

THE DOCTRINE OF TRADEMARK DILUTION- AN INDIAN PERSPECTIVE

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INTRODUCTION

In today's times, every person is brand motivated. People purchase a particular product not because of its quality but because of the brand symbol or mark that product is associated with. Brand name, symbol or mark in today's period has become a social status, therefore it is all the more important to protect the distinctiveness or uniqueness of the trademark of any company.

A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises and these are guarded by intellectual property rights.¹ §.2 (1)(zb)² of the Trademarks Act, 1999 (the act), defines trademark as 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.³ Trademarks once registered by a manufacturer, becomes his proprietary right and can be legally used to sue the infringer.

Infringement of a registered trademark is usually challenged on the basis of the "Likelihood of Confusion Test" if the nature of the trade of the trademarks in challenge are same. If the respective marks, symbol or service provided is entirely dissimilar and there is no element of confusion, trademark infringement can still be established by virtue of the concept of Trademark Dilution.⁴

Trademark Dilution is a concept giving the owner of a famous and a reputed trademark the power to forbid others from using a mark which decreases the value or distinctiveness, or tarnishes the reputation, of that famous mark.⁵ The usage of a well-known trademark by other dilutes and tarnishes the value and distinctiveness of the mark even if there is no similarity between the marks or if the parties are dealing in dissimilar goods, services or products.

HARMS OF TRADEMARK DILUTION

There are mainly two types of harms done because of Trademark Dilution- "*Blurring*" and "*Tarnishment*".⁶

"Blurring" happens when a famous mark's distinctiveness or uniqueness is harmed because it becomes or is likely to become allied to a similar mark or trade name. In other words, the third party's mark weakens the consumer's perception that the famous mark is connected to the

¹Daniel R Bereskin, *Likelihood of Confusion: The Irrational Basis of Trade Mark Protection*, 14, JILPLP 223, 223-224 (2018) (definition of Trademark).

²§2(1) (zb), Trade Marks Act, No. 47 of 1999, INDIA CODE (1999).

³*Id.*

⁴DEEVANSHU SHRIVASTAVA, LAW RELATING TO TRADEMARK DILUTION IN INDIA: AN ANALYSIS 78-79 (2017).

⁵ Raja Selvam, *Trademark Dilution in India - Yes or No!*, SELVAM & SELVAM- BLOG, March 11, 2013, <https://selvams.com/blog/trademark-dilution-india/>.

⁶DANIEL R. BERESKIN, INTERNATIONAL TRADEMARK DILUTION 11 (2013).

plaintiff's goods or services.⁷ For ex- If a company XYZ Ltd. which manufactures cellular devices starts using the symbol of 4 rings lined up horizontally adjacent to each other, it will dilute the distinctiveness or uniqueness of the trademark of the famous automobile company "Audi".. It will "blur", the unique identity of *Audi* by which they are known worldwide as the symbol of four rings will be known for two different sets of products.

"Tarnishment" by way of trademark dilution is not recognized by a lot of countries. It happens when the famous mark's reputation is harmed through association with a similar mark or trade name. This generally applies when a defendant's use of the mark is considered unsavory, or is connected to inferior products or services.⁸ For ex- The Trademark of "*Corona*" Beer Brand has been tarnished by the recent outbreak of the "*Coronavirus*" disease. Since the outbreak of COVID-19, also known as "The Corona Virus", Corona trademark branded beer sales have declined.⁹ However, one may argue that the Corona trademark owners, in this case Anheuser-Busch InBev, have no cause of action for the tarnishment because the use of its trademark, in this case is not being made by any company or competitor but is a common reference to the infectious disease labeled as pandemic all over the world.

TRADEMARK DILUTION IN INDIA

Before the 1990's, courts used to only lay emphasis on the "*likelihood of confusion test*". They generally used to refuse to grant injunction in cases where the nature of trade was in nature of dissimilar goods. Dilution was merely looked upon as a species of "*passing off*" dependent on finding of misrepresentation and the likelihood of consumer confusion. The old act¹⁰, did not deal with the dilution of the trademark either. Courts always sort the aid of the international standards to sort out any differences arising out in similarity in the mark and as a result, no relief were given if the parties were dealing with two different goods.¹¹

In 1994, the Delhi HC relaxed this opinion in the case of *Daimler Benz Aktiengesellschaft vs Hybo Hindustan*¹². It is the first reflection of trademark dilution in India. The court in the given case applied the law but didn't even emphasize on its theory. In this case, the respondent was manufacturing undergarments using the famous three-pointed star and using the name "Benz" for the same. The Hon'ble Justice M. Narain held, that it would be a great perversion of the law relating to Trademarks and Designs, if a mark of the order of the "Mercedes Benz", its symbol, a three-pointed star, could be humbled by indiscriminate colourable imitation by anyone.¹³ He further apprehended that whether they are makers of undergarments or anything else, such a famous and reputed mark would not be up for grabs to apply upon anything.

⁷TONY MARTINO, TRADEMARK DILUTION 14 (1996).

⁸*Trademark Dilution*, JUSTIA, April, 2018, <https://www.justia.com/intellectual-property/trademarks/trademark-dilution/>.

⁹ Olivia Petter, *Coronavirus: Owners of Corona Report £ 132 M Loss Following Outbreak*, INDEPENDENT, Feb. 28, 2020, <https://www.independent.co.uk/life-style/food-and-drink/coronavirus-corona-beer-loss-money-outbreak-pandemic-symptoms-a9364371.html>.

¹⁰Trade and Merchandise Marks Act, No. 43 of 1958, INDIA CODE (1958).

¹¹A V NARSIMHA RAO, TRADEMARK DILUTION: APPLICATIONS AND IMPLICATIONS 23 (2008).

¹²*Daimler Benz Aktiengesellschaft v. Hybo Hindustan*, AIR 1994 Del. 236 (India).

¹³*Id.*

Though, in this judgment, he never used the word dilution but embarked the decision on the same theory.

However, even after the unswerving judgment by Justice Narain, applying the doctrine of Trademark Dilution and the amendment of the Trademark Act¹⁴, it took our courts over 15 years to analyze this concept in the case of *ITC Limited vs Philip Morris Products SA and Ors.*¹⁵. Justice Ravindra Bhatt scrutinized this concept as a species of infringement. He explained that though trademarks are concerned with protection of marks which have acquired a degree of distinctiveness, in relation to particular goods and services, courts have, over the years recognized that in relation to marks which have achieved notoriety as to have a reputation, then, even in relation to dissimilar goods or unrelated products, protection of such brand name, mark or acquired distinctiveness is essential.¹⁶

NATURE AND SCOPE OF §.29 (4)¹⁷

For the application of this section, the trademark should be registered and should have a reputation in India. It has provided a much-needed protective umbrella to the reputed trademarks. The courts have embarked upon 4 essentials of Dilution in Trademarks as per §.29(4):

- The impugned mark must be identical or similar to the injured mark;
- The one claiming injury due to dilution must prove that her/his mark has a reputation in India;
- The use of the impugned mark is without due cause;
- The use of the impugned mark (amounts to) taking unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

The most interesting and different aspect in the above-mentioned essentials is that of the entities claiming dilution have to prove that their mark has a reputation. In other legislations across the world, the entities have to establish that their mark is famous. ***It is unclear whether a mark needs to have reputation in a particular sector or area within India. This gives it a more lenient approach as compared to the U.S., where one needs to establish that the mark is famous equating that to be a household name.***¹⁸

The rest of the essentials are quite basic but essential to prove. Failure to prove any one essential might result in failure to seek an injunction in light of this concept.

CONCLUSION

This concept of Trademark Dilution is still evolving in India and there are a lot of issues which still needs to be addressed while using this concept.

¹⁴ The Trade Marks Act, No. 47 of 1999, INDIA CODE, (1999).

¹⁵ *ITC Limited v. Philip Morris Products SA and Ors.*, (2010) 42 PTC 572 (Del.)(India).

¹⁶ *Id.*

¹⁷ §.29(4), Trade Marks Act, No. 47 of 1999, INDIA CODE (1999).

¹⁸ *General Motors Corp v. Yplon SA*, [1999] All ER (EC) 865.

The concept of Tarnishment still needs to be addressed at length as it may include parody, memes, criticism etc., which strictly needs to be accepted as it paves a way for hindrance to free speech. Further, the scope of §.24¹⁹ in itself is very wide and it must be resolved by not including all marks with reputation but only covering famous marks, thereby excluding marks which are simply 'well-known'. Also, the Criteria to be considered to determine whether or not a mark is famous can be one as adopted in the TDRA.²⁰ But nonetheless, exciting times are coming in the field of IPR and it's not long before we see a major change in this concept.

¹⁹§.24, Trade Marks Act, No. 47 of 1999, INDIA CODE (1999).

²⁰Trademark Dilution Revision Act (TDRA) of 2006, USA.