

# IP Hotline

January 02, 2012

## NO INFRINGEMENT OF RADICO'S "8 PM" MARK IF CARLSBERG SELLS ITS BEER UNDER VISUALLY SIMILAR ("PALONE 8") MARK: DELHI HIGH COURT

### INTRODUCTION

The Delhi High Court ("**Delhi HC**") in the case of *Carlsberg India Private Limited* ("**Carlsberg**") vs. *Radico Khaitan Limited* ("**Radico**") allowed the appeal of Carlsberg and vacated the partial injunction granted by the Single Judge against Carlsberg. The Single Judge had rejected Radico's claim for exclusivity over the numeral "8", but had granted injunction against Carlsberg restraining them from using the numeral "8" in a writing style and coloring which was alleged to be similar to the manner in which Radico used the same numeral. The Division Bench went a step further and refused exclusivity over the style and colouring as well.

### Facts of the Case/ Background

Radico is the registered proprietor of mark "8 PM" under Class 32 of the Trademarks Act, 1999 ("**TM Act**") in relation to mineral water and under Class 33 in relation to whisky. Carlsberg launched its new beer in February 2011 under the trademark "PALONE 8". Carlsberg has also filed an application for trademark registration of "Palone 8" which is pending.

Carlsberg used a slogan "8 KA DUM" which is alleged to be on the same lines as Radico's slogan "AATH KA THAATH".

### Order of the Single Judge Bench

Radico had filed a suit for permanent injunction for infringement of registered trademark, restraining Carlsberg from using the numeral "8" as part of its trademark along with claiming damages.

The Single Judge Bench of the Delhi HC had granted partial interim injunction against Carlsberg and directed them to use the mark "PALONE" and numeral "8" together in the same line with a different writing style and colour to avoid any "*bleak chances of misrepresentation*". Further, time was granted to Carlsberg to make amendments in the packaging and advertisement materials as well as in its slogans. Here, it is pertinent to note that the Single Judge Bench held that the numeral 8 had nexus with the alcohol industry and Radico could not claim exclusive use of the same.

Being aggrieved of the injunction granted by the Single Judge Bench, Carlsberg filed the instant appeal.

### RADICO'S SUBMISSIONS

It was Radico's submission that having registered their mark (i.e. "8 PM"), they had proprietary interest in the said numeral "8" as it constitutes a distinguishing and identifying feature of its entire mark in relation to the font size and colour. Further, Radico states that Carlsberg's actions in indulging in using a similar slogan "8 KA DUM" on the same lines as their slogan "AATH KA THAATH" was with the intention of creating a deception in the minds of the buyer that the Carlsberg beer was a product of Radico. It is to be noted here that between the years 2006 – 2011, Radico had generated sales of approximately INR 2565.9 million from the sale of its products using its trademarks.

### Carlsberg's Submissions

Carlsberg firstly contended that they had applied for trademark registration of their trademark "PALONE 8" and were using it for a totally different product. Additionally, there was a huge price difference between the prices of beer and whisky products and that alcohol being consumed by totally informed consumers their use of the mark would not cause any kind of deception in their minds or mislead them in any manner.

Carlsberg also contended the numeral "8" is *publici juris* and common to the trade and used for the purposes of denoting quality and character of an alcoholic drink and being a cardinal number, lacks distinctiveness in character. Consequently, Radico cannot be allowed to claim exclusivity over the numeral.

Further, Radico did not have any separate registration for the numeral "8". Carlsberg submitted that in keeping with industry trends, Carlsberg used the numeral "8" to describe its product and the slogan to show the strength of the product. Further the slogan "8 KA DUM" was justified by pleading that it was meant to convey the potency of the product.

### Issues

The questions that arose for consideration before the Division Bench of the Delhi HC were:

1. Whether a single numeral use in the instant case was descriptive in nature and if not whether capable of being

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- used as a trademark?
- Whether Radico had any protectable interests in the style and colour with/in which it depicted its trademark “8PM”?
  - Whether Carlsberg has copied the trade dress or ‘look and feel’ of the Radico label?

### Decision and Rationale

The Division Bench of the Delhi HC set aside the injunction granted by the Single Judge Bench and upheld the current appeal filed by Carlsberg holding *inter alia that*

- The reason on which the Single Judge Bench granted the injunction (i.e. to avoid any bleak chance of misrepresentation) is not a valid ground for grant of injunction;
- Prima facie there exists no actionable similarity between the two marks and mere similarity in the manner of writing the numeral “8” or use of colours cannot be sufficient to prove infringement.
- There do not appear to be any actionable similarity between the Radico trade dress and the Carlsberg trade dress.

We discuss below some of the provision of law relied on by the Delhi HC and some of the observations made by the Delhi HC in coming to this conclusion:

- While Radico’s unique trade dress is definitely capable of protection under Section 2 (zb) of the TM Act (which *inter alia* accords protection to ‘packaging’ and ‘colour combination’), on a simple comparison of the two products leads to a conclusion that there is no actionable similarity. The mere manner of writing the numeral “8” or the size of it cannot be sufficient ground for Radico to obtain an injunction.
- Usage of a black and gold colour combination is a common practice in a lot of alcoholic products and no uniqueness can be attributed thereof, entitling Radico to an injunction. Here it is pertinent to note a judgment relied on by the Delhi HC. In the case of *Colgate Palmolive vs Patel* (2005 (31) PTC 583 (Del)), the Delhi High Court held that the generic colour scheme of red and white used by Colgate on its own without the addition of the mark ‘COLGATE’ cannot be said to constitute a feature which is so essential so as to entitle Colgate to urge infringement by the mere adoption of such a colour scheme by someone else.
- Radico had registration to a composite mark and not an individual numeral. The Courts and Trademark Registry in India generally do not accord protection for single digits, single colours and single letters. The Delhi HC held that Radico had registration for a composite mark “8 PM” and under Section 17 of the TM Act a registered proprietor of a composite mark cannot seek exclusivity with respect to individual components of trademark. Since no exclusivity can be claimed in the given situation, the question of infringement does not arise as the only commonality is with respect to the numeral “8”.
- It is also to be noted that Radico had registered for a word mark and hence for the purpose of infringement claim could not claim protection regard to size and manner of representation which could have been available to a label mark.
- On the possibility of passing off, the Delhi HC has held that prima facie there does not seem to be any likelihood of consumer confusion and any resultant damage caused to Radico by the use of the numeral “8” by Carlsberg.

### Conclusion

A trademark serves as an advertising tool facilitating repeat sales and successful marketing and providing a connection to the source of a product or service. However it is a settled law that the proprietor of a protectable descriptive mark cannot lay exclusive claims in the primary or descriptive meaning of the term; such term is free to be used by anyone in its primary or descriptive context so long as no confusion is created in the minds of the consumers. Though in the present case, the numeral “8” has not been used in the descriptive nature and rather as a prominent mark to sell products, however no action can lie against third parties as individual components of a composite mark cannot be accorded protection when there exists no distinctiveness in its usage. In this context it is interesting to note that the erstwhile Section 17 of the Trade & Merchandise Marks Act, 1958 contained provisions whereby the proprietor of a composite mark which contains any part that is not registered separately or which is common to the trade or is otherwise of a non-distinctive character was required to specifically disclaim any right to the exclusive use of such part. Such provisions do not exist in the current TM Act; however the principles are still followed while reviewing the claims for infringement or passing off.

- Payel Chatterjee, Rakhi Jindal, Vivek Kathpalia & Gowree Gokhale

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