



IP NEWSLETTER

Edition: January, 2015

IPR Think Tank Submitted Draft National Intellectual Property Rights Policy

The IPR Think Tank, chaired by Justice Prabha Sridevan, has submitted first draft of the National Intellectual Property Rights Policy with the Department of Industrial Policy and Promotion (DIPP) on December 19, 2014. The DIPP is currently seeking public comments on the draft Policy until January 30, 2015.

The Policy recommended, *inter alia*, need for utility patents in India. It states that:

“India has a large number of inventions that may not satisfy the criteria of patentability but are novel, utilitarian and inventive in their own spheres. Such petty patents or ‘utility models’ is a form of IP which has been successfully applied in many countries but is not available in India. This leaves out a large number of inventors from protecting their inventions by IPRs, particularly the MSMEs and in the unorganized/informal sectors. MSMEs account for about 45% of manufacturing output, but their potential IP assets are recognized only in a limited, often informal, manner. In order to reap the full benefits of such inventions the need exists for a new law on utility models.”

The Policy has emphasized on the monetization of intellectual property and the need to create awareness among people and industries on benefits of IP. It also recommended a strong enforcement and adjudication system to stop piracy and counterfeiting. The Policy notes that:

“Piracy and counterfeiting result in loss to the IP owners as well as the exchequer, besides causing harm to the consumers. These violations often have links with organized crime and ramifications for security. Indian creative industries are estimated to suffer significant loss due to piracy in India and other countries. Similarly, loss to Indian industry and business on account of counterfeiting is estimated as considerable. Online piracy has assumed increasing significance and by its very nature blurs geographical borders, which creates difficulties in enforcement. It is in India’s interest to further strengthen the enforcement authorities and step up enforcement measures so that IP violations including online piracy can be curbed effectively, efficiently and swiftly. Adjudication of IP disputes also ought to be effective and expeditious. Additionally, in order to check piracy and counterfeiting on a voluntary basis, efforts shall be made to sensitize society to the value of IP and create respect for IP rights.”

The Policy has also suggested review of existing IP laws and better administration and management at the IP Offices.

‘Anti-dissection’ and Identification of ‘Dominant Mark’ are not Antithetical to One Another in Trademark Disputes

Plaintiff (General Mills Marketing Inc.) filed a suit of infringement and passing-off against the Defendant (M/s South India Beverages Pvt. Ltd.) seeking permanent injunction against the Defendant for using the mark ‘D’DAAZS’ or any other mark deceptively similar to that of the Plaintiff’s trade mark ‘HAAGEN-DAZS’ in relation to ice cream. The Single Judge of the Delhi High granted interim injunction in favour of the Plaintiff, which was challenged by the Defendant before the Division bench of the Delhi High Court [M/s South India Beverages Pvt. Ltd. v. General Mills Marketing Inc. & Anr., FAO(OS) 389/2014].

The Plaintiff claimed to be manufacturing desserts such as ice-creams and frozen yogurts under the trademark ‘HAAGEN DAZS’ which according to it is an arbitrary word having no dictionary meaning. ‘HAAGEN DAZS’ has been made available in India only since the year 2007, however, the Plaintiff obtained registration for the mark ‘HAAGEN DAZS’ in India in respect of ice cream, ices, sherbet, sorbet and frozen confections in class 30 with effect from January 21, 1993 and for food products in classes 29, 30 and 42 on January 01, 2008. The Defendant, on the other hand, has been manufacturing ice-creams and frozen desserts under the name ‘D’DAAZ’ since the year 2009. It is the case of the Defendant that the word ‘D’DAAZ’ is derived from the name of Late Dwarka Das, who was the father of one of the founder directors of the company.

The Defendant relied upon the ‘*anti-dissection*’ rule and submitted that the Plaintiff enjoys protection for its mark ‘HAAGEN DAZS’ as an indivisible whole and not for the individual elements constituting the same. It was further submitted that even if the constituting elements of the mark are considered, ‘HAAGEN’ forms the dominant part of the Plaintiff’s trademark and any potential similarity with the non-dominant element ‘DAZS’ in a trademark would not amount to infringement. The Plaintiff, on the other hand, contended that ‘DAZS’ cannot be construed as a non-dominant element of their trademark and must be accorded sufficient prominence to warrant protection. In this regard, it was highlighted that the application for registration for the mark ‘DAZS’ separately has also been filed on October 22, 2012.

The Court observed that that the principle of ‘*anti dissection*’ does not impose an absolute embargo upon the consideration of the constituent elements of a composite mark. The said elements may be viewed as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus, the principle of ‘*anti-dissection*’ and identification of ‘dominant mark’ are not antithetical to one another and if viewed in a holistic perspective, the said principles rather compliment each other. It is therefore not improper to identify elements or features of the marks that are more or less important for purpose of analysis in cases of composite marks.

The Court therefore rejected the submission of the Defendant predicated upon the principle of ‘anti-dissection’ that action for infringement would not lie since use of the word ‘D’DAAZS’ does not result in complete appropriation of the respondent-plaintiff’s mark ‘HAAGEN DAZS’, which is to be viewed as an indivisible whole.

The Defendant submitted that the element ‘HAAGEN’ alone forms the dominant/essential part of the Plaintiff’s registered trademark ‘HAAGEN DAZS’ and not ‘DAZS’. However, no material was produced to support this contention, and therefore, was rejected by the Court. The Court held that:

“There is nothing on record to support the conclusion that the word ‘HAAGEN’ has enjoyed greater prominence or primacy vis-à-vis the other elements of the mark in the eyes of the consumers at large or the manufacturer himself and can thus be treated as the dominant element of the respondent-plaintiff’s registered trademark. Prima facie, it appears that both the elements constituting the mark of the respondent-plaintiff [‘HAAGEN’ and ‘DAZS’] are equally dominant and are liable to be accorded sufficient protection under the legal framework. The submission is thus liable to be rejected.”

The Court further noticed that the mark of the Plaintiff-‘HAAGEN DAZS’, is a unique combination of Danish-sounding words, which have no recognised meaning whatsoever in any language or etymology. Evidently, the owner of the mark coined these arbitrary words in order to make its brand name sound original or unique.

The Defendant also submitted that there is no likelihood of confusion between the two marks since its products are priced at a substantially lower amount than the product of the Plaintiff. Thus, though the products are similar i.e. frozen desserts, however they cater to entirely distinct class/strata of consumers. The Court, however, rejected this submission as well while noting that the product in question i.e. frozen desserts/ice-creams is of such nature that it is consumed by people of all age group and strata, transcending all barriers. Experience suggests that ice-cream is cherished by people belonging to all age-group, especially children. Even the ‘sophisticated consumers’ are not immune from confusion under all circumstances and the said fact would not lend a complete defence to infringement. It cannot be realistically expected that children; who constitute a substantial chunk of consumers, would be in a position to distinguish between the two products by taking into account niceties such as price difference. Doubtless, in assessing cases of trademark infringement and ascertaining the likelihood of confusion, the effect of difference in price between the two products may perhaps be more profound where products such as- premium alcohol, luxury cars, exclusive perfumes etc. are involved since the prospective consumers in such cases are generally expected to be endowed with a greater sense of maturity and a keen eye against deception.

The Court noticed that there exists a high degree of phonetic similarity between the mark of Plaintiff ‘DAZS’ and mark of the Defendant ‘D’DAAZS’ and accordingly, the mark ‘HAAGEN DAZS’ and ‘D’DAAZ’ were held to be confusingly similar mark. The Court dismissed the appeal and upheld the interim injunction granted in favour of the Plaintiff by the Delhi High Court.

Courts can Examine Validity of Trademark Registration at the Interlocutory Stage

In August 2012, a Single Judge of the Bombay High Court, made the following question of reference to the Full Bench of the Court:

“Whether the Court can go into the question of the validity of the registration of the plaintiff’s trade mark at an interlocutory stage when the defendant takes up the defence of invalidity of the registration of the plaintiff’s trade mark in an infringement suit?”

The Court held that the object of providing for registration of a trade mark and recognising the exclusive right of the registered proprietor to use the registered trade mark in order to prevent others from using an identical or deceptively similar trade mark is to obviate the necessity of proving in each and every case the Plaintiff’s title to the mark, its distinctiveness and its reputation. This object has been achieved by raising a presumption, and a strong presumption in law, as to the validity of registration of the mark. The burden is therefore cast on the Defendant to question the validity of registration. While such a challenge can finally succeed only in a rectification proceedings which now lie before the Intellectual Property Appellate Tribunal (IPAT), there is no express or implied bar in the Trade Marks Act to completely take away the jurisdiction and power of the Civil Court to consider the challenge to the validity of registration of the trade mark at the interlocutory stage by way of a prima facie finding on such issue.

The Court, however, added that of course, a very heavy burden lies on the Defendant to rebut the strong presumption in favour of the Plaintiff at the interlocutory stage. The Civil Court obviously cannot give any final finding on this question as the jurisdiction to give such final finding is conferred on Appellate Board in the rectification proceedings, but it is not possible to accept the Plaintiff’s contention that at the interlocutory stage the jurisdiction of the Civil Court is completely barred. Hence, at the interlocutory stage, the Civil Court is not to embark upon and evolve factual inquiry, but the Civil Court hearing the application for interim injunction to restrain the defendant from using the trade mark registered in the Plaintiff’s name, is only permitted to consider whether the registration is totally illegal or fraudulent or shocks the conscience of the Court.

For private circulation only. The information provided in the Newsletter is for information purposes only and in no circumstances should be construed as a legal advice. Any queries that you may have can be directed at ip@wlg.co.in.