

World Trademark Review Daily

Export company prevented from using 'shell' as part of trade name
India - Rouse

Confusion

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In *Shell Brands International v Shell Exports* (RFA (OS) 29/2010), the Delhi High Court has overturned an order of the single judge and reinstated an injunction against Shell Exports preventing it from using the mark SHELL as a part of its trade name and domain name.

In December 2006 [Shell Brands International](#) became aware that [Shell Exports](#) was using the SHELL mark as part of its trade name. Shell Exports is engaged in the export of upholstery and pillow covers, among other things. Shell Brands sent a cease and desist notice asking that Shell Exports change its name and amend its domain name, 'shellkandla.com'. The matter could not be settled, as Shell Exports demanded nearly \$90,000 in consideration for changing its name.

In April 2008 Shell Brands filed suit for trademark infringement and passing off. At the preliminary hearing, the court observed that Shell Brands had made a *prima facie* case and granted an *ex parte* injunction restraining Shell Exports from using the SHELL mark as part of its trade name and domain name.

Shell Exports applied to have the injunction set aside. Shell Exports contended that, because its business was different from Shell Brands', there would be no confusion among the public. Additionally, it argued that the word 'shell' was simply a common dictionary word. Shell Exports further argued that its business would suffer serious hardship if it was asked to amend its trade name after a decade of use. In contrast, Shell Brands highlighted the well-known character of the SHELL mark and its extensive use in India.

The single judge ruled as follows:

- As 'shell' is a common dictionary word, Shell Brands could not have a monopoly over it as a word mark. Shell Brands sought to overstretch the well-known status of its SHELL mark to enforce it against a party selling completely different goods.
- Shell Brands had to show that it shared a common field of activity with Shell Exports. However, Shell Brands had not disclosed whether it was engaged in the manufacturing or trading of textile goods. The trademark registration for SHELL did not confer exclusive rights to use the word 'shell' *ipso facto*.
- No actual deception is required to establish an infringement claim. However, no injunctive relief can be granted in the absence of damages.

The single judge concluded that Shell Brands did not have a sufficient cause of action. Therefore, he set aside the injunction and dismissed the suit.

Shell Brands appealed against the single judge's order, arguing as follows:

- Shell Brands had become associated with the SHELL mark and name through its long-standing use of the mark.
- SHELL was a well-known mark and deserved special protection against marks covering different goods. The single judge's assertion that a plaintiff must show that it shares a common field of activity with the defendant clearly represented a narrow view of trademark law.
- The single judge's contention that registration of a mark cannot confer exclusive rights on the trademark owner *ipso facto* completely ignored the evidence on record and Shell Brands' argument that SHELL was a well-known mark.
- Shell Exports' bad faith in adopting the mark was highlighted by the fact that it combined the words 'shell' and 'exports', thereby creating the impression that Shell Exports' operations were run by Shell Brands.
- The single judge reached his decision without giving Shell Brands the opportunity to submit evidence to prove its case, and without examining whether the use claimed by Shell Exports was supported by evidence.

The Appeal Court, after hearing the arguments of both parties, allowed the appeal and overturned the single judge's order. The Appeal Court reinstated the injunction preventing Shell Exports from carrying out its business activities under the SHELL mark until the final decision on the appeal is issued.

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