

Trademark infringers under fire

Courts have been strict in dealing with violations and have not hesitated to follow global precedents

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In recent years, Indian courts have progressively and strictly enforced trademark rights of owners. Courts are increasingly looking at the underlying principles of trademark law and global precedents if specific protection provisions in Indian law are absent. They have increasingly appreciated that national boundaries have faded commercially and international brand reputation and goodwill have spillover to India. Additionally, pecuniary penalties for infringement and passing-off of trademarks have been stretched beyond statutory provisions in cases of undue commercial exploitation by infringers, which results in loss of business to the rightful owner. As a result, the doctrine of dilution has been distinguished as an independent doctrine in deciding cases of trademark misappropriation for unrelated products. Similarly, global repute in a trademark has been recognised, even if the trademark or copyright is not registered in India, and passing-off has been restrained. For example, the Delhi High Court recently restrained the misuse of the marks CAT and Caterpillar for footwear [*Caterpillar Inc vs Mehtab Ahmed* [2002 (25) PTC 438]]. Expanding on unauthorised trademark use, the defendant's placing of a hyperlink to another website was restrained in another landmark case [*InfoEdge (India) Pvt Ltd vs Shailesh Gupta* [2002 (24) PTC 355 (Del)]].

The Supreme Court, adjudicating upon the superiority of trademark rights between adoption and commencement of use in India vis-à-vis global adoption and use, upheld the respondent's prior global use as superior on the grounds that public interest should not be imperilled and the ultimate test should be

who is first in the market. The court went on to state that the field of medicine is of an international character and businesses are constantly expanding beyond geographical boundaries. Thus, the possibility of a conflict arising by two competing uses of similar marks, though in different territories but with the potential to expand to the common market in the future causing confusion in the minds of the consumer, has to be borne in mind before coming to any decision [*Milment Otho Industries vs Allergan Inc* [2004 (28) PTC 585 (SC)]].

Another issue recently adjudicated upon involves territorial ju-

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isdiction upon non-residents of India in cases of trademark infringement over the Internet [*Tata Sons vs Ghassan Yacoub* [2004 (29) PTC 522]]. Court orders may be implemented by forwarding a copy to the registrar of the impugned domain

name, which is bound by the rules of Internet Corporation for Assigned Names and Numbers (ICANN) to implement decisions passed by national courts in matters of disputes related to trademark violations. In another important case of trademark piracy over the internet, the Delhi High Court imposed costs of Rs 1,00,000 on the defendants [*Tata Sons Ltd vs Fashion ID Ltd* [2005 (30) PTC (Del)]].

Courts have also awarded stricter and harsher orders for trademark violations. Distinguishing between compensatory and punitive damages, the Delhi High Court awarded Rs 5,00,000 as punitive damages and

held that the time has come for courts to award punitive damages with a view to discourage and punish lawbreakers [*Time Incorporated vs Lokesh Srivastava* [2005 (30) PTC 3]]. Adding a new dimension, email fraud (phishing) was held as a vio-

lation of plaintiff's trademark rights. In this case, the defendants had sent emails to third-parties soliciting personal details and misleading them to believe that these emails originated from the plaintiff. The use of the plaintiff's trademark in these emails was considered a violation of the plaintiff's trademark rights and the court awarded Rs 16,00,000 as damages for these violations [*Nasscom vs Ajay Sood* [2005 (30) PTC 437]]. In another landmark decision, the Delhi High Court calculated the actual loss of trade caused to the plaintiff by the business of the defendants selling pirated software as "freeware" along with assembled computers. The court considered the violation of plaintiff's trademark and copyrights and awarded damages of Rs 19,75,000 for the violation of the plaintiff's rights by the defendants. This is the highest award for damages given by an Indian court for trademark and copyright infringement [*Microsoft vs Yogesh Popat* [2005 (30) PTC 245]].

Most of the cases enumerated above have been decided by the Delhi High Court, which has achieved distinction in its sensitive handling of trademark matters. Delhi has increasingly emerged as the preferred jurisdiction to initiate action against trademark violations. This is facilitated by the fact that the Trade Marks Act, 1999, also provides for territorial jurisdiction to be the plaintiff's place of business in addition to the provisions of the Civil Procedure Code, 1908, which restrict territorial jurisdiction to the place of illegal activity or the defendant's place of business. These recent cases have set even stronger precedents for protection of trademark rights in India.

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