


Trademark | Case Law Update

Delhi High Court allows trademark rectification on the sole ground of bad faith adoption

By Fatema Hussain

On April 27, 2023, the Delhi High Court allowed a rectification petition (*BPI Sports LLC v. Saurabh Gulati & Anr.*) filed by BPI Sports LLC (BPI) against a local defendant, Saurabh Gulati (Gulati), solely on the basis of the ground of bad faith adoption.

BPI owned the trademarks, “BPI SPORTS” and , and held registrations for these marks in the USA in Class 5 respectively since 2014 and 2017. BPI commenced the use of the mark in India in January 2019. In January 2020, Gulati, who was an Indian importer of BPI’s goods under the trademark BPI SPORTS, surreptitiously filed an application to register the mark BPI SPORTS with the Indian Trade Marks Office (TMO) in the same class for identical goods. The said application was eventually registered in September 2020. In May 2021, when BPI filed an application to register its device mark before the TMO, it came across Gulati’s registration, triggering the rectification petition before the Court. Gulati did not contest the petition despite notice.

BPI raised several grounds in the rectification petition such as infringement, passing off, well-known status of its mark, transborder reputation and bad faith. The odds against BPI in the petition were several. To begin with, it did not have a registration for the mark BPI SPORTS in India, which clearly ruled out infringement

claims. While it had some sales in India, it was not sufficient to prove a claim of passing off, that of a well-known status, or establish a transborder reputation in India. The Court, accordingly, rejected all these claims raised by BPI in the rectification. However, the Court found that BPI had clearly made out a case of ‘bad faith’ adoption of the mark by Gulati under Section 11(10)(ii) of the Trade Marks Act, 1999 (TM Act). Court noted that Gulati, who was an importer of BPI’s goods had sufficient knowledge of its trademark and global goodwill. The Court termed Gulati’s behaviour in registering the mark BPI SPORTS as “trademark squatting”, an internationally known intellectual property misdemeanour.

Section 11(10)(ii) of the TM Act requires the Registrar to “take into consideration” the bad faith of the applicant while registering a mark. While noting that the section does not expressly state that the existence of bad faith would disentitle an applicant to registration, the Court held that statutory provisions must be interpreted in a purposive manner.

This latest order is particularly handy for international trademark owners who are able to establish bad faith adoption by local defendants in India even if they cannot prove prior use or registration of their rights in India.