"Swiss Military" With or Without A White Cross on A Black or Red Background, Is Ineligible for Registration as A Trade Mark – Rules the Delhi High Court

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On 4th January 2023, the Intellectual Property Division ("*IP Division*") of the Hon'ble Delhi High Court allowed two appeals[1] filed by Armasuisse (the arms procurement division of the Swiss Defence Ministry and representing the Swiss Confederation) to refuse the trade mark applications to register the composite label and the word mark "SWISS MILITARY" for textile goods, filed by a private company named Promoshirt SM SA.

The dispute arose when the Deputy Registrar of Trade Marks dismissed the trade mark opposition proceedings filed by Armasuisse against Promoshirt's applications to register the aforesaid marks. Aggrieved by the orders of the Deputy Registrar, Armasuisse had appealed the said orders before the IP Division of the Hon'ble Delhi High Court.

The issues in the appeals included whether Promoshirt's trade marks were false trade descriptions, whether the marks were inherently confusing or deceptive in nature, and if yes, whether the marks were non-registrable under the provisions of the Trade Marks Act, 1999 (the "*TM Act*").

While adjudicating on the issues, the Court held that the right to registration must be sedulously guarded, and any provision that abrogates or curtails such right must be strictly construed. To analyze the proscriptions to registration of a trade mark, the Court held that the prohibitions under Sections 9 and 11 of the TM Act have a public purpose to serve, i.e., to counterbalance the rights of the industry and the rights of the consumer public. Therefore, to strike a balance, any consumer confusion or deception would be completely impermissible in law, regardless of the user's innocence in the confusing mark.

The court carefully looked into the aspect of whether a false trade description involving the country of manufacture or production of goods, was registrable under the TM Act, and thereby made the following observations:

1. The definition of trade description under Section 2(1)(za)(iv) of the TM Act included any direct

or indirect description, statement or other indication as to the place or country of where the goods are made or produced. Therefore, if the trade mark indirectly indicates the country of manufacture of the goods, it is a "*trade description*" within the meaning of Section 2(1)(za)(iv) of the TM Act.

2. Further, under Section 2(1)(za)(c) of the TM Act, the definition of trade description also includes "*any other description which is likely to be misunderstood or mistaken for all or any*" of the matters in the said provision. Hence, any description, which is likely to be misunderstood or mistaken for the country of manufacture or production of the goods, would be a trade description under Section 2(1)(za) of the TM Act;
3. As per Section 2(1)(i)(l) of the TM Act, a trade description is a false trade description, if it is untrue or misleading in a material respect as regards the goods to which it is applied;
4. The country of manufacture of goods is a "*material respect*" within the meaning of Section 2(1)(i)(l), and if the country suggested by the trade mark's use is not factually the country of manufacture or production, it would be a "false trade description" under Section 2(1)(i)(l); and
5. If a trade mark is untrue or misleading regarding the country of origin of the goods on which it is used, there is no reason to believe that it would not deceive the public or cause confusion, as the intent to deceive or cause confusion could be read into the very use of the mark.

Based on the above observations, the Court held that any direct or indirect description, statement or other indication, as to the country of manufacture or production of goods, contained in the trade mark affixed on the goods would be a false trade description, and inasmuch as the mark would be of a nature which would deceive the public or cause confusion, it would also be ineligible for registration under Section 9(2)(a) of the TM Act.

In light of its observations, the Hon'ble Court then looked into the issue of whether Promoshirt's impugned marks were false trade descriptions and non-registrable, and held that:

1. When words "SWISS MILITARY" are used in conjunction with the red and white cross , any customer of average intelligence, who would presume that the red-and-white cross is the Swiss Confederation's indicia, would regard the mark as indicating the goods of Swiss origin. Therefore, Promoshirt's mark was held to be an indirect trade description regarding the country where its goods are manufactured or produced;
2. There is no justification for the Court to presume that the public would not be compelled into believing that the goods were made or manufactured in Switzerland, when Promoshirt uses the white cross-on-red background indicia along with the words "SWISS MILITARY". Hence, the impugned mark, by its very nature, has the potential to deceive or cause confusion under Section 9(2)(a) of the TM Act;
3. Section 9(2)(a) does not expound on the nature of deception or confusion but limits itself to refusal of a mark based on its inherent deceptive or confusing nature. Therefore, it is only relevant to look into whether the average consumer would be deceived or confused into

believing that the goods are manufactured or produced in Switzerland, and not by the Swiss army; and

4. Promoshirt's trade mark not only used the Swiss insignia, but also the words "SWISS MILITARY" below it, which would clearly confuse the consumer of average intelligence into assuming the goods to have been manufactured or produced in Switzerland. Therefore, the mark is a "false trade description" and ineligible to registration within the meaning of Section 2(1)(i)(l) read with Section 9(2)(a) of the TM Act.

Further, in the appealed order, the Deputy Registrar had held that the device in the impugned mark was different in dimensions to the Swiss Cross This was overruled by the Hon'ble Court on the basis that the difference in the lengths of the arms of the white cross, or any roundness in the edges of the corners of the square are not apparent to a person viewing the impugned mark. Also, the average consumer cannot be expected to notice fine details, especially where the mark is embossed or depicted on textiles. Thus, the Court held that even if the mark with slightly rounded corners were to be distinguishable from the mark with sharp corners, the use of SWISS MILITARY below the mark would efface any impression made by that slight distinction. Hence, Promoshirt's mark is bound, by its nature, to create confusion in the mind of the ordinary customer regarding the origin of the goods.

The Deputy Registrar had also held in the appealed orders that the impugned mark's registration would be deemed for all colours under Section 10(2) of TM Act, but it would not naturally infer as registered in every possible colour scheme/combination. This observation was dismissed by the Hon'ble Court on the grounds that it was a facile observation to pass legal muster, since in the present case only one colour was involved, apart from black and white, which is red. Therefore, when registered, the mark stood registered for all colours, including registration for use by substituting the black with a red background.

On examination of the documentary evidence filed and the submissions made by the parties in the appeals, the Court ruled that:

1. The military establishment of a country would, by right, be entitled to use its own official insignia, and the use of the red and white cross-and-square Swiss insignia is not a right conferred on everyone under the Swiss laws;
2. The words "SWISS MILITARY" have a large part to play in the impression that the mark would carry, as it conjures up an instant mental picture of the Swiss military establishment;
3. The confusion factor is the use of the appellation "SWISS MILITARY", and not a black and white cross, though the use of the black and white cross may add to the confusion;
4. The ordinary person, who is a person aware and capable of discrimination, is not likely to presume that the expression "SWISS MILITARY" is being used for ordinary commercially traded goods, and unconnected with the Swiss military establishment;

5. The use of the "SWISS MILITARY" appellation, even by itself and without any accompanying embellishments or emblems, has the clear propensity of creating confusion in the minds of the public, regarding the origin of the goods on which the mark is used. Thus, the word mark "SWISS MILITARY" is of a nature to cause confusion under Section 9(2)(a) of the TM Act;
6. The use of the cross device with the words "SWISS MILITARY" was a clear attempt to confuse the unwary purchaser into drawing an association with the Swiss military establishment and the goods on which the mark was affixed. Therefore, the likelihood of confusion or deception existed, and the impugned mark was ineligible for registration under Sections 2(1)(i)(l) and 9(2)(a) of the TM Act;
7. Promoshirt had failed to provide any explanation for choosing to use the red-and-white cross and square, or the words "SWISS MILITARY" in its trade mark, and therefore, there its intent to confuse was obvious; and
8. The TM Act forms a composite and self-contained code in the matter of registration, and the Deputy Registrar has to limit the scope of inquiry into the entitlement of the proposed mark to registration under the TM Act, and cannot travel outside it.

The Hon'ble Delhi High Court's judgement dated 4th January 2023 discussed in this article can be accessed here.

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View Bio of Madhu Rewari

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