

[R.K.Dewan & Co.]



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Trademarks

Trademark Registry's

new groove

The Trademark Registry on 31st March, 2016 declared almost 5, 00, 00 (five lakh) trademark applications as abandoned. This fired a discussion among trademark professionals because such move of the Trademark Registry may not be in compliance with Rule 38(4) and Rule 38(5) of the Trademark Rules, 2002. Rule 38(4) states that after the examination report is issued, a period of 30 days is granted to the Applicant to file a response to the report; a request for extension of time can also be made by the Applicant. This 30 days period begins from the date of receipt of communication i.e. the day when the report is received by the Applicant (rule 38 (5)).

A reading of rule 38(5) makes it evident from its language that there are four opportunities to be granted to an Applicant before declaring an Application as abandoned. A mark shall be deemed abandoned if the Applicant:

1. Fails to amend his application according to the proposal ;or
2. Fails to submit his observations to the Registrar; or
3. Apply for a hearing; or
4. Fails to attend the hearing.

If the Applicant fails to comply with the abovementioned alternatives, the Registrar has to fixing a hearing (the fourth alternative in Rule 38(5)), and if the Applicant is not present on the date of hearing, the mark can be declared as abandoned by the Registrar. A non-compliance of these provisions, by the Trademark Registrar, will be considered as a violation of the principles of natural justice since, the Applicant would not have been given an opportunity to present its case for defending its mark.

In light of this legal understanding of Section 38, Writ Petitions 3043/2016 and 3067/2016 were filed before

the Hon'ble Delhi High Court. The Court upon looking at the large number of abandonments stayed the Trademark Registry's orders. All the authorized trademark agents can now file their reply to the examination reports containing the objections (which were declared abandoned) through a comprehensive e-filing services as available on the trademark registry's website.

Uncovering black lies

The information available at the Trademark Registry records is for the public to know about the marks that are registered and it is the general presumption, that the information so made available is true and correct unless any evidence to the contrary is adduced. Therefore, an act of not informing about an assignment of trademark to the Trademark Registry may result in misleading the Registry about vital facts and at the same time affect the decision of an ongoing legal proceeding.

In the case of *Hygienic Research Institute Private Limited v M/s Solvay Pharmaceutical Marketing and Licensing* decided by the IPAB, a similar situation arose. RK Dewan and Co.

represented the Appellant (Hygienic Research) and filed an opposition to the registration of the mark 'SILKIS' as it was deceptively similar to its mark 'SILKISS'. Further, we argued that the goods as well as the channel of trade were the same therefore, increasing the likelihood of confusion in the mind of an average consumer with imperfect recollection. The Appellant's opposition notice was responded to by Respondent 1 (Solvay Pharma) in the form of a counterstatement. Respondent No. 1 also filed evidence in support of its Trademark Application (in 2002). The Deputy Registrar of Trademarks (DR), upon examining the documents submitted to it by the Parties, dismissed the Appellant's opposition. This order was appealed before the IPAB (Circuit Bench, Mumbai). The Respondent No.1 had assigned its trademark to another party in 1996; however, this material fact was brought to the notice of the DR only after the opposition proceedings had been concluded after being informed of this material information, the DR *suo motu* invoked Section 12 of the Act (concurrent use).

The Respondent No. 1 relied on a previous IPAB decision wherein the merger of an entity during the opposition proceedings was allowed as an

amendment in the status of the proprietor of the mark. The IPAB rejected Respondent No. 1's analogy of comparing the situation of a merger with that of an assignment. It was held that in the case of a merger *both the parties were sailing in the same boat* whereas, in case of an assignment, the assignor no longer had any role to play, it is the assignee that shall have the rights thereon from the date of assignment. The IPAB also rejected the DR's order of invoking Section 12, of the Act, as this was seen as inventing special circumstances in a case and was a flagrant violation of the principles of natural justice. The decision of DR was set aside and the DR was instructed to decide the matter afresh.

Imitation game

Trademark Registration is a must for any entity seeking to carry on business. A non-registered mark is protected by common law but the level of protection accorded to such a mark is less than that for a registered mark. A registered trademark protects the proprietor against third parties seeking to ride on the coat tails of its mark. A trademark is infringed not just by use of an identical or deceptively similar mark for goods and services but also when the mark is used as a part of its trade name by another entity.

In *Zensar Technologies Ltd. v Zensar Suppliers Pvt. Ltd.* the Appellant (Zensar Technologies) is the owner of the well-known mark 'Zensar' which has been registered in classes 1-42, except classes 39 and 40. RK Dewan & Co. represented the Appellant and argued that, the Respondent had used the well-known mark 'Zensar' as a part of its corporate name and such use was likely to mislead the consumers into believing that there was a nexus between the Appellant and the Respondent. The Respondent argued that its goods and services were different from those of the Appellant and that it was not using the mark 'Zensar' for its goods therefore; the appeal ought to be dismissed. The Pune District Court, did not grant an interim injunction in favor of the Appellant and therefore, an appeal was filed before the Bombay High Court.

The High Court agreed with RKD's lawyer that the mark 'Zensar' was a coined word and no definition of the word could be found in the dictionary. Also, the Respondent could not explain the meaning of the word 'Zensar' and therefore, no rationale for using the said mark could be proved by the Respondent. The Court held that, *prima facie* the our counsel had made out a case of infringement by showing its

registrations and use of the mark 'Zensar' hence, the balance of convenience tilted in the favor of the Appellant. The Court granted the relief of interim injunction to the Appellant.

This case clearly demonstrates that corporate entities should be careful while adopting and registering their names with the Ministry of Corporate Affairs. An omission to conduct due diligence at the initial stages can result in severe consequences at a later stage. Also, Corporates that have adopted an arbitrary or coined word as a part of their trade name should immediately register it as a trademark without any further ado.

A stitch in time saves nine

Creativity in trademarks is the key to successful trademark registration as well as gaining recognition among the consumers. While it is important that a mark should represent the Company/proprietor, it is also necessary that the name should be distinctive enough to not be copied. An arbitrary or fancy mark tends to have a stronger protection because in the event that a third party copies the same, it will be difficult to justify such adoption. In the case of *Datamatics Global Services Limited vs Royal*

Datamatics Private Limited, the consequence of adopting an unimaginative mark was borne by the Plaintiff. The Plaintiff (Datamatics Global) was running its business, in 1975, under the name 'Datamatics' which it claimed to be a coined word and therefore, exclusive to the Plaintiff alone. Further, the Plaintiff submitted that it had registered the trademark 'Datamatics' in classes 35 and 42. The Plaintiff, in 2013 became aware of the Defendant's presence and sent a cease and desist notice; on failure to receive a positive response from the Defendant, the Plaintiff filed a trademark infringement suit.

The Defendant claimed that the word 'Datamatic' was ordinarily used in relation to IT goods and services and that close to 50 Companies had Datamatics as a part of their corporate name. This argument was accepted by the Bombay High Court; it was observed by the Court that the mark was an obvious combination of the words 'Data' and 'Matic'. Interestingly, the Court also relied upon the class of consumers to whom the goods and services were directed. It was held that since the consumers purchasing IT goods and services constituted a knowledgeable class, they would make choices on the basis of the "specialized services offered by the service

providers rather than the word 'Datamatics'" alone. Also, the fact that the Defendant had applied for registration of the mark 'Royal Datamatics Pvt. Ltd.', as a whole, rather than 'Datamatics' was seen in favorable light by the Court. In its parting words the Court stated that the Defendant had been operating under the said corporate name for 19 years therefore, granting a temporary injunction in favor of Plaintiff would be harmful for the Defendant. Thus, the Court did not grant an injunction to the Plaintiff.

This case throws light on the importance of IP vigilance for Corporates; simply registering trademarks does not make the corporate houses immune to any potential infringement. It is necessary that Companies, act vigilantly and immediately take action against any entity that may be treading upon their IP rights.

Until an opportune time

Trademark laws allow the grant of monopoly over a mark to its proprietor. This, however is subject to certain conditions, such as, initiating a timely action against infringers, if the proprietor sleeps over its rights, the case may be hit by the doctrine of laches; similarly if the proprietor of a mark allows such infringement (being

aware of the infringer) then it will amount to acquiescence.

The facts of *Essel Propack Ltd. v Essel Kitchenware Ltd.* are rather interesting; it started as a usual case of a Plaintiff claiming infringement of its trademark rights by the Defendant, even though the Defendant was using the mark in relation to different goods and services. As the Court dwelled deeper into the facts, it came to the Court's knowledge that 7 years before initiating the suit, i.e. in 2003, the Plaintiff had sent a cease and desist notice to the Defendant. Simultaneously, the Plaintiff had also filed an opposition to the Defendant's trademark application. In 2004, the Defendant had filed a civil suit at the Calcutta High Court seeking injunction against the Plaintiff for issuing groundless threats. Complicating the issue further, the Defendant also filed an opposition against the Plaintiff's trademark application and the same was appealed by the Plaintiff before the IPAB. All these material facts had not been mentioned in the Plaint. Subsequently, in 2010 the Plaintiff withdrew its opposition against the Defendant's mark, following which the Defendant's mark was registered.

It was the case of the Defendant that the Plaintiff, despite being aware of its presence in 2003 did not

initiate a legal suit and instead filed a suit when the Defendant had established a flourishing business. The Court contemplated upon the facts before it and ruled that in case of a dishonest adopter of a mark, the relief of injunction had to be granted irrespective of the success of the business however, the outcome would be different if a case of acquiescence is made. In the words of the Court '*if the owner of a registered trade mark stands by and allows a man to spend considerable amounts on sales and promotional activities in order to acquire a reputation, he cannot then assert his rights in order to stop the business of another. Where acquiescence in the infringement amounts to consent, it is a complete defence.*' The fact that Plaintiff had waited for so long to file a suit against the Defendant shows as if the Plaintiff was waiting to file the suit at an opportune time i.e. when it might be beneficial for them to file the suit rather than when it was actually the correct time to do so. The Court also held that since both the parties had trademark registrations in different classes and for different goods & services, there was no possibility of confusion.

Revisiting the concepts of deceptive similarity

Deceptive similarity of marks is commonly argued by attorneys in the cases of trademark infringement and/or passing off. Deceptive similarity is a very broad term and includes phonetic similarity, visual similarity and conceptual similarity but, these are not the only factors that need to be taken into consideration while deciding cases of trademark infringement/passing off.

In the case of *International Foodstuffs Co. v Parle Products Pvt. Ltd.* the Plaintiff was the registered owner of the mark 'London Dairy' used for only for ice-creams. The Plaintiff sued the Defendant alleging that it had adopted a deceptively similar mark 'Londonderry' for candies. The Plaintiff's Advocate argued that there was phonetic similarity between the two marks and that both the marks were being used in relation to goods specified in class 30 therefore, increasing the likelihood of confusion in the minds of the public and infringing the Plaintiff's statutory right over its mark 'London Dairy'. RK Dewan and Company represented the Defendant and countered these allegations by proving that the words 'London' and 'Dairy' were *publici juris* i.e. no one could claim exclusive rights over the same; also, the goods for which the mark 'Londonderry'

was being used were different from that of the Plaintiff's. RKD's counsel also showed that the trade dress adopted by the Defendant for its candies was distinctive in nature and that the Defendant's house mark 'Parle' was clearly specified on the packaging, thereby removing the possibility of confusion, if any between the two goods.

The Hon'ble Bombay High Court agreed with the submissions of our counsel and held that if a mark was being used solely for ice-creams and no other goods, the proprietor of the mark could not claim monopoly over the use of the mark for the unrelated goods. Furthermore, the Court took into account the price difference between the goods, the Plaintiff's ice cream was priced at rupees 80 whereas, the Defendant's candies were priced at 50paise. This showed that there was no remote possibility of confusion between the two goods. The Court reiterated that while determining deceptive similarity between goods it is also necessary to consider the trade channel and the goods in question, trademark laws do not grant an absolute monopoly over the entire class of goods if the mark is not being used for such goods.

Happy ending

Litigation is a method to resolve issues between the parties but it might take a

while to obtain a conclusive judgment on the issues, it is for this reason that we at R.K. Dewan & Co. encourage out of Court settlement to ensure speedy disposal of cases, preserving the interest of the parties and preventing further expenditure on litigation.

In the case of *Parle Products Pvt. Ltd. v Central Burners*, we represented the Plaintiff and successfully established a case of trademark infringement, passing off and copyright infringement in artistic works against the Defendant. The Defendant was using the mark 'Parle' for selling its burners. The Hon'ble Delhi District Court passed an interim order for restraining the Defendant from using the marks Parle and Parle (logo) for their goods and packaging materials. Also, two Local Commissioners were appointed for seizure of infringing goods from the premises of the Defendant. The Local Commissioners upon the orders of the Court visited the premises of the Defendant and seized 80 boxes and one piece of Parle Burner, each box contained 10 pieces of burners therefore in total, 801 pieces of Parle Burner were seized. However, in the interest of the Plaintiff to settle the matter in an expeditious manner, we recommended a settlement to be reached between the two parties. Pursuant to our advice of

amicable settlement, the Defendant agreed not to further infringe the Plaintiff's trademark and copyright in the mark 'Parle' and its logo.

An order to give effect to the compromise agreement between the parties was passed by the Court on 7th April, 2016. We succeeded in securing the interest of our client, and obtaining the desirable results within six months from the initiation of the suit.

Designs

Turnkey designs and Trunki

A design includes the shape, configuration and the aesthetics of a product, it tends to protect how the product appeals to the human eye; a design registration does not protect the functionality of the design or the creativity of the artist that may be involved on the surface of the final product.

Magmatic, the Company owning the design registrations for 'Trunki ride on suitcases' in Europe filed a design infringement suit against the Hong Kong based, PMS International Group. It was alleged by Magmatic that PMS was infringing its animal designs for luggage bags.



Magmatic's registered design.

Image from: <http://www.albright-ip.co.uk/2014/03/trunki-decision-in-court-of-appeal/>

The U.K. High Court upheld Magmatic's claim and ruled that PMS' luggage bags created the same impression as that of Trunki ride on suitcases. This decision was appealed before the Court of Appeal where the previous judgment was overturned since, there were differences in the shape of the two bags, such as, there was no horned animal like impression created by PMS' product. Furthermore, unlike Trunki's bags, PMS' bags did not have a contrasting wheel color with that of the bag's body color. Therefore, it was held that there was no design infringement in the present case. This decision was appealed by Trunki before the Supreme Court where, the appeal was dismissed.

The Supreme Court in its decision acknowledged that the idea of Trunki case was indeed a unique one, but ideas were not protectable under the Designs Act. Reproduced below are the two designs that were involved in the suit:



Image from: <http://www.bbc.com/news/uk-england-bristol-35762610>

The suitcase on the left belongs to PMS and the one on the right to Magmatic.

It is evident that to the naked eye the two luggage cases look similar, but if one solely takes into consideration the design perspective, it wouldn't be incorrect to say that there is a difference in the shape, color contrast of wheels and the horns on the cases. Magmatic could have been successful had it made a claim for infringement of trade dress because there is a case of deceptive similarity between the two goods and there exists a high likelihood of confusion in the minds of an average consumer. A trade dress protection has a wider ambit; it includes the color combination, the overall look and feel of the product and most importantly can play a key role in determining that there exists a conceptual similarity between two goods based on the trade dress. While this case was a loss for Magmatic it is lesson for proprietors with unique designs to also argue for trade dress infringement doing so, could turn the tables in their favor.

Copyright Resistance is futile

Popular movie franchise owners jealously guard their works; they fear that their works might be distorted or presented in a bad light by unauthorized parties

thereby affecting their value and success. While it is true that studio houses should protect their works, it is at the same time worth discussing how much of the goodwill is retained by such franchisee owners when they act against their own fans.

Last year, the owners of Pokémon Company International Inc. slapped a copyright infringement suit against fans organizing a Pokémon themed party; following its footsteps this year are the owners of the Star Trek franchise who have alleged copyright infringement against the fan-made film 'Axanar'. The copyright owners have claimed that the fan movie is heavily derived from the original series thereby infringing the copyright over the characters, the look of characters (pointy ears, clothes), and use of Klingon language etc. This action by the copyright owners has disappointed the fans considering that the movie 'Axanar' is a film funded by various fans.

A major reason for success of franchisee films/T.V. series can be accorded to fan-fictions, open forum discussions and may be through videos or films dedicated to their favorite work. It is because of this reason that there are movie houses that are now contemplating the idea of

connecting more with their fans by supporting their works, doing so is another way of adding to the reputation and goodwill associated with the studio and the franchise. A recent example can be seen close home, in India, where a fan of a popular Bollywood actor juxtaposed himself in the trailer of the actor's upcoming movie; instead of claiming it to be an act of infringement, the actor invited the fan to work for him. It is worth noting that while the movie owners can be successful in their infringement claims, because they own the copyrights, it is also possible that their goodwill among the fans might get affected.

Patents

Going digital

The Controller General of Patents, Designs & Trademarks has issued a new order, in furtherance of the Draft Patent Rules (reported by us here - <http://www.rkdewan.com/news/letterdetails.php?yy=201511>) whereby the First Statement of objections (FERs) shall be issued by the Controllers electronically i.e. the report will be sent to Patent Agents/Applicant via e-mail only (hardcopies have been done away with). The FER can

also be accessed at the Official website-InPass

(<http://ipindiaservices.gov.in/publicsearch/>).

The response to the FER can be submitted at the front office counter or vide e-filing system. It is necessary that the Applicants and Agents have submitted their correct and working e-mail address. This digitization will hopefully ensure an efficient and fast system for patent filings India.

GSK's philanthropy

Multinational

Pharmaceutical companies are often accused of exorbitant pricing, using surreptitious ways to extend the patent protection for their drugs (read – ever greening) etc. In an attempt to prove such accusations incorrect GSK, a leading pharmaceutical Company has recently announced that it will **stop** filing for patents in less developing countries thereby allowing the generic manufacturers for such countries to make cheap copies of their drugs and increase its access among the public.

As for its plan for the middle income countries, GSK aims at filing patents in those countries but will charge a small sales royalty thereby allowing for sale of original

drugs at a lesser price. This development is a cause for celebration for the countries falling in the abovementioned categories but GSK has expressly specified that it will continue to seek full patent protection in countries like India, China and Brazil. It has further announced that it will allow its competitors to develop upon its cancer drugs through the UN backed Medicines Patent Pool.

This is a philanthropic move by GSK and is an example of a corporate engaging in a responsible behavior and addressing the access to medicines problem which has been raised time and again by several NGOs, private organizations and was also the subject matter of Doha declaration. One can only hope more corporates will follow the suit.



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Dr. Niti Dewan, a medical doctor and a Patent and Trade Mark Attorney, heads the Patents Department at R K Dewan & Co. She is also responsible for the firm's Business Development, Finance and Administration operations.

With over 15 years of experience in the IP field, Niti's areas of speciality include: patent drafting, patent searching & analysis, international patent filing and prosecution, and IP portfolio management. Niti's primary sectors of speciality are the life sciences, biosciences, pharmaceuticals and chemicals; however, she has extensive experience in carrying out invalidation and freedom-to-operate searches in all fields of technology including automobiles, IT, nanotechnology and material sciences. She frequently advises clients on their IP strategy.

Niti has been involved in participating and conducting numerous seminars on IP throughout India and overseas. She successfully completed the 'IPR training course for Advanced IP practitioners' conducted by the Japan Patent Office. She is also a certified patent valuation analyst.

Niti's trademark practice encompasses advising clients on creating brands and registering them in India and internationally. She is actively involved in brand valuation and has handled some very interesting cases in this area.

Niti was a member of the Organizing Committee at the INTA India Forum meet in February 2013, where she also presented a talk titled 'Differences in Trademark Practice between India and Other Countries' and moderated a session on 'Customs Recordal of Rights and Post Clearance Audits: Boon or Bane?'

Niti serves on INTA's Government Officials Education & Training Committee, where she has been nominated as the Co-leader of the Project Expansion Programme. Niti also serves on the Patents Standing Committee of APAA for 2013-2015. Niti served on INTA's 'Middle East, Africa & South Asia' Subcommittee of the 'Famous & Well-Known Marks' Committee.

Niti is a member of AIPPI, AIPLA, MARQUES, FICPI and LES organizations. She serves on the advisory board of the Yenepoya University, Mangalore, India.

Niti is passionate about bonsai, architecture and interior design.

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