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**SUBWAY v. SUBERB: NO EXCLUSIVITY OVER *PUBLICI JURIS* OR LAYOUT  
OF RESTAURANTS**

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**ABSTRACT**

*Often, a lot of confusion revolves around whether a trademark is deceptively similar to another or not. Tests like existence of an element of confusion over the names of the two marks or a strong resemblance between the two that is enough to cause confusion have been laid down to determine deceptive similarity between marks. Nonetheless, the ultimate judge of similarity are the consumers who might be misled into comparing the two marks and thereby, differentiating between the two. One such case is the SUBWAY V. SUBERB wherein the prefix 'SUB' is common to both the trademarks and the plaintiff claims it be a case of trademark infringement. This case is also important because in this case, the layout, logo, signage, menu cards, artworks etc. were also similar therefore, the question before the court was that if monopoly over layouts, staff uniform, menu cards etc., could be claimed?*

**Keywords:** Intellectual Property Rights; Deceptive Similarity; Trademark Infringement; Layout; Monopoly

**Introduction: Deceptive Trademarks**

Intellectual Property Rights (hereinafter, IPR) are the rights which protect the creation of the intellect. They deal with intangible and incorporeal rights and protect the reasoning, knowledge, and intellect of a person.<sup>2</sup> There are different types of IPRs like Trademark, Copyrights, Designs, Patents, Geographical Indications etc., Unlike other IPRs, trademark can be any word, symbol, logo, design, mark that distinguishes the product of an entity from the other entity and help the consumers identify the product of their choice and prevent them from getting misguided.

Trade Marks Act defines “Deceptively Similar” to be any mark that so nearly resembles the other mark that it is likely to cause confusion in the minds of the buyer and hence, would be misleading.<sup>3</sup> For instance, in

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<sup>2</sup> *What are Intellectual Property Rights?*, World Trade Organization. .

<sup>3</sup> Section 2(1)(h), Trade Marks Act, 1999.

*Mahendra and Mahendra paper mills ltd. v. Mahindra and Mahindra Ltd.*<sup>4</sup>, it was held that there was striking resemblance between the two marks as they were visually and phonetically similar to each other.

## **A. Facts of the case**

Subway IP LLC (hereinafter, “SIP”), the plaintiff, is a US Company, that runs a well-known worldwide chain of restaurants under the name ‘SUBWAY,’ with the brand being trademarked with well-known logos. The plaintiff owns registrations in India not only for the 'SUBWAY' word and device marks, but also for 'VEGGIE DELITE' and 'SUBWAY CLUB', which are the names assigned by the plaintiff to its vegetable sandwich and club sandwich respectively.

The Defendant has not challenged the Plaintiff’s proprietorship of the registered trademarks. However, the Plaintiff alleges that the following acts of the Defendant infringe their intellectual property rights:

1. Primarily, the use of the logo and brand name “Suberb” under which two of the Defendant’s restaurants operate in Delhi and that the green and yellow colour scheme of the logo is identical to Plaintiff’s logo “Subway”.
2. Secondly, according to the plaintiff, the use of the brands SUB ON A CLUB and VEGGIE DELICIOUS, are deceptively similar to their registered SUBWAY CLUB and VEGGIE DELITE marks.
3. Thirdly, usage of substantially similar or identical, outlet, menu cards, décor, signage, staff uniforms, and paper napkins.
4. Fourthly, usage of wall art and photographs by the defendants in their outlets which are similar to the ones used in the plaintiff’s outlets.
5. Fifthly, use of techniques, recipes, service ingredients, food preparation procedures, placement of service counters, ingredients, and formulae in the restaurants are identical to the plaintiff’s outlet.
6. Sixthly, defendant’s website has verbatim reproduction of the recitals which are on the plaintiff’s website, that too with similar layout of headings etc.

However, to assuage the grievances of the Plaintiff regarding intellectual property rights infringement, the Defendants offered to make certain changes in their lay out/logo, etc. Precisely, they offered to

- I. Change the colour combination of the signage used outside the restaurants to an amalgamation of white, red, pink, or purple.
- II. Change the logo’s colour (which is currently green and yellow) to a combination of white, red, pink, or purple.

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<sup>4</sup> (2002) 2 SCC 147.

- III. Agreed on not using green or yellow either on the S logo or the signage.
- IV. Change the names of the sandwiches – “SUB ON A CLUB” and “VEGGIE DELICIOUS” to “TORTA CLUB” and “VEG LOADED REGULAR.”

## **B. Sections invoked**

1. Section 17(2) of the Trade Marks Act which prohibits -
  - a) Claim of exclusivity over dissection of a trade mark. (i.e., anti-dissection rule)
  - b) Claim of infringement over any matter which is of a non-distinctive nature. (i.e., publici juris)
2. Section 27 Of Trade Marks Act (Passing off)
3. Section 29 of the Trade Marks Act (Infringement can only be of the registered trademarks).
4. Section 56 and 57 of the Evidence Act (Facts of which Court must take judicial notice)

## **C. Issues raised**

1. Whether after the modifications undertaken by the Defendants, can they still be held liable for infringing the Plaintiff's registered mark or passing off their goods and services as those of the Plaintiff?
2. Is the Plaintiff entitled to Injunction under Order XXXIX Rules 1 and 2 of the CPC?

## **D. Arguments by the appellants**

The Plaintiff is not satisfied with the changes undertaken by the Defendant. They lay emphasis on the fact that the infringement committed by the Defendant prior to the modifications were blatant and obvious. That the Defendant's had a mala fide intent to copyright on the plaintiff's goodwill. They further submitted that the marks SUBERB & SUBWAY are deceptively similar to each other and even if the colour combination is changed, they would continue to remain phonetically similar to each other thus, leading to confusion among the people.

## **E. Arguments by the defendants**

According to the defendants, after the changes that they have volunteered to make, the allegation of passing off and infringement, levied by the plaintiff, do not sustain. Further, they have only two outlets – at Delhi and at Gurgaon, and these changes have already been executed at both the outlets. In fact, the defendants have even removed the images and photographs, on the walls, and modified the wall décor of their outlets, to which the Plaintiff objected. They have also changed the staff uniforms and menu card so as not to resemble those of the plaintiff. They believe that due to the change in the colour scheme, the 'S' sign of the defendants no longer resembles that of the plaintiff. Their major contention is that the Plaintiff cannot claim exclusivity over the word 'SUB' as it is a generic word for the products it is used.

## F. Precedent cited

### 1. AutoZone, Inc. v. Tandy Corporation <sup>5</sup>

This case laid down two tests:

#### 1.1.The Rule of Anti-Dissection:

It laid down the Anti-dissection rule which mandates that the Courts while dealing with cases of trademark infringement involving composite marks, must consider the conflicting composite trademarks in entirety by looking at them as a whole rather than dissecting them or truncating them into their component parts and make comparison with the corresponding parts of rival trademark to determine the likelihood of confusion. The reason for the said principle is that the commercial impression of a composite trademark on the average reasonably prudent buyer is created by the mark as a whole, not by its component parts. The point is that the two marks should not be scrutinized with a microscope to spot the differences as this is not the way in which an average purchaser views the marks. Therefore, the court should not indulge in “technical gymnastics” in an endeavor to spot minor differences between conflicting marks.

#### 1.2.The Identification of ‘Dominant Mark’:

While a trademark has to be considered in its entirety, still it is permissible to accord more or less importance or ‘dominance’ to a particular element or portion of a mark in case of composite marks. Thus, the element that enjoys greater prominence vis-à-vis other elements, are termed as ‘*dominant mark*.’ They are significant because they garner attraction and consumers are more likely to remember them for identification of the product. Usually, a dominant mark is one which has carried more weight or has the greater strength.

### 2.Onkar Nath v. Delhi Administration <sup>6</sup>

It held that the purpose of Section 57 is to provide that the Court *shall* take judicial notice of certain facts rather than shutting the judicial eye to the existence of such facts is in a sense an insult to common sense and would turn judicial process to a wasteful trial. Therefore, Courts cannot disregard that ‘Subs’ or Submarine sandwiches, are a part of common knowledge and therefore, can be considered under Section 56 and 57 of the Evidence Act, 1872.

### 3.J.R. Kapoor v. Micronlx India <sup>7</sup>

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<sup>5</sup> 174 F. Supp. 2d 718 (M.D. Tenn. 2001)

<sup>6</sup> (1977) 2 SCC 611.

<sup>7</sup> 1994 Supp (3) SCC 215.

This case dealt with two competing marks – ‘MICROTEL’ and ‘MICRONIX’, of which prefix ‘Micro’ was found to be descriptive of the micro technology used for production of many electronic goods which daily come to the market and for which, no one can claim monopoly. If a product is produced with the use of micro-chip technology, then, using the word ‘micro’ as prefix to his mark can be justified. Thus, the Apex Court held that no exclusivity can be claimed over the first syllable ‘Micro’. and concerning the suffixes ‘Tel’ and ‘Nix’, they are evidently dissimilar and no infringement can be alleged.

#### 4. F. Hoffman La Roche & Co. Ltd. v. Geoffrey Manners & Co. Pvt Ltd.<sup>8</sup>

In this case, the marks ‘DROPVIT’ and ‘PROTOVIT’ were held by the Apex Court to be dissimilar. The Court held that to determine if they are deceptively similar, the two words must be taken as a whole. That ‘Vit’ is a well-known abbreviation to denote vitamin preparations and therefore, its usage in the two marks is common and descriptive to the trade. With regards to the uncommon element, it is impractical that one will be mistaken or confused for the letters- ‘T’ and ‘P’. They are so reasonably dissimilar that there is no probability of confusion between them.

#### 5. Astrazeneca UK Ltd. v. Orchid Chemicals & Pharmaceuticals Ltd.<sup>9</sup>

Hereby, the suffix ‘Mero’, was common in the two competing marks – ‘MERONEM’ and ‘MEROMER’, that were used for pharmaceutical preparations containing Meropenem. The Court held that the acronym for ‘Meropenem’ was *publici juris* and descriptive. That both the parties are marketing the same molecule ‘Meropenem’ so neither of them can raise any claim for exclusive use of the word ‘Meropenem’. For the suffixes used, it is obvious that the two are not phonetically or otherwise similar. Moreover, when the two marks are taken as a whole, they are not visually or phonetically similar in any way.

### G. Analysis

Hereby, the Court is to examine whether the Defendant’s mark as a whole infringes the Plaintiff’s registered trademarks. If they do not, then if any of the registered trademarks of the Plaintiff, that constitutes the *dominant part* thereof, is infringed by the defendant’s mark.

Prima facie, ‘SUBERB’ and ‘SUBWAY’ are not phonetically similar to each other, even though both are words of two syllables, of which the first syllable ‘SUB’ is common. ‘SUB’, when used in context of

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<sup>8</sup> (1969) 2 SCC 716.

<sup>9</sup> (2007) 34 PTC 469 (DB).

sandwiches, is a well-known abbreviation for ‘Submarine’, that represents a well-known variety of long-bodied sandwiches, generally 6-9 inches long. ‘Submarine Sandwich’, in fact, has its own Wikipedia page, that reads it as a type of American hold or cold sandwich made from a cylindrical bread roll split lengthwise and filled with vegetables, meats, condiments and vegetables.

No exclusivity can be claimed over ‘SUB’, which is the first part the registered SUBWAY mark as it is *publici juris*, which means by virtue of its usage it has gained commonality when used in context of eateries. Further, with regards to the second part, it is quite obvious that there is no similarity at all between ‘ERB’ and ‘WAY.’

## H. Held

### 1. Re: Defendant’s mark “SUBERB” is not deceptively similar to Plaintiff’s “SUBWAY”

It was held that ‘SUBERB’ and ‘SUBWAY’ are not deceptively similar, when used in the context of eateries serving submarine sandwiches, as ‘SUB’ is common to trade and is therefore, *publici juris*. With regards to the suffix – ‘ERB’ and ‘WAY’, neither of them are visually or phonetically similar. In fact, after the modifications undertaken by the defendant, the appearance of the two marks cannot be said to be deceptively similar, as Defendant has agreed on not using white and red colour combination. In fact, their appearance and font are easily distinguishable from each other.

The court agreed to the Defendant’s argument that ‘SUBWAY’ is so well known that hardly any person who wishes to partake from a SUBWAY outlet would walk into the defendant’s two outlets and partake from there. This means that a person who wishes to have food from SUBWAY would know where he wants to go; and, it would be unrealistic to envisage him walking into a ‘SUBERB’ outlet.

### 2. Re: Plaintiff’s marks “VEGGIE DELITE” and “SUBWAY CLUB”

After the subsequent modification of the defendant’s marks to “VEG LOADED REGULAR” and “TORTA CLUB”, the competing marks cannot be said to be similar, let alone deceptively similar to “VEGGIE DELIGHT” and “SUBWAY CLUB”. The only common feature can be the prefix “VEG”, which is obviously common to trade and *publici juris* in the context of vegetarian sandwiches and the word “CLUB”, which is again *publici juris*, when used in context of club sandwiches. Thus, the modifications undertaken by the defendants sets at rest any allegation of infringement which could be levied by the plaintiff.

### 3. Re: Passing Off

Passing off can be defined as encasing the goodwill of someone else by passing off his goods or services as yours and thus, causing him reputational and monetary losses. In order to establish, passing off, in the instant case, the plaintiff would have to show that an individual of average intelligence is likely to confuse the goods and services of the defendants as those of the Plaintiff, owing to the manner in which the Defendant uses his marks and other characteristic features.

Any such possibility stands foreclosed and there is no likelihood for a person of average intelligence to partake food from the Defendant's outlets who instead desires to take food from one of the "SUBWAY" outlets.

### 4. Re: Similarity in Layouts, staff uniform, counters and menu cards of the two restaurants:

On this, the court held that no person can claim monopoly over these aspects. Thus, even if the layout, décor, or appearance of the defendant's restaurant is identical to that of the Plaintiff, still it cannot justify an order of injunction by the Court. Therefore, no claim of exclusivity is available on these grounds in Indian law.

## CONCLUSION

On the basis of the above findings, it can be concluded that Delhi High Court has given a remarkable judgement in the field of IPR. The reasoning of the judgment is very apt and there is no element of biasness in favour of a well-known trademark (SUBWAY). The Court has relied on the already decided judgements of the Apex Court while coming at the conclusion and has not gone astray. However, one of the contentions of the Defendants that the Court has even agreed to seems to be a little distorted; the fact that 'SUBWAY' is a well – known brand and if anybody wishes to partake from SUBWAY, he/she would hardly walk into the Defendant's outlets is absurd. If this is to be believed then, no instances of deceptive similarity would arise as most of the cases of deception occur against well-known trademarks and if it is expected from people to be cautious of the outlets they enter, then probably we are concomitantly promoting Passing off!

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