

**PROTECTION OF UNREGISTERED TRADE MARKS IN INDIA:  
PASSING OFF ACTION**

The action against passing off is based on the principle that “a man may not sell his own goods under the pretence that they are the goods of another man.” (N. R. Dongre v. Whirlpool Corporation, (1996) 5 SCC 714) Passing off is a species of unfair trade competition by which one person seeks to profit from the reputation of another in a particular trade or business. A passing off action is a direct subject matter of the law of tort or common law of right, i.e. case law. The Trade and Merchandise Marks Act, 1958 does not define passing off, but only provides the rules of procedure and the remedies available.

An action for infringement, which is a statutory right, is dependent on the validity of the registration of the mark. Unlike infringement, passing off is not a proprietary right in the name or the get-up, which has been misappropriated by the defendant. It is a wrongful invasion of a property right vested in the plaintiff. A passing off action is, therefore, independent of a statutory right and is established by evidence of reputation and goodwill of the business. (Harrods v. Harrodian School, (1996) RPC 697, as cited in P. Narayanan, Law of Trade Marks (Trade Marks Act, 1999) and Passing Off (5<sup>th</sup> ed.) 500)

In a passing off action, the registration of the trade name or a similar mark is irrelevant. Here, the priority in adoption and use of trade mark is superior to priority in registration. (Kishore Zarda Factory (P) Ltd. v. J.P. Tobacco House, AIR 1999 Delhi 172) “By catena of decisions it is now settled that a prior user of trade mark has rights even over a later registered user..... [n]o injunction can be issued against a prior user of the trade mark in a passing off action.” (M/s. Senor Laboratories Ltd. v. M/s. Jagsonpal Pharmaceuticals Ltd., AIR 1999 Delhi 102)

The protection afforded to unregistered marks is also extended to foreign marks, which have a reputation in India on the basis of extensive advertisements and publicity. The transborder reputation of a trader could enable him to obtain injunction in the courts of a country in which he is not trading. Indian courts, too, recognize the existence of transborder reputation and grant injunction in cases where one tries to derive economic benefit from the reputation established in a particular trade by another. (Mars Incorporated v. Chanda Softy Ice Cream and Others, AIR 2001 Madras 237)

Generally, protection against passing off is granted where the parties are engaged in the trade of the same or similar products or closely related products and services. (*Rob Mathys v. Synthes*, (1997 PTC 669 (Del), *P. Narayanan supra*, at 532)

There are certain essential ingredients of a passing off action. The plaintiff has to prove that there is a similarity in the trade names; the defendant is deceptively passing off his goods as those of the plaintiff; or that there is bound to be confusion in the minds of the customers. “What the plaintiff is required to prove is that defendant’s goods are so marked, made up or described by him as to be calculated to mislead ordinary purchasers and to lead them to mistake the defendant’s goods for those of the plaintiff. The test to be applied in such matters is as to whether a man of average intelligence and of imperfect recollection would be confused.” (*Kishore Zarda Factory supra*, at 175) If the goods are not similar and the trade names, logo, colour scheme, etc., used are not likely to cause confusion in the minds of the customers, no injunction to restrain the use of the trade name will be granted, because there cannot be any monopoly in the use of the trade name in respect of the goods falling in different classes. (*Roshan Lal Oil Mills Ltd. v. Assam Co. Ltd.*, 1996 (16) PTC 699, *P. Narayanan supra*, at 561)

In *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.* (2001) SCL 534, the Supreme Court set out factors that must be considered while deciding the question of deceptive similarity. Factors such as the nature of the marks (word, label or composite) and goods, similarity in nature, character and performance of goods, class of purchasers likely to buy the goods and the mode of purchasing the goods, are essential components with respect to the question of deceptive similarity in a passing off action.

However, some decisions demonstrate that a common field of activity, though relevant, is not decisive in a passing off action. A trader may obtain an injunction against passing off, if it can be inferred that the use of the name will mislead the public. (*Treasure Cot v. Hamley* (1950) 67 RPC 89; *Volvo (AB) v. Volvo Steels Ltd.*, (1998) PTC 47 (Del) (DB), *P. Narayanan supra*, at pp. 550, 552)

In an action for passing off, the motive of the defendant is not important. Once reputation is established by the plaintiffs, no further proof of fraudulent intention on the part of the defendants is required to be proved or established. (*Kirloskar Proprietary Ltd. v. Kirloskar Dimensions Pvt. Ltd.*, AIR 1997 Karnataka 1)

Misrepresentation and loss or damage of goodwill are also essential elements for a successful passing off action. Both must be proved by the plaintiff for an interlocutory injunction. (Atheletes Foot Marketing Adm. Inc. v. Cobra Sports Limited, 1980 RPC 343, P. Narayanan supra, at 531) In addition, the goods of the plaintiff must have acquired distinctiveness and must be associated in the minds of the general public as goods of the plaintiff. The nature of activity and the market of consumption of the goods of the parties to the passing off action must be the same. Moreover, the use of the same trade mark or trade name by the defendant must be likely injure the business reputation of the plaintiff. (Hindustan Radiators Co. v. Hindustan Radiators Ltd., AIR 1987 Del 353)

The relief available in suits for passing off include an injunction restraining further use of the mark, damages, an account of profits, or an order for delivery of the infringing labels and marks for destruction or erasure.