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Delhi High Court gives protection to US company's mark
India - Nishith Desai Associates

Confusion

September 07 2012

In *Red Hat Inc v Gupta* (IA No 10679/2011 in CS (OS) No 1654/2011, July 9 2012), the Delhi High Court has granted an injunction restraining the defendants from using the trademark RED HAT (with cap logo) on the grounds that it was deceptively similar to the plaintiff's trademark RED HAT (with 'shadow man' logo).

Plaintiff [Red Hat Inc](#) is an American software company providing open-source-related products and services. The plaintiff adopted the trademark RED HAT in 1994 and the 'shadow man' logo in 1996. In 1999 it registered the word mark RED HAT and the 'shadow man' device in Class 9 of the [Nice Classification](#) on a 'proposed to be used' basis. The plaintiff obtained various other registrations, including for the 'shadow man' device in Classes 41 and 42. The plaintiff claimed to have commenced use of the RED HAT mark and 'shadow man' device in India in 2000. It also established an Indian subsidiary, Red Hat India Private Limited, in July 2000.

The plaintiff claimed that, in 2008, it had come across the domain name 'redhatinfotech.com'. Upon investigation, the plaintiff discovered that the fourth defendant had also applied for registration of the mark RED HAT INFOTECH. The plaintiff objected to the same and, upon further investigation, found that the first defendant, a partner of the fourth defendant, had applied for registration of RED HAT INFOTECH (and device) in Class 42.

The plaintiff served a notice on the defendants via an email dated July 2008, and invited them to reach an amicable settlement. However, the defendants continued using the mark RED HAT INFOTECH and the words 'Red Hat' as part of their domain name. The plaintiff then discovered that the defendants had started using the infringing marks in another website, 'bulk.smsesms.com'. The defendants were also using the RED HAT mark as a part of another domain name, 'redhatsalesteam.com'.

The plaintiff sent a cease and desist letter dated September 11 2010 to the defendants, to no avail.

The plaintiff filed suit, along with an interim application to restrain the defendants from using the RED HAT mark with the 'cap' logo. The plaintiff argued that the defendants were unfairly and dishonestly using the trademark RED HAT, as well as a logo that was similar to the plaintiff's 'shadow man' device, with a bad-faith intention of deceiving consumers and the public at large. According to the plaintiff, such conduct affected its reputation.

The defendants refuted the plaintiff's claims, arguing as follows:

- In 2003 the defendants had incorporated a company in India under the name of the fifth defendant (ie, Red Hat Infotechnologies Pvt Ltd). The first and third defendants had also been carrying on partnership business under the name of the fourth defendant (ie, Red Hat Infocom). Thus, the defendants had been using the mark RED HAT since 2003. In contrast, the plaintiff had not used the RED HAT mark with the 'shadow man' device until 2004 - although the plaintiff had applied for registration of the trademark in 1999, the application had been filed on a 'proposed to be used' basis and, therefore, the plaintiff was a subsequent user of the mark in India.
- The defendants and the plaintiff are in different businesses and, consequently, issues of deception and confusion did not arise.
- The defendants' company is duly registered under the laws of India and the defendants are obliged to carry on operations under the name of the company, which is Red Hat Infocom Private Limited.
- The defendants are honest users of the mark and are entitled to use the same.
- The defendants' 'cap' logo is very different from the plaintiff's 'shadow man' logo.
- The plaintiff's suit was time barred, since there had been considerable delay in bringing the suit.

Based on the submissions of the parties, and relying on established case law and principles of law, the court took the view that there was a strong case for granting an injunction in favour of the plaintiff. In arriving at this conclusion, the court made the following observations:

- The plaintiff's use of the mark outside India and its trans-border reputation could not be disregarded. Therefore, it was not justified to say that the plaintiff was not the first user of the mark.
- Use of a mark as a trade name amounts to infringement under Section 29(5) of the [Trademark Act 1999](#). The plaintiff had produced sufficient evidence to establish that it was well known and had acquired goodwill and reputation not only in India, but also in other parts of the world. Hence, the plaintiff was entitled to protection under Section 29(4) of the act.

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- The defendants' use of the RED HAT mark was dishonest, as the defendants were aware of the plaintiff's mark.
- The plaintiff had established a *prima facie* case of passing off.
- There was no delay in filing the suit, since passing off is a form of tort and the Limitation Act 1963 provides for a fresh limitation period every time a tort is committed. Moreover, the plaintiff has issued a notice and a cease and desist letter to the defendant.

The court concluded that the plaintiff had made a strong case in its favour, which was sufficient to grant an injunction. The court thus restrained the defendants from using:

- the RED HAT mark along with the 'cap' device;
- the RED HAT mark as part of their corporate name; or
- any other trademark or device which are identical, or deceptively similar to, the plaintiff's RED HAT mark or 'shadow man' device.

As far as use of the RED HAT mark as part of the fifth defendant's corporate name was concerned, the court gave the defendants up to December 31 2012 to change or amend the name by removing the RED HAT mark.

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