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An e-newsletter from
Lakshmikumaran & Sridharan, India

June 2018 / Issue-82

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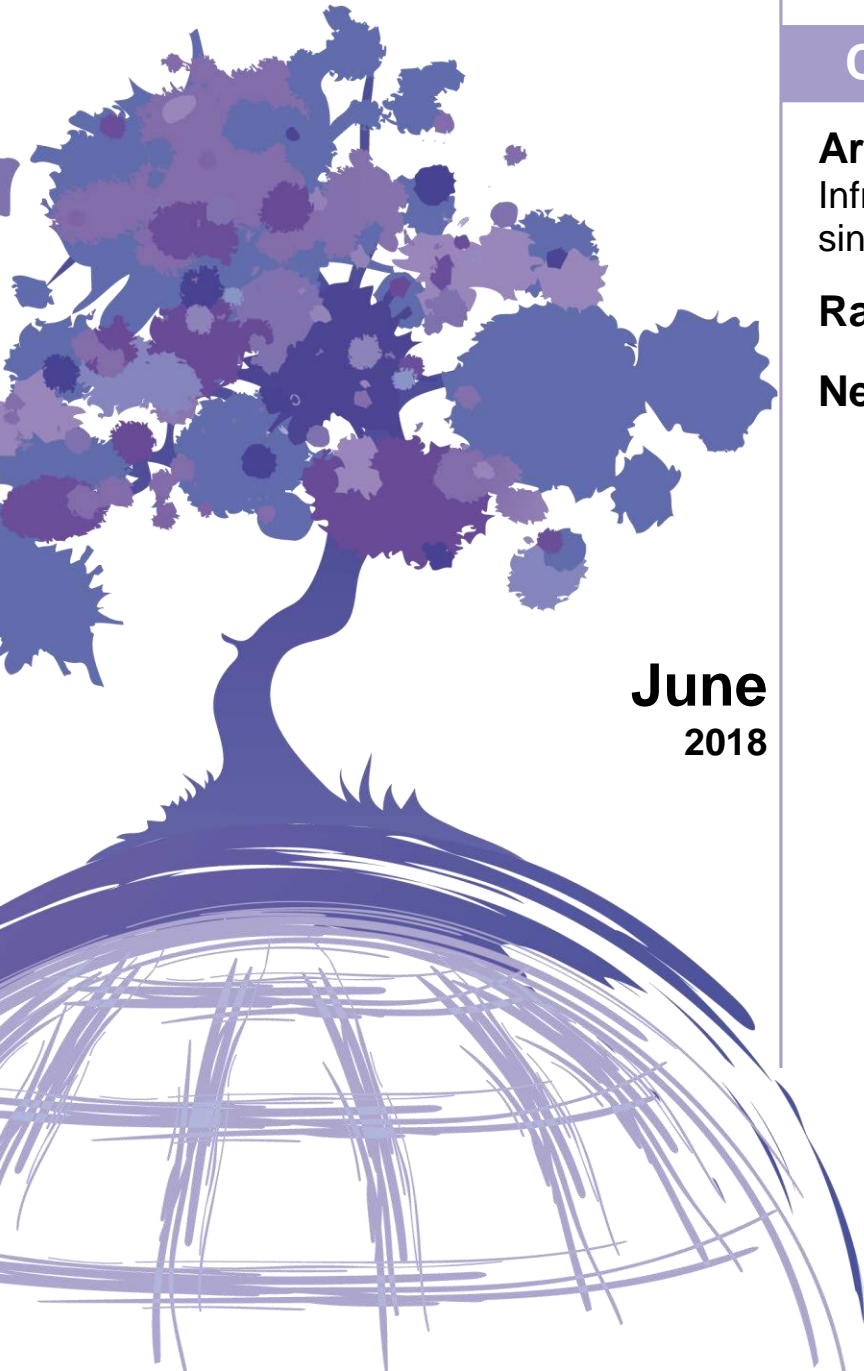
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Article

Infringement or passing off in use of single colour as trademark

By Prince Bharti and Manoj Gupta

A Single Judge of the Hon'ble Delhi High Court, *vide* order dated May 25, 2018 summarily dismissed a suit for trademark infringement and passing off on the ground that no legal cause of action is made out by the plaintiff as the registered trademark does not qualify to be a trademark under the Trademarks Act, 1999

 (hereinafter referred to as "the Act"). The registered trademark, "RED SOLE" in the instant suit, was not a wordmark, but a red colour shade applied to the soles of the ladies' footwear manufactured by the Plaintiff. It was held by the Hon'ble Court that use of a single colour as against a combination of colours does not qualify as a 'mark' under Section 2 (1) (m) and as a 'trademark' under Section 2(1) (zb) of the Act. Another important observation of the Court was that when a registered trademark is being used as a characteristic or characteristics of a good, i.e. it is serving a non-trademark function, then the use of the same by another person as characteristic or characteristics of his goods cannot be termed as infringement.

Interestingly, the plaintiff in the abovementioned dispute is also engaged in similar legal battles in various courts across the globe. This article, while discussing the instant case law also touches upon the larger question of use of single colour as trademark.

Decision of the Delhi High Court:

The plaintiff, Christian Louboutin SAS claimed exclusive ownership of its registered trademark 'RED SOLE', which was actually not a

wordmark but a red colour shade applied to the shoes of ladies' footwear manufactured by them. The plaintiff pleaded that defendants are using red colour in the soles of their ladies' footwear, thereby, infringing the registered trademark of the plaintiff and passing off their goods as that of the plaintiff's.

In this regard, the Court observed that, from a combined reading of Section 2(m) and Section 2(zb) of the Act, it was clear that the intent of the legislature was to permit a mark having "combination of colours" as a trademark and a single colour cannot be provided the status of a trademark. Further, plaintiff's reliance on a judgement of US Court of Appeal¹ was rejected as the Hon'ble Court held that there was no prohibition of using single colour as a trademark in US. It opined that the same is not applicable in India, as the legislature in India mandates that a trademark has to be definitely of more than one colour *viz.* a combination of colours.

The Single Judge also distinguished two earlier decisions delivered by co-ordinate Benches of the same Court, in *Deere & Company & Anr. v. Mr. Malkit Singh & Ors.*² (use of green colour on agricultural/farm machinery) and *Christian Louboutin Sas v. Mr. Pawan Kumar & Ors.*³ (use of red colour on the soles of ladies' footwear). The Court was of the view that the aforesaid judgements did not deal with the issue

¹ *Qualitex Co. v. Jacobson Products Co., Inc.* - Case No. 93-1577, decided on 28-3-1995

² CS(COMM) 738/2018 decided on 23-4-2018

³ CS(COMM) 714/2016 decided on 12-12-2017

of using single colour as a mark under the provisions of Act and also did not consider the overriding provision of Section 30(2)(a) of the Act and hence were not binding in nature. The Hon'ble Court, placed reliance on the Supreme Court's observations in *N. Bhargavan Pillai (Dead) by Lrs. & Anr. v. State of Kerala*⁴, wherein it was held that if a judgment fails to consider a direct provision of law, it would not have a binding effect.

The plaintiff further argued that bar of single colour being used as a trademark under Section 9(1)(a) and Section 9(1) (b) is not absolute because of proviso to Section 9(1) read with Section 31 and Section 32, which provide that distinctiveness can be achieved by means of use of the trademark, even though distinctiveness did not exist at the time of registration. The Hon'ble Court, however, held that the benefit of said provisions will not be available in the present case, as the "RED SOLE" does not even qualify to be a 'mark' and consequently not a 'trademark' under Act.

The Hon'ble Court further rejected the contention of the plaintiff that registration of red sole is in the form of a device trademark and that a device is capable of being a mark, and held that by simply applying a single colour to the sole of a footwear will not result in making the single coloured sole a device.

Similarly, reliance placed on Section 10(2) by the plaintiff to argue that the Act permits a single colour for being a trademark was rejected holding that Section 10(2) is to be read in the context of Section 10(1), which is actually used for combination of colours and that the subject matter in both the sub-sections of Section 10 is same and not different.

The Court's final findings were based extensively on the mandate of supervening provision of Section 30(2)(a) of the Act which contains the limitations of a registered trademark and held that a single colour applied to the goods would in normal circumstances pertain to the characteristic of the goods which is a feature of the product and hence a non-trademark function. Hence, other sellers cannot be prevented from using the mark in the market for their goods, even though the same is registered. Thus, in such circumstances, there would be no infringement.

Finally, as regards passing off, it was held that no question of any deception and confusion arose as the defendants were selling their goods under wordmark 'VERONICA' which was completely different from the plaintiff's wordmark 'CHRISTIAN LOUBOUTIN'.

In light of the aforesaid, the Single Judge found that suit was not maintainable as there was no legal cause of action. Consequently, by applying Order XII Rule 6 of CPC the Court dismissed the suit without even issuing summons.

RED SOLE held POSITION MARK in CJEU:

In a similar dispute involving the same plaintiff in European Union, the Court of Justice of the European Union on June 12, 2018 held that the "RED SOLE" is a position mark and consequently, a valid trademark under the laws of European Union. This was contrary to the previous opinion provided by the Advocate General in Court of Justice of the European Union on February 06, 2018, wherein he had expressed doubts as to whether use of colour red can perform the essential function of a trademark (identifying its proprietor), when that colour is

⁴ (2004) 13 SCC 217

used out of context, i.e., separately from the shape of a sole.

The Advocate General in his earlier opinion was of the view that the trademark at issue has to be equated with one consisting of the shape of the goods and seeking protection for a colour in relation to that shape, rather than one consisting of a colour *per se* and hence not a valid trademark in the European Union. He had also opined that it has to be assessed as to whether the registration of trademark would not run counter to the general interest in not duly restricting the availability of the characteristics represented by that trademark for other operators offering for sale goods or services of the same type.

Decision of United States Court of Appeals:

The Court of Appeals of United States, in a dispute involving same plaintiff and the same trademark⁵ (red sole), has concluded that Louboutin's trademark, which covers the red, lacquered outsole of a woman's high fashion shoe, has acquired limited "secondary meaning" as a distinctive symbol that identifies the Louboutin brand. Overruling the District Court's Order which had held that a single colour can never serve as a trademark in the fashion industry, the Court limited the "RED SOLE" trademark to only those situations in which the red lacquered outsole contrasts in colour with the remainder of the shoe.

The Court however refrained from addressing the question as to whether Yves Saint Laurent's (defendant before the US Court) use of a red outsole risks consumer confusion or

whether the Louboutin mark, as modified, is "functional".

Conclusion:

While, consumers all over the world are becoming more brand conscious, creative designers around the world are busy exploring various fonts, type-settings, word marks or colour combinations, in order to gain a distinct edge over the brand competitors. Brand owners seek maximum protection to their brand or any other mark corresponding to their identity. However, it seems the legal fraternity is still in a dilemma whether use of a single colour can qualify as a trademark.

It may also be noted that a Single Judge of the Delhi High Court in December 2017 had held that plaintiff's 'RED SOLE' trademark has acquired a well-known character as it is a well-known luxury brand with presence in over 60 countries, using its 'RED SOLE' trademarks extensively and continuously since 1992. In the light of the contrasting rulings, it seems that questions of distinctiveness due to continuous global use and exclusivity of use of a single colour, may need to be scrutinised minutely. The present order of the Single Judge may be the start of the great journey till the issue is settled by the Division bench (if appealed) and later by the Supreme Court of India.

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⁵ Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc. – Decision dated 5-9-2012 in Docket No. 11–3303–cv.



Ratio decidendi

Trademark – Amendment of plaint when permissible

The Delhi High Court while allowing an appeal against the order of the trial court has held that it is permissible to amend the plaint for incorporating facts which are necessary for effectual and complete determination of the controversy raised in the suit. This is more so when the amendments would not alter the nature of the suit; no substantive decision has been taken by the court and the issues are yet to be framed and the matter has not entered the stage of trial.

The plea of the respondents that by way of an amendment the plaintiff was trying to introduce “new facts” and would add a “new cause of action” in order to fill in lacunae after “substantial decision by the trial court” was rejected by the High Court on the ground that the Respondents had themselves pointed out the relevancy of such facts before the trial court which led to the vacation of an ad-interim injunction granted earlier in favour of the plaintiff and therefore the Respondents cannot be permitted at an appellate stage to take an opposite stand and argue that the facts sought to be added are not necessary for determination of the real dispute between the parties. [*Khushi Ram Behari Lal v. Whitefields International Pvt. Ltd.* – Order dated 11-4-2018 in CM (M) 283/2016, Delhi High Court]

No passing-off in abbreviation used along with another different mark

In a case of passing-off, the Delhi High Court while dismissing the suit at the admission stage

has held that no one can be permitted to have monopoly over ordinary descriptive words or their abbreviations.

The Court observed that the plaintiff used the trademark VAC - PAC (admittedly derived from the words Vacuum Packaging or Vacuum Pack) alongwith its registered trademark SUPERON, while defendant used it along with his mark GMM/arc, which is totally different. The Court held that there was no identity or deceptive similarity qua the two main trademarks of the parties, and that the different trademarks were such as to distinguish the goods of the plaintiff from that of the defendant.

Further, observing that the suit did not involve infringement but only passing-off and hence the Court can examine besides the trademark, the other aspects of the get-up of the packaging of the two parties, the Single Judge noted that packing of competing products was completely different. Relying on earlier decision of the Court in the case of *Marico Limited*, it was held that mark VAC-PAC being abbreviation of ‘Vacuum Packaging’, will not entitle exclusive ownership. It was also noted that use of the expression VAC-PAC for about 13 years will not be such a large length of time so as to make the abbreviation an exclusive distinctive trademark of the plaintiff.

The Court besides awarding actual costs in favour of defendants also imposed costs on the plaintiff for abuse of process of law and for wasting judicial time. [*Superon Schweissttechnik v. Modi Hitech* – Judgement dated 2-4-2018 in CS (COMM) No.750/2018, Delhi High Court]

Trademark passing-off – Use of surname not prohibited

Karnataka High Court has upheld the vacation of an interim injunction in an infringement and passing-off action for trademark and trade name –“Patil and Patil Parimala Works” being used by another company as “Patil Fragrances”. The plaintiff had contended that by using the word ‘Patil’, the defendant was infringing the rights of the plaintiff. The defendant however pleaded bona fide use of his own surname. Relying upon Section 35 of the Trademarks Act and Article 19(1)(g) of the Constitution of India, the Court was of the view that it cannot be held that the defendant was passing-off or marketing goods deceptively as that of the plaintiff-appellant. It noted that both parties hailed from Patil family and were relatives. It was observed that the parties were using their surname Patil in their respective business, for products having brand names – ‘Ullas’ and ‘Hitushree’, which were completely different, and that the defendant was a *bona fide* user of the name ‘Patil’. [Somashekhhar Patil v. D.V.G. Patil – Judgement dated 8-5-2018 in Miscellaneous First Appeal No. 2707 of 2018 (IPR), Karnataka High Court]

Infringer choosing not to contest proceedings – Damages may be awarded

Delhi High Court in a suit for trademark infringement has held that entities engaged in illegally passing off their services cannot be permitted to enjoy benefits of evasion by reclusing themselves from proceedings. The Court in an *ex- parte* decree in favour of the plaintiff also awarded damages on account of infringement of trademark and violation of *ex- parte* interim order by the defendant. The plaintiff

was the registered proprietor of trademarks ‘SHINE’ and ‘SHINE.COM’ whose rights were held to be infringed by deceptively similar domain name ‘CLICK2SHINE.COM’ of defendant. The court observed that act of the defendant in adopting and using the identical/ deceptively similar mark and web address in respect of identical services caused irreparable damage and loss to the plaintiff’s business, and that the impugned website which forms a part of their trading name, infringes the rights of the plaintiffs under Section 29(5) of the Trademarks Act. [H.T Media Ltd. v. Susheel Kumar – Judgement dated 22-5-2018 in CS (COMM) 323/2018 & IA No.11071/2014, Delhi High Court]

Trademark – Section 124 applicable to stay infringement suit and not suit for passing-off

Observing that the defendant had never abandoned the plea of invalidity and had filed the rectification proceedings within three months before IPAB, Delhi High Court has stayed the suit for infringement of trademark, under Section 124 of the Trademarks Act, 1999. Reliance in this regard was placed upon Supreme Court’s recent decision in *Patel Field Marshall*. The Court however, observed that the proceedings in a suit for passing-off would continue as Section 124 stay was applicable only to suits for infringement till the final decision on the pending rectification. Relying upon Division Bench decisions in the cases of *Puma Stationer P. Ltd.* and *Micolube India Ltd.*, the court observed that Section 124 is very specific and makes it clear that it is applicable only to suits for infringement. [J.K. Oil Industries v. Adani Wilmar - CS(COMM) 109/2018, decided on 29-5-2018, Delhi High Court]

Designs - Invalidity of registration of prior registrant when cannot be claimed

A Single Judge of the Delhi High Court, in a suit for infringement of registered design, has confirmed an *ad-interim* order against later registrant (defendant) of impugned design of helmet. The court in this regard noted that if the defendant has himself obtained registration of said design then he is estopped from taking plea of invalidity of registration of same design by prior registrant.

Further, observing the elements in shape and configuration of the subject 'helmet', the Court while applying Section 22 of the Designs Act was of *prima-facie* view that there was obvious imitation of prior registrant's design. [*Vega Auto Accessories v. S.K. Jain Bros. Helmet – IAs in CS (COMM) 837/2017, dated 1-6-2018, Delhi High Court*]

Trademark renewal – No right of any third party

The Division Bench of the Delhi High Court has dismissed an appeal against the decision of the Single Judge wherein it had been held that the matter of renewal of trademark is strictly between the Trademark Registry and the registered proprietor of the trademark. The Single Judge had held that during a renewal of the trademark there is no question of considering any right of a third party and that any person aggrieved by registration of a trademark is entitled to file an application for rectification of the register.

Further, it was held that if the Trademark Registry had not adhered to the timelines as required for renewal of the trademark, the applicant cannot be penalised for the same. [*Epsilon Publishing House Pvt. Ltd. v. UOI – Judgement dated 9-3-2018 in LPA 73/2018, C.M. APPL. 7426-7431/2018, Delhi High Court*]



News Nuggets

No confusion between 'Messi' and 'Massi'

EU's General Court has annulled EUIPO's decision of likelihood of confusion between marks Messi and Massi. It held that even if signs at issue are overall similar, conceptual differences between them are such as to counteract the visual and phonetic similarities. The court found it wrong to consider that reputation enjoyed by Mr. Messi concerns only part of the public interested in football and sport in general. It noted that it is not a case that average consumer who buys sports clothing or equipment has never heard or remembers the famous player.

EU Trademark – Three dimensional shape of Kit-Kat 4 fingers

EU's Advocate General has requested CJEU to dismiss appeals filed against the General Court Order annulling EUIPO's rejection of invalidity application against a mark, three-dimensional shape of the Kit Kat 4 fingers. The EUIPO had held that the product had acquired distinctive character through use. The AG observed that the party applying for trademark registration cannot leave out entire regions and markets, and that there was absence of finding that evidence of acquisition of distinctive character in some EU countries also applied to other EU markets.

Permanent injunction granted for infringement of mark P&G

Delhi High Court has granted an ex-parte permanent injunction along with the actual costs in a suit of passing-off. According to the facts averred in the plaint, the defendants were falsely misrepresenting by using trademarks and operating the website www.pglifesciences.org which were deceptively similar to plaintiff's domain name pg.com, pgimprovinglife.com, etc. The Court found that the facts were proved. The High Court in *Procter & Gamble Co. v. Midas Healthcare* observed that plaintiff's mark P&G and its other formative marks were already registered under said classes.

Trademark – Interim injunction against use of mark HM MEGABRANDS

The Delhi High Court has granted an interim injunction in a case involving passing off/infringement of trademark H&M by use of mark HM MEGA BRANDS. Contention that addition of word MEGABRANDS distinguishes the mark was rejected, considering addition of the generic suffix will only add confusion and was unlikely to differentiate impugned mark. The Court in *H&M Hennes & Mauritz v. HM Megabrands* also observed that H&M or HM are not generic or *publici juris* to the trade or business of parties and enjoy exclusivity on account of acquiring distinctness and global reputation.

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