

# eipr

A journal concerning the management of technology, copyrights and trade names

## European Intellectual Property Review

### OPINION

FDA's Trade Mark Review: A First Amendment Issue  
*Kevin Dugan*

### ARTICLES

Biodiversity Conservation Access and Benefit-sharing Contracts and the Role and Place of Patents  
*Dr Charles Lawson*

Requiem for a Noun: the "Terms of the Claims" (1953–2007)  
*Christopher Wadlow*

Parallel Imports in a Global Market: Should a Generalised International Exhaustion be the Next Step?  
*Enrico Bonadio*

Is it an Infringement of Trade Mark Law for the Operator of an Online Marketplace (such as eBay) to Allow Counterfeit Goods to be Sold? As a Matter of Policy, Should it Be?  
*Anneka Bain*

The Artist Has Got Moral Rights and That Ain't Bad  
*Dr Deming Liu*

Legal Issues Pertaining to the Restoration and Reconstitution of Manuscripts, Sheet Music, Paintings and Films for Marketing Purposes  
*Paul Torremans*

### COMMENTS

The Cost of IP Protection: Making Europe More Competitive  
*Ilya Kazi*

Lost in Translation? Not Any More! The Federal Court of Justice of Germany has Rendered a Decision on Incomplete Translations of European Patents  
*Dirk Schüssler-Langeheine and Simon Klopschinski*

Invalidity of Registered Trade Mark at Interlocutory Stage: *Marico Ltd v Agro Tech Foods Ltd*  
*Hemant Singh*

### BOOK REVIEWS

treated the incomplete translation as if it had not been submitted to the GPTO at all. The result of this was that such European patents were deemed void in Germany in accordance with art.II(3)(2) IntPatÜG.

In its decision of March 18, 2010, the FCJ rejected this line of reasoning and put it straight that incomplete translations have to be treated as inaccurate translations within the meaning of art.II(3)(4) IntPatÜG, with the effect that such European patents may not be deemed void in Germany and the patentee may submit a corrected translation to the GPTO. As in the case of inaccurate translations, third parties should be able to also rely with regard also to incomplete translations on the good faith rule of art.II(3)(5) IntPatÜG.

The FCJ argued that when an EPC Member State has implemented art.70(3) EPC into its national law, the patentee can submit a corrected translation and the corrected translation will take legal effect. In this regard, the EPC does not differentiate between different degrees or kinds of "inaccurateness". These considerations underlying the EPC would be substantially altered if there was an additional validity requirement of "completeness". Here, the FCJ referred to the inconsistency of the decisions of the lower instance courts, i.e. that in some cases of "inaccurateness" the European patent would be void in Germany ab initio, whereas in other instances of "inaccurateness" the patent would remain valid and the patentee could submit a corrected translation. And this would be the case although the EPC does not define different kinds of "inaccurateness", e.g. incompleteness or other cases of inaccuracy. Therefore, and in accordance with art.65(3) EPC, a European patent is only void in Germany ab initio in constellations explicitly referred to in art.II(3)(2) IntPatÜG. The FCJ further explained that the translation requirement, as it was implemented in Germany, only aimed at informing German enterprises on new inventions and that therefore an inaccurate translation may not limit the European patent's scope of application beyond the good faith rule foreseen in art.II(3)(5) IntPatÜG. Also, an inaccurate translation may not cause the legal effect of art.II(3)(2), i.e. that the European patent becomes void ab initio in Germany. In the end, the FCJ ruled, an incomplete translation and a translation inaccurate for other reasons, such as, for instance, a mistranslation, suffer from the same defects regarding their informative character and therefore it would be inappropriate to accord different legal consequences to these two constellations. Even if a translation were to suffer from grave inaccuracies, the law allows the patentee to cure these inaccuracies by submitting a new translation. The same should therefore apply to incomplete translations where the understanding of the content of the patent specification by third parties was equally hindered. In addition, in many cases it would be difficult to differentiate between incomplete translations and misinterpretations. One has to consider that translating a text into another language is not an exact

science and that the translator has a certain degree of discretion in his choice of words, sentence structure and phrases. Therefore there is a considerable grey area between incomplete and loose translations, and thus the patent holder could not predict whether a court would regard a translation as incomplete or merely a paraphrase. In the end, according to the FCJ, legal certainty will be guaranteed since the claims in the language of the proceedings were authoritative and protection of good faith will be guaranteed under art.II(3)(5) IntPatÜG.

The FCJ's judgment puts an end to a discussion that has caused a considerable degree of confusion over the last three years. The decision will be warmly welcomed by all patent owners as it robs defendants in patent infringement proceedings of a weapon which was characterised by a high degree of arbitrariness. The FCJ understood the term "inaccurate" correctly as a synthetic definition which has a certain objective, and not as an analytical definition which describes a certain fact. By including incomplete translations within the scope of the term "inaccurate", the court found a reasonable solution to this kind of "inaccurateness" that is in accordance with the solution found for similar cases explicitly foreseen in art.II(3)(4) IntPatÜG.

At least this time the Gryphon's words have proven to be true!

## Invalidity of Registered Trade Mark at Interlocutory Stage: Marico Ltd v Agro Tech Foods Ltd

Hemant Singh

Managing Partner, Intl Advocare, New Delhi

☞ Distinctiveness; India; Infringement; Trade marks

*In Marico Ltd v Agro Tech Foods Ltd,<sup>1</sup> it was decided that LO-SORB, a registered trade mark for edible oil, was not infringed since prima facie it lacks distinctiveness on the date of registration, being a tweaked version of LOW-ABSORBE, which characterises low absorption of fat in the edible oil. Use of LOW-ABSORBE by the defendant as sub-brand to indicate its low absorption quality when used for frying, falls within permissible exceptions to infringement. The court examining the plea*

<sup>1</sup> Order dated November 1, 2010, passed in Appeal No.FAO (OS) No.352 of 2010, by Division Bench of High Court of Delhi.

*of infringement can go into the prima facie issue of validity of registration for determining the plea of preliminary injunction.*

The background of the case concerns Marico, the claimant, claiming to be the registered proprietor of the trade marks LOSORB and LO-SORB for edible oils. These registered trade marks were used by Marico along with primary brands, namely SWEETAR and SAFFOLA.

Agro Tech, the defendant, was also engaged in the business of selling edible oil under its trade mark SUNDROP. In addition, Agro Tech was using "WITH LOW ABSORB TECHNOLOGY" as a sub-brand. For purposes of infringement action as well as passing off, Marico argued that the sub-brand used by Agro Tech is similar to the registered trade marks LOSORB and LO-SORB of Marico and therefore it amounts to infringement justifying preliminary injunction.

The defence taken by Agro Tech was twofold. First, the registered trade marks LOSORB and LO-SORB are descriptive marks which describe the characteristic of the edible oil and if so their registration is prohibited under s.9(1)(b) of the Act. It further contended that the right to exclusive use and infringement action contemplated under s.28 of the Act is only available if the registration is valid. It additionally contended that notwithstanding the issue of invalidity, Agro Tech has a right to use the impugned sub-brand under s.30(2)(a) which permits use of a registered trade mark to describe the character and quality of the product.

For ease of reference for the readers, the two packagings are reproduced in Figure 1, below.



**Figure 1** The Marico and Agro Tech packaging

## Findings

While upholding the decision of the single judge declining an interlocutory injunction, the Division Bench dismissed the appeal on the following grounds.

LOSORB is not an unusual syntax or juxtaposition of two English words and hence cannot be considered distinctive. Both parties were using the competing trade marks in relation to edible oils which contain an ingredient/anti-foaming agent which retards the absorption of oil during the process of frying foodstuff.

LO-SORB is a descriptive expression/adjective and not a coined word. At best, it is a combination of two popular English words which are descriptive in nature. LO-SORB is used by Agro Tech in a functional sense and normally/ordinarily such an expression is incapable of being distinctive.

If a descriptive word or expression is not proprietable then a tweaked word or expression derived by minor modification of a descriptive word or expression will continue to be treated as descriptive. Further, such registration cannot be used to prevent use of a non-tweaked descriptive word by members of trade on the ground that it is similar to a tweaked descriptive word which is registered.

It is high time that those persons who are first off the blocks in using a trade mark which is purely a descriptive expression pertaining to the subject product ought to be discouraged from appropriating such a descriptive expression or an expression which is more or less a descriptive expression. This is in accordance with the spirit of s.9 which disentitles exclusive ownership of descriptive expressions.

Merely because the proprietor is first person to adopt a descriptive trade mark and to file a legal action to prevent others, this does not establish that it has acquired distinctiveness if there is evidence of use of that descriptive trade mark by others in the trade before the end of the long period essential for establishing the distinctiveness of the proprietor's mark.

Distinctiveness means such use of the mark with respect to the goods that the public will immediately and unmistakably correlate the mark with the source or a particular manufacturer/owner thereof.

Courts should ordinarily lean against holding for distinctiveness of a descriptive trade mark unless the use of such a trade mark over a long period of time of many years is established.

Though each case will turn on its own facts and, in some cases, it may be wholly clear even at interim stage that the mark has acquired distinctiveness, in a majority of decisions distinctiveness can only be established after evidence is led by the parties.

The assumption of validity of a registered trade mark according to s.31(1) of the Act is merely "prima facie" and not "conclusive", and it is only when a cancellation proceeding achieves finality upholding the distinctiveness that it can be held that the mark has acquired distinctive

character or a secondary meaning. Until such cancellation proceedings are finally dismissed, it cannot be said that the validity of registration has been finally decided.

The provision of subs.124(5) requires that despite the plea of invalidity raised, the civil court is not precluded from passing any interlocutory order, including an order of interim injunction while staying the trial of the suit awaiting the decision in rectification/cancellation proceedings. However, in order to decide the prayer for interlocutory injunction under s.124(5), the civil court is required to examine the issue of prima facie validity of registration of the trade mark. Therefore the learned single judge was entitled to examine the issue of prima facie invalidity. This examination was essentially to determine the grant or refusal of interlocutory injunction.

For purposes of obtaining trade mark registration of a descriptive trade mark, distinctiveness must be established as on the date of application for registration. However, for purposes of interlocutory injunction and plea of prima facie validity under s.31, the distinctiveness can be established as on the date of registration. However, evidence of acquired distinctiveness subsequent to the date of grant of registration can only be looked into in cancellation proceedings and not by the civil court in infringement proceedings.

The evidence produced by Marico in the present case establishes the sale of branded goods from 2001 to 2009 when the suit was instituted. Its trade mark application was filed on May 28, 2001 and was granted registration in 2005. For the purposes of infringement and forming a

prima facie view on validity, the court can only look into the evidence of acquired distinctiveness up to 2005 when the mark was registered, and not thereafter. Even if the evidence of 2001–2009 is examined, it is difficult to hold prima facie that the mark had acquired distinctiveness as on the date of institution of suit for purposes of passing off. The sale figures and the promotional figures are provided by Marico but it should not be forgotten that they also pertain to the primary brands SWE EKAR and SAFFOLA. Marico, therefore, will have to lead evidence to establish as to what is the extent of such sales relating to LOSORB and not because of the primary brands SWE EKAR and SAFFOLA. Hence, at the interlocutory stage, such evidence is not sufficient to accept the claim of acquired distinctiveness in the descriptive marks LOSORB and LO-SORB.

### Statutory right of use—non-infringement

Even if the registration is assumed to be valid, it does not entitle Marico to injunct the use of words/expression by the trade which are similar to the registered trade mark when used in descriptive manner. Once a defendant is using its own trade mark prominently, in addition to the impugned descriptive word mark, nothing further is required to show that the use of the descriptive expression by the defendant is bona fide, and if so no infringement action is maintainable.

With the above observation, the Division Bench dismissed the appeal and rejected the prayer for interlocutory injunction.