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VISUAL AND PHONETIC SIMILARITY OF TRADEMARKS: STUDY OF JUDICIAL TRENDS IN INDIA

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Abstract

Brand value and Goodwill are crucial for every company or business as it acts as its identity. Trademark provides identity and a sense of standard to any business by building its reputation and in order to boost any business, the importance of trademark should be understood as equal to a good quality product. Trademark creates value, brand name and helps in generating revenue for any business. Keeping in mind its importance in recognition of any enterprise or product, trademark is susceptible to misuse and infringement. The law relating to trademark is governed by the Trade Marks Act, 1999, which has set standards for determination of the distinctiveness of marks under Section 9 and Section 11. Even though the standards are set by the act, the issue requires judicial vision from time to time. Section 29(9) of the said Act incorporates the provisions relating to infringement of a registered mark due to phonetic similarity. It states that infringement of mark can be caused by virtue of being visually or phonetically similar. The Apex Court of India has on several instances observed that both eyes and ears should be used to compare trademarks. This paper aims to study the judicial trends in relation to visual and phonetic similarity of trademarks in India.

Keywords: Trademark, Similarity, Visual, Phonetic, Deceptive, Infringement, Protection, Judiciary, Precedents

.Introduction

The scope of Intellectual Property Rights covers Trademarks, Patents, Copyright, Designs, Trade Secrets and Geographical indications. If understood in simple terms, what will you call it is Trademark, how it works is Patent, artistic or literally expression is Copyright, etc.[1257] Protection to novel ideas and creativity of people is provided by the Intellectual Property Rights.

Trademark has been defined under Section 2(zb) of the Trade Marks Act, 1999 as "*a mark capable of being represented graphically 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 colours.*"[1258] Trademark comes into play when brand value of any product or company has to be created for attracting consumers towards it. Similar kind of products are differentiated by the label, combination of colours, picture, etc. attached with any product, known as trademark.[1259] The quality of product is instilled in the minds of consumers by looking at its trademark.

Trademarks can either be registered or unregistered under the Trade Marks Act, 1999. Certain rights are provided to the registered trademarks in case of infringement under the said act, whereas, rights are enforced under the common law tort of passing off for the

[1257] Neetu B. Shambharkar, *Notion of Deceptive Similarity under Trademark with Reference to Landmark Cases in India: A Legal* Insight, 3 IJLMH 457, 459 (2020).

[1258] The Trade Marks Act, 1999, § 2(zb), No. 47, Acts of Parliament, 1999 (India).

[1259] Winnie Mathew, *The Doctrine of Deceptive Similarity: Judicial Trends, Interpretations & Ever-Evolving Disposition,* IRAR (March 8, 2021), https://www.iralr.in/post/the-doctrine-of-deceptive-similarity-judicial-trends-interpretations-ever-evolving-disposition.

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unregistered ones.[1260] The owner of the trademark has the right to protect it from any fraudulent misuse as trademarks can be fraudulently used by others by creating confusing symbols or marks.

Trademarks can have phonetic generic names i.e., have visual or phonetic similarity, which means reference to both eyes and ears.[1261] PUMA & COMA and NIKE & NUKE are the trademarks which looks similar whereas, WIPRO & EPRO and LAKME & LIKEME are the trademarks which sounds similar. This is done with the purpose of deceiving the customers and creating confusion in their minds. The resemblance in the trademarks mentioned above can cause harm to the reputation of owner of genuine trademark while causing loss in their revenue.

Judicial insights are required from time to time for determination of distinctiveness of trademarks even though the standards are incorporated by Section 9 and Section 11 under the Trade Marks Act, 1999.[1262] The Indian judiciary has laid down various observations in the matter of visual and phonetic similarity of trademarks and this paper aims at studying the judicial trend in the same.[1263]

Research Questions

1. Whether trademarks play a huge role for the goodwill and reputation of a business or product?
2. Whether visual and phonetic similarity of trademark infringes the rights of the original trademark owner?
3. What is the relevance of precedents in trademark infringement cases?
4. How the Indian Judiciary has played a pivotal rule to laying down the principles for deciding upon the matter of visual and phonetic similarity of trademarks?

Judicial Trends in India in relation to visual and phonetic similarity of Trademarks

1. ***Amritdhara Pharmacy v. Satyadeo Gupta, AIR 1963 SC 449***[1264]

Exclusive proprietary rights were claimed by the appellant (Amritdhara Phamacy) over the trademark "AMRITDHARA" as it was acquired by them for medical preparation since 1901 and since then they were had good reputation and goodwill in their business. The defendants (Satyadeo Gupta), for their medical preparation going to be distributed in Uttar Pradesh, tried to register the trademark "LAKSHMANDHARA" in 1923 which was phonetically and visually similar to the former. The principle of deceptive similarity was crystalized in this case by the Supreme court stating that the similarities between the two marks were sufficient to cause deception to an unaware customer in view of the similar nature of product. The court stated that for the test of comparison, approach should be of an average man's view with an imperfect recollection and average intelligence. The comparison should be made keeping in mind name as a whole and not their parts.

2. ***Ranboxy Laboratories v. Dua Pharmaceuticals Pvt. Lts., AIR 1989 Delhi 44***[1265]

The suit in this case was about the infringement of trademark of the word "CALMOSE", which had the value of Rs. 40.16 crores and it was contended by the plaintiff that their name was unlawfully taken by defendant, who named themselves as "CALMPROSE" and were involved in manufacturing of similar medicine. The court in this case propounded upon the test of likely deception for proving infringement and it observed that comprehensive analysis of the factors resulting into infringement was important in these kinds of cases. It was further observed that even though medicines were sold

[1260] Neetu B. Shambharkar, *Notion of Deceptive Similarity under Trademark with Reference to Landmark Cases in India: A Legal* Insight, 3 IJLMH 457, 459 (2020).
[1261] Sakshar Law Associates, *Rules regarding phonetically generic names under trademark law,* LEXOLOGY (March 18, 2021), https://www.lexology.com/library/detail.aspx?g=757e70b7-ea86-42c6-afbb-b2ab32198165.
[1262] Tamish Kumar, *How much do phonetic similarities matter in trademark disputes?, MONDAQ (September 22, 2021),* https://www.mondaq.com/india/trademark/1113710/how-much-do-phonetic-similarities-matter-in-trademark-disputes.
[1263] Satya Sabharwal, *Evolution of Deceptive Similarity Tests under Trademark Law,* THE IYEA (August 23, 2020), https://medium.com/the-agenda-iyea/evolution-of-deceptive-similarity-tests-under-trademark-law-a781b8bd9e30.
[1264] Amritdhara Pharmacy v. Satyadeo Gupta, AIR 1963 SC 449
[1265] Ranboxy Laboratories v. Dua Pharmaceuticals Pvt. Lts., AIR 1989 Delhi 44

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through prescriptions, confusion can be brought into the minds of the consumers by the names of common medicines easily available across the stores of chemists, which may pass another medicine instead of the original one to an unaware purchaser.

The test of knowledge of the final consumer was sort by the court to check the similarities and dissimilarities between the two words. While delivering this judgement, the court relied on the judgement of *Anglo-French Drug Co. (Eastern) Ltd. v. Belco Pharma*,[1266] wherein the dispute was related to two trademarks i.e., 'ETROZYME' and 'ENTOZINE' and the High Court of Punjab observed the phonetic similarities and dissimilarities between the two words. The court in that case the law related to passing off was relied on and it stated that consideration must be paid to the differentiating facts of each case in the beginning. The degree of visual and phonetic similarity of the goods was also noted and therefore, concluded that similar nature and market of goods can create confusion for customers.

3. *Winmedicare Limited v. Somacare Laboratories, 1997 (17) PTC 34 (Del)*[1267]

The two trademarks "DICLOMOL" and "DICMOL", which were competing and not registered trademarks, which were phonetically and structurally similar. The Hon'ble High Court of Delhi while putting emphasis on the phonetic and structural similarity between the two trademarks, granted an injunction in relation to the mark 'DICLOMOL' as the different of two missing letters 'LO' was enough to confuse consumers.

4. *Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd, 2001 5 SCC 73*[1268]

The test of likelihood and confusion was enumerated in this case by the Apex Court, where a suit for grant of injunction was filed by a pharmaceutical company as their medicine named "FALCOGO" was deceptively similar to another company's medicine named 'FALCITAB', which were being manufactured for treatment of same disease. Both the marks were inspired by the word '*Falci*', which was taken from the name of the disease i.e., Falcipharum Malaria. Despite supervision of medical professionals, there was a likelihood of confusion by the two marks due to their phonetic similarity, which could cause medical negligence in the opinion of Hon'ble Court. In this case, the Rule of Anti Dissection was laid down, according to which a mark has to be judged as a composite whole and not by breaking it into parts as an average consumer would use 'totality' and not 'in parts' to judge the mark.

5. *Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra, 2002 2 SCC 147*[1269]

In this case, the name of a renowned manufacturer company of motor vehicles was similar to that of the name of Gujarat's paper mill and the only difference in their name was of letter 'A'. This made names of the two visually, structurally and phonetically similar. The Plaintiff contented that the defendants were using their goodwill fraudulently. The court agreed to this contention when the matter was raised in the court and also observed that the defendants were using the name of the company for a long duration, which threatened the reputation of plaintiff's company. The Supreme Court laid down some guidelines on deceptive similarity which resulted into violation by riding on reputation and goodwill of the original trader. The test of likely deception according to which the intention was considered irrelevant was also emphasized upon by the court. It was decided by the court that if a likely deception in terms of the product itself, its manner of trade or its origin is proved, it is sufficient.

6. *Padma Sundara Rao v. State of Tamil Nadu, (2002) 3 SCC 533*[1270]

It was held in this case that for deceptive similarity cases, precedents have to be read in context of facts of the case as even a slightest

[1266] Anglo-French Drug Co. (Eastern) Ltd. v. Belco Pharma AIR 1984 P&H 430
[1267] Winmedicare Limited v. Somacare Laboratories, 1997 (17) PTC 34 (Del)
[1268] Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd, 2001 5 SCC 73
[1269] Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra, 2002 2 SCC 147
[1270] Padma Sundara Rao v. State of Tamil Nadu, (2002) 3 SCC 533

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fact change the result and hence, make a difference in conclusions. This principle is known as the principle of *Circumstantial flexibility.* It was hence stated that:

"9. Courts should not place reliance on decisions without discussing as to how the factual situation fits in with the fact situation of the decision on which reliance is placed. There is always peril in treating the words of a speech or judgment as though they are words in a legislative enactment, and it is to be remembered that judicial utterances are made in the setting of the facts of a particular case, said Lord Morris in British Railways Board v. Herrington. Circumstantial flexibility, one additional or different fact may make a world of difference between conclusions in two cases."

7. *M/s Allied Blenders and Distillers Pvt. Ltd. v. Govind Yadav & Anr., 2019 SCC OnLine Del 6834*[1271]

The deceptive similarity between the marks "*Officer's Choice*" and "*Fauji*", both being alcoholic beverages was observed by the Delhi High court. The two marks were conceptually and deceptively similar, as was contended by the plaintiffs and that the mark of defendants i.e., *fauji* translated to 'military officer' and therefore, there was high chance of customers developing confusion. The court rejected the contention of plaintiffs stating that there was no deceptive similarity between the marks as they were both phonetically and meaningfully different. Also, the words had different meanings i.e., 'a person in power' and 'soldier not being a military officer'. It was held by the court that judicial precedents cannot be always followed as a statute as reference to the facts has to be kept in mind. Therefore, it was held by the court that:

"*What is of the essence in a decision is its ratio and not every observation found therein nor what logically follows from the various observations made in it. It has to be remembered that a decision is only an authority for what it actually decides. It is well settled that a little difference in facts or additional facts may make a lot of difference in the precedential value of a decision. The ratio of one case cannot be mechanically applied to another case without regard to the factual situation and circumstances of the two cases.*"

8. *Arudra Engineering Private Limited v. Patanjali Ayurved Limited, 2020 SCCOnline Mad 1670*[1272]

The Defendants (Patanjali Ayurved Ltd) used the mark "CORONIL", which was similar to the mark registered and used by Plaintiffs (Arudra Engineering Pvt. Ltd) since 1993 who were in the business of chemical manufacturing and cleaning around the globe. In this matter, the defendant was restrained from using the mark by a single judge of the Madras High Court in the suit for infringement u/s. 29 (4)(b)(1) of the Trade Marks Act, 1999. This was because the spalling and name of the two marks were deceptively similar but the judge did not consider the fact that the goods were different, which was a criterion to be prime facie satisfied u/s. 29(4) to arrive at a decision of infringement.

9. *Sun Pharma Laboratories Limited v. BDR Pharmaceuticals, 2020 SCC OnLine Del 623*[1273]

Since 2009, Sun Pharma Laboratories were using a registered mark "LABEBET" and another company BDR Pharmaceuticals were using the mark "LULIBET", which was filed for registration in 2016. Therefore, a suit for infringement and passing off was filed by Sun Pharma and in this case, the High Court observed the phonetic and structural similarity between the two marks which could lead to confusion and held that as medical products were the products which were commonly sold, they require stricter parameter.

Conclusion

The identity and goodwill to a business is provided by its trademark, which plays a huge role in doing so. The practice of using a similar

[1271] M/s Allied Blenders and Distillers Pvt. Ltd. v. Govind Yadav & Anr., 2019 SCC OnLine Del 6834

[1272] Arudra Engineering Private Limited v. Patanjali Ayurved Limited, 2020 SCCOnline Mad 1670

[1273] Sun Pharma Laboratories Limited v. BDR Pharmaceuticals, 2020 SCC OnLine Del 623

trademark and hence misusing it frequently is a major issue that needs to be dealt with by protection as it many times leads to confusion to customers due to their phonetic or visual similarity. Judiciary plays a huge role in this matter as it has handled the cases of deceptive similarity with a strict approach to protect the rights of a genuine trademark holder and interest of a customer.

The Indian courts have laid down that there is no clear-cut formula that can be adopted to deal with the cases of deceptive similarity. The conclusion in these cases have been reached to while keeping in mind the reasoning of an ordinary man who is a customer. These cases are subjective in nature and therefore, reliance to facts in hand is important to check the creativity and originality of the trademark. Certain principles laid down by the court in the landmark cases have been time and again used in the further cases of phonetic and visual similarity of trademarks.

The important factor that needs to be applied by courts to decide on the cases as was observed by the Indian judiciary is the principle of entirety. From the cases mentioned in this paper, it can be observed that the principles to deal with phonetic and visual similarity of trademarks have been ever evolving, which changes the approach taken by courts from case to case looking at the facts in hand.

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