

**QUANTIFYING CONSUMER PERCEPTION TO IDENTIFY ACQUIRED
DISTINCTIVENESS OF TRADEMARKS: THE CASE FOR A SURVEY-BASED
APPROACH**

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ABSTRACT

The ability of a trademark to fulfil its source-identifying function is sustained by its distinctiveness, whether inherent or acquired. When marks are not inherently distinctive, acquisition of distinctiveness becomes a question of fact, determined on a case-by-case basis. Several consumer and producer-side indicators are routinely considered by High Courts in determining the acquisition of secondary meaning. The nature of these indicators and their inconsistent application has made it difficult for courts to deduce specific tests for guidance. Therefore, courts rely inconsistently on producer-side indicators such as- duration of trademark use, the geographical extent of use and advertisement revenues, which do not speak to the actual consumer perception of marks in question. While it is a settled principle that recognizing consumer perception of trademarks is an essential facet of distinctiveness, the current practices fail to provide an accurate measure of the same. This paper considers the concept of distinctiveness and the manner in which the High Courts have historically attempted to determine it through indicators. Thereafter, it analyses the shortcomings of these indicators and their consistency with the well-recognized Windsurfing standard, developed in the European Union. The paper also evaluates these producer-side indicators as proxies for consumer preferences, while making a case for consumer surveys as being a more accurate indication of consumer preference. Finally, it attempts to provide viable suggestions for over-coming hurdles posed by a survey-based system and addresses the need for a futuristic approach of utilizing search engines to solve the acquired distinctiveness problem.

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I. INTRODUCTION

Distinctiveness is the sine qua non of trademark protection. This means that in order to accord trademark protection to a particular mark, it is necessary to establish a degree of distinctiveness with respect to the mark. Distinctiveness was best explained by Justice Holmes as the awareness of a sufficient number of customers that “a single thing is coming from a single source.”¹ The express mention of this can be found in the Indian Trademarks Act that defines a trademark to be, among other things, capable of distinguishing the goods or services of one person from those of others.² This concept of distinctiveness is vested within marks through various means including instances where such distinctiveness is acquired subsequently, where it wasn’t originally vested within the mark. This exceptional circumstance that is referred to as acquired distinctiveness or secondary meaning is the subject of this paper.

Our aim is to discuss the manner in which such a determination of distinctiveness is made, its application in Indian Courts, and its consistency with the practice and ends of trademark law while drawing from both the US and EU experience of the same. The Paper also ventures into possible alternatives that could be adopted to make this determination a more objective and efficient process. To this end, the paper is divided into five parts, where Part II deals with the concept of Acquired Distinctiveness and analyses the indicators used by Indian Courts to determine its validity; Part III deals with the well-recognized EU Windsurfing Principle and analyses as to what extent the indicators, in the manner in which they are used by Indian Courts, are consistent with it; Part IV deals with the specific producer side indicators and how they serve as proxies for consumer side indicators and Part V considers Consumer Surveys and its potential to be a sufficiently objective standard of collecting evidence to determine acquired distinctiveness, while at the same time considering newer platforms from which data could be more effectively collected.

II. ACQUIRED DISTINCTIVENESS

Trademark law recognizes two broad fields of distinctiveness, inherent distinctiveness and acquired distinctiveness.³ This classification is significant given the diametrically opposite nature of how distinctiveness came to be vested within that mark and any exploration into one cannot

¹ Charles Martin, *Meaning of Distinctiveness in Trade-Mark Law*, 45 ILL. L. REV. 535 (1950).

² The Trade Marks Act, 1999, § 2(b), No. 47, Acts of Parliament, 1999 (India).

³ THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION 11:4 (2017).

be in ignorance of the other. Hence, before considering the nuances of acquired distinctiveness it becomes important to consider inherent distinctiveness.

A designation that by virtue of its intrinsic nature serves to identify a particular source of a product and through it becomes distinctive is termed an “inherently distinctive” mark.⁴ There exists an irrefutable presumption that a mark of this kind has achieved almost instant recognition as a symbol of origin upon its first use.⁵ This presumption negates the need for any additional burden of proof in terms of secondary meanings and the mark can be registered immediately as a trademark.⁶ Inherently distinctive marks usually take the form of arbitrary, fanciful and suggestive marks.⁷ Arbitrary marks refer to those marks that are by themselves generic or descriptive but through their use in identifying products far removed from the ordinary or dictionary meaning of that mark attain inherent distinctiveness.⁸ An example of this is a technology company named after a fruit, ‘Apple’. Fanciful marks refer to marks coined or created, that previously did not exist within public consciousness. An example of this would be ‘Kodak’, a word mark for a photography company. Suggestive marks walk a fine line between inherently distinctive marks and descriptive marks in so far as it, without describing product, merely ‘suggests’ the features of a product, a conclusion which would not be imminent but rather involve some degree of a mental effort and perception. A good example of this is ‘Microsoft’ for a Microcomputer Software Company. In all three categories, the marks with relation to their products are not generic or descriptive and are distinctive from the very beginning. In contrast to this, distinctiveness is said to have been acquired when a mark that is originally generic or descriptive, without any distinctiveness attached to it becomes so as a result of consumer perception. Here the process of acquiring distinctiveness is not instant and it entails a process affected by various factors.

The general position is that marks that are not inherently distinctive are not capable of being registered as a protected trademark.⁹ However, across jurisdictions, there is a well-established exception to this, where registration is possible on proving that such a mark has subsequently acquired distinctiveness. Acquired distinctiveness is also referred to as acquiring secondary

⁴ *Id.*

⁵ *Id.*

⁶ *Marico Limited v. Agro Tech Foods Limited.*, 2010 (174) DLT 279 (India).

⁷ Dustin Marlan, *Visual Metaphor and Trademark Distinctiveness*, 93 WASH. L. REV. 767, 768-769 (2018).

⁸ *Abercrombie & Fitch Co. v. Hunting World, Inc.* 537 F.2d 4 (2d Cir. 1976).

⁹ The Trade Marks Act, 1999, § 9(1)(b), No. 47, Acts of Parliament, 1999 (India).

meaning; this is because it refers to a meaning or significance that is acquired by the mark or word as the case may be added to the one that was already vested with it.¹⁰ It is important to note that this does not invalidate the original meaning but has a new meaning attached to it in relation to a product.¹¹

Acquired distinctiveness has correctly been recognized as largely being a question of fact that must be determined existing as an exception to absolute grounds of refusal for registration of a trademark.¹² The controversy starts at the point at which one ventures into determining such acquisition of distinctiveness.¹³ The general body of law on acquired distinctiveness posits that there exist indicative and decisive factors for determination in this regard.¹⁴ The indicative factors include- duration, territory, extent, market share, and advertising volume of the mark, and the decisive factor being that the public associates the mark with the undertaking.¹⁵ There is scholarship to suggest that the decisive factor must be given preference,¹⁶ however, this poses a circular problem of ascertaining when the public stops perceiving the mark as generic or descriptive and starts associating it to the specific product. This requires reference to the many indicative factors that have separately and jointly found mention in varying degrees of judicial acceptance in cases scattered across the country in various High Courts. This part seeks to trace this often contradictory jurisprudence and attempts to reconcile it to a standard that originated in the EU that has now gained a general consensus and what the future of acquired distinctiveness litigation could look like.

A. Duration of Use

Long-term use has largely been assessed on a case-to-case basis; in consideration of other factors.¹⁷ Length of use has only persuasive value in respect of distinctiveness in the EU¹⁸ and

¹⁰ Mahendra and Mahendra Paper Mills Ltd. v. Mahindra and Mahindra Ltd., (2002) 2 SCC 147 (India).

¹¹ MCCARTHY, *supra* note 5, at 15:1.

¹² Godfrey Philips India Ltd. v. Girnar Food and Beverages Pvt. Ltd., (1998) 9 SCC 531 (India).

¹³ United Iron and Steel Works v. Government of India, AIR 1967 P&H 64 (India).

¹⁴ MCCARTHY, *supra* note 5, at 15:30.

¹⁵ *Id.*

¹⁶ Barton Beebe, *The Semiotic Analysis of Trademark Law*, 51 UCLA L. REV. 621, 652 (2004).

¹⁷ European Union Intellectual Property Office, *Guidelines for Examination of European Union Trademarks (2017)*, https://euipo.europa.eu/tunnelweb/secure/webdav/guest/document_library/contentPdfs/law_and_practice/trade_marks_practice_manual/WP_2_2017/PartB/04part_b_examination_section_4_absolute_grounds_for_refusal/part_B_examination_section_4_chapter_14/TC/part_B_examination_section_4_chapter_14_Acquired_distinctiveness_tc_en.pdf (last visited Oct. 20, 2020).

¹⁸ *Id.*

the US.¹⁹ In the United States, the Lanham Act specifies that five years of substantially exclusive and continuous use of a mark as a trademark constitutes prima facie evidence of acquired distinctiveness.²⁰ Nevertheless, if the use is not exclusive, the time of use might make no difference to the distinctiveness of the sign.

Several contradictions can be observed in the application of the time factor by the High Courts in India. One fundamental question is whether it is possible to prescribe a specific time period, in the first place, and if so, what constitutes sufficient duration for the acquisition of distinctiveness. In *Britannia v. ITC*, ITC had filed a suit seeking an injunction restraining Britannia from violating its purported rights in the packaging/trade dress of its biscuit by allegedly using a deceptively and confusingly similar trade dress for its product.²¹ In the instant case, Britannia had introduced its product six months after ITC. While the High Court of Delhi considered the large sale of ITC's product, it went on to hold that it should not be easy for a party to claim exclusivity over a colour combination particularly when the same has been in use for a short while.²² Similarly in *ITC v. Registrar of Trade Marks*, the issue was whether 'Simla' can be said to have acquired distinctiveness in respect of Tobacco. The Calcutta High Court here considered the high sales, affidavits by a number of witnesses in respect of the brand, and the fact that the term is geographical. However, the court was eventually reluctant to concede that the word 'Simla' had acquired a secondary meaning in the course of three years, to be associated with Imperial Tobacco.²³

This is in direct contrast to the proposition in *Isha Khosla v. Anil Aggarwal* which suggests in clear terms, that for the purpose of claiming proprietorship of a mark, length of time may be irrelevant.²⁴ Relying on the ratio in *Century Traders v. Roshan Lal Duggar PTC Supply*, the Delhi High Court noted that - to acquire secondary meaning/distinctive meaning it is not necessary that the product is in the market for a number of years. If a new idea is fascinating and appeals to the consumers, it can become a hit overnight.²⁵ Alternatively, a mere casual, intermittent, or experimental use may be insufficient to show an intention to adopt the mark as a trademark for a

¹⁹ In re Van Valkenburgh, 97 USPQ2d 1757, 1767 (TTAB 2011).

²⁰ The Lanham (Trademark) Act, 15 U.S.C. §1052(f) (1946).

²¹ ITC Ltd. v. Britannia Industries, CS (COMM) 1128/2016(India).

²² *Id.*

²³ Imperial Tobacco Co. Of India Ltd. v. Registrar of Trade Marks, AIR 1968 Cal 582, 37 (India).

²⁴ Century Traders v. Roshan Lal Duggar & Co., 1977 PTC (Suppl.) (1) 720 (Del) (DB) (India).

²⁵ Mrs. Isha Khosla v. Anil Aggarwal And Anr., 2007 (34) PTC 370 Del, 21 (India).

specific article or goods.²⁶ In light of these decisions, the relevance of duration as a criterion becomes questionable. If it is possible for products to become hits overnight, then this suggests that time has very little to do with the actual acquisition of distinctiveness.

B. Geographic Extent of Use

The significance of area-specific use of a trademark in determining the acquisition of distinctiveness has time and time again been upheld across multiple jurisdictions. The manner in which the area of use becomes important is two-fold. Firstly, where the mark has been in use in a particular region, gains distinctiveness and wishes for prospective protection in the form of registration and secondly, when two or more marks of a similar nature exist.

A simple example of the first kind is the decision of the House of Lords' in 1913, the *Registrar of Trade Marks v. W. & G. Du Cros Ltd.*,²⁷ where the court was concerned with whether the name of the motor cab proprietors that was simply "W & G" could be held as having acquired distinctiveness on account of its constant use in London. It was submitted that it had acquired a widespread secondary meaning as far as motor-cabs were concerned within the geographical limits of London. Though the court held that the three years of use of the mark in question was not sufficient to conclude any acquisition of distinctiveness, the court through Lord Parker laid down the use and area test required to determine acquired distinctiveness. Commenting on the need to prove conclusive distinctiveness, he stated that it would "depend on all the circumstances, including the area within which and the period during which such distinctiveness can be predicted of the mark in question."²⁸ This requirement of area and time has gained subsequent recognition and is an important starting point from which the law regarding acquired distinctiveness evolved.²⁹

The discussion of the area of use in the context of the second kind, competing marks and whether one of the marks is to be accorded protection owing to acquired distinctiveness, must be considered with the law of passing off. This was recognized in *George Outram & Co. Ltd. v. London Evening Newspapers Company Ltd.*,³⁰ where two Newspapers with similar names were being circulated in Glasgow and London respectively, the court was of the opinion that since the

²⁶ Consolidated Foods Corporation v. Brandon and Company Private Ltd., AIR 1965 Bom 35, 28 (India).

²⁷ Registrar of Trade Marks v. W. & G. Du Cros Ltd., [1913] AC 624 (HL) 588 (appeal taken from Eng.).

²⁸ *Id.* at 637.

²⁹ *Supra* note 25.

³⁰ George Outram & Co. Ltd. v. London Evening Newspapers Company Ltd., 1911 RPC 28 (Eng.).

circulation of these newspapers are in different geographical locations and has achieved recognition there, it could not be a case of passing off.³¹

However, yet again, it is interesting to note that the position does not exist in uniformity in the manner in which different courts have chosen to apply it. In *T.V. Venugopal v Ushodaya Enterprises*, where the controversy was with regard to the use of the Kannada word ‘Eenadu’ meaning ‘this land’ the Supreme Court took the position that the respondent company’s mark ‘Eenadu’, though a descriptive word, had acquired extraordinary reputation and goodwill within the State of Andhra Pradesh as “almost household words”.³² It was held that it had thus acquired a secondary meaning and is fully identified with the products and services provided by the company to the consumers within Andhra Pradesh.³³

Sunil Mittal v Darzi,³⁴ poses an interesting position as far as the test of area of usage is concerned, in spite of it not being a direct ruling on acquired distinctiveness. The controversy, in this case, had to do with the use of the word ‘Darzi’ being used for tailoring services. Darzi is the Urdu word for tailor and it was argued that the word was generic, it was also argued that it was descriptive of the service being rendered hence incapable of being accorded the protection of distinctiveness. The court considered the meaning and etymology of the word and further delved into its use and significance within the geographic territory of Delhi. Endlaw J. held that the term could not be termed descriptive in the present case since it was the finding of the court that the word had never been used within the territory of Delhi as referring to tailoring services.³⁵ This serves to illustrate the importance of the area of usage where the consumers of that particular territory would specially recognize the mark in question as referring to a specific product and the many factors that could affect such recognition.

In *Living Media India Ltd. v. Jitender V. Jain*,³⁶ where the Delhi High Court was of the view that reputation or goodwill could not be confined to a particular geographical limit and is all-pervasive. The court echoed the sentiment that the protection that trademark law affords cannot be suspended merely owing to it not falling squarely within the area of use.³⁷ However, it is

³¹ *Id.*

³² *T.V. Venugopal v. Ushodaya Enterprises*, (2011) 4 SCC 85 (India).

³³ *Id.*

³⁴ *Sunil Mittal v. Darzi*, 2017 (70) PTC 346 (Del) (India).

³⁵ *Id.*

³⁶ *Living Media India Ltd. v. Jitender V. Jain.*, 2002 (25) PTC 61 (Del) (India).

³⁷ *Id.* ¶ 29.

unclear from the judgment as to whether this is an express rejection of the concept or a product of the evolved times in which the law has to co-exist.

An analysis of the above-mentioned cases would reveal that courts accepted an area specific approach and limited their adjudication to a geographical area and in turn the perception of only those consumers within those boundaries. This required a case to case basis adjudication, with the determination of distinctiveness changing based on the geographical area under consideration. However, contradicting decisions that choose to do away with area-specific considerations and looking at the mark broadly call into question the viability of such an approach. This is especially so in a time where the gap caused by information asymmetry has contributed to the need to establish geographic boundaries of use to be shortened by the all-permeating scope of the internet

C. Publicity

It is a general practice for producers to advertise their products bearing a distinct mark through various means, with the objective of gaining publicity and recognition through it. The extent of this effort and the cost incurred in doing so is often produced as evidence of having acquired distinctiveness for that mark.³⁸ This is from a logical inference that such advertisements have successfully permeated public consciousness and hence establish source recognition for that mark with that product.³⁹ It is understood that it follows, that higher the expense higher would have been its extent of permeation into the consumer's minds.⁴⁰

However, a mere record of advertisement expenses cannot be a proof of having acquired distinctiveness. It must be seen as being part of a larger context that is created with other pieces of evidence that suggest that such an acquisition of distinctiveness has taken place.⁴¹ Producers also adduce the record of sales as being the desired result of the advertisements⁴² under the premise that a large sales figure corresponding to advertisement means that it has acquired distinctiveness.

³⁸ See *Mahendra & Mahendra Paper Mills v. Mahindra & Mahindra Ltd.*, AIR 2002 SC 117 (India) ; *Ramdev Food Products Private Ltd. v. Arvindbhai Rambhai Patel*, (2006) 8 SCC 726 (India); *Nandhini Deluxe v. Karnataka Co-Operative Milk Producers Federation Ltd.*, AIR 2018 SC 3516 (India).

³⁹ *MCCARTHY*, *supra* note 5, at 15:50.

⁴⁰ *Id.*

⁴¹ *Satyam Infoway Ltd. v. Sifynet Solutions Pvt. Ltd.*, (2004) 6 SCC 145 (India).

⁴² *Geepee Ceval Proteins and Investment Pvt. Ltd. v. Saroj Oil Industry*, 2003 (27) PTC 190 (Del) (India).

It ideally requires compelling material that evidences mass recognition in the minds of the relevant public of the producer as to the original source of the product.⁴³ Any evidence that is gathered to this end must indicate a direct relationship between the producer's efforts and the actualization of the direct effect on the majority public. Hence, in order to draw a larger context of consumer acceptance, it is often clubbed with a record of sales and other promotional material.⁴⁴ While this clubbing is recognized as important, determination of distinctiveness is still made by considering a single indicator of publicity such as the record of the sales.⁴⁵

Courts have chosen to give effect to the trademark law principle of distinctiveness through the use of consumer perception. In order to determine consumer perception and through it acquired distinctiveness, the courts have relied on the various indicators discussed above. As analyzed, the indicators suffer from inconsistency in their application and for that reason using them as the sole proof of consumer perception is suspect. The question then becomes one of finding the right indicators and applying them.

III. THE WINDSURFING STANDARD

The Windsurfing case was concerned with a geographic name becoming associated with products and achieving an origin source reputation, however, the reasoning has gone on to influence the way acquired distinctiveness is to be determined.⁴⁶ While dealing with the question of how to determine acquired distinctiveness, the court held that an overall assessment must be made of the evidence, it went on to lay down the duration, territory, extent, market share, advertising volume of the mark, the proportion of the relevant class of persons who identify goods as originating from a particular undertaking owing to the mark, and statements from chambers of commerce and industry or other trade and professional associations.⁴⁷ This lays down a comprehensive guide that indicates that courts must not choose to determine based on the specific evidence presented to it. At the very least it beckons at the need to include more conclusive pieces of evidence that provide a whole picture of the effect the mark has had.

It would surely be a point of contention that a principle formulated within the context of the EU Trademark regime would have no place in India. This requires a consideration of India's

⁴³ British Sugar PLC v. James Robertson & Sons Ltd., 1996 RPC 281 (Eng.).

⁴⁴ B.K. Engineering Co. v. Ubhi Enterprises, AIR 1985 Delhi 210 (India).

⁴⁵ M/s P.K. Overseas Pvt. Ltd. v. M/S KRBL Ltd., 2014 (57) PTC 129 (IPAB) (India).

⁴⁶ Joined Cases C-108/97 and C-109/97, Windsurfing Chiemsee Produktions und Vertriebs GmbH v. Boots und Segelzubehor Walter Huber & Franz Attenberger, 1999 E.C.R. 1-2779.

⁴⁷ *Id.* ¶ 51.

common law heritage specifically with regards to Trademark law. In India, the concept of trademark protection exists in the form of common law principles as it did in England, and subsequently, these principles were codified into a statute.⁴⁸ It is pertinent to note that in spite of codification, common law principles were still central to the law of trademark. An example of this is the action of passing off which exists as a common law remedy applicable even when the statutory requirement of registration is not complied with.⁴⁹ This shared common law heritage has been further championed through judicial pronouncement, where the court considering the basic principles of distinctiveness as they existed under English law concluded that the law was similar to the Indian position.⁵⁰

However, it is pertinent to note that the UK Trademark law pivoted away from common law to follow the European Union Trademark regime. This in effect means that a common law orientation that previously connected the Indian and UK trademark law systems no longer holds for the latter.⁵¹ This is not to suggest that the common law principles would no longer apply to India by any stretch of an argument. However, this becomes important because of the acceptance of the EU regime by a common law country signalling that it would not be out of place to apply the EU doctrines in a common law system.

While the courts in India for the most part have not taken note of these important criteria, the Bombay High Court considered the standard laid down in *Windsurfing Chiemsee* along with common law principles whilst adjudicating on whether acquired distinctiveness had been sufficiently proven.⁵² Subsequently the draft Trademarks manual referenced *Windsurfing* while clarifying the position of ‘Examination of evidence of use as a Trade Mark.’⁵³ This must be considered in the light of scholars who caution that there should not be any hurry to accept the EU position and that the courts must vary of the law being ‘Europeanised by stealth’.⁵⁴ Given this apprehension, increased reference to the windsurfing criteria by the courts would allow for the courts to formulate their version of the criteria.

⁴⁸ 3 P. NARAYANAN, LAW OF TRADE MARKS AND PASSING OFF 131 (2004).

⁴⁹ The Trade Marks Act, 1999, § 27(2), No. 47, Acts of Parliament, 1999 (India).

⁵⁰ *Sunder Parmanand Lalwani v. Caltex (India) Ltd.*, AIR 1969 Bom 24, 32 (India).

⁵¹ *Dev Gangjee, Non-Conventional Trade Marks in India*, 22 NAT’L L. SCHOOL INDIA REV. 67 (2010).

⁵² *Pidilite Industries Limited and Ors. v. Vilas Nemichand Jain and Ors.*, 2015(6) Bom CR 499 (India).

⁵³ *Draft Trade Marks Work Manual*, OFFICE OF THE CONTROLLER GEN. OF PATENTS, DESIGNS & TRADE MARKS, <http://www.ipindia.nic.in/writereaddata/images/pdf/proposed-tm-manual-for-comments.pdf> (last visited Oct. 20, 2020).

⁵⁴ *Gangjee*, *supra* note 53, at 70.

IV. PROXIES: INADEQUATE MEASURES?

The late Justice Ginsburg, in *USPTO v. Booking.com*⁵⁵ reiterated that the generic (or non-generic) character of a particular term depends on its meaning to consumers, i.e., do consumers in fact perceive the term as the name of a class or, instead, as a term capable of distinguishing among members of the class. The whole exercise of determining acquired distinctiveness is predicated on the possibility of a descriptive or generic term being associated with and recognized as the source of a certain product.⁵⁶ The nature of this association is then sought to be proven by the producer by adducing evidence, thus highlighting the perceived importance of evidence in proving the status of secondary meaning. Hence it follows that the evidence produced must demonstrate how the consumers have come to recognize the mark with that product. The manner in which such evidences are presented before courts have largely been in the form of duration of use of the mark, the total amount spent on advertising the product associated with the mark and sales of such products among others.⁵⁷ Here the courts presume that the degree of success in moving product or the time and money spent on the mark in a particular market serves to highlight that consumers have recognized the mark as the origin of the products they consume. This rationale holds true for most trademark jurisdictions including India. Given that most of the indicators are those emanating from the producer, it is crucial to show that such efforts by the producer have actually borne fruit and that there is material to conclude that the consumers have responded to those efforts by making the source origin association. This second layer of analysis is often missing in the decisions of Indian courts.

Ignoring the consumer side association and relying too heavily on the producer side indicators poses many concerns regarding the nature of distinctiveness and the role of trademarks. That a consumer will recognize a product bearing a certain mark distinct from that of other similar products solely on the basis of such mark, is the entire premise of Trademark law. This serves to illustrate the importance of consumer perception. In the absence of the same, the producer -side indicators become proxies for consumer recognition while that might not actually be the case.⁵⁸ This is because in spite of the importance given to them in court, these factors aren't an exhaustive account of the acquisition of secondary signification. Sole or heavy reliance on such

⁵⁵ *USPTO v. Booking.com B.V.*, No. 19-46 (U.S. June 30, 2020).

⁵⁶ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 773 (1992).

⁵⁷ Jake Linford, *Trademark Owner as Adverse Possessor: Productive Use and Property Acquisition*, 63 Case W. RES. L. REV. 703, 708 (2013).

⁵⁸ McCarthy, *supra* note 5, at 15.48.

factors can distort the trademark system since consumer recognition is substituted with producer side indicators acting as a proxy. This tendency has led scholars to argue that the framing of trademark litigation and the manner in which it is structured is always in a seller v. seller premise, leaving consumers or the end users out of this narrative.⁵⁹

An example of this is the case of *Zari v Zari Silk*,⁶⁰ where the court was presented with the record of the amount of money spent on advertisements and related campaigns to establish acquisition of distinctiveness. A conclusion of distinctiveness based solely on this evidence would fall squarely within the proxy criticism. Merely because the amount so spent is substantial and spread over a significant length of time, producing the same does not automatically lead to the inference that distinctiveness has been acquired.⁶¹ The evidence provided must be of such nature that it could lead the court to infer the actual result of such advertisement campaigns, being that it converts a descriptive term in the minds of the consumers into a term designating a single source.⁶²

Record of sales could be intuitively seen as being a consumer side indicator, however mere evidence to show that a product bearing a certain mark has enjoyed extensive sales or popularity does not prove acquired distinctiveness. This is because the data submitted is merely indicating sales that could be attributed to a host of reasons and not exclusively distinctiveness.⁶³ In recognition of this, there exists an entire body of scholarship that calls for consumer surveys to be given greater preference as a factor.⁶⁴

V. CONSUMER SURVEYS: PAVING THE ROAD AHEAD

Consumer surveys are used to gather data on the beliefs and attitudes of consumers towards products, concepts, or names,⁶⁵ as they provide direct evidence about consumer perceptions that expert testimony may lack, and elicit multifaceted information about perceptions that mere visual comparison does not provide.⁶⁶ Opinion polls and surveys concerning the level of recognition of

⁵⁹ Michael Grynberg, *Trademark Litigation as Consumer Conflict*, 83 N.Y.U. L. REV. 60, 72-74 (2008).

⁶⁰ *Zari v. Zari Silk India Pvt. Ltd.*, 2014 (59) PTC 62 (Raj) (India).

⁶¹ *McCain International Ltd. v. Country Fair Foods Ltd. & Anr.* (1982) 2 PTC 156 (CA) (Eng.).

⁶² *Walt-W. Enter., Inc. v. Gannett Co.*, 695 F.2d 1050, 1060 (7th Cir. 1982).

⁶³ *Adidas-Am., Inc. v. Payless Shoesource, Inc.*, 546 F. Supp. 2d 1029, 1086 (D. Or. 2008).

⁶⁴ Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1586, 1622 (2006).

⁶⁵ Robert C. Bird, *Streamlining Consumer Survey Analysis: An Examination of the Concept of Universe in Consumer Surveys Offered in Intellectual Property Litigation*, 88 TRADEMARK REP. 269, 270 (1998).

⁶⁶ Robert C. Bird and Joel H. Steckel, *The Role of Consumer Surveys in Trademark Infringement: Empirical Evidence from the Federal Courts*, 14 J. BUS. L. 1013 (2012).

the trademark by the relevant public on the mark in question can, if conducted properly, constitute one of the most direct kinds of evidence, since they can show the actual perception of the relevant public. However, courts in the EU, US and India have laid down specific requirements for surveys to form evidence under judicial scrutiny.

A practice which is frequently seen in India is the use of affidavits by customers or merchants to prove distinctiveness, deceptive similarity, the likelihood of confusion, etc. this practice generally does not find acceptance in the high courts. However, the courts have often expressed a willingness to consider surveys which have been carried out according to judicial requirements. *Ayushakti Ayurved Pvt. Ltd. v. Hindustan Lever Ltd*⁶⁷ involved an action for passing off, in respect of the Trademark 'Ayush'. Here, the plaintiff submitted a number of affidavits (by employees, merchants, etc), including one of the shop keepers, who had sworn the existence of confusion and deceptive similarity on the ground that an unnamed customer had asked for an AYUSHAKTI brand product thinking that they are the same as AYUSHAKTI products originating from the plaintiff. The court ruled that affidavits of this kind were wholly unsatisfactory and unreliable. In the same case, Justice Bobde, noting that survey evidences assist the Court, particularly at interlocutory stages, relied on English precedents to suggest that the requirements necessary for an admissible survey were relevant cross -section representation of the public, requirement of statistical relevance, fairness in the process, disclosure requirement and certainty.⁶⁸

Subsequent cases in respect of affidavits bring forth inconsistencies in their relevance. For instance, in *Time Warner Entertainment Co v AK Das*,⁶⁹ supportive affidavits were submitted, which disclosed that a substantial number of relevant classes of consumers were likely to be confused and deceived in respect of the marks. The judge noted that the market survey report when filed through affidavits could be looked into and relied upon for the purpose of ascertaining whether an interlocutory order could be made or not on the allegation of passing off of a trademark.⁷⁰

There have been instances where Indian courts have expressed great reservations on the wide and uncertain nature of surveys and its admissibility as evidence. This appears to be the result of an absence of procedure or process resulting in the non-inclusion of address or identity of survey

⁶⁷ *Ayushakti Ayurved Pvt. Ltd. v. Hindustan Lever Ltd.*, 2004 (28) PTC 59 (Bom.) (India).

⁶⁸ *Id.*; see also *Universal City Studios, Inc. v. Nintendo Co.*, 797 F.2d 70 (2d Cir. 1986).

⁶⁹ *Time Warner Entertainment Co v. A.K. Das*, 1997 (17) PTC 453 (Del.) (India).

⁷⁰ *Id.*

subjects.⁷¹ This throws up questions of verification. Hence the courts sought the opportunity to cross-examine surveyors in order to establish admissibility.⁷² Requiring the court to undertake this process for every case that involves consumer surveys is an arduous process and in the absence of no clear standards, is open to discrepancies in the survey evidence and the manner in which the court admits it.⁷³ This has been compounded by the fact that courts accept and reject the admission of surveys as evidence at specific stages in the suit.⁷⁴

The position in India has seemed to turn in favour of surveys with cases where High Courts have expressly noted the lack of a market survey as grounds for denial of reliefs.⁷⁵ This can also be observed in the passing of action instituted in *Pidilite Industries Limited and Ors. V. Vilas Nemichand Jain and Ors.* While the judge noted that market surveys are not mandatory, he pointed out that it may have aided in tipping the verdict in favour of the petitioner when the issues are evenly poised.⁷⁶

Survey evidences have also been used by defendants to debunk claims of distinctiveness. In *Sanofi India v. Universal Neutraceuticals*, the defendant utilised an online market survey to point to the generic nature of the contested trademark in the specific (Pharmaceutical) business, by showing how the trademark ‘UNIVERSAL’ saw extensive use and reproduction by a number of companies operating in the field of medicine.⁷⁷

A recent development is the Indian Intellectual Property Office’s Draft Manual on Trademark Practice and Procedure’s guidelines. In respect of survey evidences, it is more or less in line with the EU requirements. It highlights that the ‘relevant public’ is comprised of actual or potential customers of the kind of goods/services in respect of which registration is sought – but that it is not appropriate to restrict the survey only to the class of persons who might purchase the applicant’s goods/services. It mentions requirements for disclosure of the number of persons participating in the survey, responses, exact answers and control samples.⁷⁸ Given that it occupies a unique position being able to determine acquired distinctiveness for courts, it becomes

⁷¹ *Fedders North American v. Show Line*, 2006 (32) PTC 573 (Del.) (India).

⁷² *P.P. Hamsa v. Syed Agencies*, 1990 (2) KLJ 555 (India).

⁷³ *Samsonite Corporation v. Vijay Sales*, 73 (1998) DLT 732 (India).

⁷⁴ *Haw Par Bros. International Ltd. v. Tiger Balm Co. (P) Ltd.*, 1996 (16) PTC 311 (Mad.) (India).

⁷⁵ *McCain International Ltd. v. Country Fair Foods Ltd. & Anr.* (1982) 2 PTC 156, ¶17 (CA) (Eng.).

⁷⁶ *Supra* note 54.

⁷⁷ *Sanofi India Ltd. v. Universal Neutraceuticals Pvt Ltd.*, 2014 (60) PTC 593 (Del.) (India).

⁷⁸ OFFICE OF THE CONTROLLER GEN. OF PATENTS, DESIGNS & TRADE MARKS, *supra* note 55.

important to consider how surveys could be used going forward. This requires smoothening out of existing concerns surrounding surveys.

A. Concerns and Inconsistencies

There is vast confusion and discrepancy regarding the appropriate number of persons that must be part of a survey in order to constitute sufficiency which TM Draft Manual has also failed to clarify. For instance, in the United States, probative value has been dependent on the proportionality of interviewees to the population. It has been held that although all evidence must be reviewed on a case-by-case basis, generally, survey results showing less than 10% consumer recognition are insufficient to establish secondary meaning, and results over 50% are sufficient to establish secondary meaning.⁷⁹ However, in the United Kingdom, a survey including 500 persons was considered sufficient evidence,⁸⁰ while the European Union Intellectual Property Office [“EUIPO”] has explicitly stated that 1000-2000 interviewees are necessary.⁸¹ There have also been EUIPO decisions that suggest that 200 interviews are sufficient⁸² but that 1900 interviews are insufficient in determining probative value.⁸³ We concede that it would be impractical to put a cap on the number of persons to be surveyed as this would vary depending upon the type of product. If the product is one that is used by a selected few of the population of the country, then the number of interviewees becomes less relevant as opposed to the type of persons so interviewed. It may be more viable for the survey to consider people who are probable customers of the product.

Therefore, the relevant public becomes an important factor in determining the validity of a survey. The relevant public is deemed to be average consumers of the particular category of products concerned and the average consumer is deemed to be “reasonably well informed and reasonably observant and circumspect”. For instance, if the mark covers mass consumer goods, the surveyor will have to provide evidence that the public as a whole, or at least a substantial part of it, recognises the sign applied for as a mark. If the goods/services are addressed to a specific

⁷⁹ *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1127–28 (Fed Cir. 185), (finding 50% probative in establishing secondary meaning given the totality of the evidence); McCarthy, *supra* note 5 at 15.45, 32.190.

⁸⁰ Case R 240/2004-2, *Waterford Stellenbosch v. Waterford* OHIM 2nd BoA, 23 November 2010.

⁸¹ Stefan Martin, *The Use of Survey Evidence*, EU-INDIA INTELLECTUAL PROPERTY COOPERATION, <https://www.ipc-eui.org/sites/default/files/events/files/5-%20The%20use%20of%20survey%20evidence%20INDIA%2015-02-17%20final.pdf> (last visited Oct. 20, 2020).

⁸² Case R 1294/2011-1, *Ball Wholesale ApS v. Prabha Arts (London) Ltd.*, OHIM 1st BoA, 19 December 2013.

⁸³ Case R 1696/2010-1, *CCUniRent System GmbH v. RENT A CAR (Société Anonyme)* OHIM 1st Bo A 1 September 2011.

portion of the public, say, doctors who specialise in one medical area, evidence could only relate to that limited public.

Other practical impediments include the costs of implementation of surveys, especially in light of the strict requirements that courts have laid out. Plaintiffs with limited resources may be disabled if surveys are given high probative value. Further, the costs of finding survey participants pale in comparison to the costs of hiring experts to conduct and interpret survey evidence.⁸⁴ Therefore, it has been suggested, and probably rightly so due to current circumstances, that courts should refrain from making an adverse inference when litigants do not submit consumer surveys as an evidentiary component of their case.

B. Trademark Surveys: Overcoming the Hurdles

The importance of circumstantial evidence afforded by consumer surveys cannot be over-emphasized.⁸⁵ In his paper critiquing the use of survey evidences in trademark litigation, author Thompson D.L points to a range of deficiencies such as the likelihood of loss of meaning between perception and narration, motivation to falsify, and lack of accurate reportage. However, in his conclusion even he concedes that - as survey research procedures become increasingly more reliable and scientific, it is to be expected that their findings will become increasingly attractive as one logical basis for deciding cases in which public opinion or behaviour is a principal factor.⁸⁶

Although it is clear that surveys are an important and objective consumer-side indication of acquired distinctiveness, their implementation costs are deterrents to their use. One way to overcome this hurdle is through employing internet-based surveys, which are cheaper to conduct and are an effective tool for information gathering. Web-based data collection also eliminates the potential of interviewers biasing answers and possibly acting in a fraudulent manner.⁸⁷

There have been occasional hesitation in admitting and considering internet evidence for Trademark disputes across jurisdictions, but empirical research in the United States suggests that there is no reason why internet surveys must be given less probative value (in comparison with

⁸⁴ Jake Linford, *Democratizing Access to Survey Evidence of Distinctiveness*, in TRADEMARK LAW AND THEORY: REFORM OF TRADEMARK LAW (Graeme Dinwoodie & Mark Janis eds., forthcoming 2020).

⁸⁵ Jack P. Lipton, *Trademark Litigation: A New Look at the Use of Social Science Evidence*, 29 ARIZ. L. REV. 639, 641-42 (1987).

⁸⁶ Donald L. Thompson, *Survey Data as Evidence in Trademark Infringement Cases*, 2 J. MARKETING RES., 64, 73 (1965).

⁸⁷ Gabriel M Gelb & Betsy D Gelb, *Internet Surveys for Trademark Litigation: Ready or Not, Here They Come*, 97 TRADEMARK REP. 1073, 1082 (2007).

other surveys) or deemed inadmissible.⁸⁸ While data on this is grossly lacking in the Indian Market, we believe that the pros and cons of internet surveys largely remain the same whether in India or abroad. This is assuaged by considering that our proposition to encourage widespread use of Internet surveys exists in the same world where litigants would be able to rely on more reasonably priced providers of survey expertise, and where testimony from less highly credentialed experts would still be admissible under prevailing evidentiary standards, in order to truly democratize the use of surveys.⁸⁹ The admissibility and evidentiary value of electronic evidence under the Indian law is in itself a separate issue that is beyond the scope of our research in this paper, our observation specifically in respect of trademark surveys, is that the chief grounds for discounting the same should be based upon issues regarding the nature of the questions, or the number of people surveyed or ‘who’ has been surveyed, as opposed to the medium of the survey itself.

Even with internet surveys, it is pertinent to bear in mind that more respondents do not necessarily equal more representative or better-quality data. It is still necessary for surveying parties to employ an adequate cross-section of persons, and meet other evidentiary requirements . One prevalent problem is that parties conducting surveys may tailor the survey to only prove their claims, or target the survey at a population that would provide favorable survey results. In order to sufficiently combat this, conductors of surveys must be mandated to produce the fullest possible information regarding the process and results of the information acquired, as has been emphasized in *Interflora I*,⁹⁰ and the Whitford Guidelines, in the UK.⁹¹

Therefore, it becomes all the more important for courts in India to enforce the TM Manual requirements and seek full disclosure of the process and result of the survey, in order to prevent the imposition of an unfair burden upon the opposing party to disprove the survey claims rather than requiring the party that provides the evidence to validate it at the gatekeeping stage.⁹² The court could additionally, on occasion of doubt, be empowered to call upon parties that have conducted the survey, as witnesses, to ascertain that the process of the survey met evidentiary

⁸⁸ Hal Poret, *A Comparative Empirical Analysis of Online Versus Mall and Phone Methodologies for Trademark Surveys*, 100 TRADEMARK REP. 756, 765 (2010).

⁸⁹ Linford, *supra* note 86, at 2.

⁹⁰ *Interflora Inc. v. Marks & Spencer* [2014] EWCA (Civ) 1403; Uwe Lüken, Peter Brownlow & Nick Aries, *How Courts view surveys in Trademark Cases*, https://www.twobirds.com/~/_media/pdfs/news/articles/2015/43-47-feature-europe-surveys.pdf?la=en&hash=A642CC9232FDE6616A1B92163B0221BFD6FDE71A (last visited June 9, 2021).

⁹¹ *Imperial Group plc v. Philip Morris Ltd.* (1982) F.S.R. 72 (CA) (Eng.).

⁹² *Supra* note 92.

requirements. The efficacy of surveys could be improved considerably through what is typically called a “double blind” research method, in which neither the interviewers nor the respondents know the ultimate purpose of the survey.⁹³

Another possible option, which would be ideal and truly unbiased, is that of a court appointed surveyor or a court ordered survey. A court ordered survey is a type of survey, that while not prevalent in most jurisdictions (in respect of Trademark Disputes), has seen implementation in Italy. This could be a possible alternative, to preventing richer plaintiffs from swaying courts with market surveys and analytics. In *O2 Ltd v Hutchinson 3G Ltd*,⁹⁴ case management directions were given at an interim stage of the suit, requiring the parties to seek the directions of the court as to the scope or methodology of any proposed consumer survey that the parties may desire to put in evidence at trial. ⁹⁵

Another practice in Italy allows for the assignment of a Court Expert to the task of carrying out an opinion poll. In these circumstances, the Judge may determine the scope of the inquiry, as well as the target audience for the survey and the relevant period of time in which the survey will be carried out. ⁹⁶ While this seems to be in line with the CJEU’s approach, there is a body of Italian law that considers this type of evidence inadmissible, as the results of such a survey would negate the need for an assessment to be carried out by the Judge, as the Court Expert would in practice be substituting the Judge in his power to decide the matter.⁹⁷ However, a mediated survey, conducted by a neutral court appointed survey expert, should reduce the overall cost of litigation, with less discovery and shared costs, and should also reduce the risk of a “losing” position by providing an objective evaluation of the market place.⁹⁸

Surveys can be employed in a wide range of trademark disputes- including passing-off, deceptive similarity, acquisition of distinctiveness, trade-dress infringement, etc. This practice of appointing experts for investigations on IP issues is not novel but has been employed previously by the IPAB-Intellectual Property Appellate Board. For instance, in *Fresenius Kabi Oncology Limited v*

⁹³ Kent D Van Liere & Sarah Butler, *Emerging Issues in the Use of Surveys in Trademark Infringements on the Web* 1, 6 (Sep. 20-21, 2007) (unpublished workingpaper) (on file with NERA Economic Consulting) 1, 6.

⁹⁴ *O2 Ltd v. Hutchinson 3G Ltd*. [2006] EWHC 601 (Eng.).

⁹⁵ Kate Swaine et. al., *The Value and Treatment of Survey Evidence in Different Jurisdictions*, 100 TRADEMARK REP . 1373, 1378 (2010).

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ Phyllis J. Welter, *A Call to Improve Trademark Survey Evidence*, 85 TRADEMARK REP. 205, 210 (1995).

Glaxo Group Limited and Anr.,⁹⁹ the IPAB observed, in respect of patent disputes, that when parties furnish expert evidence, predictably the opposite side attacks the evidence as well as the expert. This problem would be obviated by the appointment of a court expert.

C. Alternative Modes of Evidence

While surveys are important in their function, the discussion on acquired distinctiveness cannot end there. Lisa Ouellette makes an interesting argument that has gained considerable attention in recent years. The author tries to make an argument for using Google search results as evidence of a mark having acquired distinctiveness.¹⁰⁰ The author first explains that a survey indicates consumer preferences and records how they perceive a certain mark. Sufficient data within these surveys that support the proposition that they do in fact associate the descriptive or generic mark in question as the single source of a particular product is considered strong evidence to determine acquired distinctiveness.¹⁰¹

Highlighting the cost and logistical constraints that befalls a survey, the author uses the same principle of consumer preferences and transports it to a medium where these preferences are increasingly being reflected, namely Google and other search engines. The argument relies on the concept of trademark strength to suggest that if a mark is distinctive or has acquired distinctiveness, then the top search results should relate to that mark. This becomes increasingly relevant in the context of how the internet and various service providers are rapidly changing the way consumers respond to products and their producers. There is a visible shift of the market as traditionally understood and used in analysing trademark law to a market that now exists without physical boundaries and that operates in a completely electronic interface.¹⁰² This must, however be approached with caution, especially in a country like India where internet penetration reaches only 40% of the population as of 2020.¹⁰³

While the argument is certainly novel it isn't improbable. In *Aegon Life insurance Company Ltd. v Aviva Life insurance Company*,¹⁰⁴ where the Bombay HC was considering a dispute concerning

⁹⁹ *Fresenius Kabi Oncology Limited v. Glaxo Group Limited*, [2013] IPAB 116 (India).

¹⁰⁰ Lisa Larimore Ouellette, *The Google Shortcut to Trademark Law*, 102 CALIF. LREV. 351, 353 (2014).

¹⁰¹ *Id.* at 363.

¹⁰² Caroline Mrohs, *How Many Likes Did It Get? Using Social Media Metrics to Establish Trademark Rights*, 25 CATH. U. J. L. & TECH. 154 (2017).

¹⁰³ INTERNET AND MOBILE ASS'N OF INDIA, *India Internet 2019* (2019), <https://cms.iamai.in/Content/ResearchPapers/d3654bcc-002f-4fc7-ab39-e1fbeb00005d.pdf>.

¹⁰⁴ *Aegon Life insurance Company Ltd. v. Aviva Life insurance Company*, 2019 (80) PTC 1 (Bom.) (India).

passing off, the plaintiff provided evidence in the form of ‘Google-trends’ report as speaking to the significant use of that term reflected through Google search, or lack thereof. This is important because of how the report was produced as evidencing clear and consistent use. While the court did not accept the submission made, the rejection of the argument had to do with the conclusion that was sought to have arrived through it and not the evidence in and of itself. The judgment refers to the Google trends report at various instances and never showing any doubt to its admissibility as evidence. This could be taken as an implicit acceptance of such evidence and the willingness of the court to consider evidence based on Google searches.

VI. CONCLUSION

A position in trademark law grounded on faulty assumptions about how consumers interact with trademarks can distort markets for marked-bearing goods.¹⁰⁵ In light of the apparent faults in a long-standing system that has seen little reform, it becomes important to look to more accessible and accurate indicators of determining acquired distinctiveness. In the absence of a discernible perfect model, the survey alternative comes closest to achieving the objectives that must characterize the Trademark regime on distinctiveness going forth. Consumer Surveys are not perfect, whichever mode they may be conducted in.¹⁰⁶ However, they bring some semblance of objectivity into the subjective notion of consumer perception and are by far the most effective of the factors that have been considered by Courts up until now. Data collection today has developed enough to be sufficiently reliable and can become only more effective in the future. Widespread use of this method is possible only with encouragement from courts, the beginnings of which we have already seen, in circumstances where courts have expressly noted the absence of surveys, or where they have placed heavy reliance on them. There is a need for this to be the prevalent norm rather than the exception.

¹⁰⁵ Linford, *supra* note 86, at 23.

¹⁰⁶ Kritika Bharadwaj, *Internet Surveys in Trademark Litigation Option A-Yes, Option B-No*, BLOOMBERG LAW (Aug. 26, 2011, 9:30 AM), <https://news.bloomberglaw.com/ip-law/internet-surveys-in-trademark-litigation-option-ayes-option-bno>.