

CHAPTER 8

“COMPARATIVE ADVERTISEMENT AND TRADEMARK INFRINGEMENT- A STUDY”

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1. **ABSTRACT: -**

“*Comparative Advertisement*” is considered as a wide term that is formed with the commercial advertising around the globe. However, this type of advertising tends to influence the behaviour of the consumer by comparing the unique feature of the product with the product of their competitors. The aim behind this scenario is to show honest comparison between the trader product and the competitor’s product. The “*law on comparative advertising*” and “*product disparagement*” in terms of trademark is entirely based on the situation of the law that has been laid down. This paper highlights the overview of the “trademark infringement” and “comparative advertisement” by showing the use of “*competitor’s trademark*” in order to understand the entire framework of it.

Keywords: Comparative Advertisement, product disparagement, trademark infringement, trader product and competitor’s product.

1. INTRODUCTION:-

1.1 Statement of the Problem

Companies utilize comparative advertising to highlight, promote and compare the product superiority in terms of their competitors. Therefore, it can be stated that there is a potential for the advertisers in drifting into product depreciate. In the US, “comparative advertisement” is being motivated as it advertise the innovation and improvement of the product that can lead to fewer prices within the marketplace hence providing benefits to their customers (LSI, 2019).

This paper will analyze the *past paradigm* and *recent judiciary system* by discussing the shifting lies among comparative advertising and trademark infringement. Furthermore, the guiding principles in terms of comparative advertisement have been laid down in the case of *Amul* where the court has announced that Amul may get exaggerated claims by illustrating the product superiority. However, the company could not advertise on air minimizing the frozen desserts even though it does not have any trademark used against its rival company such *Kwality*. Recent paradigm has shown that the court has appeared to acknowledge the flexibility that the advertiser needs to be permitted for exaggerating the product strength and gets indulge in publicity as long as the similar does not get failed or misleading. However, in an advertisement it has been shown that Amul has compared its product with the frozen desserts indicating that the products that are manufactured contain *100% of milk*. On the contrary, the frozen desserts are produced by using the *“hydrogenated vegetable oil”*ⁱ. Additionally, there was no particular reference in terms of the symbol of *“Kwality”* as it contended that advertising has an impact on frozen dessert. It is also highlighted that the products are produced by using the edible oil for both ice- cream and frozen desserts that contain 90% of milk. Therefore, it is not significant to understand whether the advertisement is depicting the trademark of their competitor in order to compare their products or not.

1.2 Research aims and objectives

The aim of the study is to compare the advertising and trademark infringement by identifying its impact on the customers.

Objectives:

- To study comparative advertising and trademark infringement.
- To determine whether there is any existence of trademark infringement by comparative advertisement.
- To understand the method of comparative advertising that impacts the consumers.
- To identify various case laws in terms of comparative advertising and trademark infringement.

1.3 Research Questions

RQ 1: How to identify the intention of the comparative advertisement?

RQ 2: How to consider the trademark infringement by comparative advertisement?

RQ 3: How comparative advertising affects the behavior of the consumer?

RQ 4: Is comparative advertising authorized under the Trademark Act, 1999?

2. Literature Review: -

2.1 Theoretical Underpinning

2.1.1 Regulatory Framework of “Comparative Advertisement”

“Comparative advertisement” indicates the competitors in order to guide the users that their product is considered as the best while comparing it with the others that are available in the market. However, in comparative advertising, it is significant to compare the new product with the existing competitor’s product, which can be done through making a comparative price list. Furthermore, it can also escort to “trademark infringement”.

In India, commercial ad is modulated by different codes and law such as the “*Constitution of India*”, “*Consumer Protection Act*”, “*Trademark Act, 1999*” and “*Advertising Standard Council of India*”. However, the “*Trademark Act, 1999*” took position after the “*The Trade and Merchandise Mark Act, 1958*” was abolishedⁱⁱ. However, India established its new “*Trademark Act, 1999*” and “*the Trademark Rules, 2002*” since “15th September, 2003” in order to make sure about the enough security to owners of the brand of both national and international in agreement with the compliance of TRIPS. According to the “section 29(5) of the act”, it provides that the act is a recorded mark that is applied in a commercial ad in terms of infringement in case there is any unfair advantage. On the contrary, “section 30(1)” states that the “comparative advertisements” that are accurate and fair does not affect any users and should not be accordingly restricted by utilizing the “authorized trademarks” in terms of the third parties. Despite of the regulations, the “*Advertising Standards Council of India (ASCI)*” highlights that the “comparative advertisement” is allowable in case of all the factors of the compared products that are substantial, factual and clearⁱⁱⁱ. However, the comparison does not negotiate the artificial advantages of the advertisement as there is no such unfair disparagement for product comparison and hence is unlikely to misguide the customers.

According to “Article 19(a)” under the “Constitution of India”, the “right to freedom” in terms of “speech and expression” is secured and number of the “advertisements” is arguing the similar matter. However, it is significant to assess the “article 19(1) (a)” under the rights in terms of “comparative advertising”^{iv}. Although, the “*freedom of speech and expression*” has various

challenges and the similar matter is being restricted. This has been done by striking a reasonable limitation by the area “under the article 19 (2)” of the “Constitution of India”. In the case of **“Tata Press vs. Mahanagar Telephone Nigm”**, the “Supreme Court” announced that the *“commercial speech cannot be denied the protection of Article 19(1) (a) of the Constitution merely because the same is issued by the businessmen”*. The Court did a detailed evaluation regarding the “Article 19(1) (a)” of the “Constitution Supreme Court” that commercial ad is considered as a “commercial speech” with two angles. Advertising proclaims the data about those products which are being advertised on a digital network^v. The public is successful in gathering the information that is available through various advertisements. Therefore, in the “democratic economy”, commercial information with free streaming is considered to be essential. However, the democratic of the economic system would be disabled without the freedom of “commercial speech”. **“Mahanagar Telephone Nigam Ltd”** does not have the capacity to come along the manner of **“Tata Press Yellow Pages”** with regards to “public interest” as no such regulation is provided in the “Article 19(2)”. Furthermore, business speech is found to be delighted as much of the protection is found in terms of the speech^{vi}. But in case of the “comparative advertising” is violating the rights and hampering the goodwill and the trade of the other person, hence the advertisement does not get any protected under the “Constitution of India”.

2.1.2 Remedies obtained against the Infringement of Advertisement

Any court that is not indifferent to the district court within the control can permit reassurance in both of the infringement cases and thus pass through the suit^{vii}. There are different types of reliefs that are granted to an entitled plaintiff:

1. The order of restraining the further use of infringement marks.
2. Account of profits or damages.
3. Order for the delivery- up in terms of infringement marks and label for destruction.

“In the case of M/s South India Beverages Pvt Ltd” vs. “General Mills Marketing Inc. and Anr”
In the current interest of sign at the “Delhi High Court” cases beyond two similar supposedly ranks such as **“HAAGEN DAZS”** and **“D’DAAZS”**. However, both the respondents and the appellants were busy with the firm of selling ice- cream and dairy products, however within variable price groups^{viii}. However, the Court helps the order up of the single judge who has

granted for the “interim injunction” against the implementation of final mark by the respondent-petitioner.

2. PERMANENT INJUNCTION

“In the case of Colgate Palmolive Company” vs. “Anchor Health and Beauty Care Pvt Ltd” The state terminated the suspect for using the “red and white color” collection and hence business it as its suspect that indulged with “proprietary rights” on the merger while using the toothpaste. As a result, the application has been allowed and the suspects are in a way of “ad interim injunction” hence restraining from utilizing the color mixture of the tooth powder with red and white contained in the container of the product^{ix}. However, granting the injunctions was considered as a usual remedy where the Indian court specifically the High Court had recently started to award both the punitive and compensatory damages for the infringement of trademark.

The awarding tendency of “punitive damages” in the domain of trademark has incorporated with *“Time Incorporated” vs. “Lokesh Srivastava”*.

3. DIFFERENT SOLUTION

The different laws and regulation under the disturbed agents that can claim for “trademark infringement” in “comparative advertisements” are listed as follows:

1. The Consumer Protection Act, 1986
2. The Prevention of Food Adulteration Act, 1954
3. The Emblems and Names Act, 1950
4. The Drugs and Magical Remedies Act, 1954
5. The Indecent representation of Women Act, 1986
6. The Drugs and Cosmetics Act, 1940
7. The Pre- Natal Diagnostic Techniques Act, 1994
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Other acts consist of *“The Young Person Act, 1956”*, *“Motor Vehicles Act, 1988”*, *“The Prize Competition Act, 1955”*, *“The Transplantation of Human Organs Act, 1944”* and so on. Under all the acts, it can also be stated that the person has the ability to declare the “infringement compensation” for their authority.

In other countries such as the UK, EU and US, remedies for trademark infringement are also provided. However, in the US, the trademark infringement is being secured under the “Lanham

Act” where the suspect should be displayed (1) having a valid rank and (2) the defendants use the similar rank to excuse dilemma in the consumers’ thought to receive the remedy for trademark infringement ^x.

In the European countries, destruction are measured by taking into consideration the amount of goods that are provided by the plaintiff, in case the suspect has not “infringed the right” of the plaintiff. The propensity of the European court is to set the symbol for the owners in the similar position as they would have the suspect that is not violated with the plaintiff’s right. However, the court also needs to take into consideration the infringement duration during identifying the damages. When the defendant is unable to show evidence regarding the actual loss, then the court has to award a lump sum amount that is based on royalties, which the defendant can earn if the plaintiff acquires authorization from the defendant^{xi}. Furthermore, reimbursement is also awarded with regards to goodwill depreciation and trademark reputation. “Penitentiary damages in the form of coercive payments”, “double royalties”, and “huge damage” for “intentional infringement” are not being granted in the EU countries beside Bulgaria.

Therefore, the overall review of literature provides a clear justification that **“Trademark Act, 1999”** does not only give for “remedy in case of the infringement of trademark” but other countries and other laws too provides the amenities for the protection of the landlords in terms of the trademark infringement.

2.2 Literature Gap

The gap involved in the literature is about the appropriate information of the overall subject matter. However, the review of literature is based on the past studies that are studied by different researchers or scholars but this does not mean that the researcher covers all the important aspects

that will fill the gap within the literature. Moreover, this study covers a limited area of research rather than covering the entire population of the world that creates a qualitative research method rather than conducting a quantitative research method. Although it was important to address all the important research questions within the literature, the study does not provide detailed solutions of the research question that occurs due to lack of studies. It can be said that the goal of the research was to find out the appropriate gap involved within the study however, contributing to a new research method.

3. RESEARCH METHOD: -

The research method provides the overall techniques and procedures that are required to select, analyse, process and identify the information related to the subject matter. In this paper, the methodology section provides detailed information by allowing the reader to evaluate a critical study with an entire reliability and validity. Although, this research paper is considered as the analytical research that provides critical thinking and evaluates the facts and information^{xii}. Furthermore, the study provides detailed concepts regarding the “comparative advertisement” in terms of trademark infringement. Additionally, it is a “comparative analysis” regarding the notion of “comparative advertising and trademark infringement”. The research design that has been followed through the causal research type covers the sample design of the selected area of research. However, the data collection has been done through observation and based on secondary qualitative data analysis. The data collection is done through various articles, journals, books, magazines and websites that are related to law and IPR (intellectual property rights)^{xiii}. Moreover, the data has been collected by discussing the various case laws that are based on the jurisdiction of India.

The research project that has been adopted in this study is indicated to be causal research that illustrates the test based on effect and causes of the relationship, hence considering in terms of the reference to the effect of “comparative advertising” and its causes on the “infringement trademark”.

4. DATA ANALYSIS: -

4.1. Secondary Thematic Analysis

According to the “*Monopolies and Restrictive Trade Practices (MRTP) Act, 1984*” a new segment on the “*unfair practices of trade*” was being modified under the “section 36A” that shows any unfair and damage practice or method that displays a faulty or misguide information about another product resulting in product disparagement in terms of the rivals. Therefore, this in turn will impact the business of other people directly^{xiv}. The “Delhi High Court” defines the disparagement

aspect by indicating that the producer can generate any statement to identify that the products are with the best quality as compared to the products of their competitors. In particular cases, the owners can also drag their own products that will not give any “cause of action” to the manufacturer in terms of other products as there is no defamation or disparagement of the products. However, the producers do not mention that the products of the competitors are poor so as to expand and advertise their own goods. *“Reckitt & Colman of India Ltd.” vs. “Kiwi T.T.K. Ltd. (India) 1996”*

The defendant *“Reckitt & Colman producers”* and market producing “liquid shoe polish” named as the brand as **“Cherry Blossom Premium Liquid Wax Polish”**. However, the plaintiff KIWI has also been occupied with the marketing and manufacturing that claims with the advertisement as superior as the defendant as presumed that **“Cherry Blossom”** consist with less wax and contains more acrylic which in due time causes and crack damages for the footwear ^{xv}.

Furthermore, this information has been posted on the defendant’s website displaying the bottle of “KIWI” that does not drop and on the other side placing a bottle of wax polish that is marked as a brand X that continuously drops. The brand X has been displayed with a red droplet on the surface that represents the cherry looking same as the cherry displaying on the bottle of plaintiff. The defendant also spread the posters with the bottle indicating the brand X consisting of faulty adhesive that is similar to the suspect’s adhesive. The court held that the suspect was minimizing the products of the suspect and was asked to restrict from the advertisement against the rival products in a minimizing manner ^{xvi} . Furthermore, the “Delhi High Court” stated that the proclaimed can blast the products or create statements that the products of the defendant consist of higher quality but however, this should not be defamed or disparaged the reputation of the rival company.

3.1. 4.2 Systematic Analysis

| Author | Findings | Justification |
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| <ul style="list-style-type: none"> ● Aksoy (2019) | <ul style="list-style-type: none"> ● Advertisement Comparative ● Advertising Trademark infringement | <p>Comparative advertising is considered as the comparison of the products and services with its rival^{xvii}. However, it is against the law to express the competing and advertising of the sign and trademark. This study provides the “Right of infringement trademark” by comparative advertising.</p> |
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| <p>Duru (2018)</p> | <ul style="list-style-type: none"> ● Internet Trademark Intellectual ● Scholarship Unfair Competition | <p>The intellectual property and legal scholarship has been challenged with the normative question^{xviii}. While considering the internet, the potential impact on the economy of the country raises the question of utilizing the trademark as internet advertising keywords. However, it has become the most major issue in both the US and Europe. Moreover, the growth of the internet has accompanied new and uncontrolled territory shifting from the “well- known” structure of the market.</p> |
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5. CONCLUSION AND RECOMMENDATION: -

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| <p>Attanasi (2019)</p> | <ul style="list-style-type: none"> ● Functions of trademark Comparative ● advertising Unfair advantage | <p>The study deals with the trademark evolution at initial stage considered as the most important innovative ideas that have been introduced after the amendment^{xix}. The paper has focused on the reputation of a trademark by examining the long path where the trademark has followed the explicit recognition in terms of the legal category.</p> |
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It can be concluded from the above research that there is no existence of any doubt regarding the comparative advertising as it is advantageous while it increases the rivalry among the traders, maintains consumer awareness and hence brings the product identification within the market. However, at the same time, there must be an investigation where it has to look into those matters where the traders in the comparative advertising process have not been misguiding or playing any unfair trade practices or product disparagement of the competitor’s product. In this paper, the researcher has discovered that India introduced its new **“Trademark Act, 1999”** and **“Trademark Rule, 2002”** in order to ensure enough protection against the national or international owners of the brand. Moreover, it is found that from the intellectual right property point of view, an individual requires protection against their trademark where the third person is not allowed to take the owner of the trademark for the ride at reputational cost. Therefore, it can be further concluded that the “comparative advertisement” is frequent in the US and UK and is widespread within India. However, due to the increase in the “trademark infringement” within the “comparative advertising” by using the misguiding or “unfair trade practices” has become moderately similar. Thus, the court and their legislation play a significant role to stop the disparagement by “using unfair practices” and serve appropriate remedy to this.

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