



Jus Corpus Law Journal

Open Access Law Journal – Copyright © 2024 – ISSN 2582-7820
Editor-in-Chief – Prof. (Dr.) Rhishikesh Dave; Publisher – Ayush Pandey

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Crocodile Trademark - Analysis of Trademark Disputes Across Various Jurisdictions with a Focus on Lacoste v Crocodile International

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Received 06 September 2024; Accepted 08 October 2024; Published 11 October 2024

It's well established that trademarks are essential for corporate giants, as they serve as fundamental tools for protecting brand identity and customer trust. It's not wrong to say that a well-known trademark is an elementary and underlying factor for the substantial growth of a company. Trademarks serve as necessary tools for brand protection, identity, recognition, legal rights, business value, market advantage, quality assurance, and international expansion. Complex and prolonged legal tussles over trademarks and their infringement are, therefore, common among both large corporations and small businesses. International treaties and conventions like the Paris Convention for the Protection of Industrial Property (1883)¹, The Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks (1973)², Madrid Agreement Concerning the International Registration of Marks (1891) and the Protocol Relating to the Madrid Agreement (1989)³, TRIPS Agreement (Trade-Related Aspects of Intellectual Property Rights) (1994)⁴, The Trade Mark Law Treaty (TMT) Geneva (1994)⁵ and Singapore Treaty on the Law of Trademarks (2006)⁶ help to facilitate cross-border protection and enforcement of trademark

¹ Paris Convention for the Protection of Industrial Property 1883

² Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks 1973

³ Madrid Agreement Concerning the International Registration of Marks 1989

⁴ Trade-Related Aspects of Intellectual Property Rights 1995

⁵ Trademark Law Treaty 1994

⁶ Singapore Treaty on the Law of Trademarks 2006

rights. However, Trademark laws can differ significantly across jurisdictions, reflecting each country's legal traditions, economic policies, and cultural contexts. These differences can impact how trademarks are registered, protected, and enforced in different countries. Global companies frequently initiate legal proceedings in diverse jurisdictions to seek injunctive relief against trademark infringement or passing off in order to preserve market position and safeguard brand value and recognition. The resolution of trademark disputes involving prominent entities often varies significantly across different legal systems due to the distinct statutory frameworks governing trademarks in each jurisdiction. The competent courts within these jurisdictions adjudicate such matters based on the specific facts of each case and the applicable domestic laws.

Keywords: *trademark, crocodile, jurisdiction.*

INTRODUCTION

Recently, on 14th August, the Delhi High Court settled a legal battle of over two decades between the French fashion company Lacoste and Singapore-based fashion giant Crocodile International Pte Ltd over the use of Crocodile Trademark.⁷ Justice Sanjeev Narula, in his judgment, relied on Section 29(1) of the Trademarks Act, 1958 to grant a permanent injunction against Crocodile International. The Court determined that Crocodile International's use of the "Crocodile" trademark constituted a deceptive similarity to Lacoste's renowned crocodile logo, warranting injunctive relief.

Lacoste, originally named La Société Chemise Lacoste, is a fashion company founded in 1933 by renowned French tennis player René Lacoste.⁸ Nicknamed "The Crocodile" for his aggressive playing style, Lacoste adopted this as the brand's iconic logo. Initially featured on his tennis shirts, the crocodile emblem has since become synonymous with the Lacoste brand across its entire product range. Since then, the "Crocodile" trademark has been involved in numerous disputes with both global and local companies around the world. These disputes have been

⁷ *Lacoste and Anr. v Crocodile International Pte Ltd & Anr* (2016) CS(COMM) 1550/2016

⁸ 'History, Origins and Success Factors of Lacoste' (*The Brand Hopper*, 08 June 2023)

<https://thebrandhopper.com/2023/06/08/history-origins-and-success-factors-of-lacoste/#google_vignette> accessed 22 August 2024

particularly significant in China, Singapore, Australia, New Zealand, Philippines and India, and some have lasted for years or even decades in the respective countries' courts.

INDIAN JURISDICTION - LACOSTE V CROCODILE INTERNATIONAL

Pursuant to Chapter IV of the Trademarks Act, 1999, provisions governing trademark infringement are outlined in Section 29. The Act stipulates that a registered trademark is infringed upon when a person who is not the registered proprietor of the trademark uses it in the course of trade in relation to any goods or services for which the trademark is registered.⁹ Subsequently, the Act delineates various circumstances constituting infringement. Section 29(2) prohibits the unauthorised use of a registered trademark if such mark is identical or similar in respect of identical or similar goods or services. Moreover, Section 29(3) expressly establishes a statutory presumption that when the trademark is identical and used in relation to identical goods or services, such use is likely to engender confusion among the public, thereby constituting infringement of the registered trademark.

Furthermore, the Act addresses the infringement of well-known trademarks. If a trademark has a reputation in India, the use of a mark identical or similar to it, even in relation to different goods or services, constitutes infringement as such use, without due cause, could take unfair advantage of or harm the distinctive character or repute of the registered trademark. Section 29(5) expressly prohibits the use of a registered trademark by another person as a trade name in relation to goods or services for which the trademark is registered. Additionally, Section 29 addresses comparative advertising and product disparagement in relation to trademarks.¹⁰

In *Lacoste v Crocodile International*, Lacoste's logo features a right-facing crocodile, while Crocodile International's logo depicts a left-facing crocodile. Lacoste has asserted claims of trademark and copyright infringement against Crocodile International, arguing that the latter's logo is too similar and could confuse consumers. In the past, the parties had entered into a co-existence agreement, but its validity and enforceability became a point of contention in the Indian litigation.

⁹ Trade Marks Act 1999, s 29

¹⁰ *Ibid*

The Delhi High Court examined mainly four aspects *Vis-à-vis* this case, *i.e.* Jurisdiction, Trademark, copyright infringement, passing-off and co-existence agreement. Lacoste argued that Crocodile International's left-facing crocodile logo infringes on its trademark rights in the right-facing crocodile logo. The issue is whether the two logos are sufficiently similar to create confusion among consumers. Lacoste also asserted copyright infringement if its crocodile logo is considered a protected work of art. The court would need to determine if Crocodile International's logo is a derivative work of Lacoste's logo or if it constitutes fair use. Lacoste claimed that Crocodile International's use of the crocodile logo is passing off as Lacoste's brand, misleading consumers into believing that Crocodile International's products are associated with Lacoste. The existence of a co-existence agreement between the parties in 1983 is another factor to consider. The court would need to assess the terms of the agreement and determine its validity and relevance to the current dispute.

ISSUES

1. Whether Lacoste holds the copyright to the crocodile device.
2. Whether Lacoste is the proprietor of the crocodile device in India due to registration and usage.
3. Whether Lacoste's legal action has been delayed and constitutes laches or acquiescence.
4. Whether Crocodile International is entitled to use the crocodile device in India due to the co-existence agreement.
5. Whether the Indian court has jurisdiction to hear the case.
6. Whether Lacoste has concealed vital facts or documents.
7. Whether the plaint filed by Lacoste is fictitious and intended to harm Crocodile International's business.
8. Whether Crocodile International's use of the crocodile device violates Lacoste's trademark and copyright rights in India.
9. Whether Crocodile International's use of the ® symbol misrepresents the crocodile device as a registered trademark in India.
10. Whether Crocodile International is the prior adopter and user of the crocodile device and owns the trademark rights.

11. Whether both parties entered into co-existence agreements in 1983 and 1985.



Justice Sanjeev Narula, in the judgement granting a permanent injunction against Crocodile International prohibiting the crocodile trademark, ruled that Lacoste and Crocodile International logos were visually and conceptually similar, leading to a high likelihood of consumer confusion. The court determined that Crocodile International's use of the logo infringed upon Lacoste's trademark rights under Section 29(1) of the Trade Marks Act, 1958. Crocodile International was required to account for the profits generated from the sale of goods using the infringing trademark since August 1998, when they launched their products in India. And ascertained *vis-à-vis* the following:

1. Jurisdiction: The court, referring to decisions of the Supreme Court in *Exphar SA and Anr. v Eupharma Laboratories Ltd. and Anr.*¹³, and *Dhodha House v S.K. Maingi*¹⁴ found that Lacoste's business operations in Delhi provided jurisdiction under Section 62(2) of the Copyright Act. This section determines the jurisdiction of courts for copyright infringement suits. It allows suits to be filed where the plaintiff resides, carries on business, or personally works for gain. Also, the sale of infringing products by Crocodile International within Delhi established a cause of action under CPC¹⁵. The court also considered the allegations of trademark infringement and found that the Delhi High Court had jurisdiction under the Trade and Merchandise Marks Act, 1958¹⁶.

¹¹ 'Crocodiles play collective' (Lacoste) <<https://corporate.lacoste.com/>> accessed 22 August 2024

¹² 'New Seasonal Colour' (Crocodile Online) <<https://crocodileonline.com/>> accessed 22 August 2024

¹³ *Exphar SA and Anr. v Eupharma Laboratories Ltd. and Anr.* (2004) 3 SCC 688

¹⁴ *Dhodha House v S.K. Maingi* (2006) 9 SCC 274

¹⁵ Code of Civil Procedure 1908, s 20

¹⁶ Trade and Merchandise Act 1958, s 105

2. Trademark and Copyright Infringement and Passing-off: The court determined the infringement of the 'crocodile' Trademark of Lacoste by Crocodile International. Justice Sanjeev Narula, referring to section 29(1) of the TM Act, holds that "the visual and conceptual parallels between the marks support a strong case for trademark infringement, underscoring the importance of protecting the distinctiveness of the Lacoste trademarks. Under Section 29(1) of the Trade Marks Act, 1958, this degree of deceptive similarity can confuse and deceive the average consumer and thus violates the Plaintiffs' trademark rights." Subsequently, the court ruled that the principle of "likelihood of confusion" as outlined in Section 2(1)(d) of the Trade Marks Act, 1958, was applicable to the case. This principle requires an assessment of whether the two marks are so nearly resembling as to be likely to deceive or cause confusion. The court cited the cases of *Cadila Healthcare Ltd. v Cadila Pharmaceuticals Ltd*¹⁷ and *Amritdhara Pharmacy v Satya Deo Gupta*¹⁸ to support its interpretation of the likelihood of confusion principle. These cases emphasised that the assessment should not be limited to a side-by-side comparison but should consider the overall impression created by the marks and the imperfect recollection of an average consumer. The court carefully compared the distinctive elements of both the Lacoste and Crocodile International logos. It found that the similarities between the two marks were substantial and outweighed the minor difference in the orientation of the crocodiles. The court concluded that the average consumer would likely perceive the overall visual and conceptual resemblance between the two marks as significant despite the directional difference.

However, the court did not uphold the claim of passing off and copyright infringement claims by Lacoste against Crocodile International. The court, determining the validity of such a claim, applied the classical *trinity test*¹⁹. The triple-level test comprises the reputation of the Trademark, misrepresentation by the defendant and damage to the trademark owner.

3. Co-existence Agreements: The court did not agree to Crocodile International's argument of a peaceful Co-existence framework established by the 1983 Agreement. The Court concluded that the 1983 co-existence agreement did not extend to India. The agreement explicitly listed countries, indicating that it was intended to be limited to those specific territories. The court

¹⁷ *Cadila Healthcare Ltd. v Cadila Pharmaceuticals Ltd* (2001) 5 SCC 73

¹⁸ *Amritdhara Pharmacy v Satya Deo Gupta* (1962) SCC OnLine SC 13

¹⁹ *Reckitt and Colman Products Ltd v Borden Inc* [1990] 1 WLR 491

found that a 1985 letter, while intended to promote co-existence in additional territories, did not specifically reference India or indicate mutual consent for the agreement to apply there. The court emphasised the principle of territoriality in trademark law, stating that trademark rights are inherently territorial. This principle reinforces the idea that the agreement's scope was limited to the countries explicitly mentioned.

NEW ZELAND JURISDICTION - LACOSTE V CROCODILE INTERNATIONAL

Crocodile International, a Singapore-based company, challenged Lacoste's ownership of a specific crocodile logo. The heart of the controversy lay in the interpretation of trademark law and the concept of 'use' within the context of trademark registration. The dispute centred around whether Lacoste had genuinely used the trademark in question, a logo featuring a crocodile facing left. Crocodile International argued that Lacoste had not genuinely used the registered trademark for several years and sought its revocation. Lacoste countered that it had used other crocodile-based trademarks that were sufficiently similar to the registered one, constituting indirect use.²⁰

The case traversed multiple levels of the New Zealand court system, with differing interpretations of the 'use' requirement. The dispute between Crocodile International and Lacoste was related to specific provisions of the Trade Marks Act 2002 of New Zealand. The act allows under section 66(1)(a) for the revocation of a trademark registration if there has been no genuine use of the mark for three or more years.²¹ Crocodile International relied on this section to challenge Lacoste's trademark registration. Section 7(1)(a) provides a broader definition of 'use', allowing for the consideration of marks that differ in elements that do not alter the distinctive character of the registered mark. Lacoste argued that its use of other crocodile logos fell within this definition.

The High Court and Court of Appeal both ruled in favour of Lacoste, finding that the other crocodile logos used by the company were sufficiently similar to the registered mark to qualify as 'use'. Crocodile International appealed the decision to the Supreme Court of New Zealand.

²⁰ *Crocodile International Pte Ltd v Lacoste* [2017] 1 NZSC 14

²¹ Trademarks Act 2002, s 66

Supreme Court Decision:

1. The Supreme Court, in allowing the appeal, ruled in favour of Crocodile International in 2017, finding that Lacoste failed to utilise the trademark in accordance with the prescribed requirements.
2. The Court emphasised that trademarks must be considered as a whole rather than narrowly. *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc*²², the Court applied the test to determine mark similarity, rejecting the focus on "central idea and message" as inconsistent with Lord Walker's test. Marks must be considered in their entirety to assess conceptual similarity and visual differences.
3. The Court referred *Bud and Budweiser Brau Trade Marks*²³, which provided guidance on determining 'use' under Section 7(1)(a) of the Trade Marks Act.
4. The trademark comprises two distinctive elements:
 - Styled word
 - Crocodile device

Lacoste's failure to use the crocodile word element in New Zealand constituted a deviation from the trademark's distinctive character.

5. The Court dismissed Lacoste's survey evidence due to its narrow representation of associated respondents with the marks.
6. The Court held that no residual discretion exists to refrain from revoking a trademark for non-use. Even if discretion existed, it would not have been exercised in Lacoste's favour, given the facts.

The Court concluded that Lacoste's use of other crocodile logos did not constitute genuine use under Section 66(1)(a) of the Trade Marks Act 2002 (NZ).

²² *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2002] EWCA Civ 1534

²³ *Ibid*

JURISDICTION OF AUSTRALIA

In 2006, Crocodile International filed two trademark applications in Australia for the marks.²⁴

- CARTELO (and crocodile device) and
- CROCODILE (and crocodile device).

The applications covered a range of goods, including clothing, footwear, headgear, and leather goods in Classes 18 and 25. Lacoste opposed the applications on several grounds, primarily under Section 44(1),²⁵ which prohibits the registration of trademarks that are deceptively similar to existing registered trademarks.

- **Section 44(1) of the Trademarks Act** Prohibits the registration of trademarks that are deceptively similar to existing registered trademarks.
- **Section 44(3) of the Trademarks Act** Allows for the registration of trademarks that are deceptively similar to existing registered trademarks if 'other circumstances' justify registration.

Arguments by Crocodile International: Crocodile International argued that the word 'cartelo' was an essential feature of the CARTELO mark and that the absence of consumer confusion where the marks had been in concurrent use was significant. They also relied on a coexistence agreement from 1983, which showed that Lacoste's mark and the CARTELO and CROCODILE marks had coexisted in some Asian jurisdictions.

Judgement: The hearing officer found that the CARTELO and CROCODILE marks were deceptively similar to Lacoste's registered trademarks and therefore, opposed the registration under Section 44(1) of the Trademarks Act 1995 (Cth).

The hearing officer found that the crocodile device in both of Crocodile International's applications was likely to be perceived as serving a trademark function and that the device was reasonably unlike other crocodile devices used or registered by third parties. The officer also

²⁴ *La Chemise Lacoste v Crocodile International Pte Ltd* [2008] ATMO 90

²⁵ Trademarks Act 1995, s 44(1)

accepted that Lacoste had a significant reputation in Australia and that ordinary, imperfect recollection would leave a significant number of consumers with the view that the marks were the same crocodile device as that of Lacoste.

JURISDICTION OF CHINA - LACOSTE VS CARTELO (CROCODILE INTERNATIONAL)

Crocodile International Pte Ltd ('Crocodile International'), a Singapore-based company, initially sought to register its trademark featuring a crocodile device in China, but the application was rejected. Undeterred, Crocodile International subsequently filed a new trademark application for the mark 'CARTELO', comprising a crocodile device and Chinese characters translating to 'CARTELO Crocodile'. However, this application was opposed by Lacoste and Crocodile Garments Limited ('Crocodile Garments'), a Hong Kong-based company, on grounds of deceptive similarity with their pre-existing trademarks in the Chinese market. The opposition led to an appeal, which ultimately reached the Supreme People's Court of China ('SPC') for adjudication, filed by Lacoste and Crocodile Garments.

Judgement: The SPC ruled in case²⁶ in favour of the plaintiffs and refused to permit the registration of the disputed mark due to its similarity to Lacoste's prior cited marks on identical or similar goods. The SPC went through a thorough analysis of the conflict and found that the disputed mark, comprising a single crocodile device and Chinese characters, was highly similar to Lacoste's cited marks, which also featured a crocodile device.

The SPC considered factors such as visual similarity, distinctiveness, and reputation of Lacoste's crocodile device marks, as well as Cartelo's intention to confuse or create a connection with Lacoste. The court noted that Cartelo's actions during the retrial procedure, including opening boutiques near Lacoste's and using similar visual elements, demonstrated an intention to confuse or associate with Lacoste. The SPC also examined a 1983 Settlement Agreement between Lacoste and Li Seng Min (predecessor of Cartelo), finding that it did not apply to China and, therefore, could not serve as a basis for determining the similarity between the marks.

²⁶ *Lacoste S.A. v Crocodile International Pte Ltd*. [2024] GR No 223270

JURISDICTION OF PHILIPINES

The Philippines Supreme Court recently rendered a significant decision in a longstanding trademark dispute between French fashion giant Lacoste and Singapore-based Crocodile International Pte Ltd²⁷. The case centred on the similarity between the two companies' crocodile logos, with Lacoste claiming potential consumer confusion.

Lacoste filed a trademark lawsuit against Crocodile International Pte Ltd. in 1996, claiming that Crocodile's logo was too similar to its own. Crocodile International applied for a trademark for its "Crocodile and Device" mark in 1996. Lacoste opposed the application in 2004, citing possible consumer confusion. The Intellectual Property Office (IPO) initially ruled in favour of Crocodile in 2009, applying the dominancy test and holistic test to determine that the logos were not confusingly similar. The Court of Appeals affirmed this decision in 2015, emphasising that Lacoste is a high-end brand and that ordinary intelligent buyers would closely scrutinise products, reducing the likelihood of confusion.

Judgement

- The Supreme Court upheld the decisions of the lower courts, ruling that there is no confusing similarity between the trademarks of Lacoste and Crocodile.
- The court noted differences in the logos' fonts, word positioning, and direction of the lizard-like figures.
- The court required "consumer survey evidence" to prove actual confusion, which Lacoste failed to provide.
- The Supreme Court balanced intellectual property rights protection with fair competition, allowing crocodiles to enter the Philippine market.
- The ruling was promulgated in November 2023 and released on September 10, 2024.

This judgement from the Philippines' jurisdiction underscores the importance of distinct trademark features and the need for evidence-based claims of consumer confusion. The

²⁷ *Ibid*

Supreme Court's decision demonstrates a commitment to protecting intellectual property rights while promoting fair competition in the Philippine market.

CONCLUSION

Based on the analysis of the *Lacoste v Crocodile International* cases across various jurisdictions, it's evident that trademark protection is a complex and multifaceted issue requiring vigilant attention from giant companies. The outcomes of these cases highlight the importance of:

- Companies must ensure timely registration of their trademarks in all relevant jurisdictions to establish priority and prevent unauthorised use.
- Continuous monitoring of the marketplace for potential infringements is crucial. Companies should be prepared to take reflexive legal action to protect their trademark rights.
- Maintaining comprehensive documentation of trademark use, registration, and licensing agreements are essential for proving ownership and infringement.
- Trademark rights are territorial. Companies should carefully assess the geographic scope of their business operations and ensure adequate protection in all relevant markets.