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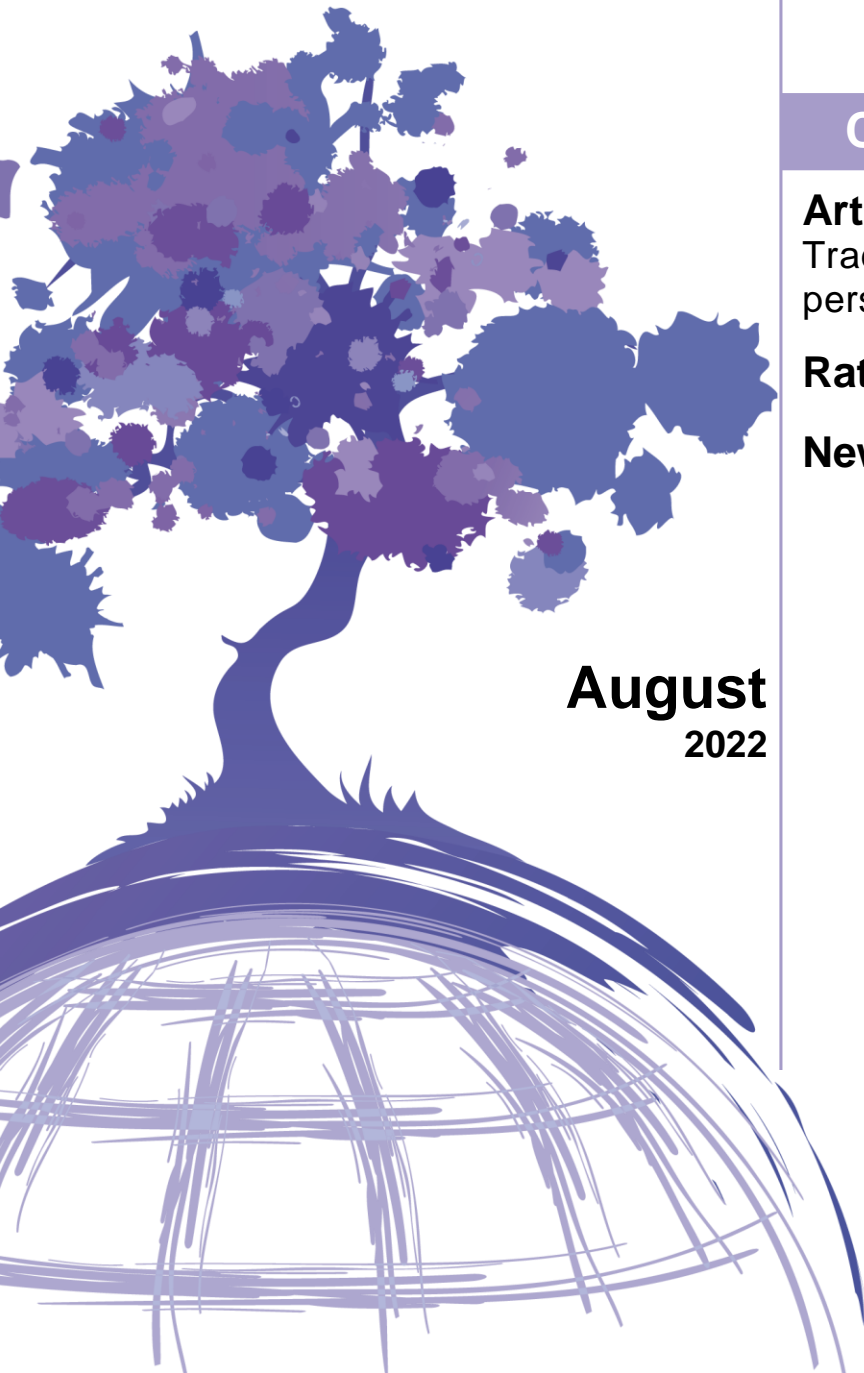
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Article

Trademark squatting – Jurisdictional perspectives

By Anoop Verma and R. Rajalakshmi

Introduction

The ‘Doctrine of Territoriality’, accords protection to a trademark within the territory of the state where it has been registered or used. In simpler words, it means that a trademark shall be protected against any unauthorized use by any person within the country where it has been registered, used, or is known to the public.

This territorial protection often results in ‘**squatting of trademarks**’ in countries where the trademark does not have any presence or is not commonly known to the general public. Many well-known brands have been unsuccessful in protecting their rights in countries outside their home territory on account of a third party having secured statutory rights in that jurisdiction. This often leads to a reassessment of strategies and the adoption of new measures.

Large corporations have had to deal with the issue of squatting in the past. For instance, Apple Inc., had to pay a whopping US \$ 60 million to settle a dispute involving its mark ‘IPAD’ with a Chinese company, Shenzen Proview Technology, which had registered the trademark IPAD in China in 2012. Starbucks also had to enter into legal proceeding against a Russian national who had registered the trademark Starbucks in Russia to secure its entry into Russia. The legal proceeding substantially delayed Starbucks’s entry into the Russian market. Closer home, the launch of Playstation 5 or PS5 by Sony in India was delayed on account of a trademark application by a squatter who had

filed a trademark application for ‘PS5’ for the identical specification of goods that were covered under Sony’s registration for the mark PS4. On opposition proceedings being filed by Sony, the application was withdrawn.

Meaning of trademark squatting

The World Intellectual Property Organisation (‘**WIPO**’) defines Trademark Squatting as ‘*the registration or use of a generally well-known foreign trademark that is not registered in the country or is invalid as a result of non-use*’¹

Often trademark squatters adopt, apply for, and use well-known trademarks with the sole motive to sell them for a profit at a later stage. The typical scenario is for a squatter to register the trademark of a known entity and wait until the brand owner enters the local market.

If said well-known trademark has a cross-border reputation in the country which can be demonstrated before courts by way of documents, the squatter may be restrained by a Court. The Court may also grant damages in favour of the proprietor of the well-known trademark. However, if the said trademark does not enjoy cross-border reputation, it will be difficult for a proprietor to protect rights in the trademark. As a result, the proprietor may have to negotiate with the squatter for the purchase of the trademark or involve in long-drawn legal proceedings before the tribunal and/or the Court.

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https://www.wipo.int/edocs/pubdocs/en/intproperty/489/wipo_pub_489.pdf

India's stand on trademark squatting

India follows the 'first to use' concept when it comes to trademarks, meaning thereby that the applicant can claim prior use, i.e. from the date of first use of the mark in India. Also, the concept of a well-known trademark is formally recognized under the Trade Marks Act, 1999 in India. Such well-known marks are entitled to protection even in respect of use for disparate goods and/or services.

Indian Courts in the past have granted protection to well-known trademarks against infringement even when the concept of well-known trademarks was not formally recognized.

The Supreme Court of India in its judgment in *N.R Dongre and Ors. v. Whirlpool Corporation and Ors.*², while upholding the decision of the single bench and division bench of the High Court of Delhi recognized the principle of trans-border reputation in India.

In the above case, Whirlpool Corporation had sought registration of the mark, Whirlpool in the year 1956 for cloth dryers, dishwashers, washing machines, and other appliances. However, in 1977 due to non-renewal, the registration of said trademark lapsed. In 1986, Mr. N.R. Dongre applied for registration of the mark, Whirlpool which got published in the Trade Marks Journal on October 16, 1988, and subsequently, opposed by Whirlpool Corporation on January 16, 1989. The opposition was dismissed by the Registrar of the Trade Marks on the ground of non-use and no reputation of the trademark, Whirlpool in India. This resulted in the appeal before the Single Bench of the High Court of Delhi. Based on the documents submitted by Whirlpool Corporation before the High Court of Delhi evidencing the transborder reputation and prior use of the trademark, Whirlpool in India, Single Bench

observed that Whirlpool Corporation was the prior user of the trademark and also had a trans-border reputation in India. Unsatisfied with the decision of the Single Bench, Mr. N.R. Dongre appealed before the Division Bench. The Division Bench observed that there is no plausible and convincing explanation from Mr. N.R. Dongre as to how he came to adopt the mark 'WHIRLPOOL'. Accordingly, the appeal was dismissed.

Mr. N.R. Dongre further appealed before the Supreme Court of India against the order of the High Court of Delhi, wherein the Supreme Court upholding the decision of the Single Bench and Division Bench of the High Court dismissed the appeal with costs.

The Supreme Court of India in the landmark case of *Toyota Jidosha Kubushiki Kaisha v. Prius Auto Industries Ltd. and Ors.*³, observed that Toyota had no trans-border reputation in India.

In the above case, Toyota filed a suit of infringement against Prius Auto Industries Ltd., for wrongfully registering and using the mark PRIUS in India. Toyota claimed that they have been using the mark, PRIUS since 1997 and based on the prior extensive global use and marketing/promotion has a transborder reputation in India. However, based on the documents produced before the Court by Toyota, it was observed that Toyota did not have enough documentary evidence demonstrating the trans-border reputation of the mark, 'PRIUS'. It was also observed that Toyota did not start using the mark PRIUS in India until 2010 which was subsequent to the use by Prius Auto Industries in 2006. Thus, the Supreme Court concluded that Prius Auto Industries had all the rights to use the mark PRIUS in India without any interruption.

In so far as squatting of well-known marks is concerned, the High Court of Delhi in *Hengst SE*

² Civil Appeal No. 10703 of 1996

³ CIVIL APPEAL NOS.5375-5377 OF 2017

& *Anr. v. Tejmeet Singh Sethi & Anr.*⁴, passed an Order against the Defendants, who were found to be indulging in trafficking/hoarding of several well-known marks of different entities including those of the Plaintiffs.

In the above case, the Court observed that the Defendants indulged in squatting of a total of 378 well-known marks of different entities. By directions of the Court, the Defendants in their written undertaking acknowledged the rights of the Plaintiffs and undertook to withdraw not only the application infringing the rights of the Plaintiffs but also all the other applications infringing well-known marks.

Further, the Defendants were also imposed with a cost of INR 10 lakh that was to be paid to the counsel of the Plaintiffs in a time-bound manner and if said payment was not made in the prescribed time, the Plaintiffs were permitted to seek revival of the instant suit and also pursue their claim for damages of INR 2 crore along with the additional costs.

Recent developments in other countries

Amidst the tension between Russia and Ukraine, several countries supporting Ukraine

imposed sanctions on Russia resulting in several MNCs winding up their business from Russia. These include companies such as Apple Inc., Nike++, Adidas ++, Ikea ++, and McDonald's. In retaliation to this and the sanctions imposed, the Government of Russia passed a decree formally allowing locals to adopt and use well-known foreign trademarks with respect to their identical goods/services. In other words, this step legalizes the theft of intellectual property ('IP'). The decree also lists a roster of 'unfriendly countries' whose companies' IPs are now available to Russians for free, meaning thereby that no royalty/fees will be required to be paid to the actual IP holders. These countries include the U.S.A, Japan, South Korea, and every country in the European Union. The decree also states that owners of intellectual property rights ('IPRs') residing in any of the unfriendly countries are not entitled to compensation in case of an infringement of their IPRs. This has resulted in the squatting of several well-known trademarks.

A few examples of such trademark squatting are provided hereinbelow:

1. APPLICATION BY RUSSIAN FIELD LOGISTIC

RUSSIAN FEDERATION	Application for registration of a trademark (service mark)
	(540) Image of the claimed designation
FEDERAL SERVICE FOR INTELLECTUAL PROPERTY	
(210) Application number: 2022715219	
(220) Application date: 03/12/2022	
(731) Applicant: RU, Limited Liability Company "RUSSIAN FIELD-LOGISTIC", 140000, Moscow region, Lyubertsy, Khlebozavodskoy proezd, 5a	
(511) Classes of the Nice Classification and the list of goods and/or services: 43 - snack bars; a cafe; cafeterias; restaurants; self-service restaurants; creation of culinary sculptures; canteens in production and educational institutions; bar services; cooking and home delivery services; camping services; services of a personal chef; canteen services.	

⁴ CS(COMM) 600/2021 & I.A. 15381/2021

The said entity has bodily lifted the McDonald’s logo and has applied for registration for similar services.

2. NIKE AND ADIDAS LOGOS HAVE ALSO BEEN APPLIED BY A THIRD PARTY IN RUSSIA

РОССИЙСКАЯ ФЕДЕРАЦИЯ (190) RU (210) 2022717063



ФЕДЕРАЛЬНАЯ СЛУЖБА
ПО ИНТЕЛЛЕКТУАЛЬНОЙ СОБСТВЕННОСТИ

Товарные знаки, знаки обслуживания, географические указания и наименования мест происхождения товаров

Заявки на товарные знаки, знаки обслуживания

(210) Номер заявки: 2022717063 (200) Дата поступления заявки: 21.03.2022 (441) Опубликовано: 22.03.2022 Бюл. № 6

(540) Изображение (воспроизведение) заявляемого обозначения:



(731) Заявитель:
Общество с ограниченной ответственностью «Биотекфарм-М», 660048, РФ, Красноярский край, г. Красноярск, ул. Караульская, дом 31, офис 604 (RU)

(750) Адрес для переписки:
123296, Москва г, проезд Шнитковский, д. 39, стр. 2, кв. 213, Рыбченко Вадим Валерьевич

(511) Классы МКТУ и перечень товаров и/или услуг:
25 - аппозитивные; банданы [полотня]; бельё нижнее; бельё нижнее, абсорбирующее пот; береты; ботусы; боса [горяchetti]; боди [женское бельё]; боксеры [спорты]; ботильоны; ботинки лыжные; ботинки спортивные; бриджи; брекки; ботсы; бюстгалтеры; бюстгалтеры самоклеющиеся; валенки [сапоги фетровые]; варежки; воротники [одежда]; воротники съёмные; вставки для рубашки; вуали [одежда]; табараны [одежда]; талиши; галстуки; галстуки-банты с широкими концами; гамашки; гамашки короткие; гетры [теплые носочно-чулочные изделия]; голенища сапог; грации; джеры [одежда]; жилеты; изделия спортивные трикотажные; изделия трикотажные; каблуки; каблуки для обуви; калошины [одежда]; карданы для шлем [спорты]; карманы для одежды; кашне; келья [головные уборы]; кимоно; козырьки для фуражек; козырьки, являющиеся головными уборами; колготки; комбинации [бельё нижнее]; комбинезоны [одежда]; комбинезоны для водных лыж; корсажи [женское бельё]; корсет [бельё нижнее]; костюмы; костюмы купальные; костюмы маскардары; костюмы пляжные; костюмы купальные гимнастические; куртки [одежда]; куртки из шерстяной материи [одежда]; куртки рыбацкие; легинсы [штаны]; лифры; лиффы; майки спортивные; манжеты; манжеты; манты; маска для лица [одежда]; не

RU № 2022717063 Страница: 1

РОССИЙСКАЯ ФЕДЕРАЦИЯ (190) RU (210) 2022717061



ФЕДЕРАЛЬНАЯ СЛУЖБА
ПО ИНТЕЛЛЕКТУАЛЬНОЙ СОБСТВЕННОСТИ

Товарные знаки, знаки обслуживания, географические указания и наименования мест происхождения товаров

Заявки на товарные знаки, знаки обслуживания

(210) Номер заявки: 2022717061 (200) Дата поступления заявки: 21.03.2022 (441) Опубликовано: 22.03.2022 Бюл. № 6

(540) Изображение (воспроизведение) заявляемого обозначения:



(731) Заявитель:
Общество с ограниченной ответственностью «Биотекфарм-М», 660048, РФ, Красноярский край, г. Красноярск, ул. Караульская, дом 31, офис 604 (RU)

(750) Адрес для переписки:
123296, Москва г, проезд Шнитковский, д. 39, стр. 2, кв. 213, Рыбченко Вадим Валерьевич

(511) Классы МКТУ и перечень товаров и/или услуг:
25 - аппозитивные; банданы [полотня]; бельё нижнее; бельё нижнее, абсорбирующее пот; береты; ботусы; боса [горяchetti]; боди [женское бельё]; боксеры [спорты]; ботильоны; ботинки лыжные; ботинки спортивные; бриджи; брекки; ботсы; бюстгалтеры; бюстгалтеры самоклеющиеся; валенки [сапоги фетровые]; варежки; воротники [одежда]; воротники съёмные; вставки для рубашки; вуали [одежда]; табараны [одежда]; талиши; галстуки; галстуки-банты с широкими концами; гамашки; гамашки короткие; гетры [теплые носочно-чулочные изделия]; голенища сапог; грации; джеры [одежда]; жилеты; изделия спортивные трикотажные; изделия трикотажные; каблуки; каблуки для обуви; калошины [одежда]; карданы для шлем [спорты]; карманы для одежды; кашне; келья [головные уборы]; кимоно; козырьки для фуражек; козырьки, являющиеся головными уборами; колготки; комбинации [бельё нижнее]; комбинезоны [одежда]; комбинезоны для водных лыж; корсажи [женское бельё]; корсет [бельё нижнее]; костюмы; костюмы купальные; костюмы маскардары; костюмы пляжные; костюмы купальные гимнастические; куртки [одежда]; куртки из шерстяной материи [одежда]; куртки рыбацкие; легинсы [штаны]; лифры; лиффы; майки спортивные; манжеты; манжеты; манты; маска для лица [одежда]; не

RU № 2022717061 Страница: 1

The above examples clearly demonstrate the fact that even if brands have a trans-border reputation and prior use in Russia, they will not be able to protect their trademarks on account of the decree recently passed by the Russian government.

Conclusion

Trademark squatting is a bane and stricter measures should be adopted while dealing with trademark squatters. A stricter measure will definitely demotivate squatters and will not result in the production of fake products of inferior

quality by the squatters under the well-known brands.

However, based on India’s stand on trademark squatting, it is also worth noting that a foreign entity claiming to have a transborder reputation must be able to produce enough evidentiary materials to support its claim of presence in India. Thus, the foreign brands must bear in mind that evidence of spillover reputation is mandatory in such cases.

[The authors are Senior Associate and Partner, respectively, in IPR practice at Lakshmikumaran & Sridharan, New Delhi]



Ratio decidendi

Chocolates ‘James Bond’ a complete knock-off of ‘Gems’ – Delhi High Court notes similar packaging and confusion among children

Considering the resemblance in the product packaging, as also the phonetic similarity between the marks ‘Gems’ and ‘James Bond’, the Delhi High Court has granted permanent injunction against the use of the latter mark by the defendant. The Court was of the view that the Defendant’s product sold under the mark ‘James Bond’/‘Jamey Bond’ infringed the Plaintiffs’ rights in the mark ‘Cadbury Gems’, as also, the copyright in respect of the products sold under the said mark. It held that the acts of the Defendant constituted infringement and passing of the registered trademarks of the Plaintiffs.

Pointing out various similarities between the packaging of both the products, the Hon’ble High Court held that the entire colour scheme of the Defendant’s product was identical to that of the Plaintiffs’ label and packaging and that the marks were also confusingly and deceptively similar. It observed that the Defendant’s pillow pack had the same blue/purple background and same size as that of the Plaintiffs’; positioning of the manufacturer’s name was same; brown oval on the Plaintiffs’ pillow pack and the brown diamond in defendant’s product were bordered by same blue/purple; trademarks were inscribed in identical white colour with same uneven script; colour combination of tablets was similar; same visual impression of explosion; and that the defendant’s product was conceptualized taking inspiration from Plaintiff’s character ‘Gems Bond’ used in promotions.

The Court also observed that there was an immense likelihood of confusion, particularly

considering the class of consumers that the product was targeted at, that is, children. Noting that the ‘GEMS’ product is also usually consumed by small children, both in urban and rural areas, the Court was of the view that even likelihood of confusion was sufficient. Further, observing that chocolates are sold not merely in big retail stores or outlets, but also, in road side shacks, paan shops, patri vendors, kirana stores and stalls outside schools, etc., the Court opined that thus, there was an immense likelihood of confusion.

The High Court in this regard also noted that the Plaintiff’s GEMS product was one of the most popular and well-recognized chocolate products in India, and that almost everyone’s childhood is associated with the consumption of the Plaintiff’s ‘Cadbury Gems’/‘Gems’. Awarding damages and actual costs to the plaintiff in this case, the Court also held that the Defendant failed to establish that the Plaintiffs’ mark ‘Cadbury Gems’/‘Gems’ was common to trade. [*Mondelez India Foods Pvt. Ltd. v. Neeraj Food Products – Judgement dated 26 July 2022 in CS (COMM) 393/2018, Delhi High Court*]

Patents – Divisional applications cannot be filed for claims not part of ‘claims’

The Delhi High Court has answered in negative the question as to whether divisional applications can be filed for claims, when such claims were not part of the claims in the parent application. The Court in this regard reiterated that the divisional application would be maintainable only when the claims of the parent application disclose ‘*plurality of inventions*’. It also stated that the divisional application cannot be permitted to

be filed solely based on disclosure made in the specification, in respect of alleged inventions.

The Court noted that the original ‘DPP IV inhibitor’ arising out of a Markush formula, in various permutations and combinations describing its use and method for treatment, which is only mentioned in the examples in the specification, cannot be permitted to be claimed as separate product claims in a divisional application, as there were no product claims in the parent application. It observed that once the product claims were not sought in the original application and the said products were clearly disclosed in the content of the complete specification, the products ought to be treated as having been disclaimed. Rejecting the appeal with costs, the Court thus held that the parent application cannot be interpreted to have included a ‘*plurality of inventions*’, i.e., completely new product claims, patentable by way of a divisional application. [*Boehringer Ingelheim International GmbH v. Controller of Patents* – Decision dated 12 July 2022 in C.A. (COMM.IPD-PAT) 295/2022, Delhi High Court]

Territorial jurisdiction of High Court in trademark dispute – Place of cause of action when not relevant

Observing that Section 134(2) of Trade Marks Act, 1999 is in addition to the law relating to the jurisdiction under the Civil Procedure Code, the Madras High Court has reiterated that the existence of cause of action or part thereof, is not a *sine qua non* and has no relevance when a suit is filed by invoking the jurisdiction of any Court which is conferred by virtue of Section 134(2). It also observed that when a suit is filed by invoking the jurisdiction under Section 134(2), leave under Clause 12 of the Letters Patent is not necessary.

Dismissing the application to return the plaint to Allahabad High Court, the Madras High Court also noted that the cause of action had not arisen

in the District of Ghaziabad, where the plaintiff also carried on business but, it was only in the District of Agra (though in same State) where the defendant resided and therefore, the Branch office and the place where the cause of action had arisen were in two different places. Respondent’s contention that since the Appellant had one more place of business which was nearer to the place where cause of action had arisen, he ought to have chosen that place to institute the suit, was thus rejected by the Court. [*Simpson & Company Limited v. Rhythm Agarwal* – Judgement dated 15 July 2022 in O.S.A.(CAD) No.122 of 2021, Madras High Court]

Commercial Court has jurisdiction to try disparagement suit intertwined with copyright infringement

The Delhi High Court has held that ‘arising out of’ in Section 2(1)(c) of the Commercial Courts Act, 2015, would cover situations where the reliefs are so closely intertwined, where disparagement/defamation is alleged by the very use and portrayal of the copyrighted content of the plaintiff by the defendants. The Court was of the view that it would be incorrect to hold that Section 1(1)(c) sets out an exhaustive list of disputes that qualify as commercial disputes. According to the Court, the clauses of said section do not limit the contours of the dispute that may arise.

Observing that the suit was not just for relief against defamation, which would certainly not constitute a ‘commercial suit’, but was one in which the violation of the intellectual property rights, namely, in copyright, had allegedly resulted in defamation/commercial disparagement also, the Court held that the dispute was a ‘commercial dispute’ and that the Commercial Court had jurisdiction to try the suit. It also noted that the cause of action (for both – disparagement and copyright) was the same, namely, the uploading of the videos on YouTube

and articles and other content on the website of the defendants as well as on Facebook, Twitter and Instagram. [*T.V. Today Network Limited v. News Laundry Media Private Limited* – Order dated 29 July 2022 in CS(COMM) 551/2021, Delhi High Court]

Trademarks – Allied/cognate goods in automobile sector – Confusion in use of marks ‘Sona’ and ‘Sonae’

In a case where the plaintiff dealt with the manufacturing and assembling of electric motors, controllers, alternators and starter kits which form part of the automobiles whereas the defendant dealt in electric two-wheeler and charging stations EV, the Delhi High Court has held that it can be said that *prima facie* the plaintiff’s and the defendant’s goods were allied/cognate goods. The Court noted that while plaintiff’s goods were intended to provide a range of products for all passengers and commercial vehicles, including EV, the defendant was providing a service to public institutions by setting up charging stations for electric two wheelers and eventually venture into EV itself.

It also observed that plaintiff and the defendant were both part of the automobile industry making a niche in the EV segment and that the defendant was bound to eventually overlap with the pre-existing customer base of the plaintiff. Noting the case of ‘trade connection’, the Court held that common purchasers/consumers who are aware of the mark ‘Sona’ of the plaintiff could easily be misguided by the mark ‘Sonae’ of the defendant. The Court in its *prima facie* opinion also held that mere addition of alphabet ‘e’ to the said common part, or the use of suffix ‘EV’ or ‘Roar of Electric’, were not sufficient to hold that the two marks would not lead to any deception or confusion in the minds of an unwary consumer. The High Court was also of the opinion that the case of the plaintiff would *prima facie* also attract Section 29(2)(b) as also Section 29(3) of the Trade Marks Act. [*Sona BLW Precision Forgings Ltd. v. Sonae EV Private Limited* – Decision dated 2 August 2022 in CS(COMM) 383/2022, Delhi High Court]



News Nuggets

Website printouts when cannot be rejected as evidence

The Delhi High Court has stated that simply rejecting the website printouts is contrary to law as it permits reliance on website printouts, so long as they can be they can be accompanied with a certificate under Section 65B of the Information Technology Act, 2000. The Court was of the view that the genuineness

of the printout can be easily checked by the examiner by accessing the internet at the time of hearing and if there is any doubt in respect of printouts filed, the examiner can call for an affidavit under Section 65B. The appellant in *Excitel Pvt. Ltd. v. Registrar of Trade Marks* [Judgement dated 18 July 2022] had submitted website print outs with the user affidavit, which showed extensive user of the

mark 'REELTIME' on its website www.excitel.com. The senior examiner had rejected the evidence stating it did not constitute primary evidence.

Registration of mark 'RELAXEDFIT' allowed to proceed in respect of footwear

The Delhi High Court has set aside the decision of the Registrar of the Trademarks which had rejected the registration of the mark 'RELAXEDFIT' (device) used in respect of footwear. Observing that the mark was registered in almost all major jurisdictions, including United States of America, European Union, United Kingdom, Chile, China, Colombia, Taiwan, UAE, Australia, Japan, Russia, and several South American Countries, the Court in *Skechers, USA Inc II v. Union of India* [Decision dated 14 July 2022] was of the view that this is a fit case where the mark ought to proceed for registration, subject to certain conditions/disclaimer.

Patents – Amendment during pendency of pre-grant opposition to be informed to opponent

The Delhi High Court has stated that if an amendment is being carried out during the pendency of a pre-grant opposition, the ruling on the amendment ought to be sent to the pre-grant opponent as well. According to the Court, a short and brief order should be passed in respect of the amendments which should be uploaded on the website of the Patent Office so that everyone concerned would know the decision on the amendment. The Court in *Natco Pharma Limited v. Union of India* [Decision dated 12 July 2022] stated that proceeding in a pre-grant opposition and simultaneous examination of a patent application, should not result in a situation where the pre-grant opponent is kept in dark

about the developments taking place in the examination process.

Design registration of an industry standard not permissible

The Delhi High Court has upheld the finding that a pattern, which is a standard to identify a particular grade, cannot be registered as a design. The Court in this regard observed that the logical sequitur of accepting that the plaintiff would have a monopoly over the surface pattern that is required to identify a particular grade of steel was that the product manufactured by the plaintiff would be identified as the sole product of the specified grade, which cannot be accepted. The plaintiff had obtained registration of a surface pattern of steel rod, which was the British Standard B500C as published. The Court in *Kamdhenu Limited v. Aashiana Rolling Mills Ltd.* [Judgement dated 5 August 2022] noted that angular transverse ribs were not a novel design but were disclosed by the published standards, and that a minuscule alteration in the angles would not in any manner change the pattern as visually discernible.

Trademark rectification – Suit for relief of passing off when not to be stayed

The Delhi High Court has rejected the contention that the suit, even with respect to the prayer of passing off, should be stayed, in a case where a rectification application seeking cancellation of the registration of the trade mark is pending. Distinguishing the decision of the Court in *Praveen Kumar Gupta v. Ravi Chadha*, wherein the Court had even stayed the relief of passing off, the High Court noted that no pleading of the plaintiff being aware of the rectification application having been filed by the defendant or the relief based on passing off having been made only to get

over the statutory bar as contained in Section 124 of the Trade Mark Act, was made by the defendant in the application. The Court in *Peps Industries Private Limited v. Kurlon Limited* [Order dated 13 July 2022] also stated that mere exchange of Cease and Desist Notice and reply thereto, cannot lead to an inference that the plaintiff had added the relief of passing off only to avoid the statutory effect of Section 124.

E-commerce – ‘Latching on’ constitutes passing off

The Delhi High Court has held that ‘latching on’, in the e-commerce website, by unauthorised sellers results in and constitutes ‘passing off’ as known in the brick and mortar world. The Court was of the view that permitting a third-party seller to ‘latch on’, to the name/mark and product listings of another is nothing but ‘riding piggy back’ as is known in the traditional passing-off sense. It observed that same amounts to taking unfair advantage of the goodwill that resides in another person’s mark and business, without his/her consent. The Court in *Akash Aggarwal v. Flipkart Internet Private Limited* [Decision dated 2 August 2022] noted that defendant’s platform was permitting other third-party sellers to ‘latch on’ to the best sellers in one particular segment of products, resulting in various third-party sellers misusing the Plaintiff’s brand/mark. It directed the defendant to ensure that the ‘latching on’ feature was disabled *qua* the mark ‘V Tradition’ used by the Plaintiff.

Trademark disparagement – Advertisement stating ‘cheaper would be harmful’ when wrong

The Delhi High Court has held that print advertisement stating that cheaper oil would be harmful to hair, would *prima facie* amount

to disparaging the goods of the plaintiff. The Court noted that the impugned WhatsApp message not only referred to the print advertisement but also referred to the plaintiff’s product by name, and that the print advertisement referred to the oil which was cheaper in price, which was how the plaintiff marketed its product in comparison to the defendant, thereby again drawing reference to the plaintiff’s product. Granting *ad interim* injunction, the Court in *Marico Limited v. Dabur India Limited* [Order dated 13 July 2022] observed that the balance of convenience was also in favour of the plaintiff.

Patents – Jurisdiction of Competition Commission

Jurisdiction of the Competition Commission is not ousted the moment a complaint relates to the subject of patents. The Delhi High Court in this regard found itself unable to read Section 3(5) of the Competition Act, 2002 as excluding the jurisdiction of the Commission completely even though the information may relate to issues pertaining to an anti-competitive environment, abuse of dominant position or the adoption of an unfair trade practice. According to the High Court, it is ultimately the substance of the complaint and whether the allegations relate to aspects which would fall within the province of the Commission which would truly determine whether the assumption of jurisdiction is sustainable in law. The Court in *Vifor International Ltd. v. CCI* [Order dated 28 July 2022] also opined that it is only when a complaint concerns itself solely or exclusively with violations of the Patent Act, 1970 or the infringement or enforcement of rights that may otherwise be conferred by that Act that it could be said that the information would fall outside the purview and power of enquiry of the Commission.

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