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**TRADEMARK INFRINGEMENT IN COMPARATIVE ADVERTISING UNDER  
INDIAN LAW**- Mahima Shree<sup>1</sup>**-Introduction:**

Comparative advertising is a marketing strategy where a company's product is compared with a competitor's product to highlight the advantages of the advertiser's product over the other and generate sales for the same. However, the use of a competitor's trademark in comparative advertising raises significant legal issues, particularly concerning "trademark infringement". In India, the legal framework governing this area aims to balance fair competition with the protection of trademark rights. This article delves into the intricacies of trademark infringement in comparative advertising under Indian law, exploring legal principles landmark cases, etc.

Keywords: trademark infringement, product disparagement, comparative advertising.

**1. Understanding Trademarks and Comparative Advertising****1.1 Trademarks**

A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises. Trademarks are protected by intellectual property rights.<sup>2</sup>

In other words, a trademark is a distinctive sign, symbol, word, or combination of these elements that identifies and differentiates the goods or services of one entity from those of others. Trademarks play a crucial role in branding and identifying a particular brand.

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<sup>2</sup><https://www.wipo.int/trademarks/en/#:~:text=What%20is%20a%20trademark%3F,protected%20by%20intellectual%20property%20rights.>

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Trademarks are protected under the Trade Marks Act, 1999 in India. This protection ensures that the trademark owner has exclusive rights to use the mark in relation to their goods or services and can take legal action against unauthorized use by others.

## 1.2 Comparative Advertising

Comparative advertising involves directly or indirectly comparing one's product with that of a competitor. This can be done explicitly by naming the competitor or implicitly by referring to a competitor's product. The objectives of comparative advertising include:

- Highlighting the superior qualities of the advertiser's product.
- Providing consumers with information to make informed choices.
- Promoting competition in the market.

Comparative advertising can take various forms, such as print ads, television commercials, online campaigns, and social media posts. While it can be an effective marketing tool which can generate sales for the creator and can work against the competitor regarding sales, it must be conducted within the bounds of the law to avoid misleading consumers and infringing on competitor trademarks.

### - Intersection of Trademarks and Comparative Advertising

The intersection of trademarks and comparative advertising occurs when an advertiser uses a competitor's trademark to compare products. This use is fraught with legal risks, particularly if the advertisement misleads consumers, tarnishes the competitor's brand, or unfairly leverages the competitor's goodwill.

In India, the legal framework allows for comparative advertising but imposes strict conditions to ensure that it does not infringe on trademark rights. Advertisers must navigate this landscape carefully to avoid legal disputes and potential damages.

Intersection of trademark and comparative advertising also results in product disparagement. Meaning of Product Disparagement- according to Black's Law Dictionary the word 'disparage' means to connect unequally; or to dishonour (something or someone) by comparison; or to unjustly discredit or detract

from the reputation of (another's property, product or business); or a false and injurious statement that discredits or detracts from the reputation of another's property, product or business.<sup>3</sup>

Therefore, product disparagement simply means looking down on a competitor's brand by the other or defaming them. Product disparagement is often leveraged as a freedom of speech under article 19 (1) (a)<sup>4</sup> of the Constitution of India. But this idea is bizarre because under right to freedom as well defamation is not allowed and hence product disparagement stands illegal and is an infringement of trademark. Healthy competition and comparison is permitted but there is no place for malice intended competition in the market.

## 2. Legal Framework Governing Comparative Advertising in India

### 2.1 The Trade Marks Act, 1999

The Trade Marks Act, 1999, is the primary legislation governing trademarks in India. It aims to protect trademarks, prevent their misuse, and regulate related aspects. Key provisions relevant to comparative advertising include:

#### 2.1.1 Section 29: Infringement of Registered Trademarks

Section 29<sup>5</sup> outlines the circumstances under which the use of a registered trademark constitutes infringement. This includes:

- Using a mark identical or similar to the registered trademark in a manner likely to cause confusion among the public.
- Using the mark in advertising, provided it takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trademark.

Section 29(8) specifically addresses the use of a registered trademark in comparative advertising. It states that a registered trademark is infringed by any advertising of that trademark if such advertising:

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<sup>3</sup> Shukla, U. (2006, August 16). Comparative Advertising and Product Disparagement vis-à-vis Trademark Law. Retrieved from <https://docs.manupatra.in/newsline/articles/Upload/597132AB-96EC-4DB0-8A82-8D732D603A14.pdf>

<sup>4</sup> Article 19 (1) (a) of Constitution of India: Right to freedom of speech and expression

<sup>5</sup> Section 29 of Trademarks Act, 1999: Infringement of Registered Trademarks

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1. Takes unfair advantage of and is contrary to honest practices in industrial or commercial matters.
2. Is detrimental to its distinctive character.
3. Is against the reputation of the trademark.

### 2.1.2 Section 30: Limits on Effect of Registered Trademark

Section 30 provides defenses to claims of trademark infringement, stating that the use of a registered trademark is not infringement if:

- It is in accordance with honest practices in industrial or commercial matters.
- It does not take unfair advantage or cause detriment to the distinctive character or repute of the trademark.

Section 30(1) specifies that a registered trademark is not infringed by the use of a registered trademark by any person for the purposes of identifying goods or services as those of the proprietor, provided the use is in accordance with honest practices in industrial or commercial matters and does not take unfair advantage or harm the reputation of the trademark.

## 2.2 The Advertising Standards Council of India (ASCI)

The ASCI is a self-regulatory organization that provides guidelines to ensure fairness in advertising. The ASCI Code includes specific provisions for comparative advertising, emphasizing that:

- Comparisons should be factual, truthful, and capable of substantiation.
- Advertisements should not denigrate or unfairly discredit competitors.
- Comparative claims should not mislead consumers.

The ASCI Code outlines that advertisements should be framed in such a manner as to not compromise public decency or morality. Additionally, comparative advertising should not be unfair or misleading and must be presented with a sense of responsibility to consumers and society.

## 2.3 Judicial Interpretations

Indian courts have played a significant role in shaping the legal landscape of comparative advertising through landmark judgments. These cases provide guidance on the acceptable limits of comparative advertising and the application of trademark laws in such contexts.

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### 2.3.1 Landmark Judgments

**Dabur India Ltd. v. Colgate Palmolive India Ltd<sup>6</sup>:** In this case, Dabur challenged Colgate's advertisement for allegedly disparaging its product. The court held that while puffery (exaggerated claims about one's own product) is permissible, comparative advertisements should not denigrate or disparage a competitor's product.

**PepsiCo, Inc. v. Hindustan Coca-Cola Ltd.<sup>7</sup>:** In this case, PepsiCo filed a suit against Coca-Cola for an advertisement that allegedly disparaged its soft drink brand. The court held that while puffery in advertising is acceptable, it should not cross the line into disparagement or misleading claims. The ruling underscored the need for advertisers to ensure their comparative claims are truthful and substantiated.

## 3. Trademark Infringement in Comparative Advertising

### 3.1 Identifying Infringement

Trademark infringement in comparative advertising occurs when the use of a competitor's trademark creates confusion, dilutes the trademark, or makes false or misleading claims. Key factors considered by courts include:

- **Likelihood of Confusion:** Whether the advertisement is likely to confuse consumers about the source or endorsement of the products.
- **Dilution:** Whether the use of the trademark dilutes its distinctive character or tarnishes its reputation.
- **False Claims:** Whether the advertisement contains false or misleading statements about the competitor's product.

In assessing trademark infringement, courts consider the overall impression created by the advertisement, the intent of the advertiser, and the potential impact on the consumer.

### 3.2 Types of Infringement

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<sup>6</sup> Dabur India Ltd. v. Colgate Palmolive India Ltd AIR 2005 Del 102

<sup>7</sup> PepsiCo, Inc. v. Hindustan Coca-Cola Ltd 2003(27) PTC 305 (DEL)

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### *3.2.1 Direct Infringement*

Direct infringement occurs when an advertiser uses a competitor's trademark in a manner that confuses consumers about the origin or quality of the products. For example, if an advertisement implies that a competitor endorses the advertiser's product, it constitutes direct infringement.

Examples of direct infringement include:

- Using a competitor's trademark in a way that creates a likelihood of confusion among consumers.
- Making false or misleading claims that imply endorsement by the competitor.

### *3.2.2 Indirect Infringement*

Indirect infringement involves using a competitor's trademark in a way that indirectly harms its reputation or distinctiveness. This can include disparaging a competitor's product or making misleading comparative claims.

Examples of indirect infringement include:

- Making claims that tarnish the reputation of the competitor's trademark.
- Using a competitor's trademark in a way that dilutes its distinctive character.

## **3.3 Defenses to Infringement Claims**

### *3.3.1 Fair Use*

Fair use is a common defense in trademark infringement cases. It allows the use of a trademark without permission under certain conditions, such as for descriptive or comparative purposes, provided it is non-misleading and necessary to describe the competitor's product.

For example, an advertiser may use a competitor's trademark to compare the features of their product with the competitor's product, provided the comparison is truthful and not misleading.

### 3.3.2 Nominative Fair Use

Nominative fair use occurs when a company uses a competitor's trademark to refer to the competitor's product for purposes of comparison, provided that the use does not suggest endorsement or sponsorship by the trademark owner.

For example, an advertisement that states "Brand X is better than Brand Y" may constitute nominative fair use, provided the comparison is factual and not misleading.

## 4. Case Studies in India

### 4.1 Reckitt Benckiser v. Hindustan Unilever

In **Reckitt Benckiser (India) Ltd. v. Hindustan Unilever Ltd.**, Reckitt Benckiser challenged an advertisement by Hindustan Unilever that compared its soap with Reckitt's Dettol, alleging that it was misleading and disparaging. The Delhi High Court ruled that while comparative advertising is permissible, it should not mislead consumers or disparage the competitor's product. The court emphasized that advertisements must be factual and capable of substantiation.

The court further held that Hindustan Unilever's advertisement did not meet the standards of fairness and honesty required in comparative advertising. The judgment reinforced the principle that advertisers must ensure their claims are truthful and substantiated to avoid misleading consumers and infringing on competitors' trademarks.

### 4.2 Dabur v. Emami

In **Dabur India Ltd. v. Emami Ltd.**<sup>8</sup>, Dabur objected to Emami's advertisement, which compared Emami's antiseptic cream to Dabur's product, allegedly disparaging it. The court ruled in favor of Dabur, stating that comparative advertising should not denigrate the competitor's product. The judgment reinforced the principle that while comparative advertising is allowed, it must be done fairly and honestly without misleading consumers or harming the competitor's reputation.

The court held that Emami's advertisement crossed the line from comparative advertising into disparagement, as it contained misleading claims about Dabur's product. The judgment highlighted the importance of ensuring that comparative advertisements are truthful and not misleading.

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<sup>8</sup> Dabur India Ltd. v. Emami Ltd 112 (2004) DLT 73

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### 4.3 PepsiCo v. Hindustan Coca-Cola

In **PepsiCo, Inc. v. Hindustan Coca-Cola Ltd**<sup>9</sup>, PepsiCo filed a suit against Coca-Cola for an advertisement that allegedly disparaged its soft drink brand. The court held that while puffery in advertising is acceptable, it should not cross the line into disparagement or misleading claims. The ruling underscored the need for advertisers to ensure their comparative claims are truthful and substantiated.

The court emphasized that comparative advertising must be conducted within the bounds of fairness and honesty, and should not mislead consumers or harm the reputation of competitors' trademarks.

### 4.4 Marico v. Adani Wilmar

In **Marico Ltd. v. Adani Wilmar Ltd.**<sup>10</sup>, Marico challenged an advertisement by Adani Wilmar that compared its cooking oil with Marico's Saffola, claiming it misled consumers about health benefits. The court ruled that while comparative advertising is permissible, it should not mislead consumers or make unsubstantiated health claims. The decision highlighted the importance of accuracy and honesty in comparative advertising.

The court held that Adani Wilmar's advertisement contained misleading claims about the health benefits of its cooking oil, and thus infringed on Marico's trademark. The judgment underscored the need for advertisers to ensure their claims are truthful and substantiated.

## 5. Balancing Competition and Trademark Protection

### 5.1 Encouraging Healthy Competition

Comparative advertising can benefit consumers by providing clear, direct comparisons between competing products, promoting informed decision-making, and encouraging innovation among companies. Regulators aim to create a balanced environment where companies can highlight their product's strengths without resorting to unfair practices.

Healthy competition drives innovation and improves the quality of products and services in the market. Comparative advertising, when done ethically and within legal boundaries, contributes to this competitive environment by offering consumers valuable information about their choices.

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<sup>9</sup> PepsiCo, Inc. v. Hindustan Coca-Cola Ltd. 2003(27) PTC 305 (DEL)

<sup>10</sup> Marico Ltd. v. Adani Wilmar Ltd. 2013(54) PTC 515 (DEL)

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## 5.2 Protecting Trademark Rights

Trademark protection is essential to maintain the integrity of brands and prevent consumer confusion. Legal frameworks ensure that while comparative advertising is allowed, it does not infringe on trademark rights, mislead consumers, or damage the reputation of the trademarks involved.

Trademark owners have a legitimate interest in protecting their marks from misuse, dilution, and tarnishment. The legal framework provides mechanisms for trademark owners to take action against unauthorized use of their trademarks in comparative advertising.

## 5.3 Guidelines for Advertisers

### 5.3.1 Truthfulness and Honesty

Advertisements should be truthful and not misleading. Comparative claims must be based on factual, verifiable information.

Advertisers should ensure that their claims are supported by reliable evidence and are not exaggerated or misleading. Truthfulness and honesty are key principles that help maintain consumer trust and prevent legal disputes.

### 5.3.2 Non-Denigration

Advertisers should avoid disparaging competitors or their products. Comparisons should be objective and not aimed at tarnishing a competitor's reputation.

Non-denigration involves making comparisons that are fair and factual, without making false or misleading statements about a competitor's product. Advertisers should focus on highlighting the strengths of their own products rather than denigrating competitors.

### 5.3.3 Clear Communication

Comparative advertisements should clearly indicate the basis of comparison and ensure that consumers are not confused about the products being compared.

Clear communication helps consumers understand the basis of the comparison and prevents confusion. Advertisers should use clear and unambiguous language to convey their messages and avoid creating misleading impressions.

## **Conclusion**

Trademark infringement in comparative advertising under Indian law is a nuanced issue that requires a careful balance between promoting healthy competition and protecting intellectual property rights. The legal framework, primarily governed by the Trade Marks Act, 1999, and the ASCI guidelines, provides a robust mechanism to regulate comparative advertising. Landmark judicial decisions have further clarified the boundaries of permissible comparative advertising, emphasizing the need for truthfulness, substantiation, and fairness.

As the marketplace becomes increasingly competitive, advertisers must navigate the complex legal landscape with care to avoid infringing on trademarks while effectively promoting their products. By adhering to legal guidelines and ethical advertising practices, companies can leverage comparative advertising as a powerful tool for competition without crossing the line into infringement.

In summary, while comparative advertising is a legitimate marketing strategy, it must be conducted within the bounds of the law and must not delve into unfair advertising and try to bring down their competitors using unfair means or false claims, i.e., product disparagement. Advertisers should ensure that their claims are truthful, substantiated, and fair, and avoid misleading consumers or disparaging competitors. By doing so, they can benefit from the advantages of comparative advertising while minimizing the risk of trademark infringement and legal disputes.