

IP UPDATE

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IP News at a glance!

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lotus, citrus fruits like orange, pineapple, strawberries, raspberries etc., as well as, some vegetables. The syrup is used to make cool water based or milk based drinks as it is known to have a cooling effect on the body and used as a remedy for hot summer winds. "Rooh Afza" is registered as a trademark in India in the name of Hamdard National Foundation (India) (HNF), a fully funded charitable organization run by Hamard (Wakf) Laboratories and its registration dates as long back as the year 1949.



'Rooh Afza' was recently in controversy when a suit was filed by HNF before the High Court of Delhi against the makers of the recent Bollywood movie, "Yeh Jawaani Hai Deewani", on the ground that it contained certain objectionable dialogues relating to "Rooh Afza". HNF claimed that the movie carried certain dialogues which depicted the product Rooh Afza in bad light. The dialogues took place between the character played by actor Ranbir Kapoor, who is incidentally the brand ambassador for Pepsi products in India, and his on-screen mother. The son, who was shown to be in an inconsolably sad disposition, when offered Rooh Afza by his mother was found to dismiss the drink by saying that, "it is really bad". The mother was then shown to comfort him by saying that everything would be fine, to which the son responded by saying, "everything, but this Rooh

INSIGHT

Spoken use of a mark in a film found to infringe the mark

The summer months in India are infamous for their hot scorching sun and intolerably high temperatures; however, in a lot of Indian households it is also the month of indulgence in cool summer drinks, traditionally called "Sharbats". One of the most popular of such sharbats is "Rooh Afza", a bright red colour sweet syrup, which has been manufactured by Hamdard (Wakf) Laboratories for more than 100 years. Rooh Afza is made of natural cooling agents, like rose,

Afza”. According to HNF, the above representation of their product Rooh Afza in the movie was detrimental to their interests and was likely to damage the goodwill and reputation of the product.

In analysing the above case situation, the Delhi High Court interpreted the ambit of Section 29(9) of the Trade Marks Act, 1999, which reads as follows:

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.

In light of this section, the Court held that, “an infringement is not merely visual representation of the product in the (sic) bad light under the provision of Section 29(9) of the Act but it is the infringement of the trade mark if the same is caused by way of spoken use of the words and the visual representation of the said words.”

The Court held that, since cinematograph films were visual representations of a motion picture containing sound recordings which included dialogues, such works were covered under the ambit of “visual representation” referred to in Section 29(9). Hence, the law provides for statutory infringement of the registered trade mark by way of use of such spoken words in a visual representation and the test for determining such infringement shall be the same as customary in the field of trade mark law. On the issues of right of freedom of speech, the Court ruled that while the Indian Constitution provides for a right to freedom of speech and expression, the same is not an unrestrained right and Article 19 (2) of the Constitution provided for reasonable restriction on the freedom of speech in cases such as defamation. According to the Court, the use of the mark Rooh Afza in the movie was offending and uncalled for and the same was likely to tarnish the reputation of the plaintiff.

However, since the film was already released, the Court restrained the defendants from releasing the home video version of the movie or any other version of the movie on cable television or television containing the objectionable dialogues. It appears from the website of the High Court of Delhi that the defendants, as on July

15, 2013 had already deleted the disputed dialogues from the television and DVD versions of the movie.

This is perhaps the first time a court is interpreting ‘use’ under the Trade Marks Act, 1999, to cover use in the form of spoken words in cinematograph films. In an earlier case involving the trade mark BATA where the issue of infringement was raised in the context of a song in a movie, we had reported in *India IP Update Volume XI Issue 1* that the High Court of Delhi had rejected claims of defamation by the plaintiff therein.

CASE LAW UPDATE

IPAB upholds well-known status of Jaguar



The genesis of this appeal before the Intellectual Property Appellate Board (IPAB) was an order of the Deputy Registrar of Trade Marks, which dismissed an opposition filed by Jaguar Cars Limited against a trade mark application by a Swiss Company in class 14 to register JAGUAR for watches and parts thereof, excluding clocks. The Deputy Registrar rejected the opposition on grounds, *inter alia*, that no evidence was filed by Jaguar Cars Ltd., to demonstrate that they used the mark in respect of watches (though they appeared to have used the same sparingly in respect of ‘clocks fitted to the dash board of their cars’), that they had no manufacturing facilities in India, that they had not filed any application to register JAGUAR in class 14, that the respective marks co-existed in some jurisdictions and that the applicant’s mark was registered in Switzerland, its home country.

The IPAB reversed the order of the Deputy Registrar and held in favour of Jaguar Cars Ltd for the following reasons:

- The Deputy Registrar was wrong in finding that the applicant was the prior adopter of the mark.



The evidence placed on record clearly indicated that Jaguar Cars Ltd had been using the mark JAGUAR for watches since 1983 as opposed to the applicant's claim of use since 1989.

- The fact that the Jaguar Cars Ltd successfully cancelled registrations of the applicant's mark in many jurisdictions like France, Singapore etc., was ignored by the Deputy Registrar.
- The Deputy Registrar erroneously held that no monopoly rights could be held in the mark JAGUAR as it was a dictionary word and the name of an animal, and completely ignored the well-known status awarded to the same in several jurisdictions. The Deputy Registrar, instead gave weightage to a few registrations surreptitiously obtained by the applicant.
- The Deputy Registrar made a superficial distinction between clocks and watches and allowed the impugned mark to be registered subject to amendment of the goods to read as, '*watches and parts thereof included in class 14 but excluding clocks*'.
- Most importantly, the IPAB found that Jaguar Cars Ltd was the first in the world market to adopt the mark in 1935.
- Lastly, IPAB found that Jaguar Cars Ltd did establish *de minimus* use of the mark and hence the order of Deputy Registrar was flawed.

IPAB ruling on Tykerb revocations: Mixed bag for Glaxo

Two patents, registered in the name of Glaxo Group Limited (GGL), were recently subjected to the scrutiny of the IPAB, resulting in twin orders, wherein one patent was upheld and the other was revoked. Fresenius Kabi Oncology Limited, the petitioner (an Indian business segment of Fresenius SE & Co. KGaA, a German Company) who was engaged in the field of research, development and manufacture of oncology drugs, filed revocation petitions against these patents. The petition relied on the specific grounds of obviousness, insufficiency of description, non-patentability and non-disclosure under Section 8 of the Indian Patents Act, 1970.

Patent No. 221017 (the basic patent) covers the basic pharmaceutical compound, Lapatinib which is the active ingredient of the breast cancer drug "Tykerb" sold in India by GlaxoSmithKline Pharmaceuticals Ltd. Patent No. 221171 covered the ditosylate salt of Lapatinib, claiming to be thermodynamically more stable and less hygroscopic. While the IPAB upheld the basic patent covering Lapatinib, the patent for its ditosylate salt was revoked.

In the revocation petition filed against the basic patent, IPAB found that none of the grounds had been sufficiently pleaded. On the issue of Section 3(d), IPAB aptly noted that while in normal circumstances the patentee had the burden of showing that his invention did not fall under Section 3(d), in a revocation petition the burden shifts to the petitioner where he must plead and prove that the patent was hit by Section 3(d). In the present case, since the petitioner had not produced any evidence to demonstrate that the compound in question was a mere discovery of a new form of known substance as precluded under Section 3(d), IPAB rejected the revocation petition on this ground. The IPAB also rejected the obviousness ground raised by the petitioner stating that there was no clear teaching in the prior art for a person skilled in the art to arrive at the invention as claimed. Based on the above findings, IPAB upheld the basic patent covering Lapatinib, much to GGL's relief.

In the second revocation petition, the IPAB revoked the patent covering the ditosylate salt of Lapatinib, based on the specific grounds raised by the petitioner viz., Section 3(d) and obviousness. In this regard, the IPAB observed that the salt form did not show increased therapeutic efficacy when compared to Lapatinib which was covered by the main patent. Even though the ditosylate salt form of Lapatinib was less hygroscopic and could be prepared in a stable crystal form as compared to the main compound, the IPAB noted that the above stated properties were not in line with the test for efficacy laid down by the Indian Supreme Court in the Novartis case and hence, is not patentable under Section 3(d). We had earlier reported the Novartis case in Volume XI Issue 2 of *India IP Update* wherein the Supreme Court had ruled that physicochemical properties such as thermodynamic stability and hygroscopy, which do not result in therapeutic efficacy of a compound, could

not be considered as parameters for the test of enhanced efficacy in the case of pharmaceutical products.

On the issue of obviousness, the IPAB held the patent to be obvious in light of the prior arts, specifically the basic patent, which disclosed the tosylate salt in Example 29 of the specification. While passing these orders, the IPAB dealt with Section 8 of the Indian Patents Act in detail, which cast an obligation on the patentee to disclose details of its foreign application relating to the “same or substantially the same invention” as filed before the Patent Office in India. IPAB reiterated and emphasized the importance of this section and observed as follows:

“When George Mallory was asked “Why do you want to climb Mount Everest?”, he is supposed to have replied, “Because it is there.” To the question “Why should we comply with S.8?”, the Answer is “Because it is there.”

However, it was also observed by the IPAB that a bald statement on Section 8 non-compliance was not sufficient as a ground and that any party raising this issue should plead the same, providing details of how the undisclosed application could fall in the realm of “*same or substantially the same*” invention. It was pointed out by the IPAB that section 8 “*was not intended to be a bonanza for all those who wanted an inconvenient patent removed*”. The IPAB, while allowing the petitioner to rely on additional evidence in support of its objections, imposed costs of INR 50,000 (approximately USD 800) per case on the petitioner.

These orders make it amply clear that patent law in India, as it stands today, is open to provide protection for pharmaceutical innovations, but at the same time is averse to ever-greening by extending monopoly for mere new forms of a known substance, which show no enhanced therapeutic efficacy. Further, IPAB’s orders also make pertinent observations on provisions such as Section 8 and Section 3(d) of the Patent Act as well as the nature of pleadings in revocations actions and providing better guidance to patentees in their efforts at protecting their patents.

Is there a remedy of passing-off in designs?

A three-judge bench of the High Court of Delhi was recently asked to adjudge three peculiar issues pertaining

to designs. These issues raised were common to two suits which were referred by a Single Judge of the High Court to the three-judge bench. The plaintiffs and the defendants in the two suits were registered owners of designs. The plaintiffs in the respective suits sought the remedies of both infringement and passing-off. The issues referred by the Single Judge are summarized as below:

- a) Whether one registered proprietor of a design could sue another registered proprietor under the Designs Act, 2000?
- b) Whether the remedy of passing-off is available under the Designs Act when there is no express provision under the said Act for the same?
- c) Whether a combined suit for design infringement and passing-off may be filed?

As for the first issue, the Court answered in the affirmative. It was held by the Court that it was quite possible for two registrants to seek to establish that their respective designs were new or original, that these were not published anywhere in India or, that these were “significantly distinguishable” from known designs or combination of known designs, provided of course it did not contain any scandalous or obscene matter. Registration of a design created a monopoly and each design was presumed to be unique and this entitled a registered proprietor to assert his rights against a subsequent registrant on the ground that the subsequent registration was neither new nor significantly distinguishable when compared with the first registrant’s registration.

Regarding the second issue, the Court pointed out that it may not be possible to simultaneously register a design and a trade mark. However, since ‘shape of goods’ was expressly included in the definition of a trade mark and a design, post the registration of a design there was no bar on its use as a trade mark by the registrant of the design. If by virtue of such use, goodwill was generated in the course of trade or business, it could be protected by an action in the nature of passing-off.

The third issue was also decided in the affirmative by the Court. It held that since the cause of action for bringing the two suits would be different, two separate suits would have to be filed. The Court could however, exercise its discretion and try the suits together if the two suits were filed in close proximity or if it was of

the view that there were aspects which were common to the two suits.

Delhi High Court restrains local defendant from using identical TIMKEN mark



Delhi High Court recently passed an order in a suit filed by The Timken Company against a local defendant, Timken Services Private Limited, finding infringement and passing-off of the mark 'TIMKEN' by the latter. The plaintiff, a global Fortune 500 company claimed that the mark in question was more than 100 years old and that it had adopted a combination of a particular font and orange colour to depict the trade mark and had been using it since at least 1929. Further, it claimed that its products were available in India since 1922 under the mark TIMKEN. The defendant raised several arguments in defence, *inter alia*, that they had been using the mark for the last 20 years in India, that the name was adopted after the name of one of its director's cat 'Timkey' and that the plaintiff was deemed to have knowledge of them since they were in the Register of Companies since 1989. Rejecting the said defences, the Court found infringement on the part of the defendant and held that the adoption and use of the TIMKEN mark by the defendant was *mala fide* and dishonest since the respective marks were evidently identical in all aspects. The Court further found that this could only be possible when the defendant had knowledge of the plaintiff and deliberately chose to adopt the same mark. The Court also rejected the defence of concurrent use and observed that concurrent use of a mark could stand as sufficient defence only when such adoption was *bona fide* and honest.

SNIPPETS

IPAB allows oppositions against 'MAGGI' for dissimilar goods

The IPAB recently allowed four appeals filed against a common order by a Senior Examiner of the Trade



Marks Office, dismissing Nestlé's oppositions filed against the mark MAGGI in classes 7, 8, 11 and 21. Nestlé relied on grounds, *inter alia*, that the mark was adopted as early as 1886 outside India, that it had registrations in India since 1970 and that it was a well-known mark. Though the applicant claimed use of the mark, no evidence was filed to substantiate the same nor was any reason given for its adoption. In particular, the Senior Examiner disregarded the well-known status of the mark MAGGI recorded in an order of the IPAB itself as well as the evidence of use of the mark MAGGI in India since 1974. Noting that under Section 3 of the Trade Marks Act, 1999 the Registrar of Trade Marks alone had the power to hear and decide oppositions, the IPAB found that the order of the Senior Examiner was without authority and not valid. While reversing the order of the Senior Examiner, the IPAB also awarded costs to Nestlé.

Delhi High Court knocks off cokestudio.in



'Coke Studio' is a popular television series aired on the channel MTV under collaboration with the Coca Cola Company. In 2008, MTV launched the said programme in Pakistan and while they were preparing to launch the same in India in 2011, Coca Cola India came across the .in domain name cokestudio.in registered by the defendant in 2010. In a suit for infringement filed before the High Court of Delhi, the Court found the adoption and registration of the domain name cokestudio.in by the defendant to be dishonest and ordered transfer of the same to the plaintiff.

IPAB upholds Nestlé's rights in the KIT KAT mark



The controversy in this case centered around the right to use the mark KIT KAT and logo depicted in a roundel in red letters against a white background. While Societe Des Produits Nestlé SA ('Nestlé') opposed three applications of M/s Kit Kat Food Products (KKFP) in class 30, the latter opposed two applications of Nestlé. The Registrar of Trade Marks partially rejected Nestlé's applications (with the condition to amend the specification of goods) and allowed its oppositions against KKFP's marks. Both the parties appealed before the IPAB. IPAB noted that Nestlé was the first in the world market to adopt the mark in 1935, a fact that was not disputed by KKFP. Noting the inconsistent user claims in the applications of KKFP as well as their dishonest adoption in as much as their mark was identical to that of Nestlé, the IPAB upheld the rights of Nestlé in the KIT KAT mark.

Update on Madrid accession by India

In India, the provisions relating to the international registration of trademarks under the Madrid Protocol have come into force on July 8, 2013 by virtue of a notification dated July 5, 2013. The Indian Trade Marks Office issued a Public Notice dated July 8, 2013 to this effect informing the general public that a gateway for filing applications under the international system has been provided on its official website, www.ipindia.nic.in. Any natural person or legal entity which has a real and effective industrial or commercial establishment in, or is domiciled in, or is a national of India and has got a registration of a trade mark or an application pending for the registration of a trade mark in India may make an online application for the international registration of the trade mark under the Madrid Protocol.

Damages awarded against use of 'TATA' on pressure cookers

The Delhi High Court, in an infringement suit in respect of the well-known mark TATA, awarded damages to Tata Sons Ltd., to the tune of INR 500,000 (approximately USD 8500), on account of loss of profits. The defendant, Bali Kitchenware Industries, was sued for its use of the impugned mark TATA GOLD on pressure cookers. Proceeding *ex parte* against the defendant, the Court, while awarding damages, acknowledged the well-known status of the TATA mark.

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