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Shades of brand envy in Paypal's row with Paytm

By *Mugdha Variyar*, ET Bureau | Updated: Dec 19, 2016, 09:38 AM IST

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BENGALURU: Indian legal experts pointed to a shade of unhealthy competition in global payments company **PayPal's** opposition to local digital wallet leader **Paytm** over the latter's trademark application to register its logo.

California-based PayPal, founded by **Silicon Valley** bigwigs such as Elon Musk and Peter Thiel in 1998, registered a notice of opposition with the registrar of trademarks on November 18, contesting that there were similarities between the logos of the two brands.

The complaint came on the final day of the four-month timeframe for registering opposition to six-year-old Paytm's advertisement of its trademark application, filed on July 18.

"Paytm has been around for some time now and PayPal could have objected to the use of the mark by initiating legal proceedings. This wasn't done. Whilst filing of oppositions is fairly normal in the industry, in the present case, it may also be a competitive move," said Samuel Niranjana, counsel, intellectual property, at law firm Khaitan & Co.

"It seems that considering the popularity of Paytm recently (thanks to **demonetisation** and the government's push for digital payments), PayPal may have decided to file an opposition on the last day of the deadline," he added.

Vaibhav Parikh, partner at Nishith Desai Associates, said PayPal's move seemed to stem from competitiveness.

ET reached out to the lawyer representing PayPal in the matter, but he did not comment. Paytm and PayPal India said they don't want to comment.



It also goes on to say in its notice that both marks begin with the term 'Pay', citing that consumers tend to remember the first mark more than the second syllable and that it could cause "a likelihood of confusion."

Pay it Forward
Paytm's advertisement of its trademark application was filed on July 18

PayPal registered a notice of opposition with registrar of trademarks on Nov 18

PayPal has accused the Indian co of "slavishly adopting the two-tone blue colour scheme of its logo"

Paypal says that both marks begin with the term 'Pay' and that consumers tend to remember the first mark

PayPal's main contention in the notice, which is available online, is that the mark sought by Paytm is "deceptively and confusingly similar" to PayPal's. It accused the Alibaba-backed Indian company of "slavishly adopting the two-tone blue colour scheme of its logo."

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Rahul Dev, patent and trademark attorney at **Tech Corp Legal**, argued with the US company's logic. "Personally, I find PayPal's argument difficult to stand the test of law as no single party can own exclusive rights to use the generic word 'pay' in the sector pertaining to financial services. If you review the brand names like 'PayPal', 'Paytm', 'PayU', etc, these can be clearly differentiated by their customers without much confusion."

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