

“TRADEMARK RIGHTS AND COMMERCIAL SPEECH: INDIA PERSPECTIVE”

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INTRODUCTION

Freedom is one of the most debated topic and has been analyzed and discussed by the great thinkers, academicians, politicians, writers and artists throughout history. Freedom of Speech is the bulwark of a democratic government. This function is important for the functioning of the democratic process. The freedom of speech and expression is regarded as the important condition of liberty. It occupies a preferred position in the hierarchy of liberties giving succor and protection to all other liberties.¹ It has truly been said that it is the mother of all liberties.² In a democracy, freedom of speech and expression opens up channels of free discussion of issues. This right plays a crucial role in the formation of public opinion on social, political and economic matters.³ In *Maneka Gandhi v. Union of India*,⁴ Justice Bhagwati (former Chief Justice of India) has held that Freedom of speech and expression in the following words: “Democracy is based on freedom of speech, debate and open discussion, for such protection democratic setup is required. If democracy means ‘a Government of the people by the people’, it is essential that every citizen must be allowed and have right to participate in the democratic process to enable the citizen to exercise his right of making a choice, free and general discussion of public matters is absolutely essential.” The distinguished Scholar, Dr. Gautam Bhatia, on the right of free expression in India, rests on the importance of free speech to economic democracy.⁵ Commercial speech is defined as speech which suggest a commercial transaction;⁶ or as expression solely related to the economic interest of the speaker and its audience.⁷ This definition has proved to be unsuitable when it comes to classifying or defining commercial

¹ Press council of India, “2nd Freedom of speech and expression”(April, 1982).

² *Commercial Speech*, available at:<https://www.mtsu.edu/first-amendment/article/900/commercial-speech>(Last Visited on January 18, 2010).

³ H.M. Seervai, *Constitutional Law of India* (Lexis Nexis, 4th edn.,2015).

⁴ AIR 1978 SC 597

⁵ Gautam Bhatia, *Offend, Shock, or Disturb: Free speech under the constitution* (Oxford University Press, 1st edn., 2018).

⁶ *Tata Press Ltd v. Mahanagar Telephone Ltd.*, AIR 1995 SC 2438; *Pittsburgh Press v. Pittsburgh Comm n on Human Relations*, 414 U.S. 376, 385 (1973); *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748 (1976); *Metromedia Inc. v. City of San Diego*, 453 U.S. 490, 505 (1981); *Posadas v. Tourism Co.*, 478 U.S. 328, 340 (1986); *Edenfield v. Fane*, 507 U.S. 761, 767 (1993); *United States v. United Foods*, 533 U.S. 405, 409 (2001).

⁷ *Central Hudson Gas & Elec. Corp. v. Public Service Commission*, 447 U.S. 557, 562 (1980).

speech;⁸ courts find it difficult to define or illustrate speech as non-commercial when it was motivated by profit⁹ and conversely have found that communications can be commercial despite containing issues of public importance.¹⁰ A foreseeable definition is very important for identifying whether the speech is commercial or non-commercial and what level of protection it receives.¹¹

WHY IT IS IMPORTANT TO PROTECT COMMERCIAL SPEECH AND TRADEMARK RIGHTS?

The Supreme Court of the United States while defending the extension of first amendment protection to commercial speech,¹² observed that, advertisement was indeed dispersal of information essential to have a predominantly free business and it is a matter of public interest that decisions of consumers should be intelligent and well informed and found that the free flow of information serves the public decision making.¹³ This view exemplified the belief that commercial speech would not be differentiated from other categories of protected speech in its ability to lead to an informed public;¹⁴ it focused mainly on the perspective of the effect it had on the audience of the speech. The right to freedom of speech and expression under article 19(1)(a) of the Indian Constitution does not simply extend to communication¹⁵ but also includes the right to acquire and disseminate information.¹⁶ The Supreme Court of India in many cases held that¹⁷ the public has the right to receive commercial speech, the bench quoted with approval that advertising is also a way of disseminating information.¹⁸ The court also focused on the importance of commercial speech to free media, finding that advertisements were crucial in keeping prices down. The Supreme Court has also held that laws which place excessive burdens on advertisements resulting in decreased circulation of newspapers as a result of increased prices would be unconstitutional.¹⁹ Critics of the distinction between commercial and non-commercial speech in America point to the fact that commercial speech does not protect first amendment

⁸ *City of Cincinnati v. Discovery Network, Inc.*, 507 U.S. 410, 419 (1993); *Nat Stern, In Defense of the Imprecise Definition of Commercial Speech*, 58 MD. L. REV. 55, 79 (1999).

⁹ *Bigelow v. Virginia*, 421 U.S. 809 (1975); *New York Times Co. v. Sullivan*, 376 U.S. 254 (1964).

¹⁰ *Bolger v. Young Drug Prods. Corp.*, 463 U.S. 60 (1983).

¹¹ Ross D. Petty, *Advertising and the First Amendment: A Practical Test for Distinguishing Commercial Speech from Fully Protected Speech*, (POLICY & MARKETING 170, 171 (1993).

¹² *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748 (1976).

¹³ *Id.* at 765.

¹⁴ *supra* note 6

¹⁵ M.P. Jain, *Indian Constitutional Law* (Lexis Nexis, 4th edn., 2011).

¹⁶ *Secretary Ministry of Information and Broadcasting, Govt. of India v. Cricket Association of Bengal*, AIR 1995 SC 1236; *PUCI v. Union of India*, (2003) 4 SCC 399.

¹⁷ *supra* note 6

¹⁸ *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 765 (1976).

¹⁹ *Bennett Coleman & Co. v. Union of India*, 1973 2 SCR 757.

values such as an individual's meaningfully expressive behavior²⁰ self-government or realization of the individual personality. Moreover, commercial speech is essentially profit motivated. Courts in India, prior and subsequent to the *Tata* case, have come to acknowledge that an advertisement is a form of speech;²¹ however, certain advertisements have no relationship with the essential concept of freedom of speech and as such will receive no protection under Article 19(1)(a). The question now is when can statements that qualify as commercial speech bear a relationship to the essential concept of freedom of speech? EU jurisprudence on commercial speech is similar and just as under-developed²² as it is India,²³ ECHR case laws points to the fact that all forms of expression are protected under Article 10,²⁴ including commercial speech.²⁵ However, the level of protection accorded would be less than political ideas;²⁶ and to differentiate commercial and non-commercial elements of speech, the court determines whether there exists a public debate on a particular issue and if the contested speech can contribute significantly to it.²⁷ European Union used another criteria to determine the commerciality of speech involves understanding the character of the speech which is determined through the enterprises objective.²⁸ After examination of cases which deal with commercial speech in India, it is apparent that the view taken in *Hamdard*²⁹ is still good in law and that there are, in fact, some forms of speech excluded from Article 19(1)(a). The Hon'ble Delhi High Court³⁰ held that a purely commercial advertisement which does not take into consideration the essential idea of freedom of speech³¹ would be ineligible for protection. The Delhi High Court in *Mr. Mahesh Bhatt and Kasturi and Sons v. Union of India and Anr.*,³² was of the view that commercial speech only purpose is to earn profits and further trade activities cannot have the protection of article 19(1)(a) until and unless it

²⁰ C. Edwin Baker, *Human Liberty And Freedom Of Speech* 6 25 (1989).

²¹ *Hamdard Dawakhana v. Union of India* AIR 1960 SC 554; *Indian Express Newspapers (Bombay) Ltd v. Union of India*, AIR 1986 SC 515; *Mr. Mahesh Bhatt & Kasturi and Sons v. Union of India*, 147 (2008) DLT 561; *Telecom Watchdog v. Union Of India*, W.P. (C) 8529/2011 and *C.M. Appl.* 1926 of 2011, decided on 13.7. 2012.

²² G. Quinn, *Extending the Coverage of Freedom of Expression to Commercial Speech: A Comparative Perspective*, In *human Rights: A European Perspective* (L. Heffernan ed. 1994).

²³ Nishant Kumar Singh, *Should Lawyers be Allowed to Advertise*, 11 *STUDENT ADVOC.* 67 (1999).

²⁴ European Convention for the Protection of Human Rights and Fundamental Freedoms art.10, Nov. 4, 1950, E.T.S. 5 (*entered into force* Sept. 3, 1953); *Muller v. Switzerland*, (1988) 13 E.H.R.R. 212, 27.

²⁵ *X and Church of Scientology v. Sweden*, App. No. 7805/77, 16 D.R. 68 (1979.)

²⁶ Colin R. Munro, *Value of Commercial Speech*, 62 *CAMBRIDGE L.J.* 134 (2003); *Markt Intern Verlag GmbH and Klaus Beermann v. Germany*, [1989] 12 E.H.R.R. 161.

²⁷ *Hertel v. Switzerland*, [1998] 28 E.H.R.R. 534; J. Krezeminska, *Freedom of Commercial Speech in Europe*, 58 *Verlag Dr Kovac, Studien Zum Völker- Und Europarecht* 292 (2008).

²⁸ *Demuth v. Switzerland*, (2004) 38 E.H.R.R. 20.

²⁹ *supra* note 21

³⁰ *Mr. Mahesh Bhatt and Kasturi and Sons v. Union of India*, 147 (2008) DLT 561; *Telecom Watchdog v. Union of India*, W.P. (C) 8529/2011

³¹ *supra* note 21

³² 147 (2008) DLT 561

is in public interest.³³ Commercial speech contains an aspect of public interest was highlighted in American jurisprudence. In *New York Times co v. Sullivan*,³⁴ the court provided full protection to paid *communicated information, expressed opinion, recited grievances, protested claimed abuses, and sought financial support on behalf of a movement whose existence and objectives are matters of the highest public interest and concern.*³⁵ Despite the existence of a profit motive, in *Central Hudson*³⁶ the court declined to grant first amendment protection for advertising simply because it links a product to a current public debate.³⁷ Creating a hierarchy of speech within the framework of Article 19(1)(a) with commercial speech or any other form of speech placed on a lower rung or accorded lesser protection seems absurd, especially when Article 19(2) specifically deals with restrictions or regulations on such speech. The most appropriate considerations would have to involve treating all speech as falling within Article 19(1)(a) and devising appropriate regulations within the set-up of Article 19(2) of the Indian Constitution.

CONFLICT BETWEEN FREEDOM OF SPEECH & EXPRESSION AND TRADEMARK LAW

The Paris Convention and TRIPS provide a dispensation clause for many countries to deny trademark registration, if it is 'contrary of morality of public order'. For example in India Section 9³⁸ of the Trade Mark Act, 1999, contains the provision Clause 2 of Section 9 provides that:

"A mark shall not be registered as a trade mark if—

- (a) it is of such nature as to deceive the public or cause confusion;*
- (b) it contains or comprises of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India;*
- (c) it comprises or contains scandalous or obscene matter;*
- (d) its use is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950."*

The abovesaid provision is similar to the provision of the Lanham Act which was struck down by the US Supreme Court in the case of *Matal*³⁹. The trade mark manual issued by the Trademark Registry, give some blueprint as to how the registry should apply Section 9. The Manual helpfully notes that, in respect of scandalous or obscene trademarks *"...in order to make this assessment, the Examiner must be objective, not subjective. Objectivity means being neither out of date nor a*

³³ *Id.* at ¶ 31.

³⁴ 376 U.S. 254 (1964).

³⁵ *Id.* at 266.

³⁶ *Id.* at 563

³⁷ 92 U.S. 469 (1989).

³⁸ The Trade Marks Act, 1999. S.9.

³⁹ *Matal v Tam* (2017) 135 SCt 1744.

trend setter; not setting some kind of moral standard but also not being insensitive to public opinion.” The draft Manual has set some standards to base registration upon, stating that a difference or distinction must be made between what amounts to distrust and the mark which would lead to outrage or justifiable censure as being likely to undermine current religious, family or social values.⁴⁰

IS THERE NEED TO STRUCK DOWN SECTION 9(2) OF THE TRADEMARK ACT IN INDIA?

In the Indian Constitution, Article 19(1) (a) guarantees and protects the freedom of speech and expression, subject to reasonable restrictions on the exercise of the right granted by the said sub clause in the protection of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality or in relation to contempt of court, defamation or incitement to an offence.⁴¹ Indian philosophy of law makes a difference between commercial speech and political speech. In Hamdard Dawanakhana Case ⁴², the Supreme Court was of the view that such advertisements were not ‘speech’ within the meaning of Article 19(1)(a), and that *“it cannot be said that the right to publish and distribute commercial advertisements advertising an individual’s personal business is a part of freedom of speech guaranteed by the Constitution.”* The Court concluded that a commercial advertisement ‘is not a propagation of ideas’ but it is related to ‘commerce and trade’. However, it is difficult to have a clear view on the non-protect ability of commercial speech. In TATA Press v. MTNL⁴³, Supreme Court declined a law restricting yellow pages from being published, categorically held that “commercial speech” is a part of the freedom of speech and expression guaranteed under Article 19(1)(a) of the Constitution, on the premise that such speech would also serve a democratic purpose. Such reasoning is confusing and makes it very difficult to understand whether trademarks would qualify as ‘speech’. Can trademarks clearly devoid of any political or expressive value be denied the freedom of speech, while those which fulfill some democratic function be protected under Article 19(1)(a)? The Hamdard and Tata Press cases do not seem to provide a clear idea. Even if marks fulfill the requirement of ‘speech’ under the constitution, still have to be proven that any restriction on the speech is not ‘reasonable’ and in the *“interest of sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality or in relation to*

⁴⁰ Free Speech and Trademarks <https://spicyip.com/2017/07/matal-v-tam-and-the-question-of-free-speech-and-trademarks-part-ii.html>(Last Visited on January 18, 2020).

⁴¹ Free Speech and Trademarks <https://spicyip.com/2017/07/matal-v-tam-and-the-question-of-free-speech-and-trademarks-part-ii.html>(Last Visited on January 18, 2020).

⁴² *supra* note 21

⁴³ *supra* note 6

contempt of court, defamation or incitement to an offence” to be struck down as unconstitutional.⁴⁴ The court struck down a restriction on the basis that a restriction which is vague and overbroad (in that case, proscriptions such as ‘annoying’ or ‘offensive’ speech), provides no manageable standard for the government in applying the law, and therefore permitted the law to be used arbitrarily.⁴⁵ If we go back to Section 9 of the Trade Marks Act, the Section obstructs the registration of trade marks on the grounds, such as ‘likely to hurt religious susceptibilities, obscene or scandalous. While restrictions of speech on the bases of ‘obscenity’ have cleared constitutional test in India, restrictions on the grounds of being ‘likely to hurt religious susceptibilities’ and ‘scandalous’ have not been tested on the grounds of Article 19(1)(a). The Court has to take into consideration reasoning should as fair as possible. Freedom of speech and expression as guaranteed by constitution does include the commercial speech such a trademarks and its advertisement. Freedom is good as long as it is not misused. Any such misuse of the right to speech and expression need to be curtailed by law.⁴⁶ Recently, Hon’ble Delhi High Court in the *Horlicks and Anr v Heinz India*⁴⁷ dismissed an injunction application on the ground that an advertisement is the feature of the commercial speech that is protected by Article 19(1)(a) of the Indian Constitution and the information in the advertisement is a necessary component of the right of the public to receive information. By incorporating Commercial Speech under the scope of the protected right of freedom of speech and the right to freedom of information under the Indian Constitution, the Court has expanded the contours of expression.⁴⁸ The court held that “a differentiation which is not favorable to a competitor does not necessarily mean that it is dishonest or unduly detrimental”. It was held by the court that the main objective of sections 29(8) and 30(1) of the Trademarks Act and the code made by the Advertising Standards Council of India was “to stimulate competition between suppliers of goods and services to the consumer’s advantage, by allowing competitors to highlight objectively the merits of various comparative products, at the same time, prohibiting practices which may distort competition, be detrimental to competitors and have an adverse effect on consumer choice”. Thus, the intent of the legislature was to allow comparative advertising while at the same time ensuring that

⁴⁴ Free Speech and Trademarks <https://spicyip.com/2017/06/matal-v-tam-and-the-question-of-free-speech-and-trademarks-part-ii.html> (Last Visited on January 18, 2020).

⁴⁵ *Shreya singhal v Union of Inida*, (2013)12SCC73

⁴⁶ Advertisement and Freedom of Speech and Expression

<http://www.legalservicesindia.com/article/1317/Advertisement-and-Freedom-of-Speech-and-Expression.html> (Last Visited on January 18, 2020).

⁴⁷ *Horlicks v. Heinz India Pvt. Ltd.*, (2019) 256 DLT 468.

⁴⁸ Commercial Speech and Freedom of Expression <https://globalfreedomofexpression.columbia.edu/cases/horlicks-limited-v-heinz-india-private-limited/> (Last Visited on January 18, 2020).

consumers are always protected from possibly misleading advertisements.⁴⁹ The court, relying on various judgments, observed that advertisements are not to be read as if they are some testamentary provision in a will or a clause in some agreement with every word being carefully considered and the words as a whole being compared. In determining the meaning of an advertisement, the court has to take into account the fact that public expects a certain amount of hyperbole in advertising and the test to be applied is whether a reasonable man would take the claim being made as one made seriously.⁵⁰ The judgment of the court increased the scope of comparative advertising in India and has removed the problem as to which advertisements will be misleading according to sections 29(8) and 30(1) of the Trademarks Act.

CONCLUSION

The concept of commercial was treated with maximum caution and which may be concluded from the lack of a reasonably clear definition, in exploring this form of speech and in granting it a legal stature worthy of protection.⁵¹ Public at large is protected and benefited by the information made available through the advertisement in a democratic economy free flow commercial information is indispensable. There cannot be honest and economical marketing by the public at large without being educated by the information disseminated through advertisements. The economic system in a democratic countries would be problematic without their being freedom of “commercial speech”.⁵²

⁴⁹ *Advertisement protected Freedom of Speech* <https://www.vantageasia.com/advertisements-protected-freedom-speech/> (Last Visited on January 18, 2020).

⁵⁰ *Trademark and commercial speech* <https://spicyip.com/2019/03/constitutionalisation-of-private-law-disputes-horlicks-ltd-and-anr-v-heinz-india-pvt-ltd.html> (Last Visited on January 18, 2020).

⁵¹ Commercial Speech http://docs.manupatra.in/newslines/articles/Upload/63D1F65A-AEB2-4F4A-B849-FADE67B56A6B.1-a__constitution.pdf (Last Visited on January 18, 2020).

⁵² Advertisement and Freedom of Speech and Expression <http://www.legalservicesindia.com/article/1317/Advertisement-and-Freedom-of-Speech-and-Expression.html> (Last Visited on January 18, 2020).
