Dodia* explicitly admitted that a significant reputation and a close similarity between the two marks would create a rebuttable presumption of misappropriation.<sup>233</sup> Therefore, the *heavier the advertising expenditure or investment in promotion, the more likely any advantage that may be obtained by the applicant will be deemed disproportionate and illegitimate, and thus to constitute free-riding*.<sup>234</sup>

### 3.3.4. Statutory safeguards against dilution

Given that the protection against dilution substantially moves beyond the core function of trade mark law, the protection is available only in *limited and extraordinary circumstances*.<sup>235</sup> The legislature has counterbalanced this protection with multiple statutory safeguards.<sup>236</sup> Such a legislative treatment is in tune with the three-step model suggested by the authors in Part 1.1: Protection afforded to additional functions and an absolute dissociation from the *information transmission model* should be counterbalanced with explicit limitations.<sup>237</sup>

The primary legislative safeguard included in Section 29(4) is that the protection is limited to marks which “*have a reputation in India*.”<sup>238</sup> When protection extends beyond the source-identifying function, it is only obvious that the concerned mark should also have some *brand dimensions* extending beyond the mere indication of origin.<sup>239</sup> When the Trade Marks Act, 1999, introduced the dilution provision, the courts equated the requirement of reputation with

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<sup>231</sup> Taylor, *supra* note 16 at 1077; Deere and Company and another v. Malkit Singh and others, , 2018 Indlaw DEL 2101 In this case, the Delhi High Court took into account the reputation, distinctiveness, the identical nature of the subject marks and the reply of the defendants to the plaintiff’s legal notice.

<sup>232</sup> Taylor, *supra* note 195 at 1074.

<sup>233</sup> *Tata Sons Ltd. v. Manoj Dodia & Ors.*, 2011 (46) PTC 244 (Del) 20; *FDC Limited v. Docsuggest Healthcare Services Private Limited & Anr.*, 69 PTC 218, 74 (2017); *BAYERISCHE MOTOREN WERKE AG VS. OM BALAJEE AUTOMOBILE (INDIA) PRIVATE LIMITED*, *supra* note 200 at 23.

<sup>234</sup> Taylor, *supra* note 195 at 1076; *SAZERAC BRANDS LLC v. LIVERPOOL GIN DISTILLERY LTD.*, *supra* note 227 at 108.

<sup>235</sup> Mukherjee and Kalro, *supra* note 95 at 144.

<sup>236</sup> *RENAISSANCE HOTEL HOLDINGS V. B. VIJAYA SAI & ORS.*, *supra* note 20 at 52 Unless all the three conditions are satisfied, it will not be open to the proprietor of the registered trade mark to sue for infringement when though the impugned trade mark is identical with the registered trade mark, but is used in relation to goods or services which are not similar to those for which the trade mark is registered; *Oliver Bernd Freier v. Rasul Exports*, 58 PTC (Del) 630 (2014).

<sup>237</sup> These counterbalancing interests can include concerns based in fair competition and free expression. AMANDA MICHAELS & ANDREW NORRIS, *A PRACTICAL GUIDE TO TRADE MARK LAW* 7–11 (Fifth edition ed. 2014).

<sup>238</sup> *Arudra Engineers Private Limited v. Pathanjali Ayurved Limited*, SCC OnLine Mad 1670, 104 (2020).

<sup>239</sup> See generally: Fernandez-Mora, *supra* note 63 at 1375–1379; Gangjee and Burrell, *supra* note 147 at 286.

well-known marks.<sup>240</sup> This position has since been amended. The Delhi High Court in *Bloomberg Finance*<sup>241</sup> and *Dharampal Satyapal*<sup>242</sup> noted that the reputation requirement is a lower threshold than the well-known threshold. This position has also seen approval from the Bombay High Court as late as March 2022.<sup>243</sup> It can be satisfied relatively easily than the well-known mark requirement.<sup>244</sup> How this lower threshold will be achieved and what kind of evidence is required to comply with the requirement has not been clarified.<sup>245</sup> However, judicial opinions make it abundantly clear that the protection within dilution is not available to every registered trade mark.

The second statutory safeguard significantly reducing the applicability of the dilution provision is that the use of the mark should be “*without due cause.*” If the defendant can successfully establish a *necessity of some kind* for using the plaintiff’s mark, the secondary use would amount to due cause.<sup>246</sup> A *justifiable reason*<sup>247</sup> or a *tenable explanation*<sup>248</sup> for the secondary use has been indicated to qualify as *due cause*. Repeatedly interpreted to protect free speech interests,<sup>249</sup> this limitation significantly counterbalances the expanse of the dilution doctrine.<sup>250</sup> The due cause requirement can also be cited to protect secondary use when the doctrine of actionable use fails to protect free speech interests. The German Federal Court in *Lila Postkarte* was presented with a situation where the defendant was selling postcards, which ironically alluded to the plaintiff’s registered trade marks. Since the secondary use was commercial, the actionable use requirement could not insulate the defendants from liability. The court

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<sup>240</sup> Tata Sons Ltd. v. Amit Mahna, CS(OS) No. 1228/2004 (2013).

<sup>241</sup> BLOOMBERG FINANCE LP V. PRAFULL SAKLECHA & ORS., *supra* note 204.

<sup>242</sup> Dharampal Satyapal Ltd. v. Suneel Kumar Rajput & Anr., 2013 (56) PTC 116 (Del).

<sup>243</sup> RPG ENTERPRISES LTD. V. RIJU GHOSHAL & ORS., *supra* note 93 at 44.

<sup>244</sup> ARUDRA ENGINEERS PRIVATE LIMITED V. PATHANJALI AYURVED LIMITED, *supra* note 238 at 106 In the instant case, the words specifically used are “reputation in India”. It means only “reputation in India” and does not mean “well known mark”.

<sup>245</sup> The Court noted that if the mark enjoys reputation in one geographical location it would be sufficient to sustain a dilution claim T.V. Venugopal v. Ushodaya Enterprises Ltd., (2011) 4 SCC 85; The Court in this case noted that the “cut off date for determining whether by reason of the reputation of the plaintiff’s mark, the defendant ought to be enjoined from using its rival mark is the date on which the defendant starts using the mark” ADVANCE MAGAZINE PUBLISHERS V. JUST LIFESTYLE PVT. LTD., *supra* note 203.

<sup>246</sup> MICHAELS AND NORRIS, *supra* note 237 at 3.73-3.75; Taylor, *supra* note 195 at 1081.

<sup>247</sup> Blue Hill Logistics Private Ltd. v. Ashok Leyland Limited, 48 PTC (DB) 564 (2011); Gangjee, *supra* note 16 at 322.

<sup>248</sup> Nestle India Ltd. v. Mood Hospitality India Pvt. Ltd., 42 PTC (Del.) 514 (2010); Gangjee, *supra* note 16 at 322, 323.

<sup>249</sup> Łukasz Żelechowski, *Invoking freedom of expression and freedom of competition in trade mark infringement disputes: legal mechanisms for striking a balance*, 19 ERA FORUM 115–135, 128–131 (2018).

<sup>250</sup> Ilanah Fhima, *Due cause*, 12 JOURNAL OF INTELLECTUAL PROPERTY LAW & PRACTICE 897–905, 897 (2017).

eventually relied on the *due cause* requirement to argue that an ironic reinterpretation of the underlying meanings of the plaintiff's mark cannot be infringing.<sup>251</sup>

Judicial instructions dictate that a finding of bad faith<sup>252</sup> and consumer confusion<sup>253</sup> can be destructive to fair use, whereas denominative use would be conclusive to a finding of fair use.<sup>254</sup> Further, the Delhi High Court in *Nestle India v. Mood Hospitality* suggested that if a secondary use qualifies as *non-trade mark use*, it will constitute *due cause*.<sup>255</sup> Hence, it is not difficult to argue that *due cause* is very expansive in its approach and allows a court to take into account a variety of concerns that are not limited to free speech interests and fair competition concerns. However, given the lack of any statutory or judicial guidance on the scope of its application, the provision remains *somewhat of an enigma*.<sup>256</sup>

Given the wide range of secondary uses that the expanded trade mark doctrine can injunct, one could argue that the due cause requirement should also be malleable to counter overbroad protection within the trade mark doctrine.<sup>257</sup> In *PlanetArt LLC v. Photobox Ltd.*, the England and Wales High Court explicitly admitted that the due cause requirement does not require a showing that “*there is no practical alternative at all to the use of the sign in question.*”<sup>258</sup> The requirement should be interpreted liberally, giving due credence to the attenuating circumstances, such as free speech and fair competition.

The analysis in Part 3 indicates that the protections offered by the different subsections of Section 29 are unique and can be independently and distinctly applied. While there can be an overlap between the scope of actionable use prohibited by the subsections, the paradigm cases for each section are sufficiently delineated. Where Section 29(1) and (2) rely on the information transmission model and protect the source-identifying function and its closely related quality function, Section 29(4) is the storehouse of the misappropriation argument. It caters the expanded functions of the modern trade mark doctrine. However, these individual subsections

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<sup>251</sup> Lila-Postkarte (I ZR 159/02) Federal Court of Justice (FCJ) 3 February 2005; GRUR 2005, 583; WRP 2005, 896; Martin Senftleben, *Free signs and free use: How to offer room for freedom of expression within the trademark system*, in RESEARCH HANDBOOK ON HUMAN RIGHTS AND INTELLECTUAL PROPERTY (Christophe Geiger ed., 2015).

<sup>252</sup> Merck KGaA v Merck Sharp and Dohme Corp [2016] EWHC 49 (Pat); Fhima, *supra* note 250 at 903.

<sup>253</sup> Comic Enterprises Ltd v Twentieth Century Fox Film Corp [2016] EWCA Civ 41; *Id.* at 904.

<sup>254</sup> Renuka Medury, “*Denominative*” use of another’s trademark can constitute *prima facie* “*due cause*” under Section 29(4) of the Indian Trade Marks Act, in ANNOTATED LEADING TRADEMARK CASES IN MAJOR ASIAN JURISDICTIONS (2019).

<sup>255</sup> NESTLE INDIA LTD. V. MOOD HOSPITALITY INDIA PVT. LTD., *supra* note 248; Also see: MICHAELS AND NORRIS, *supra* note 237 at 87,88.

<sup>256</sup> Fhima, *supra* note 250 at 509.

<sup>257</sup> See: Basma, *supra* note 207.

<sup>258</sup> PLANETART LLC V. PHOTOBX LTD. & ANR., *supra* note 229 at 43; Taylor, *supra* note 195 at 1080, 1081.

are often applied concurrently in Indian judicial discourse and practice. Therefore, the watertight compartmentalisations that the authors offer in this present study assume limited judicial recognition.

In the next section, the authors study the concurrent applications of the various causes of action within Section 29 to examine how judicial discourse affects the factual simulations that result in a conflict between the trade mark doctrine and concerns based in fair competition and free speech. This is done through two case studies: comparative advertising and trade mark parodies.

#### **4. Constitutional Safeguards and Trade mark doctrine**

##### **4.1. Use of trade marks in comparative advertising**

Comparative Advertising is defined as *an explicit or implicit comparison of two or more brands in an advertisement.*<sup>259</sup> The transaction involves a ‘sponsoring brand’ that compares and contrasts its goods with a ‘competing brand.’<sup>260</sup> By its very nature, comparative advertising seeks to distinguish between the attributes of the sponsoring brand with those of the competing brand. Since the very definition of comparative advertisements requires differentiation between the sponsor and the competitor, the relationship between comparative advertising and trade mark infringement can be difficult to conceptualise. The Delhi High Court in *Skol Breweries* admitted that *comparative advertisements by their very nature are antithetical to infringement.*<sup>261</sup>

Dubbed as a *vehicle of expression that assists consumers in making informed purchasing decisions,*<sup>262</sup> empirical evidence suggests that *customer’s cognitive responses, such as attention, awareness, informative sensitiveness, and recall, are expected to be more positive toward comparative advertising than non-comparative advertising.*<sup>263</sup> The Madras High Court has explained the effect of such advertising on consumer literacy: “*Consumer education, in a country with limited resources and a low literacy level, is possible only by allowing a free play for the trade rivals in the advertising arena, so that each exposes the other and the consumer*

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<sup>259</sup> See: Kishore Gopalakrishna Pillai & Ronald E. Goldsmith, *How brand attribute typicality and consumer commitment moderate the influence of comparative advertising*, 61 JOURNAL OF BUSINESS RESEARCH 933–941 (2008).

<sup>260</sup> See: Pillai and Goldsmith, *supra* note 259.

<sup>261</sup> *Skol Breweries Ltd. v. Fortune Alcobrew Pvt. Ltd.*, 50 PTC (Bom) 413 (2012).

<sup>262</sup> Filippo M Cinotti, *Fair Use of Comparative Advertising Under the 1995 Federal Dilution Act*, 37 IDEA 133 (1996).

<sup>263</sup> Byun and Jang, *supra* note 259 at 144.

thereby derives a fringe benefit.”<sup>264</sup> Given the market efficiency created by comparisons in advertising, they are protected as a function of free speech<sup>265</sup> and promoting effective competition in the marketplace.<sup>266</sup>

The best possible exposition of the trade mark doctrine’s stranglehold on advertising interests has been provided by Justice Jacob in *L’Oreal v. Bellure*.<sup>267</sup> After the ECJ submitted that the use of trade marks in comparative lists amounts to free-riding and infringement, Justice Jacob was not convinced.<sup>268</sup> He argued that the defendant’s advertisement of smell-alikes did not cause any consumer confusion or economic harm to the plaintiff.<sup>269</sup> With a judgment high in moral content and policy expositions, Justice Jacob opined that the plaintiffs had effectively convinced the court to injunct the defendant from *telling the truth*.<sup>270</sup> He was not incorrect in stating that the trade mark doctrine should not be allowed to injunct a trader from saying that “my goods are the same as Brand X (a famous registered mark) but half the price.”<sup>271</sup> Expressing his disappointment, Justice Jacob argued that if a similar construction of the law is afforded to medicines, a manufacturer of cheap and generic medicines would be restrained from advertising the equivalence of his medicines with those of the more expensive market standard medicines.<sup>272</sup> Fostering such an interpretation of the law would create market inefficiency at the peril of consumers.

Jacob LJ’s considerations have reverberated in both legal scholarship<sup>273</sup> and judicial discourse. Courts from different jurisdictions have repeatedly declined to side with the broad construction of trade mark protection offered by the European courts. For example, as discussed in Part 3.1, Singaporean trade mark court in *City Chain*<sup>274</sup> and *National Fittings*<sup>275</sup> have explicitly

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<sup>264</sup> *Colgate v. Anchor & Reckitt Benckiser v. HUL* 2008 38 PTC 138 Del.

<sup>265</sup> *Tata Press Ltd. v. Mahanagar Telephone Nigam Limited and others*, AIR 1995 SC 2438; *Horlicks Limited v. Heinz India Private Limited*, (2019) 256 DLT 468.

<sup>266</sup> *Havells India Ltd. v. Amritanshu Khaitan*, (2015) 62 PTC 64 (Del) 38; See: Kaylene C Williams & Robert A Page Jr, *Comparative advertising as a competitive tool*, 7 JOURNAL OF MARKETING DEVELOPMENT AND COMPETITIVENESS 47–62 (2013).

<sup>267</sup> *L’ORÉAL V. BELLURE*, *supra* note 56. ;The dispute in *L’Oreal v. Jacob* was referred to the ECJ by Justice Jacob. When the ECJ delivered its findings and the case came back for disposal before Justice Jacob, he was not convinced by the reasoning employed by the ECJ.

<sup>268</sup> *Heritage*, *supra* note 146 at 106; *Horton*, *supra* note 222.

<sup>269</sup> Christopher Morcom, *L’oreal v. Bellure- The Court of Appeal reluctantly applies the ECJ ruling*, 32 EUROPEAN INTELLECTUAL PROPERTY REVIEW 530, 533 (2010); *Horton*, *supra* note 222.

<sup>270</sup> *L’ORÉAL V. BELLURE*, *supra* note 56; Ilanah Simon Fhima, *Trade Marks and Free Speech*, 44 IIC - INTERNATIONAL REVIEW OF INTELLECTUAL PROPERTY AND COMPETITION LAW 293, 303, 304 (2013).

<sup>271</sup> *L’ORÉAL V. BELLURE*, *supra* note 56 at 5.

<sup>272</sup> *Morcom*, *supra* note 269.

<sup>273</sup> See for example: *Id.*; Fhima, *supra* note 31; Kur, *supra* note 70; Ng, *supra* note 129; Dowell, *supra* note 147; Senftleben, *supra* note 147.

<sup>274</sup> *CITY CHAIN STORES (S) PTE LTD V. LOUIS VUITTON MALLETIER*, *supra* note 155.

<sup>275</sup> *NATION FITTINGS SDN. BD. V. OYSTERTEC PLC.*, *supra* note 154.

dissociated from the European Approach.<sup>276</sup> A similar approach can be witnessed in Australia,<sup>277</sup> New Zealand<sup>278</sup> Hong Kong. In 2018, the Hong Kong Court of First Instance in *PCCW-HKT Datacom Services Limited*,<sup>279</sup> concluded a three-year long dispute concerning the use of a competitor's trade mark in comparative advertising. Dealing extensively with English judicial judgements, the Hong Kong Court noted that the English Law has taken a drastically different approach post 2003. The congeniality of the EU towards the misappropriation argument has substantially coloured the judicial trends in UK as well.<sup>280</sup> While European and English cases have been consistently applied in Hong Kong's trade mark jurisprudence,<sup>281</sup> the court in *PCCW-HKT Datacom Services Limited* explicitly dissociated itself from the EU and the English approach.<sup>282</sup>

Letting trade mark law regulate advertising standards too strictly is always questionable wisdom.<sup>283</sup> However, since comparative advertising requires identifying and referring to competing brands, it often intersects with trade mark doctypes. Further, as the previous sections of this study illustrate, modern trade mark doctrine is not solely concerned with protecting the *source identifying* function of trade marks. Concerns based in misappropriation of goodwill or denigration and defamation of reputation brings trade mark law at cross-roads with comparative advertising.<sup>284</sup> Therefore, a comparative advertising setting exemplifies a situation where trade mark doctrine comes into conflict with concerns based in freedom of expression and fair competition.

As explained in Part 2, Section 29(8) of the Trade Marks Act, 1999 covers the use of trade marks in advertising. The provision provides that blurring, tarnishment and accrual of unfair advantage not in compliance with honest industrial and commercial practices would attract

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<sup>276</sup> Ng, *supra* note 129.

<sup>277</sup> Handler, *supra* note 157.

<sup>278</sup> Firth, *supra* note 23 at 183–184.

<sup>279</sup> *PCCW-HKT Datacom Services Limited & Ors v Hong Kong Broadband Network Limited*, [2018] HKCFI 2037.

<sup>280</sup> Santos T. S. Cheung, *European Jurisprudence on Comparative Advertising Not Followed in Hong Kong*, 13 H.K. J. LEGAL STUD. 1, 5,6 (2019).

<sup>281</sup> *Id.* at 9, 10.

<sup>282</sup> *PCCW-HKT DATACOM SERVICES LIMITED & ORS V HONG KONG BROADBAND NETWORK LIMITED*, *supra* note 279.

<sup>283</sup> Gangjee, *supra* note 90 at 43, 44.

<sup>284</sup> *Dabur India Ltd. vs M/S Colortek Meghalaya Pvt. Ltd.*, FAO (OS) No. 625 of 2009, order dated February 2, 2010; *PEPSI CO. INC. & ANR. V. HINDUSTAN COCA COLA & ORS.*, *supra* note 85; See: Semila Fernandes, *A Case Study Approach – An Analysis of the Infringement of Trademark by Comparative Advertising*, 133 *PROCEDIA - SOCIAL AND BEHAVIORAL SCIENCES* 346–357 (2014).

liability under Section 29(8).<sup>285</sup> The language employed in Section 29(8) is very similar to the language of Section 29(4), which, as elaborated in Part 3.3, also protects against blurring, tarnishment and accrual of unfair advantage. Given such close correlation in the language employed, it is safe to argue that the protection afforded to trade marks in advertising extends beyond the *origin function*.

Judicial decisions have considered the scope of comparative advertising and have provided guiding principles for addressing its legality. Two general principles are apparent from this judicial discourse: Firstly, an advertisement cannot contain a false statement which influences consumer decisions. Secondly, the advertisement cannot be misleading or defamatory. The standard of review for any court would be the effect of any depiction on an end user or common man of average intelligence.<sup>286</sup>

The courts have upheld an advertiser's right to claim that his products are superior to those of his competitors,<sup>287</sup> and he may even claim that his products are the best in the world.<sup>288</sup> An advertiser is also entitled to select the characteristics of the sponsoring products that are superior to those of the competing products.<sup>289</sup> However, the comparison should always be limited to similar products,<sup>290</sup> for instance an antiseptic solution cannot be compared with a bathing soap in a commercial.<sup>291</sup> Similarly, while an advertiser is allowed to puff up and glorify her goods,<sup>292</sup> she is not allowed to denigrate or disparage competing goods.<sup>293</sup> While the courts acknowledge that comparative advertising is a *clear candidate for being considered 'fair competition'*,<sup>294</sup> a breach of any of these limitations would render the advertisement an *unfair trade practice*, making it actionable under Section 29(8).

Considering these judicial expositions, it can be argued that the constitutional safeguards have successfully cross-fertilised the limitations on trade mark monopoly. Numerous trade mark courts rely on the constitutional doctrines to limit the scope of actionable use protected by

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<sup>285</sup> Saha Pratyayee & Rudrani Sengupta, *Comparative Advertising and Generic Disparagement : A Probe into its Status in the Indian Legal System in the Light of Recent Cases*, 4 INDIAN JOURNAL OF LAW AND PUBLIC POLICY 21 (2018).

<sup>286</sup> Fernandes, *supra* note 284 at 348.

<sup>287</sup> Reckitt & Colman Of India Ltd. v. Kiwi T.T.K. Ltd., 63 (1996) DLT 29.

<sup>288</sup> Dabur India Limited v. Colgate Palmolive India Ltd., 29 PTC Del 401 (2004).

<sup>289</sup> HAVELLS INDIA LTD. V. AMRITANSHU KHAITAN, *supra* note 266.

<sup>290</sup> Hindustan Unilever Limited v. Reckitt Benckiser India Limited, 2014 (57) PTC 495 (Del).

<sup>291</sup> *Id.*

<sup>292</sup> DABUR INDIA LTD. VS M/S COLORTEK MEGHALAYA PVT. LTD., *supra* note 284.

<sup>293</sup> Karamchand Appliances Pvt. Ltd. v. Sh. Adhikari Brothers & Ors., 31 PTC Del 1 (2005); Dabur India Ltd. v. Wipro Ltd., 32 PTC Del 677 (2006); DABUR INDIA LIMITED V. COLGATE PALMOLIVE INDIA LTD., *supra* note 288; Godrej Sara Lee Ltd. v. Reckitt Benckiser Australia Pty. Ltd. & Ors., 2010 (42) PTC 417 (SC).

<sup>294</sup> Fhima, *supra* note 250 at 509.

Section 29. The cross-fertilisation of jurisprudence is best captured by Justice Muralidhar: “*In a democratic country, free flow of commercial knowledge is indispensable, and the public has a right to receive commercial expression.*”<sup>295</sup>

#### 4.2. Trade mark Parodying

Similar to comparative advertising, trade mark parodies and anti-brand movements provide an interesting context for examining the development of trade mark expansionism in conjunction with constitutional and free market-based considerations. Trade marks are a unique form of intellectual property rights. Unlike copyrights, trade marks do not disseminate knowledge or elevate the public discourse, and unlike patents, they do not lead to life enhancing innovations.<sup>296</sup> Instead of flourishing the public domain, a trade mark may *tantamount to the gift of exclusive ownership of the use of an English word.*<sup>297</sup> However, given the nature of protection and the explicit limitations placed on the scope of trade mark law, it is *more accurate to say that trade mark law removes only certain uses of a symbol from the public domain, leaving other uses available for the public.*<sup>298</sup>

Since words in their intrinsic capacities can invoke powerful memories and associations,<sup>299</sup> it is imperative that trade mark protection leave scope for the protection of expressive and communicative uses of trade marked language. Artists, parodists, and other social commentators frequently incorporate brand names to create a negative identity of the targeted brand. These identities may be influenced by dubious business practises, socially irresponsible behaviour, or a critique of the brand's associated representations.<sup>300</sup> Prof. Katyal studies these *antibranding movements* and argues that *national disparities regarding whether parody as a constitutionally protected freedom carry dramatic implications for the movement's (trade mark antibranding) future.*<sup>301</sup>

When protected elements of the trade mark law are used as elements of satire or parody, they invoke complicated legal issues, which question the very premise of trade mark protection.<sup>302</sup>

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<sup>295</sup> HORLICKS LIMITED V. HEINZ INDIA PRIVATE LIMITED, *supra* note 265.

<sup>296</sup> See: David W Barnes, *A new economics of trademarks*, 5 NW. J. TECH. & INTELL. PROP. 22 (2006).

<sup>297</sup> *Majestic Mfg. Co. v. Majestic Elec. Appliance Co.*, 79 F. Supp. 649, 651 (E.D. Ohio 1948).; Sigmund Timberg, *Trade-marks, Monopoly, and the Restraint of Competition*, 14 LAW AND CONTEMPORARY PROBLEMS 323–361, 330–333 (1949).

<sup>298</sup> Tyler T Ochoa, *Origins and meanings of the public domain*, 28 U. DAYTON L. REV. 215, 266 (2002).

<sup>299</sup> David A Simon, *The Confusion trap: rethinking parody in trademark law*, 88 WASH. L. REV. 1021 (2013).

<sup>300</sup> Sandeep Krishnamurthy & S. Umit Kucuk, *Anti-branding on the internet*, 62 JOURNAL OF BUSINESS RESEARCH 1119–1126 (2009); For examples see: Cordero, *supra* note 11.

<sup>301</sup> Sonia K Katyal, *Trademark Cosmopolitanism*, 47 UCDL REV. 875, 912 (2013).

<sup>302</sup> Robert J Shaughnessy, *Trademark Parody: A Fair Use and First Amendment Analysis*, VIRGINIA LAW REVIEW 1079–1117, 1095–1099 (1986).

An overbroad reliance on the extended functions doctrine<sup>303</sup> and overzealous protection of a trade mark's goodwill and reputation<sup>304</sup> can muzzle the expressive, critical, satirical and parodical uses of trade marks. For ease of reference and for the purposes of the present study, parody is used to refer to *juxtaposing the irreverent representation of the trade mark with the idealised image created by a mark owner*.<sup>305</sup>

For decades, courts have been perplexed by the definition of parody and the effect that such a finding should have in cases of trademark infringement.<sup>306</sup> While a finding of parody educates a court's infringement analysis, it cannot lead to an outright omission from the subject matter of trademark protection.<sup>307</sup> A primary example of such parodies are *weapon parodies*, where a parodist uses a trade mark "to get attention or to avoid the drudgery of working up something new."<sup>308</sup> In *UK Schweppes*, the defendant copied a distinctive label that was being used in reference to tonic water and applied it in reference to bath products. The defendant argued that they reconceptualised the famous and distinctive mark of the plaintiff and applied it to their product in a parodic sense. The court was not convinced by the defendant's argument and held that this was a primary example of a defendant attempting to *free-ride* the reputation accrued by the senior user.<sup>309</sup>

Some literature suggests a non-commercial use of a trade mark may fall outside the scope of *use in the course of trade*.<sup>310</sup> Building on this premise, some literature suggests that a finding of commercial use would be destructive of a defence under parody.<sup>311</sup> However, in order to protect expressive use of trade marks, some courts have relied on a very nuanced interpretation of what constitutes commercial use. For instance, in the case of *Mattel v. MCA*, the court argued that commercial use occurs when the secondary use *does nothing more than merely proposing a commercial transaction*.<sup>312</sup> Therefore, the definition of commercial use can be purposively

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<sup>303</sup> Simon, *supra* note 299.

<sup>304</sup> Shaughnessy, *supra* note 302.

<sup>305</sup> *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 34 (1st Cir. 1987).; Kathleen E McCarthy, *Free Ride or Free Speech: Predicting Results and Providing Advice for Trademark Disputes Involving Parody*, 109 TRADEMARK REP. 691, 694 (2019).

<sup>306</sup> Simon, *supra* note 299 at 1024.

<sup>307</sup> McCarthy, *supra* note 305 at 709–715; Justin J Gunnell, *Evaluation of the dilution-parody paradox in the wake of the trademark dilution revision Act of 2006*, 26 CARDOZO ARTS & ENT. LJ 441, 466 (2008).

<sup>308</sup> Catherine Seville, *The Space Needed for Parody within Copyright Law: Relections following Deckmyn*, 27 NATIONAL LAW SCHOOL OF INDIA REVIEW 1–16, 3–6 (2015).

<sup>309</sup> *Schweppes Ltd. v. Wellingtons Ltd.*, 1984 F.S.R. 210.

<sup>310</sup> See: Sabine Jacques, *Parody Exception: Why trademark owners should get the joke*, 38 EUROPEAN INTELLECTUAL PROPERTY REVIEW 471 (2016).

<sup>311</sup> Does it matter if the judge laughs?, *MANAGING INTELL. PROP.*, 2010, at 32.

<sup>312</sup> *MATTEL, INC. v. MCA RECORDS INC.*, *supra* note 3; Also see: *Laugh It Off Promotions CC v. S. African Breweries Int'l (Fin.) BV t/a Sabmark Int'l & Another*, 2005 (8) BCLR 743 (CC); See: Dreyfuss Cooper, *supra* note 12 at 272.

interpreted to cover a *broad range of mixed communication- those that contain both commercial and non-commercial element-be deemed entirely non-commercial.*<sup>313</sup>

The Delhi High Court incorporated this line of reasoning into Indian law in 2017.<sup>314</sup> Similar to the American dispute, Mattel attempted to restrain the use of the mark *Barbie* in a cinematograph film in India. Heavily relying on the American judicial opinions, the court in India held that “*Barbie is seeking in India what has been denied it in the Court of its origin.*”<sup>315</sup> The court’s decision in the Barbie case can be interpreted to mean that commercial use of a trademark would not necessarily invalidate a parody defence under trademark law.

Apart from free-riding, another concern for parodic reinterpretations of trade marks, similar to comparative advertising, is the disparagement and defamation of the concerned mark.<sup>316</sup> A parodic reinterpretation of any trade mark can potentially hamper the *selling power* of the mark by creating unfavourable associations and defaming and denigrating trade marks. This was the primary concern before the Delhi High Court in *Tata v. Greenpeace*.<sup>317</sup> To express their discontentment over the creation of a port, which could potentially threaten the breeding ground of Olive Ridley Turtles, the defendants created a Pacman style game, where the *Tata* mark was used critically.<sup>318</sup> Tata initiated infringement proceedings against the defendants and argued that the use of their mark amounted to defamation and disparagement of their mark. Heavily relying on the non-commercial nature and interests of free speech and expression, the court denied the grant of an injunction.<sup>319</sup>

The position which emerges from the study of these judgements is that a finding of non-commercial use significantly helps in establishing a defence of parody. However, a troubling trend seems to be emerging. The underlying reason for parodying is colouring the interpretation of trade mark law. As Prof. Gangjee remarks: if the underlying reason for parodying is *legitimate and reasonable*, and the secondary use retains its non-commercial nature, the secondary use should not be actionable.<sup>320</sup> This position can be very problematic. An intellectual property court should not be allowed to assess the legitimacy or reasonableness of

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<sup>313</sup> Patrick D Curran, *Diluting the Commercial Speech Doctrine: "Noncommercial Use" and the Federal Trademark Dilution Act*, 71 THE UNIVERSITY OF CHICAGO LAW REVIEW 1077, 1089 (2004); This interpretation has been approved by the court in: *American Family Life Insurance Co v Hagan*, 266 F Supp 2d 682 (ND Ohio 2002).

<sup>314</sup> *Mattel, Inc. & Anr. v. Ms. Aman Bijal Mehta & Ors.*, SCC OnLine Del 11857 (2017).

<sup>315</sup> *Id.* at 32.

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<sup>317</sup> *Tata Sons Ltd. v. Greenpeace International & Anr.*, 45 PTC 275 (2011).

<sup>318</sup> Katyal, *supra* note 301 at 923–927; Medury, *supra* note 254.

<sup>319</sup> Gangjee, *supra* note 16 at 323, 324; Katyal, *supra* note 301.

<sup>320</sup> Gangjee, *supra* note 16 at 324.

secondary use. This position has been reiterated by Justice Bhat in *Tata v. Greenpeace*, “*The Court cannot anoint itself as a literary critic, to judge the efficacy of use of such medium, not can it don the robes of a censor.*”<sup>321</sup> However, as alarming as this trend can potentially be, Prof. Gangjee’s conclusions seem to resonate within judicial decisions.

In another example, in July 2020, the Delhi High Court enjoined the defendants from publishing a YouTube video. The bizarre facts of the case are best explained by the court, “*The video, which is dramatised in the manner of a news report, shows defendant No. 2 reporting that the reporter of the channel “The Fauxy” has been investigating if the claims that the employees of the plaintiff had been urinating in the beer sold to its customers are true or not. The video then cuts to defendant No. 1, Mr. Rishav Sharma presenting the viewers a bottle of plaintiff’s Budweiser Beer and a sample of urine. The defendant No. 1 thereafter proceeds to taste the urine sample and the plaintiff’s Budweiser Beer. On tasting the two, the defendant No. 1 concludes and reports that the news that the employees of the plaintiff have been urinating in the beer sold to its customers, has to be fake since the plaintiff’s beer tastes worse than the urine.*” Without providing any reasons for its order and without constructing a workable interpretation of Section 29, the court opined that the acts of the defendant amount to infringement of the plaintiff’s mark.<sup>322</sup> When the court in *Tata v. Greenpeace* had explicitly noted that nominative use of a trade mark would not attract any liability,<sup>323</sup> how did the court conclude the defendant’s use as infringing?

The only logical difference seems to be the underlying reason for the secondary use. The court seems to have effectively coloured the actionable use requirement with issues that are beyond the concern of the trade mark doctrine.

## **Conclusion**

Initially, the authors designed this study as a trade mark protection spectrum.<sup>324</sup> The initial research undertook an examination of trade mark cause of actions *vis-à-vis* the expansion of actionable secondary use in line with the expanding normative justifications of trade mark law.

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<sup>321</sup> TATA SONS LTD. V. GREENPEACE INTERNATIONAL & ANR., *supra* note 317.

<sup>322</sup> Anheuser Busch Llc v. Rishav Sharma, 83 PTC (Del) 217 (2020) The order came from the hearing of an interlocutory injunction application and not all of the defendants recoded their submissions. There were two independent causes of action. Even if the action for trademark infringement failed, the plaintiff could have made a case under the common law remedy of product disparagement. .

<sup>323</sup> TATA SONS LTD. V. GREENPEACE INTERNATIONAL & ANR., *supra* note 317; Medury, *supra* note 254.

<sup>324</sup> The spectrum was not expected to consider an exhaustive list of infringement actions. It was only supposed to be indicative of the various forms of infringement.

Figure 1: Trade mark Protection Spectrum

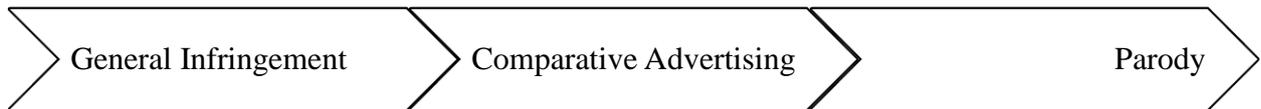
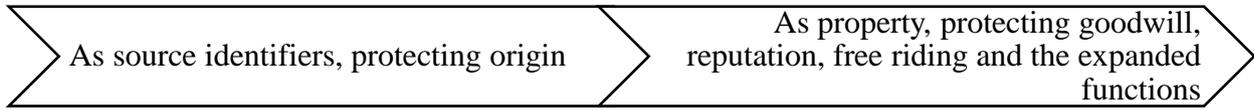


Figure 2: Expansion of actionable secondary use in line with normative justifications



The identified nodes were not intended to serve as water-tight compartments. Since the various subsections of Section 29 can be applied concurrently, it was expected that there would be significant cross-fertilisation of case law and jurisprudence. However, while undertaking this study, the authors came to a very unfortunate conclusion: *the engagement of Indian trade mark courts with the normative foundations and justifications of trade mark law remains very limited and constrained*. Apart from a few eloquent discussions,<sup>325</sup> most judicial discourse has failed to appreciate the differences in the underlying thesis of protections offered within infringement, particularly Section 29(1), (2) & (4). This precluded the authors from analysing their model in line with judicial comments and perspectives.

The lack of a judicial engagement with the normative foundations of trade mark law also affects the protection afforded to expressive uses of trade marks. As the discussion in Part 4 demonstrates, policy and constitutional concerns have successfully cross-pollinated trade mark jurisprudence. However, these developments have been forestalled by the lack of a discourse around the expanding and mutating premise of trade mark protection. Value judgements about the viability of secondary use to adjudge limitations and protections is a very dangerous development and should be analysed in more detail.

Despite the criticism amassed by the EU's functions based interpretation of the trade mark law, it is a step in the right direction. It allows courts to engage with the normative dimension of the trade mark law while engaging with the facts of a trade mark dispute. Such a thesis, if interpreted reasonably, can help in a sharper delineation between socially desirable and undesirable behaviour.<sup>326</sup> If the functions formulation can be consciously merged with a discussion about the limits of the misappropriation argument, it can save trade mark law from venturing into problematic directions. Since the present study attempts to integrate this analysis

<sup>325</sup> A primary example of such a decision would be: TATA SONS LTD. V. GREENPEACE INTERNATIONAL & ANR., *supra* note 317.

<sup>326</sup> DAMJAN KUKOVEC, *The realist trend of the Court of Justice of the European Union*, 15 (2021).

based on the actionable use requirement, it is limited to only three subsections of Section 29. The arguments and thesis of this examination must be expanded to other subsections of Section 29, which omit the actionable use requirement, but explicitly limit the scope of their application.