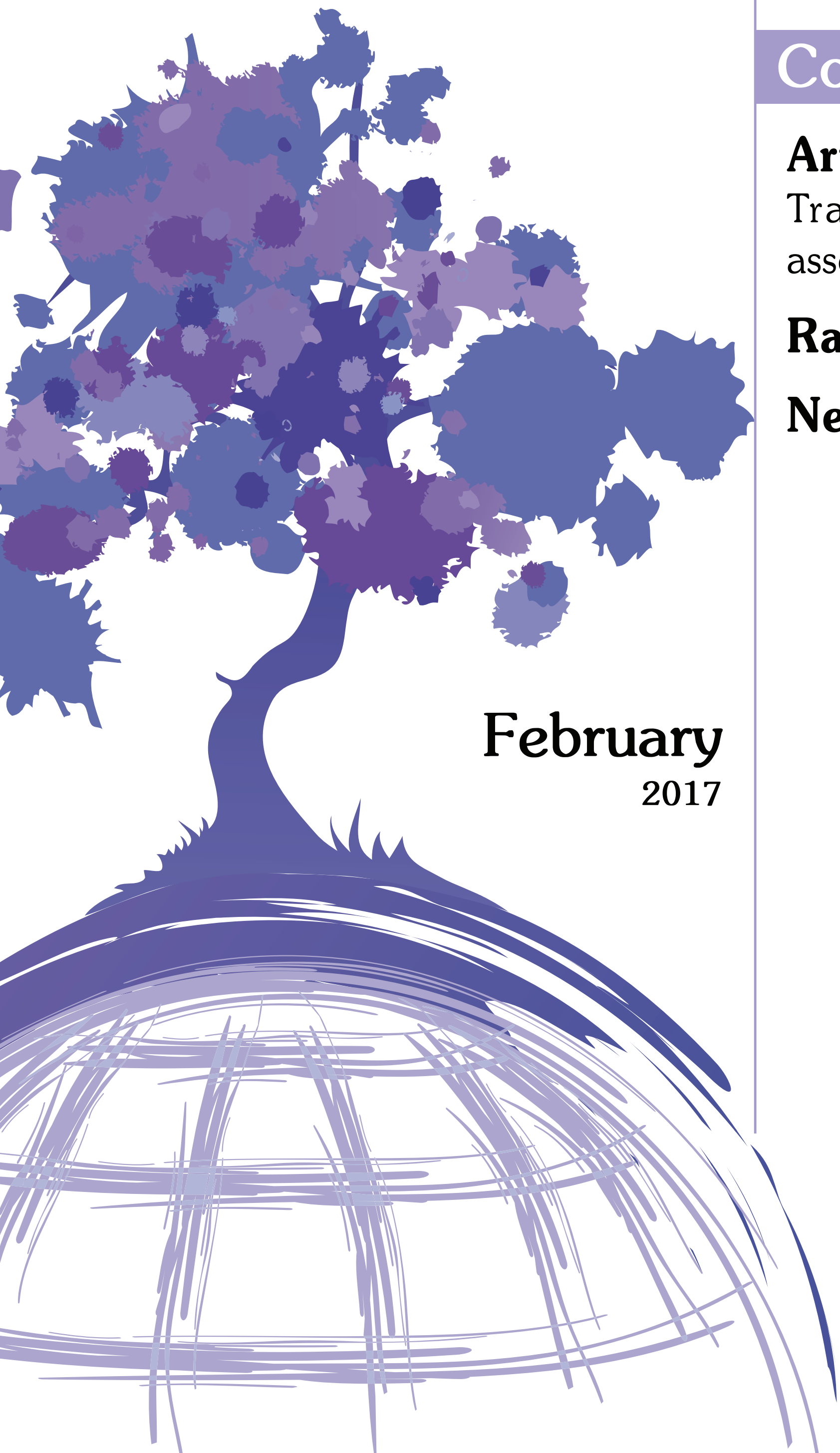
Lakshmikumaran & Sridharan ipr

IPR

amicus

February 2017 / Issue 67

An e-newsletter from
Lakshmikumaran & Sridharan, India



February
2017

Contents

Article

Trademarks - Well-known mark associated solely with the proprietor

By **Tulika Pandey**

In December, the Delhi High Court granted permanent injunction in favour of Mother Dairy (the Plaintiff) in *Mother Dairy Fruit and Vegetable versus S.K. Raheem*[1]. Mother Dairy instituted a suit in 2010 against S.K.Raheem pleading that use of the logo mark "VINAY MILK" amounts to tarnishment and dilution of the Plaintiff's trade mark and also leads to passing off, trademark infringement and copyright infringement.

The single judge of the Delhi High Court had earlier granted an ex-parte *ad-interim* injunction restraining the Defendant from using the above mentioned logo mark.

Brief Facts

The plaintiff, Mother Dairy, is an entity operated and financed by the National Dairy Development Board (hereinafter referred to as the 'NDDB') under the Operation Flood programme to facilitate the selling of milk and milk products at reasonable prices.

The plaintiff submitted that since 1974 it has been selling various products such as curd, milk, ice cream and butter under the Trade name 'Mother Dairy' and that it had also obtained registration for 17 of its products, mainly under classes 29 and 30.

The plaintiff also submitted that it had invested a significant amount of money and effort in advertising and marketing its trademark under the blue-coloured logo since 2003, resulting in the logo garnering immense goodwill and being solely associated with the plaintiff and its products. The Plaintiff also submitted that the market penetration and availability is increased through its 14,000 retail outlets and 845 exclusive outlets and that the plaintiff has a market share of 66% in Delhi.

Plaintiff's Submissions

The plaintiff contented that they learned about the defendant and use of the mark 'VINAY MILK' for its milk products in June 2010. It was further submitted that the plaintiffs sent a cease and desist notice to the defendants on July 13, 2010, to which an indeterminate response was received. A further letter dated August 21, 2010, was sent by the plaintiff asserting its rights in its trademark, logo, trade dress and packaging being used by the defendant, to which the defendant failed to respond. As a result, the plaintiff instituted the present suit to obtain injunction against the defendant's actions on the grounds of passing off, trademark infringement and copyright infringement which were in addition to tarnishment/dilution of their well-known mark.

[1] CS (OS) 2399/2010

Decision of the Court

Despite issuance and service of the summons, the defendants did not file any written submissions, and hence the Court decided to proceed ex-parte against the Defendants.

In its first and foremost observation, the Single Judge stated that the plaintiff was the undisputed sole owner of all the rights relating to the packaging/logo associated with the products, referring to the fact that it has received trademark and copyright registration for the same. The Judge went on to note that Mother Dairy's blue logo mark had acquired sufficient distinctiveness to be solely associated with the plaintiff and is easily associated and recognized with the products of the plaintiff by the consumers. The Judge noted that such association of the trademark by the consumer leads to the obvious conclusion that the plaintiff's logo has acquired the status of a 'well-known' mark.

The Court accepted the contentions with regard to plaintiff's trademark/trade dress and agreed that the use of the mark "VINAY MILK" by the defendant, is deceptively similar and will lead to a likelihood of confusion in the concerned market and among the relevant consumers. The Court in order to assess the likelihood of confusion, referred to the fact that both the products are similar, are being marketed through the same trade channels and even the target consumers are the same.

On these grounds, the Court held that the plaintiff had successfully discharged the burden and proved that the conduct of the Defendants is violative of the plaintiff's rights which had also tarnished the plaintiff's goodwill and reputation. While the Court granted a permanent injunction against the Defendant, it refused to grant of damages in favour of the Plaintiff. The Court observed that the Plaintiff had not adduced any evidence to support grant of damages and the same could not be awarded on the basis of a solitary witness alone.

[The author is an Associate, IPR Practice, Lakshmikumaran & Sridharan, Delhi]

Ratio Decidendi

Disparagement in advertisements – Relief to be restricted only to gross cases

Delhi High Court has denied interim relief in the suits and dismissed the suits themselves in disputes involving comparative advertising of fast moving goods (shampoo sachets). The Court was of the view that the advertisements impugned in either of the suits were not disparaging the goods/products of the plaintiff. In this case the parties had instituted three civil suits against each other alleging that the comparative advertising of the shampoo sachets in TV Commercials by one, amounts to disparagement of the goods of another. It may be noted that in the first suit instituted by P&G against HUL, an *ad-interim* order was issued in favour of P&G in 2016. Vacating the earlier *ad-interim* order and denying such relief in other suits, the Court also dismissed all three suits, holding that nothing survives for the suits to proceed to trial and that the determination as arrived at by the Court in respect of grant of interim relief will not be impacted by evidence led during trial.

The court in this regard was of the view that remedy of filing complaint with Advertising Standards Council of India will not bar a person aggrieved by the advertisement, from approaching the Civil Court and similarly the dismissal of complaint by ASCI would not bar the Court from independently looking at the grievance.

After discussion of the relevant case law, and after assessing articles and publications from the Journal of Consumer Psychology, it was held that the advertisements in dispute did not amount to disparagement. Applying the dual test of balancing the fundamental right of advertiser under Article 19(1)(a), with the Constitutional right of the competitor under Article 21 to reputation of his goods; and the test of proportionality, it was held that the advertisements were not defamatory or having the impact of changing the opinion of the ordinary man/consumer to the prejudice of the plaintiff.

Highlighting that the product under consideration was single use low cost product required by the consumer repeatedly, week after week, if not day after day, making it possible for the consumer to experiment, the court was of the view that the advertisements were not capable of unreasonably affecting the marketability in the long run of the product of the plaintiff. Further, observing that the advertisement was addressed to informed citizenry, it was held that reliefs for disparaging advertising have to be restricted to gross cases. [*Procter & Gamble Home Products Private Limited* v. *Hindustan Unilever Ltd.* – CS (OS) No.459, 463 and 507/2016, decided on 17-2-2017, Delhi High Court]

Territorial jurisdiction of High Court

Delhi High Court has allowed defendants' application for return of plaint under Order VII Rule 10 of the Code of Civil Procedure, 1908 on the ground of lack of territorial jurisdiction in a patent infringement suit. The plaintiff had invoked the jurisdiction of the Delhi High Court on the ground that the Principal/registered office of defendants is in Delhi, and is essentially involved in all tenders floated by all its branch offices and that issuance of tender by a branch/regional office is not an activity solely attributable to such branch office. Reliance in this regard was placed by the plaintiff on 'Integrity Pact' which was required to be signed by every bidder with the principal office of the defendant, which prescribed jurisdiction of Courts at New Delhi.

Rejecting the contentions of the plaintiff, the Court was of the view that mere presence of the principal offices of the defendants in Delhi by itself would not confer jurisdiction over the disputes arising therefrom upon the Courts at Delhi. It was noted that tenders were not floated by principal offices in Delhi, the supplies were not made in Delhi, and the documents pertaining to the defendant included the stipulation *that "any dispute in operation of the rate contract shall be subjected to the exclusive jurisdiction of courts at Sangareddy / Hyderabad, Telangana State, India."* With regard to the "integrity pact", the Court noted that the objective was only to ensure the integrity of the tender process, when said integrity pact was invoked. The Court was of the view that jurisdiction specified in such document cannot regulate the present proceedings. It was also noted that in the integrity pact there was no reference to the claims arising out of competing intellectual property rights of different bidders.

The plaintiff in the instant suit had its principal place of business in Ahmedabad, Gujarat; the defendant No. 3, alleged to be manufacturing and selling the infringing products had its principal place of business in Jaipur, Rajasthan. Defendant nos. 1 and 2 - BHEL and NTPC had issued tender notices for certain goods from their respective regional offices in Hyderabad and Vindhyachal and UK, respectively, following which defendant No. 3 won the bid and supplied the alleged infringing goods to Defendant Nos. 1 and 2. [*AIA Engineering Limited* v. *Bharat Heavy Electricals Ltd.* – Order dated 16-2-2017 in CS (COMM) 1576/2016 & IA No. 564/2017]

Trademarks – Generic prefix not fatal – Mark not to be split for comparison

A Single Judge of the Delhi High Court has granted an interim injunction in favour of the plaintiffs, restraining the defendants during the pendency of the suit from infringing the plaintiff's registered trademark "GABAPIN" and from using the mark "GABAMIN" and / or "GABAMIN NT". The Court rejected the contentions of the defendant that there was concealment and acquiescence on the part of the Plaintiffs. Finding no merit in the submission of the defendant that plaintiff concealed the facts relating to trademark registration application submitted by the defendant in 2006, the court observed that it was not possible to conclude as to whether the plaintiff was aware of the defendant having launched the impugned products in the market since 2006. The Court was of the view that filing of an application for registration of the trademark does not mean that the applicant has introduced its product in the market simultaneously or immediately thereafter.

Further the contention of prefix being generic, was also rejected by the Court observing that it is not permissible for the mark to be split up to compare them, and that the defendant had not challenged the validity of the registration of the plaintiff's mark. It was held that two marks when compared as a whole, clearly bring out the phonetic and deceptive similarity. [*Intas Pharmaceuticals Ltd.* v. *Macleods Pharmaceuticals Ltd.* – Order dated 25-1-2017 in IA 6604/2016 in CS (COMM) 631/2016, Delhi High Court]

News Nuggets

TRIPS amendment allowing greater access to medicine for LDCs enters into force

On January 23, 2017, the first amendment to the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement came into force after the ratification by two-third members of WTO in the form of Article 31bis. This amendment stands as an exception to Article 31 (f) of the TRIPS agreement which refers to compulsory licensing of patented products. Article 31 (f) stresses on the fact that compulsory licensing shall only be issued predominantly for the supply of the patented products to the domestic market of the member issuing them. This provision poses problems for Least Developed Countries (LDCs) who do not have proper infrastructure to manufacture patented pharmaceutical medicines and who are primarily dependent on other countries which export such needed medicines. In view of this, in the year 2005 an amendment to the TRIPS provisions was adopted, for the insertion of Article 31bis which would allow a balance between the rights of a patentee and public health in LDCs by permitting such exports. It has finally come into force this year. The amendment pertains to the accessibility of affordable medicines by the LDCs and has direct relevance to public health.

NEW DELHI
5 Link Road, Jangpura Extension,
Opp. Jangpura Metro Station,
New Delhi 110014
Phone : +91-11-4129 9811

B-6/10, Safdarjung Enclave
New Delhi - 110 029
Phone : +91-11-4129 9900
E-mail : lsdel@lakshmisri.com

MUMBAI
2nd floor, B&C Wing,
Cnergy IT Park,
Appa Saheb Marathe Marg,
(Near Century Bazar)Prabhadevi,
Mumbai - 400025.
Phone : +91-22-24392500
E-mail : lsbom@lakshmisri.com

CHENNAI
2, Wallace Garden, 2nd Street
Chennai - 600 006
Phone : +91-44-2833 4700
E-mail : lsmds@lakshmisri.com

BENGALURU
4th floor, World Trade Center
Brigade Gateway Campus
26/1, Dr. Rajkumar Road,
Malleswaram West, Bangalore-560 055.
Ph: +91(80) 49331800
Fax:+91(80) 49331899
E-mail : lsblr@lakshmisri.com

HYDERABAD
'Hastigiri', 5-9-163, Chapel Road
Opp. Methodist Church,
Nampally
Hyderabad - 500 001
Phone : +91-40-2323 4924
E-mail : lshyd@lakshmisri.com

AHMEDABAD
B-334, SAKAR-VII,
Nehru Bridge Corner,
Ashram Road,
Ahmedabad - 380 009
Phone : +91-79-4001 4500
E-mail : lsahd@lakshmisri.com

PUNE
607-609, Nucleus, 1 Church Road,
Camp, Pune – 411 001.
Phone : +91-20-6680 1900
E-mail : lspune@lakshmisri.com

KOLKATA
2nd Floor, Kanak Building
41, Chowringhee Road,
Kolkatta-700071
Phone : +91-33-4005 5570
E-mail : lskolkata@lakshmisri.com

CHANDIGARH
1st Floor, SCO No. 59,
Sector 26,
Chandigarh - 160026
Phone : +91-172-4921700
E-mail : lschd@lakshmisri.com

GURGAON
OS2 & OS3, 5th floor,
Corporate Office Tower,
Ambience Island,
Sector 25-A,
Gurgaon- 122001
Phone: +91- 0124 – 477 1300
Email: lsgurgaon@lakshmisri.com

ALLAHABAD
3/1A/3, (opposite Auto Sales),
Colvin Road, (Lohia Marg),
Allahabad -211001 (U.P.)
Phone : +0532 – 2421037, 2420359
Email: lsallahabad@lakshmisri.com