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# Sections 29(4) v. 29(5) - Disputed Territory

■ Mohit Goel & Bharadwaj Jaishankar

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Recently there has been much debate about the scope and applicability of Sections 29(4) and (5) of the Trade Marks Act, 1999 (hereinafter, the "Act"). Section 29(4) of the Act sets out a case of infringement where a registered trade mark is infringed by a person who "uses in the course of trade" a mark which (a) is identical/ similar to the registered trade mark and (b) is used in respect of dissimilar goods or services and (c) the registered trade mark has a reputation in India and the use is without due cause taking unfair advantage of or is detrimental to the distinctive character or repute of the registered trade mark. Section 29(4) provides a statutory offence against dilution. On the contrary, Section 29(5) of the Act states that a registered trade mark is infringed by a person who uses the registered trade mark as part of a trading name (business name/corporate name/company name) and deals in goods or services in respect of which the trade mark is registered.

Therefore a bare reading of the two provisions immediately throws up certain distinct facts, such as, while Section 29(4) of the Act concerns itself with use of a mark "...in the course of trade", Section 29(5) is limited to use as part of a corporate or trading name. Further, Section 29(4) of the Act applies where the rival parties are engaged in dissimilar goods and services, while Section 29(5) applies only where the rival parties are both dealing in the goods or services in respect of which the plaintiff's trade mark is registered.

Recently, a Reference Bench (a 3 Judge Bench) of the Bombay High Court had occasion to examine the scope and operation

of Sections 29(4) and (5) of the Trade Marks Act, 1999 ("Act") in the case of CIPLA Limited v. CIPLA Industries Private Limited and Ors 2017 (69) PTC 425 (Bom). The Reference was made by a Single Judge of the Bombay High Court in April 2016 in the case of CIPLA Limited v. CIPLA Industries Private Limited and Ors. and sought clarification on, inter alia, the following questions:

(i) Is a proprietor of a registered trade mark entitled to an injunction under Section 29(5) of the Act against a party who uses the said registered trade mark as part of their corporate or trading name, and in respect of dissimilar goods and/or services?

(ii) Whether use of a registered trade mark as a corporate or trading name is excluded from the purview of Sections 29(1), (2) and (4) of the Act?

(iii) Whether Sections 29(4) and (5) of the Act operate in separate and mutually exclusive spheres?

In the above case, CIPLA Limited instituted a suit for trade mark infringement and passing-off against Cipla Industries Private Limited and others. While CIPLA Limited was engaged solely in the pharmaceutical



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business, the Defendants were engaged in the manufacture of household articles (such as soap dishes, photo frames etc.). The Defendants were using the name and mark CIPLA only in respect of their corporate name (although they owned a trade mark registration for CIPLA PLAST in Class 21). CIPLA Limited sought to injunct the Defendants under Section 29(4) of the Act (which provides for infringement against dissimilar goods and services) against use made only as part of the Defendant's corporate name (and not in a "trade mark" sense). One of the many arguments advanced before the Single Judge was that Section 29(4) uses the term 'mark', which is defined in the Act to include a 'name' and, ergo, a trading or corporate name and that, therefore, Section 29(4) would be attracted.

While the Single Judge leaned in favour of CIPLA Limited (i.e. in favour of granting an injunction), a Division Bench of the Bombay High Court in *Raymond Limited v. Raymond Pharmaceuticals Private Limited* 2010 (44) PTC 25 (Bom) had, in 2010, held that where a defendant adopts the plaintiff's trade mark as his trading name, but is dealing in dissimilar goods, there cannot constitute any infringement. The Single Judge in *CIPLA Limited Case*, however, disagreed with the Division Bench's finding in the *Raymond* case and opined that Sections 29(4) and (5) operate in different fields and in different ways. The Single Judge further held that the Division Bench's decision did not contemplate the case of a 'well-known mark'. However, given that the decision in the *Raymond* matter was passed by a Division Bench, the Single Judge decided to refer the matter to a larger bench.

The Reference Bench, in its order passed in March 2017, sided with the Division Bench in the *Raymond* case and held that a proprietor is not entitled to an injunction under Section 29(4) against a party who uses the said registered trade mark as part of their corporate or trading name, and in respect of dissimilar goods and/or services. The Reference Bench, while following the literal meaning and language of Sections 29(4) and

(5), observed that the difference in the phraseology and language used in the two sub-sections makes it clear that Section 29(4) applies in a "trade mark versus mark" scenario; while Section 29(5) applies to a "trade mark versus trade/corporate/business name" scenario. The Reference Bench observed that Section 29(5) is a special provision which is different from the Sections 29(1), (2) and (4) and that Sections 29(4) and (5) operate in different situations. Interestingly, the Reference Court did hold that "possible inconvenience or prejudice to a class or classes of proprietors" cannot come in the way of giving plain meaning and interpretation to a provision.

The Reference Bench also distinguished a judgment passed by a Single Judge of the Delhi High Court in *Bloomberg Finance LP v. Prafull Saklecha & Ors.* 2013 (56) PTC 243 (Del), wherein the Single Judge, while disagreeing with the Division Bench's decision in the *Raymond* case, held that an owner of a registered trade mark is not precluded from resorting to Section 29(4) in a similar fact scenario.

With the greatest of respect to the Reference Bench (and indeed the Division Bench) of the Bombay High Court, the conclusions arrived at pose a threat to right holders and affords potential (and indeed existing) infringers from taking advantage of this "literal loophole". A right holder (of even a well-known mark) could find themselves helpless in alleging infringement against an entity who uses the registered trade mark of the right holder as part of its corporate name in respect of different goods or services. Can the law excuse infringement of, let's say, "Pepsi"; by permitting a party to use the trading name *Pepsi Electricals Limited* for plumbing equipment? Aside from an action for passing-off which *Pepsi* may institute, how can *Pepsi* be rendered helpless as far as a claim for infringement goes? This disputed territory is something that trade mark owners should certainly be wary about. This interpretation is also a threat to rendering the concept of "well known" marks redundant. 



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