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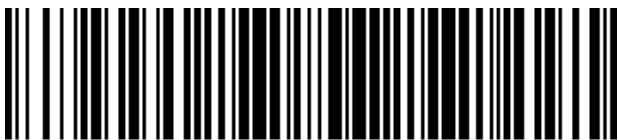
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Deceptive Similarity: A Comparison of International Jurisdictions

Aditi V. Misha

INTRODUCTION

Intellectual Property is the intangible asset of the owner. It is the product of his intellect and creativity. The most famous types of intellectual property are trademarks, copyrights, patents, trade secrets, and geographical indications. The diversity in the types of intellectual property showcases that any invention or work done in any field can somehow be protected by rendering certain rights to the owner. Through this intellectual property laws boost inventions as the owner is satisfied that he/she shall benefit from his/her creation. The intellectual property aims to strike a balance between the rights of the owner and the benefits to society. Protection given to an invention is for a certain number of years after which it falls into the public domain.

“If a man is keeping an idea to himself, and that idea is taken by stealth or trickery-I say it is stealing. But once a man has revealed his idea to others, it is no longer his alone. It belongs to the world.”

— Linda Sue Park

According to Section 2(1)(zb) of The Trademarks Act, 1999, a “trademark” means :

"trade mark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging, and combination of colors or any such combinations.”

A Trademark should also be a “mark”. According to Section 2(m) of The Trademarks Act, 1999, a “mark” means:

“includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combinations of colours or any combination thereof.”

It was held in the case of Laxmikant V. Patel vs. Chetanbhat Shah¹ that the definition of a trademark is very wide. The 3 essentials of a trademark are:

1. It should be a mark
2. It should be capable of being represented graphically
3. It should be capable of being distinguished from the goods and services of one person from those of others.

Trademark aims to prevent any confusion which may occur in the mind of a buyer with imperfect recollection. To protect the mark from getting infringed the owner gets his mark registered at the

¹ Laxmikant v. Shah, AIR 2002 SC 275 (India)

Trade Marks Registry. Once a mark garners goodwill and reputation an infringer tries to make money off of the said reputed trademark by creating a mark that looks almost the same as the famous mark with minor unnoticeable tweaks to confuse the buyer. Such a mark is called a deceptively similar trademark.

It is defined in Section 2(h) of The Trademarks Act, 1999 as:

“A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion.”

This paper mainly focuses on the laws governing a deceptively similar trademark across various jurisdictions and whether India’s laws governing the same are at par with the international standards or not.

DECEPTIVELY SIMILAR TRADEMARKS

In simple words, deceptive similarity can also be defined as similarity between the trademarks which can likely deceive the general public of average intellect to believe that the mark in question is in some way or the other linked to the registered or a well-known trademark.²

To understand deceptively similar trademarks, we will have to delve into Section 9 and 11 of The Trademarks Act, 1999. As mentioned above, to protect a trademark from infringement, registration is sought. However, a mark has to qualify for registration. Section 9 chalks out the absolute grounds of refusal of registration while Section 11 chalks out the relative grounds of refusal of registration. These sections give the Registrar the power to refuse a trademark application. Absolute grounds of refusal talk about the qualities a mark should have or refrain from having to be registered and the relative grounds of refusal are between two marks where one trademark is already registered and the new trademark seeking registration is not registrable when compared to the existing trademark.

Section 9(2)(a) of the Trademarks Act, 1999 (Absolute ground of refusal)

“it is of such nature as to deceive the public or cause confusion;”

A trademark shall be refused registration if it causes confusion or deceives the public. Nondeceptive meaning the mark should not portray to be something it isn’t and non-confusing in

² <https://lawsisto.com/legalnewsread/Mjk5Mg==/Concept-Of-Deceptive-Similarity-Under-Trademarks-Law>
(Concept of ‘Deceptively Similarity’ Under Trademark Law)

the sense that it should not appear to be an already registered mark. This section specifically targets the very nature of the mark rather than a comparison between two marks. IPR is on a quest to balance private rights and public interest. This particular provision is *jura publica anteferenda privatis juribus* which means that public right is preferred to private rights. The absolute grounds of refusal prioritize public interest. It is every owner's right to create a mark by which his product will be known but that won't be at the cost of public interest.

In the case of *National Sewing Thread Co. Ltd v. James Chadwick & Bros. Ltd*³, Hon'ble Supreme Court observed that the burden of proving that the trademark concerned is not likely to deceive or to cause confusion is upon the applicant. The real question to decide in such cases is to see as to how a purchaser, who must be looked upon as an average man of ordinary intelligence, would re-act to a particular trademark, what association he would form by looking at that trademark, and in what respect he would connect the trademark with the goods which he would be purchasing.

Section 11 of the Trademarks Act, 1999 (Relative grounds of refusal)

Save as provided in section 12, a trademark shall not be registered if, because of -

- a. its identity with an earlier trade mark and similarity of goods or services covered by the trademark; or
- b. its similarity to an earlier trademark and the identity or similarity of the goods or services covered by the trademark,

There exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trademark. Section 11 talks about the confusion created amongst the public when 2 marks are compared meanwhile section 9 talks about the confusion created in the mind of the public due to the mark itself.

In this context the European Court of Justice laid down that the likelihood of the association may arise in three set of 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 proprietor of the sign and those of the mark and confuses them (likelihood of indirect confusion or association);

³ *National Sewing Thread Co. Ltd v. James Chadwick & Bros. Ltd*, AIR 1953 SC 357

3. Where the public considers the sign to be similar to the mark and perception of the sign calls to mind the memorable mark, although the two are not confused (likelihood of association in the strict sense).⁴

It can be inferred that the trademark should be free from the absolute and relative type of confusion. The mark should satisfy both the norms to be registrable. The larger picture here is safeguarding a buyer from harmful counterfeit products in the guise of a famous brand or products portraying to be something that they are not. Trademark is the identity of the business. Counterfeit products hurt the reputation and goodwill of a brand as they never meet the standards of the brand.

Examples of Deceptively Similar Trademarks – A bare perusal of some case laws would give clarity regarding conflicting marks

GTC v. ITC⁵, the defendants, GTC had copied the roundel design with the intersecting rectangle with the words, “GOLD FLAKE” written across, the presence of three stars, the color scheme, and the rectangular border lines in strips of red and tarnished gold, which formed the essential features of the plaintiff’s label. An injunction was granted, although the defendants were registered proprietors of different labels containing inter alia the words “GOLD FLAKE”

GLOBAL STANCE ON DECEPTIVELY SIMILAR TRADEMARKS

United States of America – Likelihood of confusion is the benchmark for deciding the registrability of a trademark. To decide the level of the likelihood a detailed list was outlined in re E.I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973)⁶. The DuPont factors are:

1. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation, and commercial impression.
2. The similarity or dissimilarity and nature of the goods . . . described in an application or registration or in connection with which a prior mark is in use.
3. The similarity or dissimilarity of established, likely-to-continue trade channels.
4. The conditions under which and buyers to whom sales are made, i.e. “impulse” vs. careful, sophisticated purchasing.

⁴ <https://www.mondaq.com/india/trademark/443686/confusion-among-confusions> (Confusion Among Confusions)

⁵ GTC v. ITC, AIR 1992 Mad 253

⁶ In re E.I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973)

5. The fame of the prior mark.
6. The number and nature of similar marks in use on similar goods.
7. The nature and extent of any actual confusion.
8. The length of time during and the conditions under which there has been concurrent use without evidence of actual confusion.
9. The variety of goods on which a mark is or is not used.
10. The market interface between the applicant and the owner of a prior mark.
11. The extent to which the applicant has a right to exclude others from use of its mark on its goods.
12. The extent of potential confusion.
13. Any other fact probative of the effect of use.

Although the decisions are made on a case to case basis sufficient weightage has been given to these factors and there is a possibility that one or more factors if not all would be considered in a case deciding the likelihood of confusion.

European Union – Members of the European Union can register Trademarks in their own country or within the European Union by means of registering their mark as a Community Trademark. EU has created the European Union Trade Mark (EUTM) system, which is an innovative tool of European law and is a unitary trademark right that is acquired by way of a single, central filing with the European Union Intellectual Property Office (EUIPO) and applies to all Member States.⁷

Under the EUTM system, a deceptive mark is an absolute ground for refusal of registration.

A trademark will be compared keeping in mind 3 criteria

1. Identity between the signs leading to absolute protection under Article 8(1)(a) EUTMR if the goods and/or services are also identical.
2. A finding of similarity (or identity) leads to the opening of the examination on the likelihood of confusion per Article 8(1)(b) EUTMR.

⁷ <https://thelawreviews.co.uk/edition/the-trademarks-law-review-edition-3/1209899/european-union> (European law Trademark review)

3. The finding of dissimilarity in all three aspects excludes the likelihood of confusion. There is no need to examine further prerequisites of Article 8(1)(b) EUTMR⁸

While deciding the likelihood of confusion, the EU keeps in mind the global impact. If globally the disputed mark will be perceived as originating from the original mark's undertaking, absolute protection will be afforded to the original mark. While comparing the marks, a precondition for deciding the likelihood of confusion is the existence of similarity in the identities. The dissimilarity of signs will put a stop to the investigation.

Whether a likelihood of confusion exists depends on an assessment of several interdependent factors, including

- (i) the similarity of the goods and services,
- (ii) the relevant public,
- (iii) the similarity of the signs, taking into account their distinctive and dominant elements
- (iv) the distinctiveness of the earlier mark.⁹

Canada – Section 12 of the Trade-marks Act sets out the grounds for registrability of a trademark. “likely to be mistaken for an official mark” is a ground that would render the trademark “unregistrable”.

Section 6.2 Section 6. (2) of the Trade-marks Act provides this guidance:

“The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.”

To determine whether or not a trademark is confusing to “the somewhat-hurried consumer,” the following factors are outlined for consideration:¹⁰

1. The inherent distinctiveness of the trade-marks or trade-names and the
2. The extent to which they have become known

⁸ https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/law_and_practice/trade_marks_practice_manual/WP_1_2017/Part-C/02-part_c_opposition_section_2/part_c_opposition_section_2_chapter_4_comparison_of_signs/TC/part_c_opposition_section_2_chapter_4_comparison_of_signs_tc_en.pdf (GUIDELINES FOR EXAMINATION OF EUROPEAN UNION TRADE MARKS)

⁹ *Supra*

¹⁰ *Mattel U.S.A. Inc. v. 3894207 Canada*, (2006) SCC 22.

3. The length of time the trade-marks or trade-names have been in use
4. The nature of the wares, services, or business
5. The nature of the trade
6. The degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them

Australia – Australia also considers absolute and relative grounds for refusal of registration. Section 43 of the Trade Marks Act 1995, talks about absolute grounds for refusal. To refuse registration a mere possibility of deception is not enough. The current marketplace is kept into consideration. Deception could be in terms of quality, quantity, geographical location, intended use, the connection in the mind of the public.

According to current Australian practice, this ground for rejection is not used as a way of addressing issues arising from a consideration of whether an earlier trademark conflicts with the trademark under examination – that is, it does not apply to a comparison of trademarks. This latter situation is provided for under grounds of opposition, infringement, or cancellation.¹¹

Australia has given a very narrow interpretation to absolute grounds of refusal where only limited cases are refused on these grounds and rejecting an application on these grounds is an uncommon practice. These specific areas which would be rejected are Geographical Indications for wines, INN Stems, Plant Variety names, International Non-Proprietary names, Trademark suggesting endorsement, license, or approval.

Section 43 of the Trademarks Act 1995 defines deceptive similarity as:

A trademark is taken to be deceptively similar to another trademark if it so nearly resembles that other trademark that it is likely to deceive or cause confusion.

It was held in the case of *Berlei Hestia Industries Ltd v Bali Co Inc*¹² “The question whether there is a likelihood of confusion is to be answered, not by reference to the manner in which the respondent has used its mark in the past but by reference to the use to which it can properly put the mark. The issue is whether the use would give rise to a real danger of confusion”

¹¹ https://www.wipo.int/export/sites/www/sct/en/comments/pdf/sct21/ref_australia.pdf (GROUNDS OF REFUSAL IN AUSTRALIA)

¹² *Berlei Hestia Industries Ltd v Bali Co. Inc*, (1973) 129 CLR 353

CONCLUSION/SOLUTIONS

This paper intended to compare the provisions of various jurisdictions specifically about deceptively similar trademarks and to assess whether India's provisions governing the same are at par with international standards and common industry practice. The author has concluded that India's provisions are at par with other jurisdictions. An observation the author has made is that the United States of America has been more descriptive of the considerations to reject or accept an application of registration or the constituents of a mark which would cause confusion. The similarity is that these lists are not exhaustive and a case to case interpretation has to be taken. However, a more detailed precedent would always be more helpful in deciding the present case. As opposed to Australia, India's laws interpret the absolute grounds of refusal in a broader sense. The provisions are negatively worded but every mark that does not satisfy the grounds of refusal shall be registrable.

Proof of Intent is irrelevant. Deceptive similarity leads to unfair advantage and unfair competition as the buyers feel that there is a commercial connection between the marks. Hence the strict application of the provisions governing deceptive similarity should be done by the courts.

The author believes that trademark registration should be made compulsory as it not only confers the owner of the mark exclusive rights it also means that when the trademark application is made to the registrar, the registrar checks for similarities between other existing marks. Due to this the new mark will have to adopt a distinct mark. The public at large is spared from the confusion of an unregistered deceptively similar trademark.

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