

Deceptive similarity and interim injunctions in trademark law: an analysis of starbucks corp. V. Sardarbuksh coffee & co.

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Introduction

In a world of growing markets, adroit sellers and the resultant surge in competition, every component of said market, regardless of how big or small they are, are in a quintessential need for protection of their ideas from being robbed, refurbished and repurposed as someone else's. This results in consumer confusion, where an ordinary prudent consumer is subject to deception due to local brands mimicking the trademark or identity of a well known brand. There also exists the contrasting issue of a single market giant swallowing the trivial components of the market by ultimately acquiring and integrating all the knowledge and intellectual works of the latter, thereby eliminating a competitive market structure and establishing a monopoly. A plethora of reasons such as these are why the Law of Intellectual Property Rights exists; the acknowledgement of ideas as the properties of those that conceived it and the crucial importance of the protection of the properties, giving abstract concepts very concrete protection. A fine example of this is the case of Starbucks Corp. v. Sardarbuksh and Co. and Ors., where the importance of the core aspects of a company's trademark and how far must a competing company's mark must be, by virtue of appearance, nomenclature and other connections to the source identifier, from the former's mark to actually not constitute an infringement.

Cause Title

Starbucks Coffee Corp. v. Sardarbuksh and Co. and 4 Ors.

Citation (Case Number)

C.S. (COMM) 1007 of 2018

Bench

Hon'ble Justice Manmohan, J.

Background

Starbucks is an international coffee chain and is the proprietor of the trademark “STARBUCKS” and its associated logo, the two-tailed mermaid, which had its most recent registration in 2010 in India. The coffee chain entered India due to the joint venture of Tata Global Beverages Ltd and Emerald City C.V., an affiliate of Starbucks Corporation USA, and has established itself significantly, with branches and franchise setups all across the country, either independently or tied up with commercial outlets. Sardarbuksh and Co., a Delhi-based coffee chain, was established in the year 2015 and had their business in more than twenty outlets in six cities in India. The chain adopted the name “SARDARBUKSH” and a circular logo with a turbaned figure, with close similarities to the marks of Starbucks.

Starbucks alleged that the Delhi-based coffee chain had adopted a name and a logo that was deceptively similar to their own trademark and trade dress, specifically about how the name sounded phonetically alike and the logo was crudely identical to theirs albeit a turban. Consequently, Sardarbuksh and Co. received a cease-and-desist notice from Starbucks in 2017, owing to which they made minute modifications, predominately with respect to the colour of their logo, which made no significant movement from their alleged similarity with the trade dress of Starbucks. Subsequently, Starbucks moved the Hon’ble High Court of Delhi by instituting a suit for trademark infringement.

Issue

Whether the defendant, Sardarbuksh and Co., upon adopting the impugned name and logo, have infringed upon the registered trademark and allied trade dress of the plaintiff, Starbucks Coffee Corp.?

Rule

The Hon’ble High Court of Delhi, to prevent any further infringement of the plaintiff’s mark and trade dress during the pendency of the suit, rendered a preliminary relief of temporary injunction, under **Rules 1 and 2 of Order XXXIX of the Code of Civil Procedure, 1908**¹. The defendants

¹ Code of Civil Procedure, No. 5 of 1908, Order XXXIX, rr. 1–2 (India).

were alleged to have infringed the registered trademark of Starbucks under **Section 29 of the Trademark Act, 1999**². The Hon'ble Court decided and passed orders by the power granted under **Section 135 of the Trademark Act, 1999**³.

Analysis

The Hon'ble Court, upon comparison of "STARBUCKS" and "SARDARBUKSH", pointed the phonetic similarity between both of them out and emphasised that, regardless of the difference in spelling, there existed a deceptive resemblance which could influence consumer perception. The Hon'ble Court scrutinised the logo of the defendant and, upon viewing from the perspective of the layperson consumer, rejected the defendant's argument that the addition of a turban to their logo sufficiently distinguished it from the trade dress of the plaintiff. The Hon'ble Court justified the aforementioned stance by stating that the circular logo and the presence of a central figure within the same was significantly similar to that of the plaintiff's and established comparable visual identity. The Hon'ble Court, on further addition to that, stated that no mark should give rise to confusion when viewed by an ordinary consumer, provided that the ordinary consumer is one of prudence and a basic threshold of intelligence. Given that both parties to the suit operate within the same field, food and beverages, the Hon'ble Court stated that the probability of the aforementioned confusion to occur is substantial. To possess a mark that traces back to the source identifier of a reputed global coffee chain would subsequently result in misled consumer-market interaction.

The Hon'ble Court, from the initiation of the suit, pushed the parties towards an amicable resolution, as observed in the order dated 13.07.2018⁴. As the relief of temporary injunction was sought from the Hon'ble Court by the plaintiff, the defendant was restricted from opening any new outlets. Thereafter, the Hon'ble Court, as observed in the order dated 01.08.2018⁵, permitted the defendant to open twenty additional new outlets as the projects were near completion,

² Trade Marks Act, No. 47 of 1999, § 29 (India).

³ Trade Marks Act, No. 47 of 1999, § 135 (India).

⁴ *Starbucks Corp. v. SardarBuksh Coffee & Co.*, CS (COMM) 1007/2018 & I.A. Nos. 9022–9023/2018 (Del. High Ct. July 13, 2018).

⁵ *Starbucks Corp. v. SardarBuksh Coffee & Co.*, CS (COMM) 1007/2018, I.A. 9023/2018 (Del. High Ct. Aug. 1, 2018)

provided that they use a distinct logo and change their name to Sardarji-Bhaksh and Co., thereby ordering in favour of the plaintiffs. It is also pertinent to note that, in the subsequent hearing, the Hon'ble Court also held that any third party that adopts the name "BHAKSH" or anything similar to it, will also be subject to suit for trademark infringement. As the Hon'ble Court had advised in the initial stages of the suit, the parties instituted a settlement and resolved the dispute amicably.

Conclusion

This case, *prima facie*, resembles a simple case of an infringement of trademark. However, precedents such as this unveils the true purpose of the Law of Intellectual Property Rights. The case highlights how the core identity of a seller is essential when participating in the market and even the smallest of details must not become catalysts towards distorted consumer perception and consequent deception, regardless of the intention to do or bring cause to do so. The plaintiff, *in casu*, sought for justice from the dilution of their name and visual identity as the cursors of said identity are results of their ideas and innovation, thereby making those their intellectual property. Notwithstanding the tangibility or the abstract nature of one's property, Indian law makes sure one's property is always protected by its steadfast legal and judicial system. This case, *Starbucks Coffee Corp. v. Sardarbuksh and Co. (now Sardarji-Bhaksh and Co.) and Ors.*, is a marvellous example of how that is accomplished in day-to-day scenarios.

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