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INTELLECTUAL PROPERTY ATTORNEYS

IP INDIA REPORT

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IP UPDATES

DECODING "IMPERFECT RECOLLECTION" IN INFRINGEMENT AND PASSING OFF

Over past several decades, the courts have applied the test of "imperfect recollection" in cases of trade mark infringement and passing off worldwide including in India. However, there have not been many judgments which have analyzed or discussed the concept of "imperfect recollection" and how it should be applied as a test for deceptive similarity between the competing trademarks. Recently, two judgments have been pronounced by Delhi High Court analyzing the meaning, significance and scope of this term.

In the case of ***Allied Blenders & Distillers Pvt. Ltd. Vs. Shree Nath Heritage Liquor Pvt. Ltd***., the Delhi High Court observed:

The marks in dispute are "Officer's Choice" of the Plaintiff and "Collector's Choice" of the Defendants.

"….The test prescribed of 'infringement', of deceptive similarity with, identity with and association with registered trade mark and of likelihood of confusion, simply put, is a test of possibility of the goods under the impugned trade mark being purchased by the intending consumers thereof, owing to the trade mark they bear, as the goods earlier consumed by them and which they intend to repeat or as originating from the same manufacturer/supplier whose goods were consumed and intended to be repeated or as goods recommended to them for purchase or consumption. A trade mark, in the absence of anything else, is the 'face' of the goods by which the consumer/customer thereof identifies or recognizes or remembers the goods. Such identification/recognition/remembrance is dependent on the memory of the customers/consumer of such goods".

Answering it affirmatively, the Court held that the customer's/consumer's memory is likely to mix "Officer" with "Collector", the possibility of trademark "Officer's Choice" of the Plaintiff being remembered/recalled as "Collector's Choice" cannot be ruled out. Thus the Defendant was restrained from using the said trade mark.

The Appellate court while dismissing the appeal held "*In the facts of the instant case, it prima-facie emerges clear that COLLECTOR and OFFICER, may be considered hyponyms of the hypernym 'persons holding office' or the word COLLECTOR may be considered a hyponym of the word OFFICER or both COLLECTOR and OFFICER may be synonymous to each other : 'persons holding office'. What needs to be ascertained, thus, whether these two words exist in hyponymy or synonymy with each other in the same context, such that the same idea is conveyed by the marks 'Officer's Choice' and 'Collectors' Choice', causing the likelihood of confusion or deception in the minds of a consumer of average intelligence and imperfect collection".*

OUR MUMBAI BRANCH

We are happy to announce that we have opened our branch Office in Mumbai and the same is operational since 1st August, 2015.

We take this opportunity to thank all our clients who have bestowed their trust in us and whose association and good wishes have encouraged us to touch new heights.

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RE-USE OF BOTTLES EMBOSSED WITH THE EARLIER TRADER'S TRADE MARK AMOUNTS TO INFRINGEMENT:

Cobra Beer Partnership Ltd. & Anr. Vs. Superior Industries Ltd.

The Delhi High Court recently passed an order restraining re-use of bottles embossed with the registered trademark by third party holding it to be an infringement and thus protecting the proprietary right of the right holder in the bottles used for sale of beverages. The suit was instituted by Cobra Beer Private Limited, against Superior Industries Limited, a beer manufacturer and seller who re-used embossed bottles of Cobra Beer bearing its registered trade marks 'COBRA' and 'KING COBRA'.

Superior Industries purchased empty beer bottles in bulk from scrap dealers, thereafter re-filled such bottles with its own beer, and sold the same using its own trademarks/labels 'Superior 50000' and thereby saving the cost of manufacturing of bottles.

Superior Industries contended that it is not using the Plaintiff's trade marks in the course of trade as envisaged under Section 29 of the Act. The beer of the Defendant is being manufactured and sold under its own registered trade mark 'SUPERIOR 50000'and that the bottles are covered with its own label and the embossed trade mark of the Cobra Beer is not visible to the consumers buying the beer as the same gets covered by the label/trade mark used by Superior Industries i.e. 'Superior 50000'. Superior Industries further contended that the practice of re-using empty bottles of other manufacturers is a common practice and hence honest.

The Delhi High Court refuted the Defendant's contention that it is common trade practice to re-use bottles embossed with the earlier trader's trademark and held that even if Superior Industries is covering the embossed logo on the beer bottle with its label, the same still amounts to an act of infringement of Cobra Beer's trade mark(s) and if an order of injunction is not granted, such use may dilute the reputation and goodwill of the trade mark of Cobra Beer.

SUPREME COURT ON JURISDICTION IN IP MATTERS

The underlying principle to decide jurisdiction for instituting a suit is by two means: *actus* or *situs* i.e. either where cause of action has arisen or where the defendant carries on business. In India, the said principle is codified in Code of Civil Procedure which applies to all litigation and accordingly the jurisdiction for institution of the suit lies where a defendant carries on business or where a part of cause of action arises.

Keeping in perspective the convenience of the right holder of a trade mark and copyright, the legislature, in its own wisdom carved out an exception to Section 20 of Code of Civil Procedure by incorporating Section 134 in The Trade Marks Act, 1999 and Section 62(2) in The Copyright Act, 1957 conferring jurisdiction on such courts where the right holder is carrying on business.

The Supreme Court in its recent judgment namely Indian Performing Rights Society Ltd. Vs. Sanjay Dalia & Another has curtailed the scope of the term "carrying on business" by holding that if any part of cause of action has arisen at any place where right holder has any place of business, then the right holder would be deemed to be carrying on business only at such place for purpose of invoking jurisdiction of court to maintain trade mark or copyright infringement claims in terms of its recognition and value.

DELHI HIGH COURT JURISDICTON

There are four High Courts in India which are conferred with the ordinary original civil jurisdiction to decide cases as trial courts. These High Courts are located in Delhi, Mumbai, Chennai and Calcutta. The access to jurisdiction of these courts depends upon the valuation of the suit for the purposes of jurisdiction and the court fee paid thereon by the litigant. Delhi High Court has increased its pecuniary jurisdiction from USD 34000 to USD 340000. Accordingly, a litigant who could access the jurisdiction of Delhi High Court by paying court fee of USD 400 has to now pay a court fee of USD 3400 to avail adjudication by the Delhi High Court. Large number of cases would get transferred to lower district courts. The objective of this exercise is to reduce the burden of the pending backlog. However, the question being asked is as to why there should be premium added to access jurisdiction of the most sought after court for intellectual property cases when other High Courts of Mumbai, Kolkata and Madras do not have such deterrence! The enhancement of jurisdiction has been notified, but is yet to be put into force. Right holders need to evolve a strategy about the pending matters which are bound to be transferred to the District Courts.

COMPULSORY LICENSING

Compulsory licence is defined as "authorizations permitting a third party to make, use or sell a patented invention without the patent owner's consent". Chapter XVI of The Patents Act, 1970 of India specifically deals with compulsory licensing. Compulsory licence in India was granted to Natco Pharma Ltd., to produce a generic version of Bayer Corporation's Nexavar, used in the treatment of liver and kidney cancer. The compulsory licence was issued by the Controller on following three grounds:

- the reasonable requirement of the public was not satisfied;
- the medicine was not available to the public at a reasonably affordable price; and
- the patented invention was not worked in the territory of India.

Subsequently, in a case involving the drug Dastinib, the Controller of Patent rejected Mumbai-based BDR's application for a compulsory licence on the grounds that the threshold for establishing a *prima facie* case for seeking a voluntary licence had not been established.

In a recent case, the Controller of Patents has rejected Lee Pharma's application for compulsory licence for the anti-diabetes compound Saxagliptin of the Swedish drug maker AstraZeneca. The said application was turned down on all the above mentioned grounds. The Controller further observed that in order to establish the working of patents in India, local manufacturing is not a precondition in all cases.

It was also observed by the Controller that prima facie Lee Pharma could not establish and prove firstly, that the public requirements for the given patented invention are not being satisfied, secondly, that there was no working of the patented invention within the territory of India and thirdly, that there was major variation in the proposed selling price of Lee Pharma and that of the existing price apart from observing that there are several options of drugs available for diabetes.

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