1-1-1997

Did Whirlpool Make Its Mark in India--N.R. Dongre v. Whirlpool Corp.

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Casenote

Did Whirlpool Make Its Mark In India?: N.R. Dongre v. Whirlpool Corp.

Nicky Jatana*

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I. INTRODUCTION

With a population approaching one billion, India is the largest democracy in the world and is projected to be one of the world’s largest markets\(^1\) by the year 2000.\(^2\) That projection comes six years after India opened its doors to foreign businesses and products in 1991.\(^3\) Since then, foreign businesses and products have flooded the Indian market.\(^4\) With this influx, businesses demanded trademark\(^5\) protection for their

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1. Mark J. Reidy, *Legal Practical Considerations in Structuring Business Transactions in India for the Conference Entitled: India Power*, 3 CARDozo J. INT’L & COMP. L. 313, 314 (1995) [hereinafter Reidy, *India Power*]. See id. (quoting General Electric’s CEO referring to India as a potential ‘mega market’); see also K.S. Nayar, *India’s Potential Economic Growth*, INDIA ABROAD, Jan. 24, 1997, at 30 (presenting an interview with Adit Jain, Managing Director of the Economist Intelligence Unit in London, projecting Asia’s great market potential). Although other Asian countries such as China, Indonesia and Malaysia are ahead of India, India has great potential due to its market size. *Id.*


3. *See infra* notes 39-41 and accompanying text (discussing India’s most recent economic policy, the New Industrial Policy 1991 (hereinafter “NIP”)).


5. A trademark is a distinctive sign or combination of signs. JOSEPH H. DENNIN, LAW & PRACTICE OF THE WORLD TRADE ORGANIZATION 86 (1995) (setting forth § 2, article 15 of the agreement on Trade-Related Aspects of Intellectual Property Rights). *See 15 U.S.C.A. § 1127* (West 1982 & Supp. 1996) (defining trademark as “any word, name, symbol, or device, or any combination thereof—(1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown”). The United States defines the term ‘person,’ “to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this chapter includes a juristic person as well as a natural person.” *Id. See id.* (defining juristic person as “a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law); see also Trade and Merchandise Marks Act 1958 [hereinafter TMA] § 2(v)(ii), as reprinted in SALIL K. ROY CHOWDHURY & H.K. SAHARAY, LAW OF TRADE MARKS, COPYRIGHT, PATENT AND DESIGNS 336 (Kamal Law House 1st ed. 1996) [hereinafter CHOWDHURY, LAW OF TRADE MARKS] (defining trademark as “a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with or without any indication of the identity of that person”).
goods and services. In response, India participated in international negotiations resulting in the Trade-Related Aspects of Intellectual Property ("TRIPs") agreement which seeks to unify and establish minimum international standards for trademark protection. Prior to becoming a signatory to TRIPs, India began working on enabling legislation, the Trade Mark Bill 1993 ("Trade Mark Bill"), to effectuate its obligations under that agreement. Because this legislation is still pending, new statutory law providing increased trademark protection does not exist. Despite the legislature's inability to enact the

6. See Leon Hadar, Too Easy on Piracy, BUSINESS TIMES, May 31, 1995 at 16 [hereinafter Hadar, Too Easy on Piracy] (mentioning the lack of intellectual property protection in some Asian countries forced many U.S. companies to leave these markets). While Japan, China and Indonesia are of main concern, India's application process for intellectual property rights was compared to a mine field. Id.; see also Judith H. Bello and Alan F. Holmer, "Special 301": Its Requirements, Implementation, and Significance, 13 FORDHAM INT'L L.J. 259 (1989-1990) [hereinafter Bello, "Special 301"] (noting the U.S. International Trade Commission estimate of sales losses incurred by U.S. intellectual property owners was between US$43 and US$61 billion due to piracy in 1986). See generally STEPHEN LADAS, PATENTS, TRADEMARKS, AND RELATED RIGHTS: NATIONAL AND INTERNATIONAL PROTECTION § 578, at 1011 (relating the interest of a trader to be protected in the goodwill created by a trademark's use to the interest of the public not to be deceived or confused).

7. The General Agreement on Tariffs and Trade (GATT) was the principle multilateral agreement governing international trade for almost 50 years. Narendra Aggarwal, Major Successes—and Some Unfinished Business, THE STRAITS TIMES (Singapore), Nov. 9, 1996, at 59. In 1986, global trade negotiations began to address the need for updating GATT. Id. The Uruguay Round of Multilateral Negotiations was the eighth and final round of negotiations which resulted in the creation of the World Trade Organization and the TRIPs agreement. Id. See A.V. Desai, India in the Uruguay Round, 23 J. WORLD TRADE 33 (1989) (describing India's participation in the Uruguay Round as a "pirate" designed to throw off negotiations).

8. Marrakesh Agreement Establishing the World Trade Organization, Annex 1C; Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994 [hereinafter TRIPs], reprinted in THE RESULTS OF THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS: THE LEGAL TEXTS 6-19, 365-403 GATT Secretariat ed., 1994. TRIPs also covers other intellectual property including patents and copyrights. The five main purposes of TRIPs are as follows: (1) to establish international minimum standards for intellectual property rights, including trademarks; (2) to establish a common definition of "trademark"; (3) to provide the holder of a trademark the exclusive right to prevent others from using such trademark; (4) to provide all member nations with national treatment; and (5) to impose a duty on all member nations to provide detailed enforcement procedures. Paul J. Heald, Impact of the TRIPs Agreement on Specific Disciplines: Trademarks and Geographical Indications of Origin: Article: Trademarks and Geographical Indications: Exploring the Contours of the TRIPs Agreement, 29 VAND. J. TRANSNAT'L L. 635 (1996); J.H. Reichman, Universal Minimum Standards of Intellectual Property Protection under the TRIPs component of the WTO Agreement, 29 INT'L LAW. 345 (1995) [hereinafter Reichman, Minimum Standards under TRIPs]. TRIPs defines a trademark as "any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings." TRIPs art. 15(1). See Henry Heines and Bruce W. Schwab, The Difference That a Day Makes . . . A New Era For Intellectual Property Protection Under GATT and TRIPs, THE RECORDER, June 7, 1995, at 6 (noting that the definition of a trademark under TRIPs is broad and is one of the key changes made by TRIPs).

9. MANAGING INTELLECTUAL PROPERTY (May 1996).

10. Id. See Ricardo Almeida, India's Reforms Will Go On, THE STRAITS TIMES (Singapore), Apr. 5, 1997 (discussing the status of the Trade Mark Bill 1993 and its conformity to the TRIPs requirements); see also Mustafa Safiyuddin, Trade Marks Take Centre Stage in India, MANAGING INTELLECTUAL PROP., Apr. 1995, at 29-34 [hereinafter Safiyuddin, Centre Stage] (detailing provisions of the Trade Mark Bill 1993).
proposed legislation, the Indian judiciary has stepped in and provided increased protection which appears to reflect the protection sought by TRIPs.\footnote{11}

The most significant case that demonstrates the judiciary’s role in providing law to protect foreign trademarks is the \textit{N.R. Dongre v. Whirlpool Corporation} (\textit{Whirlpool}) decision. This landmark case has confirmed two principles.\footnote{12} First, it provides a non-registered prior user of a trademark the ability to obtain an injunction against a competing business that is the registered proprietor\footnote{13} of the same or similar trademark in India.\footnote{14} Second, it provides a non-registered prior user the ability to maintain an action for passing-off\footnote{15} against a registered proprietor.\footnote{16}

This Casenote examines the \textit{Whirlpool} decision and predicts its potential impact on trademark protection in India. Before detailing the facts and analyzing the law of the case, this note provides India's economic background and its relations with the U.S. with respect to its trademark protection.\footnote{17} Part II summarizes India’s economy and illustrates why foreign businesses have entered the Indian market and demanded heightened trademark protection.\footnote{18} Part III discusses India’s relations with the United States and its response to U.S. criticism of Indian trademark protection.\footnote{19} Part IV details the facts of the case and analyzes the law of the \textit{Whirlpool} decision through the opinions by India's last two courts of appeal.\footnote{20} Additionally, Part IV includes a discussion of the TRIPs provisions which appear to be reflected in those opinions.\footnote{21} Part V explores the potential impact the decision will have on India’s trademark protection and on businesses seeking to protect their trademarks in a global economy.\footnote{22} Finally, Part VI concludes by noting that the United States is the largest foreign investor in India;\footnote{23} that the United States has repeatedly criticized India for its inadequate trademark protection;\footnote{24} and that the decision involved a U.S. corporation

\footnote{11. \textit{See infra} notes 57-61 and accompanying text (discussing the \textit{N.R. Dongre v. Whirlpool Corporation} decision).
\footnote{12. \textit{See infra} notes 150-61 and accompanying text (relating the Supreme Court opinion).
\footnote{13. A registered proprietor is “the person for the time being entered in the register as proprietor of the trade mark.” CHOWDHURY, LAW OF TRADE MARKS, \textit{supra} note 5, TMA § 2(q) at 335.
\footnote{14. \textit{See infra} notes 90-121 and accompanying text (detailing the Division Bench of the High Court of New Delhi’s discussion of the ability of a non-registered prior user to obtain an injunction).
\footnote{15. Passing-off occurs when a trader conducts business which leads a consumer to believe that his or her goods or business are the goods or business of another. CHOWDHURY, LAW OF TRADE MARKS, \textit{supra} note 5, at 415.
\footnote{16. \textit{See infra} notes 122-61 and accompanying text (explaining the Division Bench of the High Court of New Delhi’s and the Supreme Court’s opinion regarding the ability of a non-registered prior user to maintain an action for passing-off).
\footnote{17. \textit{See infra} notes 26-56 and accompanying text.
\footnote{18. \textit{See infra} notes 26-44 and accompanying text.
\footnote{19. \textit{See infra} notes 45-56 and accompanying text.
\footnote{20. This Casenote analyzes the decisions of the Division Bench of the High Court of New Delhi and the Supreme Court.
\footnote{21. \textit{See infra} notes 119-21, 146-47 and accompanying text.
\footnote{22. \textit{See infra} notes 162-76 and accompanying text.
\footnote{23. \textit{See infra} notes 41, 179-80 and accompanying text.
\footnote{24. \textit{See infra} notes 45-56, 179-80 and accompanying text.}
for whom a favorable decision was rendered. Perhaps the Court was not trying to promote India’s larger economic interest but was attempting to pacify the United States as its largest investor. Regardless of the Court’s motivation, the decision still offers precedential value to any business interested in defending its trademark in India.

II. THE INDIAN ECONOMY

In order to appreciate India’s treatment of trademark protection, it is important to understand India’s economy. India’s economic growth explains why foreign businesses have entered the Indian market and demanded heightened trademark protection. This section summarizes the economic development in India over the last fifty years.

Since gaining political independence from Great Britain in 1947, India sought to secure economic independence as well. Although India was no longer ruled by Great Britain, the development of foreign investment relations with India was repressed to maintain the Indian market for the benefit of British manufacturers well into the late nineteenth century. When India’s leaders sought to improve the economy, they embraced a philosophy of economic autonomy rather than open foreign trade. This approach led to strict controls on imports and exports. By the late 1970s, India’s economic growth did not meet the expectation of economic autonomy set forth by the Indian government. As a result, India became isolated from the global market.

In the 1980s, the economy improved, growing at an annual rate of five and one half percent. The growth was attributed to increased investments which were

25. See infra notes 58-59, 179-80 and accompanying text.
27. Id. at 297.
28. Id.; see id. at 321 (implying the reason for self-sufficiency originated from the belief that international trade was biased against developing countries). India’s first prime minister, Jawarhal Nehru, introduced the first of India’s five year economic plans. Id. at 298. The first of six economic policies, The Policy Resolution 1948, identified the need for foreign investment and demanded careful government regulation to protect India’s national interest in becoming economically autonomous. Bershok, Releasing the Tiger?, supra note 2, at 54. See generally id. (discussing India’s economic plans).
29. A COUNTRY STUDY, supra note 26, at 297.
30. Id. at 298-99; India: Opportunities and Obstacles in Southern Asia, INSTRUMENT BUS. OUTLOOK, July 15, 1995. See A COUNTRY STUDY, supra note 26, at 299 (mentioning inefficiency of Indian industries, wars with China and Pakistan, an influx of refugees, droughts, currency devaluation and problems with importation of oil as some of the contributing factors of India’s slow economic growth).
31. Bershok, Releasing the Tiger?, supra note 2, at 55. See id. (stating India’s neighbors, Indonesia and Singapore, surged ahead in the global market receiving six times the amount of U.S. investment).
32. A COUNTRY STUDY, supra note 26, at 298-99. But see id. (relating that in the late 1970’s the economy’s growth was measured at 3.3%).

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primarily financed by Indian citizens. Since such funds were limited, by the mid-1980s India turned to foreign aid to stimulate growth in the economy. Consequently, India faced a severe deficit. To add to India's economic woes, the central government fell, creating political turbulence in 1990. The combination of the severe deficit and the government's instability damaged the international community's confidence in India's economic viability. In order to acquire additional foreign funds, India was forced to open its doors to foreign investors and increase economic liberalization in the 1990s.

To achieve economic liberalization, India introduced the New Industrial Policy ("NIP") in 1991. Through the NIP, India sought to encourage foreign investment by relaxing its regulations on foreign investments. Since the implementation of the NIP, the United States has become India's largest foreign investor. As U.S. products and other multinational businesses enter India, there is an increased demand by

33. Id. at 299.
34. Id.; see id. at 318-321 (discussing the development of the Aid-to-India Consortium by the World Bank). The Consortium consisted of the World Bank Group, Austria, Belgium, Great Britain, Canada, Denmark, West Germany, France, Italy, Japan, the Netherlands, Norway, Sweden and the United States. Id. at 319. Additionally, the former Soviet Union, not a member of the Consortium, provided 16% of all aid compared to 60% provided by the Consortium. Id. at 319-20.
35. Id. at 299.
36. Id. at 302 (including employment conflicts and religious strife as additional problems facing India).
37. Id.
38. Id. See Steve Jordan, India Has Potential Nelson Weighs Trade Mission in November to Asian Nations, OMAHA WORLD HERALD, May 16, 1995 at 13 (discussing the sweeping economic changes allowing more private enterprise which resulted from India's severe financial crisis).
40. U.S. DEPARTMENT OF COMMERCE COUNTRY COMMERCIAL GUIDE, INDIA 53 (1996). See Bershok, Releasing the Tiger?, supra note 2, at 53 (stating that an additional purpose of NIP was to free businesses from India's infamous red tape and restrictive regulations); see also Government Lifts Ban on Use of Foreign Brand Names, Trademarks, INT'L TRADE REP., Aug. 5, 1992 at 1351 (reporting India's allowance of the use of foreign brand names after a ban which required foreign companies to give new names to their products being sold in India). The implementation of the ban on the use of foreign brand names served to protect domestic products from being outsold by multinational companies. Id.; L Gopalakrishnan, More Deregulation Eases Foreign Investment, INDIA ABROAD, Jan. 10, 1997, at 24 (noting the Indian Cabinet's approval of an additional 16 industries to the list of those which receive automatic approval to invest in India). The Industry Secretary, N. Mohanty, stated that the idea behind automatic approval was to send a clear signal to foreign investors that relaxed regulations would govern foreign investment in the listed areas. Id. Cf. Murali Ranganathan, Bureaucratic Interference Continues to Pervade Business, NEWS INDIA, Dec. 1, 1995, at PG (stating India's exhaustive import licensing for consumer goods has been liberalized but many products continue to be effectively banned); A COUNTRY STUDY, supra note 26, at 302 (recognizing despite liberalization of government regulations for foreign investors, India continues to be one of the world's most constricted major economies).
businesses to ensure protection of their trademarks which carry goodwill and a reputation for quality.

III. RELATIONS WITH THE UNITED STATES

As foreign investment increased due to liberalization, India was criticized for poor protection of foreign intellectual property rights. This section discusses the United States’ criticism of Indian trademark protection and India’s response to that criticism.

A. U.S. Criticism

There are two notable instances of criticism by the United States. In 1988, the U.S. legislature enacted the OmniBus Trade and Competitiveness Act of 1988 (U.S. Trade Act). The U.S. Trade Act includes provisions that provide for U.S. trade sanctions which serve to coerce trading partners to reform insufficient intellectual property protection. Under the U.S. Trade Act, the United States cited India as a

42. See Hadar, Too Easy on Piracy, supra note 6 (mentioning the lack of intellectual property protection in some Asian countries forced many U.S. companies to leave those markets). While Japan, China and Indonesia are of main concern, India’s application process for intellectual property rights was compared to a mine field. Id.; see also Bello, “Special 301,” supra note 6, at 260 (noting the U.S. International Trade Commission’s estimate of sales losses incurred by U.S. intellectual property owners was between US$43 and US$61 billion due to piracy in 1986). Sudeep Chakravarti, 1997: Perils & Promises 1996: Fall of the Mighty, INDIA TODAY, Jan. 15, 1997, at 59 (noting that after five years of liberalization, factors such as election uncertainty, post-election bad news, a string of corporate corruption charges, rising inflation, an uncertain budget and a shaky government, the market in India has become gloomy). See id. at 61 (reporting multinational companies such as Busch & Lomb, Ray-Ban, Sony, Samsung, Akai, Reebok and Mercedes are facing problems in the Indian market which was once considered the most "explosively sexy" market in the world); Reichman, Minimum Standards under TRIPs, supra note 8, at 361-62, 361 n.118 (stating that India was one developing country notably criticized for its lax enforcement of intellectual property rights).

43. Goodwill is the favorable consideration shown by consumers to goods or services known to originate from a particular source. BLACK’S LAW DICTIONARY 1493 (6th ed. 1990).

44. See Safiyuddin, Centre Stage, supra note 10 (mentioning that the traditional role of a trademark was to indicate the origin and source of the good and was expanded to include an assurance of quality).

45. See supra note 42 and accompanying text; see also infra notes 47-54 and accompanying text.

46. Criticism by the United States is discussed in this casenote since the United States is India’s largest investor and because the Whirlpool decision involves a U.S. corporation.

47. 19 U.S.C. § 2242 (West Supp. 1997). President Reagan signed the 1988 Trade Act on August 23, 1988. Bello, “Special 301,” supra note 6, at 259. 1988 The Trade Act includes provisions whose purpose was to facilitate the Uruguay Round multilateral trade negotiations, which resulted in the TRIPs agreement. Id. The Special 301 provisions promote sufficient protection of international intellectual property rights. Id. at n.2.

48. See id. at 260.

priority foreign country"\textsuperscript{49} from 1991 through 1993 due to losses incurred by U.S. trademark holders.\textsuperscript{50} The U.S. citation was the first instance of U.S. criticism.

The second instance of criticism occurred in May 1996, two years after India became a signatory to TRIPs.\textsuperscript{51} The United States filed a complaint with the World Trade Organization,\textsuperscript{52} which had been established as an enforcing international body for TRIPs violations.\textsuperscript{53} The complaint cited India's failure to fulfill its obligations under TRIPs by effectuating enabling legislation, involving among others, trademark legislation.\textsuperscript{54}

B. India's Response to U.S. Criticism

India responded to the first instance of U.S. criticism by becoming a signatory to the TRIPs agreement on April 14, 1994 and by proposing legislation, the Trade Mark Bill 1993.\textsuperscript{55} By reflecting provisions of TRIPs in the \textit{Whirlpool} decision, it appears that the Indian judiciary has reacted to the second instance of U.S. criticism which was the complaint filed before the WTO for India's failure to implement new trademark legislation. Though TRIPs is not explicitly addressed in the \textit{Whirlpool} decision, its provisions appear to be reflected in the opinion.\textsuperscript{56}

IV. N.R. DONGRE V. WHIRLPOOL CORP.

This decision involves an action brought by Whirlpool Corporation, a U.S. company, against an Indian company that attempted to pass off its goods as those of Whirlpool Corporation. The following discussion and analysis of the \textit{Whirlpool}\textsuperscript{49} See id. at 261 (1989-90) (defining "priority foreign country" as a country whose acts, practices, or policies are the most onerous or egregious, and have the greatest adverse impact on the United States; and that are not entering into good faith negotiations or making significant progress in bilateral or multilateral negotiations to provide adequate and effective protection of intellectual property rights).


54. \textit{USTR IPR Reports Slams 33 Trading Partners, MARKETLETTER}, May 13, 1996. The citation also included failure to enact new patent and copyright legislation. \textit{Id}.


56. \textit{See infra} notes 119-21, 146-47 and accompanying text.
decision focuses on both the Indian Division Bench of the High Court and the Indian Supreme Court opinions. 57

A. The Facts

The Whirlpool Corporation (Whirlpool Corp.), a U.S. entity, and TVS Whirlpool Ltd., 58 an Indian corporation, brought suit against the defendants, trustees of Chinar Trust, trustees of Mansovar Trust and Usha International Ltd., an Indian corporation. 59 Whirlpool Corp. filed suit on August 4, 1994 for passing-off, 60 permanent injunction and damages. 61

Whirlpool Corp. claimed it had been in the business of manufacturing, distributing, selling and servicing washing machines under the trademark ‘WHIRLPOOL’ since 1937. 62 At that time, Whirlpool Corp. had over 2000 trademark registrations in more than sixty-five jurisdictions around the world. 63 In February 1956, Whirlpool Corp. registered its trademark, ‘WHIRLPOOL’, in India for dryers, washers and dishwashers and maintained its registration through 1977. 64 In 1977, Whirlpool Corp. failed to renew its registration and the registration lapsed. 65 Despite the lapse of its registration, Whirlpool Corp. continued to use its trademark in India through sales of washing machines to the U.S. Embassy and U.S. AID

57. The Division Bench and the Supreme Court are the last two courts of appeal in the Indian judicial system. JOSEPH MINATTUR, THE INDIAN LEGAL SYSTEM: JUDICIAL SYSTEM AND LEGAL REMEDIES, 133-147 (1978). Similar to the United States, the Indian Supreme Court is at the apex of the judicial system. Id. at 134. Unlike the United States which has a state court system and a federal court system, India has a single system of courts. Id. at 133. Below the Indian Supreme Court are eighteen High Courts. A COUNTRY STUDY, supra note 26, at 452. The High Courts are courts of original jurisdiction and appellate jurisdiction. Id. Appellate jurisdiction for a High Court is limited to its respective state or territory. Id. Below the High Courts are the lower courts for each district in a state and are supervised by the High Court of their state or territory. Id. Unlike the United States, Indian judges are politically appointed at all levels. Id. at 449-53. See id. at 454 (relating that as of 1990 the Supreme Court had 150,000 cases pending and the High Courts had approximately two million cases pending).

58. In 1987, as a result of the recent liberal economic policy, Whirlpool Corp. established a joint venture thus creating TVS Whirlpool Ltd. [hereinafter “TVS”]. N. R. Dongre v. Whirlpool Corp., A.LR. 1995 300, 302 (Delhi) [hereinafter Division Bench decision]. Whirlpool Corp. is the majority shareholder of TVS and gave TVS a license to use the trademark and trade name ‘WHIRLPOOL.’ N.R. Dongre v. Whirlpool Corp., 1996 J.T.S.C. 555, 558 (1996) [hereinafter Supreme Court decision].

59. Supreme Court decision, supra note 58, at 558.

60. See supra note 15 and accompanying text (defining “passing-off”). An action for passing-off is grounded on the principle that one should not sell his goods under the guise of being another’s goods. Supreme Court decision, supra note 58, at 563. A trader needs protection of his trademark so that his hard-earned name and reputation cannot be taken advantage of by another trader simply by copying the trademark and being the first to register. Id. Additionally, allowing the use of such trademark would likely deceive consumers. Id.

61. Division Bench decision, supra note 58, at 302.

62. Supreme Court decision, supra note 58, at 558.

63. Division Bench decision, supra note 58, at 302; Supreme Court decision, supra note 58, at 558.

64. Division Bench decision, supra note 58, at 302. See id. (mentioning registration for additional Whirlpool Corp. products including air conditioners, vacuums, dehumidifiers and freezers).

65. Id.; see id. (suggesting that Whirlpool Corp.‘s registration lapsed due to poor communication with its counsel).
offices in New Delhi. Additionally, Whirlpool Corp. used its trademark through advertisements in many publications which circulated through India and through secondhand use of its products by Indian consumers. Also, TVS Whirlpool Ltd., Whirlpool Corp.'s licensee, markets its brand in India using the phrase 'in collaboration with Whirlpool' on its goods.

Whirlpool Corp. claimed to be the prior user of the trademark 'WHIRLPOOL' and alleged that in July 1994, defendants solicited dealers for 'WHIRLPOOL' washing machines through advertisements. Additionally, Whirlpool Corp. alleged that its trademark, 'WHIRLPOOL' was well-known through its prior use and that this trademark was associated with the goods of Whirlpool Corp.

66. *Id.*

67. See *id.* at 305 (listing the following publications):

<table>
<thead>
<tr>
<th>MAGAZINE</th>
<th>ISSUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fortune</td>
<td>June 1957.</td>
</tr>
<tr>
<td>Redbook</td>
<td>July 1986.</td>
</tr>
<tr>
<td>Bon Appetite</td>
<td>Nov. 1983.</td>
</tr>
</tbody>
</table>

68. *Id.* at 302.

69. Supreme Court decision, *supra* note 58, at 559.

70. See *infra* notes 94-118 and accompanying text (implying that a prior user is a trader which has used a trademark prior to the registration of the same trademark by another).


72. *Id.* at 302-03. See *id.* (mentioning Whirlpool Corp.'s rating as the 207th largest corporation in the world in terms of sales and the 30th largest global corporation marketing electronic and electrical equipment by *FORTUNE GLOBAL 500* magazine in its July 25, 1994 issue). The Division Bench additionally makes reference to Whirlpool Corp.'s inclusion in the book *PHILLIP MATTERO, WORLD CLASS BUSINESS-A GUIDE TO THE 100 MOST POWERFUL GLOBAL CORPORATIONS* (1992 ed.). *Id.* at 303.
In response to these allegations, the defendants argued that Whirlpool Corp. let its registration lapse in 1977, and that the defendants had applied for its registration of the same trademark in 1986. The application was accepted by the Assistant Registrar of Trade Marks in 1988 and the registration became effective in 1992. Therefore, at the time of the action in 1994, the defendants were the registered proprietors of the trademark. Based on the acceptance of the registration, the defendants argued that they had the right to use the trademark 'WHIRLPOOL.'

Finally, it should be noted that the defendants' pending registration was announced in the Mark Journal and within four months, Whirlpool Corp. filed an opposition trying to block the defendants’ registration. The opposition was dismissed and defendants’ application was accepted. The Assistant Registrar dismissed the opposition and accepted the application on the basis that knowledge and reputation of the trademark ‘WHIRLPOOL’ by the defendants was insufficient to determine the possibility of confusion of their products with the plaintiffs’ products.

B. Procedural History

Whirlpool Corp. filed suit on August 4, 1994 before the High Court of New Delhi for passing-off, permanent injunction and damages. The High Court issued an interlocutory injunction restraining the defendants from passing-off their goods.

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73. *Id.*
74. The Registrar of Trademarks is the government-appointed official who acts as the Controller of Patent, Designs and Trademarks. CHOWDHURY, LAW OF TRADE MARKS, *supra* note 5, TMA § 4(1) at 337-38. Additionally, the government may appoint other officers, such as the Assistant Registrar of Trade Marks, who impliedly have the power to accept or deny trademark registration applications. *Id.*, TMA § 4(2) at 338; Division Bench decision, *supra* note 58, at 337-38.
75. Division Bench decision, *supra* note 58, at 303.
76. *Id.*
77. *Id.*
78. *Id.*
79. *Id.*
80. *Id.*
81. *Id.* at 302. See CHOWDHURY, LAW OF TRADE MARKS, *supra* note 5, TMA §3 at 337 (providing the High Court with jurisdiction).
82. Division Bench decision, *supra* note 58, at 302. The injunction provided, in relevant part, that [t]he defendants, their partners, trustees, agents, representatives and assignees are hereby restrained from manufacturing, selling, advertising or in any way using the trade mark 'WHIRLPOOL' or any other trade mark deceptively or confusingly similar to the trademark Whirlpool in respect of their goods. The plaintiffs shall within 4 weeks from today place on record an undertaking in the shape of affidavits sworn in by their duly constituted attorney/s or representative/s undertaking to indemnify the defendants from any loss or damage which the defendants may incur on account of these proceedings and determined in this suit or any other duly constituted legal proceedings in the event of the plaintiffs being held not entitled to the relief sought for in the suit.
83. See Supreme Court decision, *supra* note 58, at 559 (relating plaintiffs' finding, after plaintiffs' purchase and inspections of defendants' washing machine, that defendants' product was inferior to a similar product manufactured by the Whirlpool Corp).

as those of Whirlpool Corp. The defendants were enjoined from manufacturing, selling, advertising or in any way using the trademark ‘WHIRLPOOL’ in any form deceptively similar in respect of their goods. Additionally, the High Court held that Whirlpool Corp. could maintain an action for passing-off as the prior user of the trademark.

Subsequently, the defendants appealed to the Division Bench of the High Court which affirmed the High Court’s ruling on April 21, 1995. Finally, the defendants took their claim to the Supreme Court which rendered its decision on August 30, 1996.

C. Court Decisions and Analysis

The following is a discussion of the analyses of the decisions by the last two courts of appeal, the Division Bench and the Supreme Court. Included in this discussion are the relevant TRIPs provisions that appear to be reflected by those opinions.

1. The Division Bench

The first issue addressed by the Division Bench was whether a non-registered prior user of a trademark could obtain an injunction against a competing business that is the registered proprietor of the same or similar trademark in India. The Division Bench held that a non-registered prior user of a trademark could obtain an injunction against a registered proprietor of the same or similar mark.

The Court began its analysis by determining what constitutes use of a trademark. The Court looked to prior decisions which held that use of a trademark may be in any form, including advertisements. Additionally, these decisions held that

84. Division Bench decision, supra note 58, at 302.
85. A trademark is “deceptively similar” if “It so nearly resembles [another mark] as to be likely to deceive or cause confusion.” CHOWDHURY, LAW OF TRADE MARKS, supra note 5, TMA § 2(d) at 333.
86. Division Bench decision, supra note 58, at 301.
87. Id.
88. Id. at 300.
89. Supreme Court decision, supra note 58.
90. Division Bench decision, supra note 58, at 301.
91. Id. at 306.
92. Id. The Division Bench in the Whirlpool decision looked to English common law in In re Vitamins LD’s Application for Trade Mark. Id. at 308-09. In that case, respondent applied for registration of a trademark for a pharmaceutical product. Id. The appellant, a U.S. corporation, opposed registration on the basis that the trademark at issue had been registered by the appellant in many countries around the world and was well advertised in various medical journals which circulated in England. Id. The appellant did not sell its product in England nor did they have a user of the trademark in England. Id. Despite the lack of availability of the product in England advertisements in medical journals were sufficient to establish a reputation carried by the trademark. Id. The English court reasoned that a possibility of confusion by consumers existed due to the advertisements. Id. This confusion coupled with the international character of the medical industry led the court to prevent the procession of respondent’s trademark application. Id.
it was unnecessary for the goods to be either physically present in the market or actually sold in the market.  

Two decisions by Indian High Courts cited by the Division Bench contained facts similar to those of the Whirlpool decision. First, the court looked to a decision by the Bombay High Court, Consolidated Foods Corp. v. Brandon & Co. Pvt. Ltd.  

In Consolidated Foods, the petitioner was the proprietor of the trademark 'Monarch' in several countries around the world. Petitioner's products were advertised in U.S. magazines which circulated through India and other countries throughout the world. Petitioner's goods were not continuously imported to India. Though importation was not continuous, the Bombay Court relied on the advertisements to uphold the petitioner's right to use of the trademark. More importantly, the court emphasized that the presence of bad faith in respondent's use of the petitioner's trademark indicated poor business morality.

The Division Bench also looked to decisions from Australia and New Zealand. First, the Division Bench looked to a decision by the High Court of Australia in Radio Corp. Proprietary Ltd. v. Disney. The reputation of these Disney trademarks are well-known throughout the world. The reputation was acquired mainly through motion pictures, though the Australian court recognized a similar effect through television and advertisements in newspapers, magazines and periodicals. The Court reasoned that use of these trademarks by the appellant would cause confusion in trade and was deceptive to consumers. For these reasons, the court affirmed the decision to disallow registration of these Disney trademarks by the appellant.

Next, the Division Bench looked at an additional decision by an Australian High Court in Seven Up Co. v. O.T. Ltd. The Division Bench emphasized the Australian court's disapproval of one trader appropriating the trademark of another trader even though the latter has only used the trademark in a foreign country. Since the appropriating trader seizes the opportunity to use a trademark identified with the goods of a foreign trader, the appropriating trader is not entitled to register the trademark. Finally, the Australian court held that the registrar is entitled to refuse application approval for such trademark and additionally the courts may order removal of the registration from the register on the basis that the trademark was wrongly entered.

Finally, the Division Bench looked to Pioneer Hy-Bred Corn Co. v. Hy-line Chicks Pvt. Ltd., a decision by the High Court of New Zealand. In that case the appellant, an Australian company, had applied for registration in New Zealand of the trademark 'HY-LINE' in 1963 with respect to poultry. A similar trademark was registered in the United States by the respondent, a U.S. company, in 1941 with respect to similar goods. Due to New Zealand's import restrictions, neither appellant or respondent sold poultry in New Zealand as of 1963. Based on evidence presented to the lower court, the High Court inferred that New Zealand poultrymen, in an effort to improve breeding in New Zealand, read foreign magazines discussing foreign developments with regards to breeding which contained advertisements of the respondent's goods. Thus, the New Zealand court held that if a possibility exists where potential buyers will be misled or confused as to the origin of the goods, then the means by which they gain knowledge of the goods is irrelevant.

93. Id. at 306.
94. Id.
95. Id.
96. Id.
97. See id. (implying petitioner's products were at some time imported to India).
98. Id.
99. Id.
trademark innocently since the petitioner widely used the trademark prior to respondent’s use. Thus, the Bombay Court set aside respondent’s approved registration by the Registrar of Trade Marks.

Second, the Division Bench looked to its own decision in Apple Computer Inc. v. Apple Leasing & Indus. which specifically examined the issue of acquiring a foreign reputation of a trademark. This Court discussed the effect of current technology in spreading a product’s reputation or company’s goodwill and found that it would be improper to subject a plaintiff seeking to protect its trademark to the requirement of carrying on a business in the jurisdiction in order to receive protection from the courts. The Court reasoned that it would also be unjust not to recognize the time, effort, money and energy expended by an individual in building a reputation.

In the present case, the defendants based their position in support of the right to use the trademark ‘WHIRLPOOL’ on the fact that Whirlpool Corp. was a non-user of that trademark in India. The Division Bench relied on the case law set forth above to find that Whirlpool Corp. was in fact a user of the trademark ‘WHIRLPOOL.’ The Court looked to the evidence of the publications which contained Whirlpool Corp.’s advertisements to support the existence of its use. The Court also found support for Whirlpool Corp. based on the importation of its goods to the U.S. Embassy and U.S. AID offices in India. Additionally, it noted that Whirlpool Corp. had used the trademark in sixty-five jurisdictions around the world. Thus, the Division Bench found that the trademark ‘WHIRLPOOL’ had become well-known and had acquired reputation and goodwill in India. Moreover, the Court held that goods bearing that trademark were associated with Whirlpool Corp. in the minds of the public and potential consumers. Therefore, confusion
would exist if defendants were allowed to continue use of the trademark for their goods.114

In conclusion, the Division Bench stated that a product and its trademark may exceed its geographical boundary not only through importation, but also through advertisements.115 Additionally, knowledge and awareness of a foreign good and its trademark can occur even though the goods are not available and the trademark has not been used in that particular market.116 Finally, the source of acquisition of the knowledge is immaterial.117 Thus, use by Whirlpool Corp. was sufficient to establish that it had the right as a prior user of a well-known trademark to obtain an injunction against the defendants, the registered users of the trademark \textquote{WHIRLPOOL}.118

Even though the Court does not cite nor rely on the TRIPs agreement, its decision seems to comport with a provision of that agreement. TRIPs requires member nations to establish detailed enforcement procedures and disclose anti-counterfeiting measures which would benefit owners of well-known marks.119 One such measure is the right of a holder of a well-known trademark to obtain an injunction.120 None of the authorities cited by the Court allowed for an injunction as a remedy.121 Interestingly, it is reasonable to conclude that the Court has complied with that requirement of TRIPs by sustaining the injunction to protect Whirlpool Corp.'s well-known trademark.

The second issue addressed by the Division Bench was whether a non-registered prior user may maintain an action for passing-off against a company that is the registered proprietor of the same or similar trademark.122 The Court held that a prior user of a trademark may maintain an action for passing-off against the present trademark proprietor.123

\begin{itemize}
\item \textbf{114.} Id.
\item \textbf{115.} Id. at 309.
\item \textbf{116.} Id.
\item \textbf{117.} Id.
\item \textbf{118.} Id. at 310.
\item \textbf{119.} TRIPs, supra note 8, arts. 16(2), 41(1). Article 41 states, \[\text{members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.}\]
\item \textbf{118.} TRIPs, supra note 8, arts. 16(2), 41(1). Article 41 states, \[\text{members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.}\]
\item \textbf{120.} Id. art. 44. See id. (stating that \textquote{[t]he judicial authorities shall have the authority to order a party to desist from an infringement}).
\item \textbf{121.} See supra notes 91-106 and accompanying text (discussing cases cited by the Division Bench).
\item \textbf{122.} Division Bench decision, supra note 58, at 301.
\item \textbf{123.} Id. at 315. Passing-off occurs when a trader conducts business which leads a consumer to believe that his or her goods or business are the goods or business of another. CHOWDHURY, LAW OF TRADE MARKS, supra note 5, at 415. In order to maintain an action for passing-off, there must be a misrepresentation by a trader, in the course of trade, to prospective customers of his or to ultimate consumers of goods or services supplied by him, which is calculated to injure the business or goodwill of the trader by whom the action is brought. Id.
\end{itemize}
The Court began its analysis of the second issue by looking to the language of the current legislation, the Trade and Merchandise Marks Act 1958 (TMA). The TMA section 28(1) states:

"subject to other provisions of this Act, the registration of a trade mark [sic] in Part A or Part B of the register shall, if valid, give to the registered proprietor of the trade mark the exclusive right to use of the trade mark [sic] in relation to the goods in respect of which the trade mark [sic] is registered and to obtain relief in respect of infringement of the trade mark [sic] in the manner provided by this Act."2

Based on the language of TMA section 28(1), the defendants asserted that they had the exclusive right to use the trademark 'WHIRLPOOL' and further that they alone could obtain relief with respect to infringement as the registered proprietors of the trademark.2

However, the Division Bench focused on the opening words of TMA section 28(1): "subject to other provisions" and concluded that the right conferred to the registered proprietor is not absolute.127 The Court provided support for their conclusion by looking at TMA section 27(2) which states that "nothing in this Act shall be deemed to affect the right of action against any person for passing-off the goods as goods of another person or the remedies in respect thereof."128 According to the Court, the language of section 27(2) overrides TMA section 28 and preserves vested rights of a prior user.129

Moreover, the court stated that TMA section 33 provided yet additional support for their conclusion.130 Section 33 provides that nothing in the TMA shall entitle a registered proprietor to interfere with the use of a trademark by a prior user.131 Therefore, the court stated, the right created by section 28(1) for the registered proprietor of the trademark is not supreme when read in conjunction with other provisions of the TMA such as sections 27(2) and 33.132

Next, the defendants asserted that TMA section 28(3) protects them against an infringement action brought by another registered proprietor of an identical or near similar mark since it prohibits such action.133 The court found the foregoing section

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124. Division Bench decision, supra note 58, at 310.
125. Id. (emphasis added).
126. Id.
127. Id.
128. Id. at 310-11 (emphasis added).
129. Id. at 311.
130. Id.
131. Id.
132. Id.
133. Id. TMA § 28(3) provides: "Where two or more persons are registered proprietors of trade marks [sic], which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks [sic] shall not (except so far as their respective rights are subject to any conditions or limitations entered on the
inapplicable to the present matter.\textsuperscript{134} It believed that the protection afforded registered proprietors from action against other registered proprietors of a similar or identical mark.\textsuperscript{135} In the present case, Whirlpool Corp. was not a registered proprietor in India and thus, section 28(3) was inapplicable.\textsuperscript{136}

The court went further and stated that the "right of goodwill and reputation in a trade mark was recognised [sic] at common law even before it was subject of statutory law" and that rights to a trademark were acquired only through its use.\textsuperscript{137} In other words, the common law recognition is maintained through TMA sections 27(2) and 33.\textsuperscript{138}

Finally, the defendants sought to challenge the remedies available to Whirlpool Corp. as the prior user of the trademark 'WHIRLPOOL.'\textsuperscript{139} The defendants claimed that the only remedy available to a prior user of a trademark is to move for cancellation of registration under TMA section 56.\textsuperscript{140} For support, the defendants cited various authorities which the Court found inapplicable to the present facts since those authorities did not specifically address the issue of whether an injunction may be issued for a passing-off action under TMA section 27(2).\textsuperscript{141}

The Division Bench stated that it found no basis for allowing a registered owner of a trademark to deceive consumers into believing that the goods they are pur-

chasing are representative of another’s goods. Further, the Court expressed that an action for passing-off does not cease to exist merely because the misrepresentation or deception proceeded from a registered user.

Moreover, the Division Bench emphasized that “courts do not approve of any attempt by one trader to appropriate the mark of another trader, even though that trader may be a foreign trader and mostly uses his mark in respect of the goods available abroad, i.e. outside the country where the appropriation of the mark has taken place.” Further, awareness and knowledge of the trademark, through any method, was sufficient to find that Whirlpool Corp. had acquired reputation and goodwill within India for its well-known trademark. Therefore, Whirlpool Corp., the non-registered prior user, could maintain an action for passing-off against the defendants who were the registered proprietors of the trademark ‘WHIRLPOOL.’

Once again, the Court did not rely on or cite the TRIPs agreement in its decision. However, it appears that its conclusion complies with a provision of that agreement. TRIPs prohibits acts which are “contrary to honest practices in industrial commercial matters.” Such acts include passing-off. Through the Whirlpool decision, the Court seems to express, that the current statutory law, the TMA, provides for protection against acts which are contrary to honest practices in compliance with TRIPs.

2. The Supreme Court

The defendants appealed to the Supreme Court after the Division Bench upheld the High Court’s ruling. The Supreme Court affirmed the Division Bench decision on August 30, 1996.

142. Id. at 314.
143. Id.
144. Id. In Delco Engineering Works v. General Motors Corp., the court held that an action for passing-off is based on the need for preventing commercial immorality or dishonesty. Thus, the Division Bench concluded that TMA § 28 does not provide a statutory defense to an action for passing-off brought by a prior user of a trademark.
145. Id. at 315. The defendants also asserted a defense based on laches. Id. The Division Bench also dismissed this argument since it found that Whirlpool Corp. was not guilty of culpable delay since they filed an objection to the registration by the defendants in 1989 and contested defendants’ proprietary rights since that time.
146. Reichman, Minimum Standards under TRIPs, supra note 8, at 381. See id. at n.278 (stating that the provision relating to the prohibition of acts contrary to honest practices originated from article 10b of the Paris Convention for the Protection of Industrial Property).
147. Id. at 381. See supra notes 122-45 and accompanying text (discussing passing-off in the Whirlpool case).
148. Supreme Court decision, supra note 58.
149. Id.; Indian Court Protects Whirlpool’s Brand, ADVER. AGE, Sept. 9, 1996, at 50.
On appeal, the defendants only contested the issuance of the interlocutory injunction. They asserted that the following facts were in their favor for dissolution of the injunction. First, the defendants claimed that they were the registered proprietors of the ‘WHIRLPOOL’ trademark and would remain as such pending the passing-off action. Second, Whirlpool Corp. filed an opposition to the defendants’ application for registration of the trademark with the Registrar which was denied. Third, Whirlpool Corp. allowed its registration to lapse in 1977. Fourth, Whirlpool Corp. submitted an application for registration of the ‘WHIRLPOOL’ trademark in 1988 which was still pending, and finally, the filing of suit in 1994 was pending.

The Supreme Court found these facts to be insignificant and affirmed the issuance of the injunction. The Court stated that an injunction is a remedy based on equitable principles. The Court emphasized the Division Bench’s opinion regarding the need of a trader for protection of his right as a prior user of a trademark against appropriation by another copying the mark, registering it before the prior user, and taking advantage of the prior user’s hard-earned reputation and goodwill. The Court went on to balance the respective harms to Whirlpool Corp. and the defendants.

In balancing the harms, the Court found that harm to Whirlpool Corp.’s reputation and goodwill would be irreparable since the trademark ‘WHIRLPOOL’ had long been associated with their goods. On the other hand, the injunction would cause minimal harm to the defendants since they merely had to remove “the small metallic strip bearing the offensive trade mark/name ‘WHIRLPOOL.” Once the metallic strip is removed, the defendants could continue to sell their goods. Thus, the Supreme Court found no reason to disturb the Division Bench’s decision on appeal and affirmed the issuance of the injunction.

For the first time, the Indian Supreme Court has recognized a multinational company’s common law right to use its well-known trademark and obtain an injunction against an appropriating trader who has registered the same or similar

150. Supreme Court decision, supra note 58, at 560. In fact, the defendants conceded that Whirlpool Corp. could maintain an action for passing-off even though defendants were the registered proprietors. Id. at 564. Though the defendants did not raise the issue of whether Whirlpool Corp. could maintain an action for passing-off, the Court, in dicta, discussed the principle basis for such an action. Id. at 563.

151. Id. at 564.
152. Id.
153. Id.
154. Id. at 566.
155. Id. See Mostert, Well-Known and Famous Marks, supra note 100, at 104-05 (discussing the race to register).
156. Supreme Court decision, supra note 58, at 567.
157. Id. at 566-67. The Court looked at the harm to Whirlpool Corp. upon dissolution of the injunction and compared it to the harm to the defendants should it sustain the injunction. Id.
158. Id. at 567.
159. Id.
160. Id.
161. Id.
trademark in India. By its holding, it is reasonable to assume that the Supreme Court has made an effort to comply with the TRIPs agreement while the international community awaits the Indian legislature's acceptance of enabling legislation.

V. CASE IMPACT: FUTURE EXPECTATIONS FOR MULTINATIONAL COMPANIES

In light of sophisticated technology, increased global communications and frequency of travel, many products have become well-known to global citizens even though these products may not be readily available in their countries. This increased global awareness has raised concerns in the minds of U.S. businesses and other multinational companies hoping that their hard-earned reputations are protected from those who appropriate their trademarks. This section discusses the impact of the Whirlpool decision on those businesses either contemplating investment, or currently investing in India and seeking protection of their hard-earned reputations.

This landmark case provides India’s trademark law with three possible implications. First, though India has been criticized for failure to implement new trademark legislation that would conform with the obligations set forth by the TRIPs agreement, this decision appears to comport with two provisions of that agreement pertaining to trademarks. The Whirlpool decision appears to comply with the TRIPs requirement allowing for the ability of an owner of a well-known trademark to obtain an injunction against an appropriating trader. While the Trade Mark Bill 1993 has yet to make this remedy a statutory one, the Whirlpool decision provides this remedy at common law. Therefore, this decision greatly improves the ability of a multinational company to obtain an injunction against an appropriating trader.

Next, the Whirlpool decision appears to comply with the TRIPs provision that prohibits acts which are “contrary to honest practices in industrial commercial matters.” Passing-off is an act which is contrary to honest practices. The Whirlpool decision explicitly provides that a non-registered prior user of a trademark may maintain an action for passing-off under TMA section 27(2), the current legislation in effect, against a registered proprietor of the same or similar trademark. Thus, a business currently in India or one contemplating entering the Indian market

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162. Mostert, Well-Known and Famous Marks, supra note 100, at 103-04. See id. at 104 (listing Coca-Cola, McDonald's, Cartier, Smirnoff, Rolls Royce, Ferrari, Kodak, Sony, CNN and DHL as some brands which have become household names around the world).
163. Id. at 105-96. See supra notes 6, 47-54, 105 and accompanying text.
164. See supra notes 119-21, 146-47 and accompanying text.
165. See supra notes 90-121, 148-61 and accompanying text (discussing injunctive relief in the Whirlpool decision).
166. Id.
167. See supra notes 122-47, 150 and accompanying text (discussing an action for passing-off).
168. Id. Reichman, Minimum Standards under TRIPs, supra note 8, at 381.
169. See supra notes 122-47, 150 and accompanying text (discussing the provisions of the TMA for an action for passing-off and its relation to TRIPs).
should know that the current law provides protection which appears to comply with some provisions of the TRIPs agreement.

A second implication of the Whirlpool decision is that the trademark registration system is undermined by prior use. In the past, there has been a race to the registration office to be the first to register a trademark. Now, in the wake of the Whirlpool decision, a multinational company with a well-known trademark need not be concerned with the race to ensure its ability to obtain an injunction and maintain an action for passing-off in India.

Finally, there is some doubt as to the significance of this decision. The Indian Supreme Court appears to have merely accepted long-standing Indian jurisprudence. The authority relied on by the Whirlpool Corp. in this case may indicate that lower courts have afforded the foregoing protections prior to this particular action. It may be that the Whirlpool decision is an effort by the Indian judiciary to pacify the United States as its largest investor. The decision was handed down by the Supreme Court three months after the United States last criticized India by filing a complaint with the WTO for its failure to pass enabling legislation under the TRIPs agreement. Though that may be an accurate assessment of the Indian judiciary's motivations, the Whirlpool decision still provides precedential value and informs the international community that changes are occurring in the wake of criticism faced by India.

VI. CONCLUSION

Since implementation of the NIP, investment in India has greatly increased and it is expected to continue growing rapidly. Though India will definitely benefit, there is escalating concern expressed by U.S. businesses and other multinational companies that their hard-earned reputations are not afforded adequate protection. By its decision on August 30, 1996, the Indian Supreme Court has notified domestic

170. See supra notes 91-118 and accompanying text (implying by its holding that a prior user has rights which are supreme to those of the registered proprietor).
171. Mostert, Well-Known and Famous Marks, supra note 100, at 104-05.
172. Id. Though the registration system may be undermined, it may be in limited circumstances involving considerations of equity. For example, the registration process may only give way to prior users of well-known trademarks in order to protect their hard-earned reputations.
173. See supra notes 148-61 and accompanying text (detailing the Supreme Court's acceptance of the Division Bench opinion).
174. See supra notes 92-106 and accompanying text (discussing the Indian authorities cited by the Division Bench decision). Cf. supra note 121 and accompanying text (noting that none of the authorities cited by the Division Bench provided for an injunction as a remedy).
175. See supra note 41 and accompanying text (stating that the United States is India's largest investor).
176. See supra notes 51-54, 89 and accompanying text (discussing the U.S. complaint filed in May 1996 and the Supreme Court decision rendered in August 1996).
177. See supra notes 1-2, 39-41 and accompanying text.
178. See supra notes 42-56 and accompanying text.
corporations and businesses that acquiring registered proprietorship of a trademark alone is insufficient to dissolve an interlocutory injunction and to defeat an action for passing-off brought by a prior user. In fact, these domestic traders may be enjoined from continuing use of the appropriated trademark. Interestingly, the Supreme Court rendered its decision in favor of a U.S. corporation three months after the second instance of U.S. criticism of India’s failure to enact legislation in conformity with TRIPs. Notwithstanding the Court’s motivation, the Whirlpool decision has provided some needed confidence to the international business community for the protection of their trademarks in India.

179. See supra notes 148-61 and accompanying text.
180. See supra note 176 and accompanying text.