

“THE CIPLA JUDGMENT: WAS IT A CORRECT INTERPRETATION OF SECTION 29(4)?”

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THE CIPLA JUDGMENT¹

The dispute in this case was about the mark “CIPLA” registered in the name of the Plaintiff, in Class 05 of the Fourth Schedule to the Trade Mark Rules, 2002. The Plaintiff had used the mark only for pharmaceutical and medicinal preparations. The Defendants, on the other hand, were using the mark as a part of their corporate or trade name, for selling different types of household articles, such as soap dishes, photo frames, ladders and so on. The Defendants also claimed to possess a registration of a very similar mark, i.e. CIPLA PLAST, in their favour in Class 21 of the aforesaid schedule. This dispute reached the full bench of the Bombay High Court, after having been referred by a single judge bench² of the same Court, on the following issue: If the first condition of Section 29(5) of the Trade Marks Act, 1999, (hereinafter referred to as the “Act”) is satisfied but the second is not satisfied (meaning that even though the defendant is using the registered trade mark of a plaintiff as part of his corporate name, the same is not being done as part of goods and services similar to the plaintiff), whether Section 29(4) of the Act can be invoked. In other words, the question before the full bench was that if a person, who is dealing with goods and services which are dissimilar to those for which the well-known trade mark is registered, uses the registered trade mark as a part of his business / corporate name, whether such use will attract the mischief covered by Section 29(4) of the Act. Section 29 of the Act enlists what all constitutes trade mark infringement under Indian Law. Section 29(4) of the Act deals with infringement of well-known marks. It states:

“(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which—

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.”³

¹ CIPLA Limited v. CIPLA Industries Private Limited and Ors., AIR 2017 Bom 75

² CIPLA Limited v. CIPLA Industries Private Limited and Ors., 2016 (67) PTC 509 (Bom)

³ Section 29(4) of the Trade Marks Act, 1999

Section 29(5) deals with infringement when one uses a trade mark as one's corporate / business name.

It states:

“(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.”⁴

The Plaintiff argued that Section 29(4) of the Act can be invoked if the Plaintiff's trade mark is being used by the Defendant as a part of its corporate name, when the Plaintiff and Defendants' goods and/or services are different. The Defendant, on the other hand, argued that Section 29(4) needs to be literally interpreted and its application should be limited only to “use of trademarks” and not “use of trade names”. After hearing both the parties, the full bench of the Bombay High Court clearly held that where a party is found to be using a registered well-known trade mark as a name, viz. as a corporate or trading name or style, though in respect of goods/services dissimilar to the ones for which the trade mark is registered, the proprietor of the registered well-known trade mark is not entitled to an injunction on a cause of action of infringement under Section 29(4) of the Act. The Bombay High Court further explained the relationship between Section 29(4) and 29(5) of the Act by holding the following:

“The difference in the phraseology and language used in the two Sub-sections makes it clear that Subsection (4) applies in "trade mark versus mark" situation. It applies when the mark is used in the course of trade in relation to goods and services. Sub-section (5) applies to a "trade mark versus trade/corporate/business name" situation. It is a special provision which is different from Subsections (1), (2) and (4)... Sections 29(4) and 29(5) of Act, operate in separate and mutually exclusive spheres, i.e., if Defendant uses registered Trade mark only as a corporate name or trading name or style in respect of dissimilar goods, a Plaintiff can have no remedy and is not entitled to an injunction.”

Thus, the Bombay High Court concluded that Sub-Sections (4) and (5) apply to different situations arising out of use of a mark and the use of a trade mark as a part of corporate/business/trade name cannot be read into Sub-Section (4). According to the Bombay High Court, possible inconvenience or prejudice to a class or classes of proprietors of registered trademarks is not a good enough ground to read something into Sub-Section (4) which is not there and give a meaning which is contrary to plain meaning.

FLAWS IN THE CIPLA JUDGMENT

Intuitively speaking, one might suspect that the CIPLA judgment might have an impact on a number of companies, especially the ones which are proprietors of marks that have attained the well-known status.

⁴ Section 29(5) of the Trade Marks Act, 1999.

It will be difficult, if not impossible, for these companies to obtain a relief against company names which resemble their well-known trade mark, where the activities or goods and/or services of the infringing company are not the same than those covered by the well-known registered trade mark, especially when such cases are filed within the jurisdiction of the Bombay High Court. In this paper, keeping in mind the almost absurd outcome of the CIPLA judgment, it is argued that the full bench judgment of the Bombay High Court is flawed due to the following reasons:

VIEWS OF THE OTHER HIGH COURTS

The position of the other High Courts in India has differed from the position of the Bombay High Court. The other High Courts have held that Section 29(4) of the Act applies to those cases as well where the registered well-known mark of the plaintiff is used by a potential infringer as its corporate/business name, for goods or services other than those for which the well-known mark is registered. The Delhi High Court has, by way of multiple judgments, differed in its view as compared to the Bombay High Court. A couple of the earlier cases in this group of cases are *Tata Sons Ltd. v. Manoj Dodia and Ors.*⁵, *Kabushiki Kaisha Toshiba v. S.K. Sil and Ors.*⁶, and *Microsoft Corporation and Ors. v. Kurapati Venkata Jagdeesh Babu and Ors.*⁷ In the first case, the Plaintiff Tata Sons Ltd. filed an infringement suit against the Defendant under Sections 29(1), 29(2) and 29(4) of the Act, for using the mark "A-One TATA" and using the Plaintiff's "TATA" device mark in their visiting cards/invoices. The Delhi High Court granted relief of permanent injunction to the Plaintiff. The Delhi High Court held:

*"...The owner of a well known trademark may (i) seek cancellation or (ii) prevent registration of a trademark which is same or similar to the well known mark irrespective of whether the impugned mark is in relation to identical or similar goods or services or in relation to other categories of goods or services. He may also prevent others from incorporating the well known trademark as a part of their corporate name/business name..."*⁸

In the second case, the Plaintiff Kabushiki Kaisha Toshiba filed a suit for infringement against Defendant Toshiba India Elevator and Escalator Industries, for injunction restraining the defendants from manufacturing, importing, selling, offering for sale or advertising under the mark TOSHIBA and/or any other mark which is deceptively similar to the TOSHIBA mark. The Delhi High Court held that the Defendants have infringed the registered and well-known trade mark "TOSHIBA" of the Plaintiff by using it for selling and promoting elevators and escalators and using it on their letterheads/business cards, as part of their corporate name. The Delhi High Court categorically held that the owner of a well-known mark is entitled in law to prevent others from using the said mark as a

⁵ 2011 (46) PTC 244 (Del)

⁶ 2011 (47) PTC 484 (Del)

⁷ 2014 (57) PTC 601 (Del)

⁸ *Tata Sons Ltd. v. Manoj Dodia and Ors.*, 2011 (46) PTC 244 (Del)

part of their corporate/business name, irrespective of whether the use is in relation to identical or similar goods or services or is in relation to other categories of goods or services.⁹The third case involved the Plaintiff Microsoft Corporation filing a suit for infringement against the Defendant for using the mark “MICROSOFT MULTIMEDIA” and registering a domain name www.microsolhmiliimedia.com in its name. The Delhi High Court passed an ex parte ad interim injunction in favour of the Plaintiff and against the Defendant restraining them from using the Microsoft mark in relation to their domain name, any services or products given or offered by them to the public. The Court further held that no one is entitled to use a well-known mark as a part of its trading style/corporate name, in relation to similar or dissimilar business, as the said trade mark has got a unique goodwill and reputation. The most relevant discussion is found in the Delhi High Court case of *Bloomberg Finance LP v. Prafull Saklccha and Ors.*¹⁰ In this case, the Plaintiff Bloomberg Finance LP filed a suit for infringement and passing off against Defendants for using ‘Bloomberg’ as a prominent part of their corporate names. The Delhi High Court granted injunction against the Defendants. The Delhi High Court held that where a registered trade mark is used as part of the corporate name but the business of the infringer is in goods or services other than those for which the mark is registered, the owner or proprietor of the registered trade mark is not precluded from seeking a remedy under Section 29(4) of the Act, if the conditions attached to Section 29(4) are fulfilled. The Delhi High Court gave multiple reasons, in support of its decision, which are assistive in critiquing the CIPLA Judgment. Firstly, the Delhi High Court discussed the definition of “mark” in the Act, which includes the phrase “name”,¹¹ thus, holding that if the Defendant uses a “name” which is identical or similar to a registered trade “mark”, then it will amount to infringement within the meaning of sub-section (4) of Section 29 of the Act. However, one may argue that though the phrase “name” features in the definition of “mark”, it does not feature in the definition of “trade mark” - which is more apt and should be used for the purpose of interpretation of Section 29 of the Act, since that is the phrase that is used in Section 29. Such an argument is not a very strong one, as it is clear from the definition of “trade mark” that it is a type of mark in itself. Secondly, the Delhi High Court discussed at length the object and purpose of Section 29(1) to (4) of the Act in order to use it as a base for purposively interpreting Section 29(4). According to the Court, Section 29(5) cannot be interpreted to be exhaustive of all situations of uses of the registered mark as part of an entity’s corporate name, thus, rendering Section 29(4) of the Act otiose. The Court rightly held that the Legislature could not have intended to not provide a remedy where the registered trade mark is used as a part of the corporate name of an entity but the business of the infringer is in goods or services other than those for which the mark is registered. The Calcutta High Court has also taken the same path as that of the Delhi High Court,

⁹ *Kabushiki Kaisha Toshiba v. S.K. Sil and Ors.*, 2011 (47) PTC 484 (Del)

¹⁰ 2013 (56) PTC 243 (Del)

¹¹ Section 2(1)(m) of the Trade Marks Act, 1999

differing from the view taken up in the CIPLA Judgment. In the case of Exxon Mobil Corporation and Ors. v. P.K. Sen,¹² the Plaintiff filed a suit for infringement and passing off, in relation to the trade mark "Exxon", for restraining the Defendant from using the trade name "Exon". The Calcutta High Court allowed an injunction restraining the Defendant, his officers, representatives and assigns from using the trade mark "Exon" or any other mark that is deceptively similar/identical to the Plaintiff's registered trade mark, "Exxon", in relation to his goods/products/services and in relation to his firm name. Thus, it is clear from the aforementioned analysis that the Bombay High Court's position seems to be the most skewed one and deviated from the general understanding amongst the other High Courts in India.

SINGLE JUDGE BENCH JUDGEMENT OF THE BOMBAY HIGH COURT

The single judge of the Bombay High Court has also given multiple apt reasons which were not at all considered by the brother judges of the same High Court while giving the CIPLA Judgment. The single bench judgment¹³, while discussing well-known marks, stated that the similarity or dissimilarity of the goods should actually make no difference at all where a mark is used not only as a mark but also as a trade name, and especially where the mark satisfies the tests of being a 'well known mark'. The single judge gave a few examples to substantiate his averment. In line with what he said - if a defendant adopts 'Xerox' or 'IBM' as its corporate or trading name, though not as a mark, and manufactures pins or pianos, neither of those proprietors would be ever entitled to an injunction, if the reasoning of the CIPLA Judgment is followed. As stated by the single judge, such an interpretation of Section 29(4)/29(5) does not seem to be the likely statutory intent of the law makers. Thus, such an interpretation should not have been adopted in the CIPLA Judgment.

UK TRADE MARK LAW

The Indian Trade Marks Act, 1999, has been heavily borrowed from the UK Trade Marks Act, 1994. The Indian Trade Marks law has, thus, heavily borrowed its jurisprudence from the UK Trade Marks law. Section 10 of the UK Act is akin to Section 29 of the Indian Act:

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(3) *A person infringes a registered trade mark if he uses in the course of trade in relation to goods or services a sign which - (a) is identical with or similar to the trade mark, where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.*

(4) *For the purposes of this section a person uses a sign if, in particular, lie-*

fa) affixes it to goods or the packaging thereof;

¹² 2018 (76) PIC 263 (Cal)

¹³ CIPLA Limited v. CIPLA Industries Private Limited and Ors., 2016 (67) PTC 509 (Bom)

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

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

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

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

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

Section 10(4)(ca) was recently added to the UK Act by way of the Trade Mark Regulations 2018 (SI 2018/825) which came into force from 14 January 2019. Section 10(3) of the UK Act is similar to Section 29(4) of the Indian Act. However, unlike Section 29(6) of the Indian Act, use of a mark/sign in the UK now includes using it as a trade or company name or part of a trade or company name, as per Section 10(4)(ca) of the UK Trade Marks Act. This shows how the Bombay High Court's full bench judgment has taken a different jurisprudential route as compared to the UK jurisprudence as well.

WELL KNOWN TRADE MARKS

The threshold to establish infringement under Section 29(4) of the Act is much higher. One needs to establish the following:

- A mark identical with or similar to the registered trade mark needs to be used;
- The aforementioned mark needs to be used in relation to goods or services which are not similar to those for which the trade mark is registered;
- The registered trade mark needs to have a reputation in India; and
- The use of the mark without due cause must take unfair advantage of or be detrimental to, the distinctive character or repute of the registered trade mark.

Thus, the logic of the High Court in the CIPLA Judgment that one can easily turn to Section 29(4) if Section 29(5) doesn't apply to their case, is an incorrect one.

STATUTORY INTERPRETATION

It is pertinent to mention that the intent of the Act is to bestow broad protection to a trade mark, which is evident from the wordings of Section 29(9) of the Act. Section 29(9) of the Act categorically talks of infringement even by spoken words, when the distinctive element of a registered trade mark consist of, or includes, words. Section 29(9) is reproduced hereunder for ease of reference: "(9)Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this

section to the use of a mark shall be construed accordingly.”¹⁴ The aforesaid provision categorically proves that the purpose of the Act is to ensure that protection be granted to the proprietor of a trade mark even if the distinctive element(s) of the same are spoken elsewhere without the authority or consent of the said proprietor. This shows that the protection provided under Sections 29(4) and 29(5) of the Act should be harmoniously construed, given the objective of the Act, and such protection should be extended to name of the companies as well, as the very nature of the name of a company or corporation is such that it will be used in the concerned market and will not remain in vacuum. Therefore, the protection to a trademark should also be extended against its usage as a part of the name of a company or a corporation, even when the same is not being used in relation to similar goods or services as that of the registered trade mark.

PRACTICAL APPLICATION VIS-À-VIS POTENTIAL INFRINGEMENT OF SERVICE MARKS

The interpretation of Section 29(4) of the Act is all the more flawed in the CIPLA Judgment because the Bombay High Court failed to consider the fact that most of the times service marks are nothing but a business/company name. Thus, by interpreting Section 29(4) in the manner that the Bombay High Court has, it will become absolutely impossible for a well-known mark to proceed against a service provider, who is offering services other than those for which the well-known mark is registered and using the mark as its corporate name. For e.g.: Apple will never be able to proceed against a dry-cleaning company with the company name Apple Laundry, however, Apple may still be able to proceed against Apple Pencils being produced by XYZ company.

CONCLUSION

On the basis of the above-mentioned reasons, it is clear that the CIPLA judgment was not a well decided judgment. It took a diverted view from the other High Courts of the country; a view that was not only practically unviable but also failed to take into account the special status given to well-known marks under the Act. The Bombay High Court also did not take into account the UK jurisprudence, on this issue, which has been the inspiration behind trade mark laws in India. Thus, it is of utmost importance that this judgment be re-considered before the Supreme Court of India, so that the rights of the proprietors of well-known marks are restored back to them.

¹⁴ Section 29(9) of the Trade Marks Act, 1999.
