

ITC loses trademark dilution case against Philip Morris

In 2003 when the new trade mark Act was introduced specific provision on dilution were incorporated to provide sound basis for brand owners to claim trade mark infringement. The decision below provides clarity on application of these provisions.

On 7th January 2010, the Delhi High Court dismissed an application by ITC for grant of injunction against Philip Morris (PM) over use a stylized logo of their popular Marlboro brand of cigarettes.

ITC, one of India's largest private sector companies with diverse business interests ranging from cigarettes, consumer goods to hospitality industry. ITC claims it adopted the mark 'WELCOMEGROUP W' logo (which appears as hands folded together in a way Indians traditionally greet each other and referred as Namaste). The mark was adopted in 1975 and has been used ever since in relation to its hotel business. On account of such extensive use, ITC claimed that its W-Namaste logo has become a famous mark.



ITC alleged that Philip Morris's use of 'M' logo on its Marlboro festive pack of cigarettes infringed its 'W-Namaste' logo.



Trademark dilution- Essentials

The ITC primary argument was that this case falls under Section 29 (4) of the Trademarks Act and therefore PM deserves to be restrained from using a similar logo. The court opined that essential elements to establish dilution under Section 29 (4) were

- 1) the similarity of the two marks (or their identity)
- (2) the Plaintiff's mark has a reputation in India;

(ii) the use of the mark by party is without due cause

(iii) the use (amounts to) taking unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

All elements have to be cumulatively satisfied considering that in case of dilution there is no presumption of infringement of the mark, making the test more stringent where trademark dilution is complained.

Whether the marks are identical or similar

The court was of the view that under dilution principles, ITC has to prove or establish that the two marks are identical with or similar to each other. The question of deception does not arise here. There must be a near identification of the two marks or they must have the closest similarity

The court was of the view that "a global look rather than a focus only on the common elements of the mark, is to be taken" when considering that junior mark dilutes the registered mark. The court noted that ITC's 'W-Namaste' logo is part of a larger trademark or label. It is not a "stand alone" mark; it is used with the words WELCOMGROUP, or the name of the resort or service.

Bearing this in mind, the court noted that considering the overall marks or logos, without cataloguing minutely the similarities/ dissimilarities, there was no discernable identity or similarity in the overall presentation of the two logos.

Whether the ITC's mark has a reputation in India

While the court conceded that the ample evidence presented by ITC supported its claim that the WELCOMGROUP brand has acquired distinction, the claim that 'W-Namaste' logo was its house mark was not convincing.

The court, thus, held that "though the aura of 'W-Namaste' logo may go beyond niche hospitality services, and could extend to other luxury goods, there is nothing suggestive that such association extends to mid to high priced cigarettes" for which PM was using the mark.

Whether use of the mark by PM is without due cause and detrimental to the distinctive character or reputation of the registered trade mark

Noting that PM has shown that its marks have always carried a distinctive 'M' roof design which has now been modified to the impugned mark with the words 'MARLBORO' prominently accompanying it, the court was satisfied that ITC had failed to show that PM had taken undue advantage or caused detriment to it.

Crucially, the discerning consumer exposed to goods and services of the parties was taken into account to rule out alleged dilution.

It is to be seen if the result would have been different if instead of logos the comparison was of word marks thus making it easier to establish similarity of marks.