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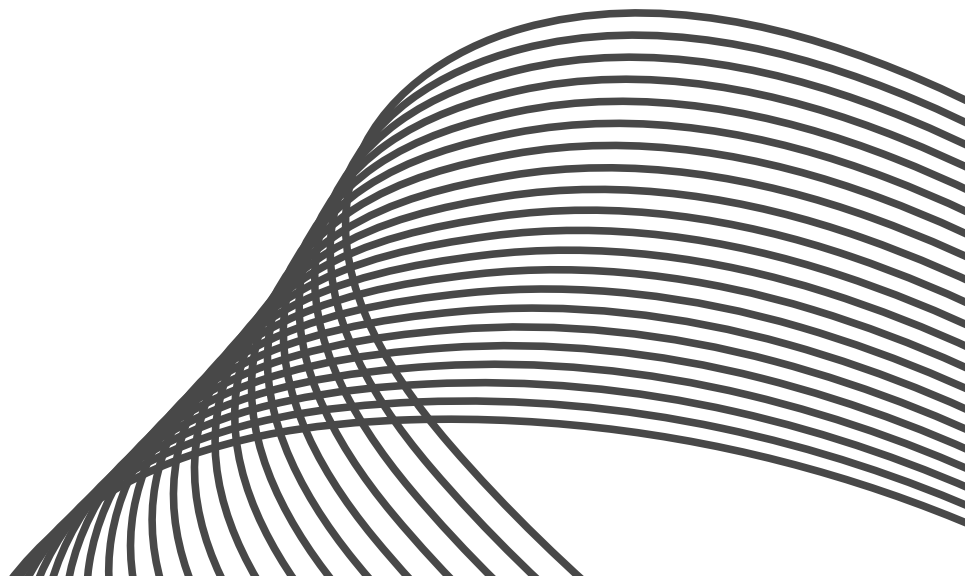
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TRADEMARK TUSSLE: WHEN TWO KINGS COLLIDE IN PUNE

~ Beradar Akash & Sujit Parganiha¹

DISTRICT COURT, PUNE: 16th August, 2024

PETITIONER: Burger King Corporation (US)

RESPONDENT: Anahita Irani & Shapoor Irani

BENCH: Hon'ble Mr. Sunil Vedpathak

CASE NOTE

*Burger King Corporation (US) vs. Anahita Irani & Shapoor Irani, 2024*² is a landmark judgment given by the District Court of Pune as the issue was brought before the Hon'ble Sunil G. Ved Pathak, which deals with a trademark infringement lawsuit between Burger King Corporation, a leading fast food joint franchise (the Plaintiff) and a Pune restaurant which has encroached upon the Plaintiff's trademark and has been operating under the name of 'Burger King' (the Defendants). The Plaintiff wanted a permanent injunction, trademarks and passing off, and an award of damages.

INTRODUCTION

This case comment examines the legal dispute between the International fast-food giant, Burger King Corporation and a local Pune-based fast-food restaurant run by Anahita and Shapoor Irani who were conducting business under the same name. The main issue of contention is passing off as the Burger King Corporation of America tries to safeguard its brand in India. Even though Burger King has a recognizable presence across the entire world and owns a registered trademark, the local defendants claimed that they had been using the name since 1992. The outcome of the case leads to important issues regarding trademark rights as well as prior usage and global and

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² *Burger King Corp. v. Irani*, No. 02/2011, District Court, Pune (July 16, 2024), available at https://www.livelaw.in/pdf_upload/burger-king-pune-556389.pdf.

domestic business entities. This case depicts a very important hallmark in the Indian trademark law.

FACTS

The Plaintiff Burger King Corporation had originally and exclusively adopted and used the trademark 'Burger King' in India since 1979 and in the international markets in several jurisdictions. Anahita Irani & Shapoor Irani these two Defendants have been running a restaurant in Pune serving under the brand name Burger King since 1992. Plaintiff initiated business in India by opening the first official "Burger King", restaurant in 2014. Plaintiff was aware of the Defendants' incorporation of the "Burger King" name and in 2009, engaged the Defendants in a written reminder to desist from the use of such a name but the Defendants ignored and this led to the filing of this case in 2011.

ISSUES RAISED

- Whether the Plaintiff trademark 'Burger King' properly registered and was unlawfully used by the Defendants?
- Whether the use of the name "Burger King" by Defendants amounts to what is commonly referred to in law as passing off?
- Whether the Plaintiff is to be granted the remedies sought, either in the form of damages or a permanent injunction against the Defendants?

ARGUMENTS PRESENTED

PETITIONER'S ARGUMENTS

1. The Plaintiff also stated that the trademark 'Burger King' is famous worldwide and in India and it was earlier registered in 1979.
2. They stated that the Defendants' use of the "Burger King" name in their restaurant confuses the market and brings harm to the trademark goodwill.
3. It may be noted that Plaintiff also requested an order of mandamus to restrain the Defendants from using the name "Burger King" and the prayer for damages for passing off.

RESPONDENT'S ARGUMENTS

1. The Defendants contended that they have been trading under the name of 'Burger King' since 1992, and hence before the Plaintiff's venturing into the Indian market.
2. They said it was genuine and did not in any way mislead anyone that they had an intention of invading the Plaintiff's trademark rights.
3. The Defendants also submitted that the Plaintiff's suit was not properly instituted; the Plaintiff's trademark had not been actively used in India before the year 2014.³

JUDGEMENT

As per its ruling, the case went in the favour of the defendants, and the Plaintiff's case was dismissed.

The court further observed that the testimony of the Plaintiff's witness failed to demonstrate that he had first-hand information of facts and circumstances giving rise to the case hence the evidence was not sufficient.

It was established that the Defendants were unjustifiably using the name "Burger King" since 1992 and the plaintiff has not provided sufficient proof of confusion among customers.

Other factors that went against the Plaintiff included failure to take legal action as soon as the alleged infringement of their rights happened and this made them lose the right for an injunction and damages.⁴

ANALYSIS

The judgment in Burger King Corporation vs. Anahita Irani & Shapoor Irani represents a pivotal moment in Indian trademark jurisprudence, particularly concerning global brands entering the Indian market. The case is a classic example of the challenges faced by multinational corporations when asserting their trademark rights against smaller, local businesses that have established themselves independently.

³ Mediation in Commercial Disputes: Key Developments and Trends, Lexology (Aug. 31, 2024), <https://www.lexology.com/library/detail.aspx?g=6dea17fc-8ca0-4887-be41-8048d2d68772>.

⁴ US-Based Burger King Loses Infringement Suit Against Namesake Pune Eatery, Business Standard (Aug. 18, 2024), https://www.business-standard.com/companies/news/us-based-burger-king-loses-infringement-suit-against-namesake-pune-eatery-124081800175_1.html.

KEY POINTS OF CONSIDERATION

Global vs. Local Trademark Rights: The case therefore brings out some of the issues that accompany any international brand, that seeks to protect its trademark where a local enterprise has been using the trademark or a similar name for many years. Although the Defendants were trading under the name “Burger King” all over the world the Defendants proved that they had been using the name since 1992, which is before the Plaintiff started operating in India in 2014.

Delay in Legal Action: Hearing delay was one of the strongest reasons that the court used to shift the balance in the Plaintiff’s favor. The Plaintiff only came to learn about the use of the “Burger King” name by the Defendants in 2008 yet he opted to file the case in 2011. Delays mean that the Plaintiff’s case was prejudiced, and under trademark law and practice, the owners have to act promptly to guard their rights. It was here that a principle as old as the American common law, namely laches – the economic waste and prejudice principle that a plaintiff who unreasonably delays in asserting a right or claim can be barred – came into play.

Hearsay Evidence and Procedural Flaws: The court also paid much attention to the negligence of procedural laws in the Plaintiff’s case. Another issue that went against the Plaintiff’s case was the denial of the admissibility of the testimony of Vincent Jose, an employee of the Plaintiff; the witness drew most of his information from other employees through the hearsay method and he stated that he had no direct knowledge of the circumstances leading to the case. This weakened the merits of the Plaintiff’s case by raising questions as to the authenticity of the evidence presented, and the lack of compliance with Order 19 Rule 3 of the Civil Procedure Code as regards the verification of affidavits all but contributed to a less capacitive case. The above should be followed as a reminder of the legal procedures that need to be followed during a trial, and also that the witnesses have to be properly informed and included in the preparation of the case in as much as the case is before the court/tribunal.

LEGAL PRECEDENTS AND THEIR APPLICATION

Prior Use Doctrine: The prior user principle was underlined in the trademark laws and applied to the benefit of the Defendants who used the name “Burger King” starting from 1992 when the

Plaintiff opened its business in India. In the case of *Milmet Oftho Industries vs. Allergan Inc.2004*⁵ in this case which prioritizes use over registration in determining trademark right

Transborder Reputation: The argument of the Plaintiff about transborder reputation was left unheard because of the lack of contentious evidence regarding confusion among the consumers in India. This case is useful to illustrate the issues that global brands often encounter to support claims of reputation transference in cognate markets where they lack physical stores.

Statutory Presumptions: The Plaintiff to rely on the statutory presumption of consumer confusion as provided by Section 29(3) of the Trade Marks Act, 1999, failed, since no objectively verifiable evidence to the extent provided by the above section was adduced, thus putting pay to the legal truism that legal presumptions without accompanying factual backup, are of very limited assistance.

BROADER IMPLICATIONS OF THE JUDGMENT

- This can be taken as a case study of how multinational corporations should take more preventive measures and should not take a laid-back attitude towards trademark protection in foreign countries instead of relying on the goodwill that they have earned in the world.
- The judgment also came be a relief to local businesses that honest and prior use of a trademark is a good shield against those global players as any, thus the need to persist in the process of trademark legitimation.
- It also contributes to forming the Indian trademark law by determining how the courts continue to balance global trademarks and the rights of local traders especially with consideration to the Indian market's factors.

PERSONAL OPINION AND RECOMMENDATIONS

According to my perspective, the Plaintiff should have strengthened its case, it could have fortified its case as soon as it realized that the Defendants were using the “Burger King” name. Moreover, more informed and knowledgeable of all the circumstances of the case, better-witnessed witnesses

⁵ Milmet Oftho Industries and Ors. v. Allergan Inc., TradeSafe India (Aug. 18, 2024), <https://www.tradesafeindia.com/milmet-oftho-industries-and-ors-vs-allergan-inc/#:~:text=Judgment%3A,market%20and%20adopt%20the%20mark.>

could have given better arguments in support. Global brands for that matter need to be on the lookout for instances of such infringements and take legal action to assert and defend their rights.

This case suggests that global brands need to apply for Trademarks and should use them in all the countries they plan to operate in. It is also important that they plan on executing marketing as well as brand awareness campaigns before establishing retail outlets to fashion a comprehensive case of transborder brand identity.

The decisions of the court emphasize the strictness of procedural rules as a reminder that even the most rigorous support of a case can be lost because of the procedure. It is recommended that legal practitioners be particularly keen to observation of all formalities like verification of affidavits and training of witnesses.

CONCLUSION

The decision that came in the case of Burger King Corporation (US) Vs Anahita Irani & Shapoor Irani delivers a crucial milestone in the evolution of trademark law in India, which depicts a bleak picture of worldwide brand's ability to protect and enforce their rights against domestic corporate entities. The court decision shows that local use of a trademark may trump an international registration in case the trademark has been used earlier in that particular country before the internationally registered trademark started to operate in that country. This case also gives an important lesson about the timeliness of legal actions because delay in a trademark claim weakens the right of the plaintiff as supported by the principle of laches. Additionally, these decisions cropped up the principle that, in civil litigation, much emphasis was placed on the legal processes and the admissibility of evidence that was displayed by the Court. The acquires also bring insights to the issue of how global and local trademark claims are handled which is principally beneficial for both the multinational corporations to be more careful and assertive in protecting their trademarks internationally and for locals to have a glimpse on how they can defend their already registered marks against their international counterparts.