

Legal Issues - Seminar Series

Legal Issues in 'IP Rights & Liabilities'

Issue: Whether a plaintiff can claim infringement based on similarity of a mark with the disclaimed part of the trademark?

Related Provisions

❖ Section 13(b) of the Trade Marks Act, 1940

13. If a trade mark contains –

(a) any matter common to the trade, or otherwise of a non-distinctive character,

the tribunal, in deciding whether the trade mark shall be entered or shall remain on the register; may require, as a condition of its being on the register, that the proprietor shall either disclaim any right to the exclusive use of such part or of all or any portion of such matter, as the case may be, to the exclusive use of which the tribunal holds him not to be entitled, or make such other disclaimer as the tribunal may consider necessary for the purpose of defining the rights of the proprietor under the registration:

Provided that no disclaimer shall affect any rights of the proprietor of a trade mark except such as arise out of the registration of the trade mark in respect of which the disclaimer is made.

Related Provisions

❖ Section 17(2)(b) of the Trade Marks Act, 1999

17. Effect of registration of parts of a mark.—

(2) Notwithstanding anything contained in sub-section (1), when a trade mark—

(b) contains any matter which is common to the trade or is otherwise of a non-distinctive character, the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trade mark so registered.

Relevant Judicial Decisions

❖ **The Registrar Of Trade Marks vs Ashok Chandra Rakhit Ltd. [Civil Appeal No. 116 of 1953, Supreme Court, Judgement dated April 15, 1955]**

“10. ...purpose of the section is not to confer any direct benefit on the rival traders or the general public but to define the rights of the proprietor under the registration...Temptation has even led some proprietors to make an exaggerated claim to the exclusive use of parts or matters contained in their trade marks in spite of the fact that they had expressly disclaimed the exclusive use of those parts or matters. ...The real purpose of requiring a disclaimer is to define the rights of the proprietor under the registration so as to minimise, even if it cannot wholly eliminate, the possibility of extravagant and unauthorised claims being made on the score of registration of the trade marks.” (emphasis supplied)

“11....That proviso preserves intact any right which the proprietor may otherwise under any other law have in relation to the mark or any part thereof. The disclaimer is only for the purposes of the Act. It does not affect the rights of the proprietor except such as arise out of registration. ...the special advantages which the Act gives to the proprietor by reason of the registration of his trade mark do not extend to the parts or matters which he disclaims. ...That circumstance, however, does not mean that the proprietor's rights, if any, with respect to those parts or matters would not be protected otherwise than under the Act. If the proprietor has acquired any right by long user of those parts or matters in connection with goods manufactured or sold by him or otherwise in relation to his trade, he may, on proof of the necessary facts, prevent an infringement of his rights by a passing off action or a prosecution under the Indian Penal Code. Disclaimer does not affect those rights in any way.” (emphasis supplied)

Relevant Judicial Decisions (contd.)

- ❖ **Parakh Vanijya Private Limited v. Baroma Agro Products & Ors. AIR 2018 SC 3334 [Civil Appeal No. 6642 of 2018, Supreme Court, Judgement dated July 12, 2018]**

“7. The Appellant though claims exclusive right over the word 'MALABAR' since there is a disclaimer to the exclusive use of the word 'MALABAR', the Appellant has no right over the exclusive use of the word 'MALABAR'. The Respondents have also inter alia brought on record the materials to show the registration of other goods under Class-30 with the word 'MALABAR MONSOON' granted in favour of Amalgamated Bean Coffee Trading Company Limited for Coffee Cream, Coffee included in Class-30. The registration of the mark 'MALABAR MONSOON' under Class-30 also contains similar disclaimer of the word 'MALABAR'. Likewise, the label 'MALABAR COAST' has been registered in Class-30 for Coffee, Tea, Cocoa, Sugar etc. in favour of Tropical Retreats Private Limited which again contains a similar disclaimer for the exclusive use of the word 'MALABAR COAST'. Having regard to the materials placed on record, we are of the view that the High Court rightly held that the Appellant cannot claim exclusive right over the use of the word 'MALABAR'.” (emphasis supplied)

Relevant Judicial Decisions (contd.)

❖ **Pernod Ricard India Private Limited v. AB Sugars Limited [CS(Comm) 371/2019, Delhi HC, Judgement dated October 31, 2023]**

“68. It is necessary, at this point, to advert to a judgment of Division Bench of this Court in Bawa Masala Co. v. Guljari Lal Lajpat Rai 11 (1975) DLT 270 (DB) (though not cited by either side), ...

*“16-A. ...In other words, disclaimer is only for the purposes of the Act and if infringement is claimed, the disclaimer will have to be looked into. It may not affect the rights of the proprietor in passing off action but **where infringement of the registration is claimed the disclaimer part of the mark has to be ignored.**”* (emphasis supplied)

*“69. Once part of a mark is disclaimed while obtaining registration, no plea of infringement can be predicated on that part of the mark, which stands disclaimed. **In other words, the plaintiff, who has disclaimed part of its mark, cannot claim that the defendant has infringed the plaintiff's mark because it has copied the disclaimed part. The disclaimed part, in other words, cannot constitute the basis to allege infringement.**”* (emphasis supplied)

“70. That does not, however, mean that the marks are not to be compared as wholes. If such an interpretation were to be extended to para 16-A of Bawa Masala Co., the judgment would be rendered per incuriam para 14 of the decision in Ashok Chander Rakhit, which underscores the principle that infringement has to be assessed by comparing the marks as whole marks.”

Relevant Judicial Decisions (contd.)

- ❖ **The British School Society Vs. Sanjay Gandhi Educational Society and Ors. [CS (Comm.) 509/2021, I.As. 13426/2021, 17285/2021 and 3942/2022, Delhi HC, Judgement dated April 25, 2022]**

“22. In the trademark registration certificates of the Plaintiff, though disclaimers exist, the said registrations point to the fact that the name of the Plaintiff's school has been in use for several years and in any case prior to Defendants' use of the mark 'The British School'.”

“27. The present suit which is filed for infringement of registered trademark and passing off relates to the mark 'The British School' used as the name of a school. Though the Plaintiff have registrations, the same are with disclaimers on the words 'The British School'. Thus, exclusive rights cannot be claimed by the Plaintiff on the strength of trademark registrations. The case has to be, therefore, considered on the principles of passing off.”

Relevant Judicial Decisions (contd.)

- ❖ **Pidilite Industries Ltd. v. Riya Chemy [I.A. (L) No. 15502/2021, Commercial IP Suit No. 147/2022, Bombay HC, Judgement dated November 11, 2022]**

“60. With regard to the arguments on disclaimer on some of the Plaintiff’s marks and as to whether it negates the rights of the Plaintiff to claim exclusivity and protection thereof, this has been already decided by this Court in the Plaintiff’s own case against S.M. Associates & Ors. (Supra). This Court has in Paragraph 47 of the said decision held as under – “I am in respectful agreement that despite a disclaimer in respect of the word "Seal" I must have regard to the whole of the Plaintiffs mark including the disclaimed matter while deciding the question of infringement. ...In the circumstances, the disclaimer in the present case does not affect the Plaintiffs right to obtain an injunction for infringement.”

*“61. This Court has in the above decision held that the Plaintiff’s mark would have to be regarded as a whole including the disclaimed matter while deciding the question of infringement. **Disclaimers do not go to the market and a common man of average intelligence or the average consumer would have no knowledge of any disclaimers present in a trade mark registration. This is how a common man would view the marks while purchasing the product. This Court has thereby accorded judicial notice and protection to the Plaintiff’s mark M-SEAL (word per se) despite the presence of, and after consideration of the very same disclaimer/condition on the Plaintiff’s mark.**” (emphasis supplied)*

Relevant Judicial Decisions (contd.)

- ❖ **Shree Nath Heritage Liquor Pvt. Ltd. and Ors. v. Allied Blender & Distillers Pvt. Ltd. [FAO (OS) 368 and 493/2014, Delhi HC, Judgement dated July 6, 2015]**

“17. A disclaimer in a trademark does not travel to the market place. Hence, for the purpose of comparison of two marks, the disclaimed portion can also be considered. Therefore, the marks in the two registrations of the respondent with a disclaimer can be considered as a whole even for infringement.” (emphasis supplied)

Conclusion

- ❖ Courts have agreed on the purpose of disclaimers laid down by the Supreme Court in the Ashok Chandra case i.e., to define the rights of the proprietor under the registration so as to minimise, if not wholly eliminate, the possibility of extravagant and unauthorised claims.
- ❖ Most courts have interpreted Section 17(2)(b) of the Trade Marks Act, 1999 to deter a trademark proprietor from instituting infringement suits on the basis of disclaimed part of the trademarks, while allowing passing off claims based on similarity with disclaimed part of a trademark.
- ❖ Certain courts, however, have held that the disclaimed component of a trademark can be considered while comparing rival marks as an average consumer would be unaware of such disclaimers, and have allowed infringement claims on the basis of such disclaimed components.

THANK YOU!

Questions?

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