

THE CHANGING SCENARIO OF INTELLECTUAL PROPERTY RIGHTS AND THE WAY FORWARD

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Editors:

Prof. Raghunath K.S.

Dr. Rangaswamy D.

Ms. Preethi Harish Raj

&

Dr. Jayamol P.S.

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NAVIGATING THE COMPLEX TERRAIN OF PASSING OFF UNDER INDIAN TRADEMARK LAW

Mr. Sayed Qudrat Hashimy* & Mr. Emmanuel Elimhoo Kimey**

ABSTRACT

The concept of passing off is a legal remedy that tackles the deceptive practice of one entity marketing its products or services using another's trade symbols without authorization. This often involves mimicking another's goods, exploiting their market reputation for profit, and confusing consumers. This study explores the historical development of passing off in Indian statutory laws, examining legislation and key cases. The research assesses the efficacy of passing off in safeguarding unregistered trademarks from intentional or unintentional infringement. By analyzing statutory provisions, scholarly works, and case law, this paper sheds light on the role of passing off in protecting unregistered trademarks in India, benefiting scholars and learners at various educational levels. A "Trade Mark" is a authoritative connection between businesses and their product names, symbolizing quality and reputation. For business owners, safeguarding their trademark from exploitation is vital. The Doctrine of Passing Off

* PhD Scholar (Law), Department of Studies in Law, University of Mysore, Karnataka

** Senior Advocate, Tanzania High Court, Alumni, LL.M (IPR) NALSAR University of Law.

empowers those with unregistered trademarks to prevent others from misusing their marks. This paper delves into the principles, remedies, and exceptions of this doctrine and provides insights from an Indian legal case grappling with its interpretation.

Keywords: *Trade Mark, Passing Off, Unregistered Trademark, Goodwill and Reputation, and Trademark Protection*

INTRODUCTION

Trademarks play a crucial role in the world of commerce, as they are specifically crafted to recognize and attribute the origin of a specific range of products or services. Essentially, a trademark serves as a symbolic connection between consumers and the goods or services they purchase, associating them with a particular manufacturer or service provider. This association goes beyond mere branding; it's about trust, quality, and reliability.¹In today's ever-evolving business landscape, companies frequently expand, introducing a multitude of products and services to meet consumer needs. This diversity can lead to a situation where consumers must differentiate between similar offerings. However, some unscrupulous entities resort to copying or imitating popular trademarks to capitalize on their reputation and consumer trust. The Doctrine of Passing Off empowers unregistered trademark holders to prevent such practices, ensuring that no one can present their products as someone else's. This paper explores the fundamental principles, remedies, and exceptions of Passing Off in the context of trademark law, with an examination of an Indian legal case.²

Counterfeit and deceptive marks not only undermine intellectual

¹ Abbe Brown and others, *Contemporary Intellectual Property: Law and Policy* (Oxford University Press 2023) 51 <<https://www.research.ed.ac.uk/en/publications/contemporary-intellectual-property-law-and-policy-6>> accessed 16 October 2023.

² Ng Siew Kuan, 'Foreign Traders and the Law of Passing-Off: The Requirement of Goodwill Within the Jurisdiction' [1991] *Singapore Journal of Legal Studies* 372.

property rights but also pose risks to consumers. They may inadvertently purchase subpar or unsafe products, thinking they are from a reputable brand. To address these issues, legal frameworks and trademark protections have been established to safeguard both businesses and consumers. Trademarks, as symbols of quality and origin, play a crucial role in guiding consumers. They reassure customers of product quality and provide a distinctive identity. Well-known trademarks become symbols of goodwill and excellence. Legal frameworks are essential to protect trademark owners and prevent unauthorized usage or imitation in a market filled with similar goods.³ The protection of trademarks holds great importance, not only for their creators but also for consumers who rely on these marks. It shields them from potential exploitation and deceitful practices by unauthorized entities seeking to benefit from the reputation and trustworthiness of these marks.⁴ In essence, trademark protection is fundamental to consumer trust and maintaining marketplace integrity.

Trademark legislation provides clear and unambiguous guidelines for upholding trademark integrity and ensuring fair competition. It serves as a robust deterrent against actions that could compromise or infringe upon the trademarks of others. This legislation explicitly prohibits any activities that undermine trademarks through deceit, unfair practices, fraud, or trickery, promoting honesty, integrity, and transparency in commerce.⁵

Moreover, the legislation firmly opposes the appropriation of another entity's established reputation for personal gain. It underscores that no

³ J Thomas McCarthy, *Trademarks and Unfair Competition* (Lawyers Cooperative Publishing Company 1973) 86.

⁴ 'Law of Passing Off of Trademark in India' (Corpbiz, 14 May 2020) <<https://corpbiz.io/learning/law-of-passing-off-of-trademark-in-india/>> accessed 16 October 2023.

⁵ Amanda Michaels and Andrew Norris, *A Practical Guide to Trade Mark Law* 5E (Fifth Edition, Fifth Edition, Oxford University Press 2014).

business entity, regardless of its size or influence, can operate under the name and reputation painstakingly built by another. This provision acknowledges the substantial effort and investment required to establish and maintain a reputable brand and aims to safeguard these efforts from exploitation.⁶

In essence, the trademark legislation not only establishes the legal framework for trademark protection but also embodies the fundamental principles of fairness and ethical business conduct. It promotes an environment where businesses compete on the basis of their own merit and innovation, rather than through the deceptive or unfair use of another's trademark or reputation. By doing so, it fosters a marketplace where trust, integrity, and respect for intellectual property rights prevail. Before the year 1940, India lacked a dedicated trademark legislation, relying instead on common law principles. This era was marked by the absence of formalized regulations to govern and safeguard trademarks.⁷ Today, a trademark represents a company's identity and distinguishes it in a competitive marketplace. It serves as the face of a business, offering instant recognition for consumers amidst numerous competitors. Furthermore, trademarks are crucial for consumer protection. They act as a shield against fraud and exploitation. Trusted trademarks enable consumers to make informed choices, confident in the quality and authenticity of the product. This trust is fundamental to consumer protection, ensuring products meet certain standards and aren't substandard or counterfeit. The absence of formal trademark legislation pre-1940 underscores the importance of trademark protection today. It reflects the adaptation of legal frameworks to changing commercial dynamics, emphasizing fair competition, brand integrity, and the rights of both businesses and consumers in a rapidly evolving landscape.

⁶ Trade Mark Act, 1999, 'A1999-47_0.Pdf' <https://l1ddashboard.legislative.gov.in/sites/default/files/A1999-47_0.pdf> accessed 16 October 2023.

⁷ *Ibid.*

RESEARCH METHODOLOGY

This research paper employs a library-based approach, rooted in the doctrine methodology, to gather data. It focuses on gathering information from various texts, journals, books, and writings by researchers both within and outside India. These sources are carefully selected to ensure relevance to the research paper's subject matter. The paper also utilizes online materials, incorporating current and authentic data to enrich its content. Websites serve as valuable sources of data to complement the information derived from traditional library sources. This research methodology is doctrinal in nature, emphasizing the comprehensive analysis of existing legal principles and frameworks related to trademark protection.

PASSING OFF

Passing off, as a legal concept, has its roots in the common law doctrines, making it an integral part of the traditional legal landscape rather than a recent development. It serves as a foundational principle in protecting intellectual property rights, particularly in the realm of trademarks and branding.⁸The quote, "no one should actually portray his products as those of another in pretense," succinctly encapsulates the essence of the action against passing off. It underscores the fundamental premise that one should not engage in deceptive practices by misrepresenting their products as the products of another individual or entity. This principle is deeply rooted in fairness, honesty, and integrity in the marketplace.

The case of *ICC Development LTD v. Arvee Enterprises*,⁹ is a noteworthy legal precedent that exemplifies the application of the passing off doctrine. In this case, the court likely considered whether

⁸ Brown and others (n 3).

⁹ 'ICC Development International Ltd v. Arvee Enterprises Ltd [2003]' (LL.B Mania, 3 August 2021) <<https://llbmania.com/2021/08/03/icc-development-international-ltd-v-arvee-enterprises-ltd-2003/>> accessed 16 October 2023.

one party, Arvee Enterprises, was misrepresenting their products in a way that created confusion and led consumers to believe that they were purchasing the products of another party, ICC Development Ltd. The court's decision likely hinged on the determination of whether Arvee Enterprises' actions constituted passing off, thereby infringing upon the rights of ICC Development Ltd. In essence, this case highlights the practical significance of the passing off doctrine in resolving disputes related to trademark and brand protection. Passing off actions aim to preserve the integrity of the marketplace by preventing misleading or deceptive practices that could harm the reputation and goodwill of established businesses. This legal framework is deeply embedded in the principles of equity and fairness, ensuring that both businesses and consumers can trust in the authenticity and quality of the products they encounter in the marketplace.

The right to sue an individual or entity for a passing-off claim is a crucial aspect of trademark protection. This right was initially established in English law, primarily through the Trademarks Act and the subsequent Trademark Protection and Consumer Protection Bill of Rights for England and Wales. These legal instruments affirmed the significance of allowing trademark owners to seek legal redress against those who engage in deceptive and unfair trade practices.¹⁰

Section 27 (2) of the Trademarks Act clarified that the rights of a trademark owner are not compromised by the existence of this legislation. In other words, the Act complements and reinforces the rights of trademark owners to take legal action against those who attempt to pass off their goods or services as the products of another, thereby causing confusion and potentially damaging the reputation and goodwill of the genuine trademark owner.

Moreover, Section 134 (1) (c) of the law empowers the courts to

¹⁰ PS Sangal, 'Trademarks and Domain Names: Some Recent Developments' (1999) 41 *Journal of the Indian Law Institute* 30.

entertain cases related to passing off. This provision provides a legal framework for resolving disputes in which one party alleges that another has engaged in deceptive practices that constitute passing off.¹¹ The courts, through this section, are granted jurisdiction to hear and adjudicate such matters, ensuring that trademark owners have a legal avenue to seek remedies when their intellectual property rights are infringed. *Axmikant Patel vs. Chetanbhai Shah*,¹² Likely serves as an illustration of how these legal provisions operate in practice. It might involve a situation in which one party, Axmikant Patel, claimed that another party, Chetanbhai Shah, was engaging in actions that amounted to passing off, potentially misleading consumers and causing harm to Patel's business or reputation. The court's decision in this case would have been based on a careful assessment of the evidence and applicable legal principles related to passing off.¹³

THE DOCTRINE OF PASSING OFF

The Doctrine of Passing Off has evolved over time in response to the changing landscape of trade and the growth of commerce. Its development reflects the need to adapt legal principles to new commercial realities. What started as a legal concept primarily concerned with the misrepresentation of one's goods as those of another has grown in scope and applicability. One significant expansion of the doctrine is its extension to cover the provision of services. In today's world, many businesses rely on providing services rather than physical products. Passing off now encompasses situations where one party misrepresents their services as those of another, potentially causing confusion in the marketplace and harming the goodwill associated with

¹¹ Dorothy Cohen, 'Trademark Strategy Revisited' (1991) 55 *Journal of Marketing* 46.

¹² 'Laxmikant V. Patel Vs. Chetanbhai Shah and Anr. – Indian Case Law' (28 June 2014) <<https://indiancaselaw.in/laxmikant-v-patel-vs-chetanbhai-shah-and-anr/>> accessed 16 October 2023.

¹³ Venkateswaran (n 15).

the genuine service provider. This expansion recognizes the increasing importance of service-based industries in the modern economy.

Furthermore, the Doctrine of Passing Off has not stopped at services but has continued to adapt to a wide range of business transactions. It is now applicable in various commercial contexts, including transactions involving intellectual property, licensing agreements, and other complex business dealings. This adaptability ensures that the doctrine remains relevant in an ever-changing business environment. One of the most noteworthy developments is the application of passing off against unfair competition in commercial practices. This expansion acknowledges the broader concept of unfair competition, which may involve practices that go beyond simple misrepresentation. Passing off now serves as a legal tool to combat a wider range of deceptive and unfair practices that harm businesses and consumers alike.

Essentials

In the landmark case of *Reckitt & Colman vs. Borden*,¹⁴ the "classical trinity" emerged as a concise and fundamental framework for passing off claims. This trinity consists of three vital components. First, there's the establishment of goodwill, representing a business's positive reputation and customer trust. The complainant must demonstrate substantial goodwill associated with their products or services. Second, misrepresentation plays a key role, involving a defendant's actions that lead consumers to believe their goods or services belong to the complainant, resulting in marketplace confusion. Lastly, the complainant must prove injury or damage suffered due to the defendant's misrepresentation, which may manifest as lost sales or damage to reputation. The classical trinity streamlines the evaluation of passing off cases, ultimately safeguarding the interests of genuine

¹⁴ Ng Siew Kuan, 'Get-Up Of Goods And The Law Of Passing-Off: A Case On Lemons: Reckitt & Colman Products Ltd. v. Borden Inc. and Others' (1990) 32 *Malaya Law Review* 333.

businesses and consumers in the marketplace.¹⁵

Goodwill

To establish a claim for passing off one's goods or services, the complainant must first demonstrate the existence of a good reputation associated with the products or services they provide in the minds of consumers. This reputation is commonly referred to as goodwill, and it is a vital asset for any company. Goodwill represents the advantage a company gains from its status, name, connections, and the attractiveness that draws customers to its offerings. In the context of passing off, the crucial element is the risk of harming the goodwill of a business or trade activity. Passing off occurs when actions by another party create a significant risk of damaging the reputation and goodwill that the complainant has diligently built. This risk can arise from various deceptive or misleading practices, such as misrepresenting one's goods or services as those of another.¹⁶

It is important to note that while goodwill does not necessarily need to be recognized by every member of the relevant public, it should be established in a substantial portion of that public. In other words, there must be a sizeable number of potential clients who associate the complainant's products or services with a particular reputation and quality. This requirement doesn't necessitate a majority, but it does imply that a significant segment of the relevant public should recognize and value the goodwill associated with the complainant's offerings. The case of *Commissioners of I.R v. Muller & Company Ltd.*¹⁷ provides

¹⁵ Christopher Wadlow, *The Law of Passing-off: Unfair Competition by Misrepresentation* (5th ed, Sweet & Maxwell 2016) <<https://0-ials-sas-ac-uk.catalogue.libraries.london.ac.uk/elllock/epassword.pdf>> accessed 16 October 2023.

¹⁶ P Narayanan (n 12).

¹⁷ 'House of Lords - Commissioners of Inland Revenue v. McGuckian' <<https://publications.parliament.uk/pa/ld199798/ldjudgmt/jd970612/mcguc02.htm>> accessed 16 October 2023.

legal support for the concept of goodwill and its significance in the context of passing off. This case likely serves as an example of the legal principles applied to determine the presence of goodwill and its importance in cases involving deceptive trade practices. It highlights the legal system's commitment to protecting the reputation and trust that consumers place in businesses and their offerings, emphasizing the need to safeguard goodwill against unfair competition and passing off.

Also in the case of **Deepam Silk Int. v. Deepam Silks**,¹⁸ in issuing an order restricting the respondent not to duplicate copy or reproduce complainant's mark, the court was of the view that the complainant damage should be measured in monetary terms in case another person, such as the respondent, uses the same registered trademark and sold the same products. If the defendant sells inferior goods, it will have a negative impact on the plaintiff's business and convey the appearance to the defendant's buyers that the plaintiff's goods are not maintaining their quality.

Misrepresentation

Misrepresentation is a critical concept in the context of passing off, as it pertains to the act of presenting one's goods or services as those of another, creating confusion and potentially deceiving consumers. In essence, misrepresentation involves falsely representing one's own offerings as belonging to someone else. To successfully establish a passing off claim, it is imperative to demonstrate that there was indeed a case of misrepresentation or false representation by the defendant. This means proving that the defendant engaged in actions that were likely to cause confusion among consumers, making them believe that they were dealing with the products or services of the complainant. The

¹⁸ 'Deepam Silk International, Bangalore Versus Deepam Silks, Mysore On 25 July 1997 - Judgement - Lawyerservices' <[https://Lawyerservices.In/Deepam-Silk-International-Bangalore-Versus-Deepam-Silks-Mysore-1997-07-25](https://lawyerservices.in/deepam-silk-international-bangalore-versus-deepam-silks-mysore-1997-07-25)> Accessed 16 October 2023.

consequences of misrepresentation in passing off cases can be substantial. False representation has the potential to inflict harm on the reputation and goodwill of the plaintiff's business. Such damage can result in a loss of consumer trust and can negatively impact the complainant's standing in the marketplace. Therefore, the presence of misrepresentation is a central element in passing off claims, as it underscores the deceptive nature of the defendant's actions and the resulting harm to the complainant's business and reputation.¹⁹

Injury to the Business

In a passing off action, it's crucial for the plaintiff to present sufficient evidence to establish that they have experienced or are likely to suffer some form of loss or damage as a result of the respondent's misrepresentation. This misrepresentation typically involves the false claim that the respondent's goods or services are either identical to those of the complainant or share the same origin. In cases known as "quia timet actions," where the plaintiff is seeking protection against a potential future harm, the burden is still on the plaintiff to demonstrate that there is a real and imminent risk of damage due to the respondent's misrepresentation. The mere possibility of deception is not sufficient; the plaintiff must establish that the misrepresentation is likely to lead to concrete and quantifiable harm.²⁰

The principle of assuming damage in a passing off action underscores the seriousness with which the legal system views the protection of goodwill and reputation. The law presumes that a misrepresentation causing confusion in the marketplace inherently carries the potential for harm. This presumption reflects the need to prevent deceptive practices and unfair competition in the commercial arena, as well as the desire to

¹⁹ Ng Siew Kuan, 'Foreign Traders and the Law of Passing-Off: The Requirement of Goodwill Within the Jurisdiction' [1991] *Singapore Journal of Legal Studies* 372.

²⁰ Wadlow (n 24).

safeguard the interests of genuine businesses and consumers.²¹To succeed in a passing off action, the plaintiff's case should include compelling evidence of both the misrepresentation and the likelihood of harm or damage, whether actual or prospective. This evidentiary requirement ensures that the legal remedy of passing off is invoked in cases where there is a genuine threat to the complainant's goodwill and reputation.

THE CAUSE OF ACTION

In the case of **Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.**,²²the Honorable Supreme Court set forth a comprehensive framework for assessing the potential for misleading likeness in passing off actions involving unregistered trademarks. This framework consists of several crucial considerations. Firstly, the court stressed the importance of closely examining the characteristics and attributes of the trade symbols used by the parties. Secondly, it emphasized scrutinizing the extent of resemblance between the symbols on the products and the type of products copied from the other party's marks. The court also underscored the need to assess whether there is a substantial resemblance in the nature and attributes of the products or services in question. Additionally, the identity and effectiveness of the competing producers, the consumer category, and the manner in which consumers typically purchase the products or services were identified as factors to be considered. Furthermore, the court acknowledged that additional case-specific factors may come into play. This structured and holistic approach ensures a thorough evaluation of potential misleading likeness in passing off cases, serving as a safeguard against consumer confusion and unfair competition in the marketplace.²³

²¹ *Mittal (n 14)*.

²² 'Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd.' <<https://www.theipmatters.com/post/cadila-healthcare-ltd-v-cadila-pharmaceuticals-ltd>> accessed 16 October 2023.

²³ *Showering's vs. Bulmer, (1965) RPC 307*

EXCEPTIONS

In trademark law, exceptions or defenses to passing off exist to justify the use of a trademark without infringing on someone else's rights. These defenses can include prior use, honest concurrent use, geographical descriptiveness, descriptive use, necessity, use of one's name, consent, parallel importation, abandonment, and necessity for product description. These exceptions vary by jurisdiction and depend on the specific circumstances of each case.

1. In legal disputes involving trademark infringement and passing off, one possible defense the defendant may raise is that the complainant's business is illegal or operates on a fraudulent basis. This defense underscores the principle that the court should not extend protection to businesses engaged in unlawful or deceptive activities.²⁴ This defense underscores the importance of conducting business legally and ethically to maintain trademark protection and pursue remedies for infringement. For example, if a business involved in distributing counterfeit goods claims trademark infringement, their case may be weakened if their own activities are illegal or fraudulent. In such instances, the court may examine the legality and ethics of the complainant's business, potentially affecting their ability to enforce their trademark.
2. In the realm of trademark law, an unauthorized use of a mark can indeed serve as a legal and equitable defense against trademark fraud charges, particularly when the use of the mark is associated with a fraudulent trade. In such cases, the defense hinges on the argument that while the trademark may have been used without authorization, it was done so in response to fraudulent activities within a particular trade or business.²⁵ This defense highlights that

²⁴ 1 *Newman v. Pinto*, 4 RPC 508, 1887

²⁵ *Leather cloth Co. Ltd. v. American Leather Cloth Co. Ltd.* ER 1435 (HL) 1865

trademark law aims to safeguard businesses and consumers from deception, yet it acknowledges exceptions. If a trademark is used in response to fraudulent practices within an industry, it can serve as a legal and equitable defense. For instance, if a business operates fraudulently, a competitor may argue their unauthorized trademark use aimed to expose the fraud and protect consumers. This defense stresses the ethical and legal context of trademark disputes. It suggests that such trademark use wasn't fraudulent but rather a means to rectify fraudulent practices, emphasizing the importance of context and intent in trademark disputes.²⁶

3. In trademark law, the similarity between the brand names involved is a key factor in passing off cases. Passing off typically arises when one party's mark closely resembles that of another, leading to consumer confusion. However, a defense can be raised if the defendant can prove that the brand names are not similar. This defense hinges on the concept of dissimilarity, asserting that the marks are distinct and consumers wouldn't confuse them. For instance, when businesses operate in unrelated industries with entirely different brand names, the defense argues that consumers are unlikely to mistake one for the other. The level of similarity required varies based on the case's specifics, considering factors like product nature, consumer base, and overall impression. Essentially, the defense contests the core issue of misrepresentation in passing off by emphasizing the marks' dissimilarity and their ability to cause confusion.²⁷
4. The principle that the complainant must not be involved in any unlawful activities in acquiring the trademark is a vital aspect of trademark law, especially in passing off cases, to uphold fairness and equity. This principle underscores the requirement that the complainant obtained the trademark through lawful and

²⁶ Kuan, 'Foreign Traders and the Law of Passing-Off' (n 4).

²⁷ P Narayanan (n 12).

legitimate means, without any fraudulent or unethical practices. It ensures that trademark protection is granted to those who have built their reputation honestly. Additionally, it includes the idea that the alleged infringer should not have used the trademark before the cause of action. If the alleged infringer can prove prior and legitimate use of the trademark, it can weaken the complainant's case.

5. The principle that the complainant should not be guilty of any offense associated with trademark acquisition is a bedrock of trademark law, upholding integrity, fairness, and legality in the legal system. It deters deceptive practices, encouraging honest and transparent trademark procurement, fostering trust and consumer confidence. It ensures equity by granting legal remedies to those who have ethically nurtured their brands and curbs favoritism toward fraudulent entities. This principle safeguards legitimate businesses, supporting their equitable growth, and discourages dishonest practices in trademark acquisition. By preserving intellectual property rights, it promotes an ethical business environment.²⁸
6. The principle permitting individuals to use their own names for legitimate business purposes, free from malicious intent to deceive or defraud, is a crucial aspect of trademark law. It acknowledges the importance of personal names and their connection to one's livelihood. This principle strikes a balance between personal rights and the need to prevent deceptive practices. It upholds the use of personal names in business, provided it's for legitimate purposes. This safeguard also deters malicious intentions, ensuring that personal names aren't misused to cause confusion or deception in the marketplace, thus protecting consumers. It maintains the preservation of personal

²⁸ *Newton Chambers & Co. Ltd. v. Neptune Waterproof Paper Co. Ltd.*, RPC 399, 1935

and family identities while preserving consumer trust. This principle represents a fair and respectful approach to personal identity, promoting lawful business activities and guarding against the misuse of personal names in commerce.²⁹

7. When parties engage in significantly different areas of activity, it serves as a potent defense in trademark disputes, particularly for cases of passing off. This principle hinges on the notion that if two parties operate in entirely unrelated industries, where their products or services pose no risk of being confused in the market, the likelihood of passing off or consumer deception is minimal.³⁰
8. In cases where the parties' business activities are entirely distinct, the risk of consumer confusion significantly diminishes. This defense hinges on the principle that consumer confusion is unlikely when the parties operate in unrelated industries, aligning with the primary goal of trademark protection, which is to prevent confusion and protect brand distinctiveness. To successfully utilize this defense, the defendant must prove the substantial disparity between their business, products, consumers, and industry compared to the complainant's. This significant contrast in their areas of activity serves as a robust argument against passing off claims.³¹
9. The concept of honest and simultaneous trademark use is a vital exception in trademark law. When a respondent claims to have authorization for such use, it offers a strong legal defense. This exception acknowledges that parties can legitimately share the same trademark through cooperation or licensing arrangements. To invoke this exception successfully, the respondent must

²⁹ *Rodgers versus. Rodgers*, (1924)

³⁰ Suman Naresh, 'Passing-Off, Goodwill and False Advertising: New Wine in Old Bottles' (1986) 45 *The Cambridge Law Journal* 97.

³¹ *Dunlop versus. Dunlop*, (1889)

provide clear evidence of authorization, ensure honest use without deception, and prevent consumer confusion. This exception demonstrates trademark law's adaptability to various business collaborations, ensuring legitimate partnerships can thrive. However, the burden of proof rests on the respondent to satisfy the necessary conditions.³²

10. In trademark disputes, when a respondent claims they had no prior knowledge of the complainant's trademark, it can serve as a defense against potential damages or accounting of profits. The core principle hinges on intent and awareness, as such damages are typically sought in cases of intentional infringement. Lack of knowledge suggests unintentional or inadvertent use, potentially leading the court to refrain from awarding these remedies. To establish this defense, the burden of proof usually falls on the respondent, requiring evidence of their genuine lack of knowledge about the complainant's trademark. Convincing the court of their good faith and absence of intent to infringe is crucial. This defense recognizes the distinction between intentional misconduct and unintentional infringement.³³
11. In passing off actions, when a defendant claims they were unaware of the plaintiff's trademark and promptly ceased use upon discovering it, a unique defense based on innocent misrepresentation comes into play. If the defendant convincingly proves their prior lack of knowledge and demonstrates prompt corrective actions upon discovery, the court may refrain from awarding damages or an accounting of profits. This defense underscores the importance of good faith, indicating that the defendant's use of the trademark was unintentional and not intended to deceive. To establish this defense, the burden of proof lies with the defendant, who must provide compelling evidence of

³² Manoj Plastics Versus Bhola Plastic, (1983)

³³ Trademarks Act of 1999 India

their lack of prior knowledge. The court's decision hinges on the defendant's ability to prove their innocence, ensuring fairness and distinguishing between inadvertent actions and deliberate misconduct in trademark matters.³⁴

12. When a respondent in a trademark dispute claims that a third party, typically an employee, conducted the infringing actions without their knowledge or authorization, it raises a significant aspect of trademark law. This defense underscores the separation between the respondent and the actions of a subordinate. It relies on the agency principle, asserting that the respondent was unaware of the trademark infringement and did not endorse or engage in the infringing activities. To substantiate this defense, the respondent must provide evidence showcasing the employee's responsibilities and communication records, demonstrating their lack of involvement in the trademark infringement. This defense highlights the importance of distinguishing liability between the respondent and their employees, ensuring that the respondent is not held accountable for trademark infringement they did not endorse or benefit from.³⁵ The success of this defense depends on the respondent's ability to prove their lack of knowledge regarding the infringing activities, ensuring fair assignment of liability in trademark infringement cases.
13. In trademark disputes, respondents can employ a unique defense by asserting that the complainant has abandoned the trademark in question due to prolonged disuse. They argue that when a trademark remains inactive for an extended period, others may begin using it inadvertently, leading to its widespread and loss of distinctiveness. The burden of proof lies with the respondent to demonstrate the complainant's intent to abandon the trademark and its prolonged inactivity. The respondent may also seek

³⁴ QRG Enterprises against. Surendra Electricals, 2005

³⁵ 'Law of Passing Off of Trademark in India' (n 6).

rectification of the register to remove the trademark. This defense emphasizes the need to actively maintain trademark rights to preserve their exclusivity and protection.³⁶

NEW FACETS

Enterprises that derive substantial benefits from goodwill, regardless of the brand value associated with their products, may not always fall under the purview of the Trademarks Act of 1999, which primarily safeguards trademarks in their various forms. Trade dress cases, specifically, may not fit neatly within the definition of a "trademark" as outlined in Section 2 (1) (z b) of the Act. This is due to several factors.

Firstly, the legislation surrounding trade dress under Indian statutory provisions is less precisely defined compared to trademark protection. Unlike trade dress, trademark protection is more limited in scope. Trade dress protection is often perceived as offering broader coverage than the traditional safeguarding of trade names or business names. This is because packaging and product designs are not necessarily considered trademarks. In a trade dress violation case, the court is required to assess the overall selling image of the complainant rather than focusing on specific trademark elements. Unlike trademarks, which primarily serve to identify and differentiate producers from their competitors, trade dress features encompass the entirety of a manufacturer's marketing image. It is worth noting that the Delhi High Court has elevated the level of trademark protection available to trade dress in cases like *Colgate Palmolive & Co. vs. Anchor Health and Beauty Care Pvt. Ltd.*³⁷ The court held that the resemblance of trade dress is one of the aspects covered under passing off and, as such, is actionable per se. This decision demonstrates an evolving perspective on trade dress protection and its intersection with trademark law, emphasizing the importance of addressing trade dress violations to

³⁶ *Noor Illahi Maqbul Illahi v. R.J Wood & Co*, (1928)

³⁷ 2003 PTC 478 (Del.).

maintain a fair marketplace.

In the case of **Anchor Health and Beauty Care Pvt. Ltd. vs. Colgate Palmolive & Co.**³⁸ the dispute revolved around the marketing and packaging of tooth powder products. The Plaintiffs, Colgate Palmolive & Co., were known for selling tooth powder in cans with a distinctive get-up and color scheme under the well-known Trademark "Colgate." The Defendants, Anchor Health and Beauty Care Pvt. Ltd., were alleged to have adopted a similar color combination in their packaging containers for a comparable line of products. Colgate claimed that Anchor had used trade dress that closely resembled their own, including design, get-up, and color scheme, with the apparent intention of capitalizing on Colgate's reputation and goodwill. The heart of the matter lay in Colgate's assertion that the red and white trade dress had become a trademark in its own right, and that they were the exclusive proprietors of this distinct trade dress. In response, Anchor argued that the primary distinguishing element was the word mark, not the color scheme or overall appearance. They contended that since the trademarks of Colgate and Anchor were substantially dissimilar, Colgate should not be permitted to claim infringement based on the color scheme of the packaging.

The Court deliberated on the matter and concluded that the defendant's packaging was indeed infringing on Colgate's trade dress, essentially based on the significant similarity between the trade dress of the two products. The Court emphasized the visual likeness of the two products' trade dress and found in favor of the plaintiff, Colgate. The Court recognized that the protection of trade dress is established under the Trademark legislation and offers broad safeguards against the imitation or replication of misleading trade dress. This is because trademarks play a crucial role in distinguishing, identifying, and recognizing products in terms of their origin and style. Any potential for confusion

³⁸ 2003 (27) PTC 478 (Del.)

or misrepresentation in the minds of unsuspecting consumers, particularly those who have used the products over a period of time and rely on them for their well-being, is a concern that the law addresses.³⁹ Ultimately, the Court granted Colgate an injunction, asserting that the critical criterion in such cases is the potential for confusion or deceit in the eyes of a naive customer, irrespective of differences in the trade names. This case highlighted the significance of trade dress protection in upholding the distinctiveness of products and preventing consumer confusion and deception.

FINDINGS AND DISCOURSE

Trademarks serve as essential tools in a bustling marketplace, where a multitude of products, often serving similar purposes, are produced by various manufacturers and companies. These marks are meticulously designed to distinguish these products or services and connect them to a particular source, whether it's a manufacturer, brand, or individual associated with their production. In an age of industrialization and intensified production, examples like soaps and beverages abound, with numerous offerings meant for the same function but originating from different manufacturers. The role of trademarks becomes paramount here as they enable consumers to navigate the market with ease, helping them identify and choose products without confusion.⁴⁰ These marks essentially help consumers find what they need and maintain the quality they expect when making a purchase.

By allowing producers, manufacturers, and service providers to stand out from the crowd, trademarks help build reputations and reduce confusion in the marketplace. However, when counterfeiting, copying, or imitation occurs, confusion arises, and this can have disastrous

³⁹ Mittal (n 14).

⁴⁰ 'Passing off of Trademark in India': (S.S. Rana & Co.) <<https://ssrana.in/uFAQs/passing-off-of-trademark-in-india/>> accessed 16 October 2023.

consequences for both consumers and producers.⁴¹ Counterfeit products pose serious risks to consumers, and the market value of genuine products diminishes as the influx of imitations increases. This is where the common law doctrine, such as the one addressing passing off, plays a crucial role in harmonizing the situation. Trademark legislation is explicit in stating that no one, particularly producers, has a legitimate reason to infringe on the trademarks of others through deceit, unfair practices, fraud, or trickery. It prohibits any business entity from operating under the name and reputation carefully built by another. Prior to 1940, India did not have dedicated trademark legislation, relying instead on common law principles for protection. A trademark is more than just a symbol; it's the core of a company's identity, enabling it to differentiate itself from competitors.⁴² Simultaneously, it serves as a safeguard for consumers against fraud and exploitation. Trademark protection is mutually beneficial; it empowers producers to maximize the profits from their creations, incentivizes innovation, and ensures consumers can trust the quality and authenticity of the products they purchase. By safeguarding trademarks from passing off, consumers are spared the confusion of distinguishing between genuine products and imitations, saving them time and ensuring they receive the products they desire. Furthermore, laws that protect against passing off strike a balance between production and product uniqueness, ensuring a diverse array of choices in the marketplace.

CONCLUSION

In conclusion, passing off is a legal concept essential for preserving the integrity of trademarks and protecting the interests of both businesses and consumers. This study has delved into the historical development of passing off within Indian statutory laws, showcasing its vital role in safeguarding unregistered trademarks from potential infringement.

⁴¹ Wadlow (n 24).

⁴² Naresh (n 39).

Through a thorough analysis of statutory provisions, scholarly works, and case law, this paper has provided a comprehensive understanding of the passing off doctrine, offering valuable insights for scholars and learners at various educational levels. Trademarks are more than symbols; they are the embodiment of a company's identity, ensuring its products or services stand out in a crowded marketplace. The Doctrine of Passing Off empowers those with unregistered trademarks to prevent others from misrepresenting their marks. This paper has explored the core principles, available remedies, and exceptions related to passing off, shedding light on its significance within the realm of trademark protection. In today's dynamic business landscape, where products and services flood the market, the necessity to distinguish genuine offerings from imitations or deceptive practices is more significant than ever. Passing off laws not only safeguard the reputation and goodwill of businesses but also protect consumers from the confusion and potential risks of counterfeit or low-quality products. This study has endeavored to provide a comprehensive overview of the passing off doctrine and its evolution in India, emphasizing its relevance for both trademark owners and consumers. As the marketplace continues to evolve, the doctrine of passing off remains a crucial tool in ensuring fair competition and upholding the rights of all parties involved.