

## INDIA



## Trans-border reputation: an Indian perspective



**By Nikhilesh Panchal  
and Amar Lingala**

In these times of high speed communication, it is only reasonable to recognise and accept that trademarks and brands transcend traditional boundaries. For more than a decade, Indian courts have been granting intellectual property protection to international brands (even where the relevant products might not be available in India) under the doctrine of trans-border reputation, on the following grounds:

- International goodwill and reputation;
- Goods/Services purchased overseas by travelers from India;
- Advertisements in overseas magazines having circulation in India;
- A defendant failing to furnish a satisfactory explanation for the adoption of a mark.

Recently, in cross suits filed before the Delhi High Court in *Country Inn Private Limited v Country Inns and Suites by Carlson, Inc* (Carlson's Case), the Court declined to grant an injunction to Country Inn Private Limited in view of the earlier adoption and user of the mark in question by Country Inns and Suites by Carlson, Inc.

### Carlson's case: the facts

Country Inn Private Limited (the Plaintiff) had adopted and used the mark "Country Inn" since 1993 in relation to hotels, motels and restaurants, and had also registered the mark in classes 29, 30, 32 and 33. The well-known Carlson Companies Inc (the Defendant), on the other hand, had registered the marks "Country Inn" and "Country Inn & Suites by Carlson" internationally and in India: the Defendant had registered "Country Inn" in the United States in 1986, whilst also registering in India the mark 'Country Inn & Suites by Carlson' in class 42 in 2003.

The Plaintiff filed a suit against the Defendant claiming infringe-

ment of trademark, passing off, unfair competition and dilution, and calling for damages and rendition of accounts. The Defendant counter-sued the Plaintiff in order to protect its rights.

The contentions of the Plaintiff were that the Defendant had malafide intention and was causing dilution and confusion in the market. The Plaintiff also asserted that it was, prior in time, in use of the mark in India, and that the Defendant had failed to produce any evidence to show that it had been using or advertising the mark in India prior to 2002 and, therefore, the Plaintiff was a prior user of the name 'Country Inn' in India.

The Defendant, meanwhile, submitted that it operates hotels and resorts worldwide under various well-known brands including "Country Inn by Carlson" and "Country Suites by Carlson". Though the Defendant established its business in India subsequent to that of the Plaintiff, it asserted it was the prior adopter and user of the mark in question in overseas countries and, therefore, the user outside India should not be ignored and be accepted on account of its trans-border goodwill and reputation of the mark "Country Inn".

In coming to its decision, the Court considered and followed the ratio on doctrine of trans-border reputation as set out in *NR Dongre and others v Whirlpool Corporation, re Milment Oftho Industries and Ors v. Allergan Inc*, and *re Jolen Inc. v Doctor and Co*.

In its common order, the Court dismissed the Plaintiff's claim and observed that the Defendant was the prior adopter and user of the trademark "Country Inn" in overseas countries, and that the user outside India was to be considered. In the cross suit filed by the Defendant, the Court however declined to grant any injunctive relief against Country Inn Private Limited on account of delay.

### Conclusion

Following the outcome of this case, it is evident that once the trans-border reputation is established, the mark will be entitled to the same protection as if it were being used in India.

### Khaitan & Co

One Indiabulls Centre, 13th Floor  
841 Senapati Bapat Marg, Elphinstone Road  
Mumbai 400 013, India  
Tel: (91) 22 6636 5000 Fax: (91) 22 6636 5050

Email: [mumbai@khaitanco.com](mailto:mumbai@khaitanco.com)

**Bangalore Kolkata Mumbai New Delhi**