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Well-Known Trademarks Special

- LAVASA CORPORATION LIMITED V. LAVASA VISUALS PRIVATE LIMITED
- TATA SONS LTD. V. MR. MD. JAWED & ANR.
- KABUSHIKI KAISHA TOSHIBA TRADING AS TOSHIBA CORP.V. MR. S.K. SIL AND ANR.

Lavasa Corporation Limited V. Lavasa Visuals Private Limited

LCL owns 'Lavasa Township', India's first hill city which is planned for approximately 0.3 million permanent residents with facilities for about 2 million tourists every year, and it has an employment base of approximately 97,000. With the opening of Lavasa International Convention Centre, business tourism has received a significant boost.



Facts of the case:

- 1.LCL (the Plaintiff) filed a suit for infringement and passing off of its registered mark 'LAVASA' by the Defendant LVPL, who was using the mark as a part of its corporate name.
- 2.LCL carries on a wide range of multifarious business activities and is the registered proprietor of the mark 'LAVASA' in various classes including Classes 16 & 35 which cover advertising material, kiosks, display systems, printed matter and services of advertising respectively.
- 3.In June 2011, LCL learnt about the incorporation of LVPL under the name of 'Lavasa Visuals Pvt. Ltd.' operating in a similar area of goods and services as that of LCL. LVPL, a Private Limited Company was carrying on the business of erecting visual advertisements and signage, etc. at Kochi in Kerala, India.

Contentions raised by R. K. Dewan & Co. on behalf of LCL were:

- 1.The mark 'LAVASA' has become highly distinctive, has acquired tremendous goodwill and also acquired the status of a 'well-known trademark' under S. 2(1) (zg) of the Trade Marks Act, 1999.
- 2.LCL enjoys statutory and common law rights in respect of the said mark for all kinds of goods and services.

Defences of LVPL were:

- 1.The Hon'ble Court did not have territorial jurisdiction to try the case, LVPL being based in Kerala.
- 2.The filing of the suit was delayed and hence LCL was not entitled to any interim relief.

3.The mark LAVASA was common due to existence of a chain of coffee stores known as LAVAZZA Coffee. Several persons residing in the United States of America have the surname LAVASSA.

4.LVPL's business activities are limited to Visual Advertising which are different from the activities of LCL, and that LVPL's business activities are restricted to only one city.

Reply of R. K. Dewan & Co. to the contentions of LVPL:

1.Since LCL has its place of business in Mumbai, the Court, under the provisions of Section 134 of the Trade Marks Act, 1999, had jurisdiction to try the suit for infringement of the trademark.

2.Mere delay in filing the suit cannot defeat an action for infringement, especially when LVPL has not explained adoption of the mark LAVASA as part of its corporate name.

3.The fact that other parties were using the name LAVASA cannot be a bar to the suit. LVPL has not used the words 'Lavazza' or 'Lavassa' that it has quoted as examples of usage.

4.On the last contention of LVPL, R. K. Dewan & Co. argued that 'merely because LVPL's business is small or that it is limited to one city, it cannot be said that LVPL has not infringed LCL's trademark. Any use of LCL's registered trademark by LVPL, howsoever small, amounts to infringement and/or passing off.'

Judgment:

The Court concluded that LVPL's contention of the mark LAVASA being common was totally misconceived as no evidence of any nature has been produced to show that it is a commonly used word in India. The defense that LVPL's turnover is meager compared to that of LCL's was unacceptable as if accepted it would lead to dilution of LCL's mark.

The Court by its order restrained LVPL from using the mark 'LAVASA' as a part of its corporate name. LVPL was given 4 weeks' time to amend its corporate name. This suit also gave the mark 'LAVASA' the status of a well-known mark. This suit marked a turning point in the time taken to dispose of an IP suit as the Hon'ble Court commendably disposed off this case within 6 months from the date on which it was filed to when the final decree was passed in favour of LCL.



Tata Sons Ltd. V. Mr. Md. Jawed & Anr.

This was a landmark case where the Delhi High Court dealt extensively with the concepts of well-known trademarks, dilution and trans-border reputation, with the judgement being pronounced on 28th March, 2011.

Tata Sons Ltd., being the owner of the trademark "TATA" and various other trademarks which contain the word TATA as the crucial element, sued Mr. Manoj Dodia and Mr. Manish Dodia trading as M/s. Durga Scale Co for manufacturing and selling weighing scales and spring balances under the trademark "A-One TATA". Tata Sons Ltd. contended that on account of continuous and extensive use of the trademark "TATA" over a long period of time spanning a wide geographical area, coupled with vast promotion and publicity, the said trademark enjoyed an unparalleled reputation and goodwill and had acquired the status of a "well-known" trademark. Therefore, the use of the aforesaid mark by the defendants amounted to infringement of the plaintiffs' registered trademark "TATA", granted vide various registrations in class 9. It was further alleged that the defendants' mark "A-One TATA" was inherently deceptive and constituted a misrepresentation to unwary consumers that goods of the defendants either originated from the plaintiffs or were approved by the plaintiffs. Such misrepresentation, according to the plaintiffs, would inevitably lead to confusion or deception.

The Hon'ble Court laid down that for a mark to be considered as a well-known mark it should be widely known among consumers, manufacturing and business circles and persons involved in the sale of the goods carrying such a trademark. The Hon'ble Court acknowledged the growing importance of trans-border reputation and opined "On account of advancement of technology, fast access to information, manifold increase in international business, international travel and advertising/publicity on internet, television, magazines and periodicals, which now are widely available throughout the world, of goods and services during fairs/exhibitions, more and more persons are coming to know of the trademarks, which are well-known in other countries and which on account of the quality of the products being sold under those names and extensive promotional and marketing efforts have come to enjoy trans-border reputation. It is, therefore, being increasingly felt that such trademark needs to be protected not only in the countries in which they are registered but also in the countries where they are otherwise widely known in the relevant circles so that the owners of well-known trademarks are encouraged to expand their business activities under those marks to other jurisdictions as well."

The Hon'ble Court said that although use of a well-known trademark on non-competing goods may not cause confusion regarding origin of the goods, however, if such goods bearing the well-known trademark are found to be of substandard quality, the reputation and goodwill of the proprietor of the well-known mark would definitely suffer a blow. The Hon'ble Court further said that unauthorised use of a well-known mark on non-competing goods would amount to unfair competition.

Considering inter alia, the vast number of trademark registrations, the scale of its consumer base and the reputation the trademark enjoys in India and throughout the world, the Hon'ble High Court had no hesitation in holding that the mark "TATA" is a well-known trademark within the meaning of the Trademarks Act, 1999. The use of the trademark "TATA" in relation to any goods or services is, therefore, likely to be taken as a connection between the house of TATA and the goods or services that are sold under this trademark.

Dealing with the question of awarding punitive damages in relation to infringement of well-known trademarks, the Court observed “The brands, particularly well-known brands, themselves are now becoming highly valuable and in fact are being sold as standalone products. The companies which invest heavily in brand building and back them up by quality products are bound to suffer not only in reputation but also in financial terms, on account of diminution in the value of the brand as well as sale of their products/services, if the brands are not given adequate protection by the Courts, by awarding punitive damages against the infringers. Also, a soft or benevolent approach while dealing with such persons, is also likely to prejudicially affect the interests of the consumer, who may pay the price which a premium product commands in the market, but may get an inferior product on account of such unscrupulous persons using trademarks of others for their own commercial benefit, at the cost not only of the trademark owner, but also the consumer who purchases their product. Another purpose behind awarding punitive damages is to deter those who may be waiting in the wings and may be tempted to imitate the trademark of others. In case those who are sued before the Courts are not made to pay such damages as would really pinch them. Awarding token damages may, therefore, not serve the desired purpose.”

The Hon'ble High Court not only restrained the defendants from using the stylised “T” in a circle or any other registered trademark of the plaintiffs, but also awarded punitive damages amounting to INR 200,000 to the Plaintiffs.

Kabushiki Kaisha Toshiba Trading as Toshiba Corp.V. Mr. S.K. Sil and Anr.

The guidelines for determining whether a trademark should be granted the status of a well-known mark were set out by the Delhi High Court in the case of Toshiba Corp. V. Mr. S.K. Sil in the year 2011.

Toshiba Corporation filed a suit for restraining the defendants from offering lifts and escalators under the name ‘Toshiba India Elevator and Escalator Industries’.

The plaintiff is the owner of the mark “TOSHIBA” and is a globally recognized company dealing in advanced electronic and electrical products. The plaintiff claimed to have adopted the mark “Toshiba” in the year 1939.

Points of Contention:

It was contended by the plaintiff that on account of use of the name “TOSHIBA” on business documents, such as letter heads, business cards and brochures coupled with the use of the domain name www.toshibaelevator.com by the defendants, a person coming across the products of the defendants would be misled to believe that the products being offered by defendants are products of the plaintiff. The plaintiff further contended that a consumer would be led to presume that either the products which were being offered by the defendants were manufactured/imported by the plaintiff or were manufactured under a licence from the plaintiff. Hence the defendants were guilty of passing off their products to the customers as genuine

“TOSHIBA” products, thereby taking undue advantage of the reputation and goodwill associated with the plaintiff’s trademark ‘TOSHIBA’. The plaintiff argued that if the quality of the elevators and escalators sold by the defendants was substandard, it would affect the reputation and brand equity of the mark “TOSHIBA”. This would in turn adversely affect the business of the Plaintiff, besides eroding the credibility, reputation and distinctiveness associated with the trademark “TOSHIBA”.

Observations:

The Hon’ble Delhi High Court listed out the following factors that are crucial in determining whether a mark is well-known or not:

- (i) the extent of knowledge of the mark to, and its recognition by the relevant public;
- (ii) the duration of the use of the mark;
- (iii) the extent of the products and services in relation to which the mark is being used;
- (iv) the method, frequency, extent and duration of advertising and promotion of the mark;
- (v) the geographical extent of the trading area in which the mark is used;
- (vi) the state of registration of the mark;
- (vii) the volume of business of the goods or services sold under that mark;
- (viii) the nature and extent of the use of same or similar mark by other parties;
- (ix) the extent to which the rights claimed in the mark have been successfully enforced, particularly before the Courts of law and trademark registry and
- (x) actual or potential number of persons consuming goods or availing services being sold under that brand. A trademark being well-known in one country is not necessarily determinative of its being well-known and famous in other countries, the controlling requirement being the reputation in the local jurisdiction. ”
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The Hon'ble High Court relied on the vast sales and revenues generated by the plaintiff worldwide and also observed that the plaintiff held as many as thirty registrations of the mark "TOSHIBA" in India in various classes. The Hon'ble Court also relied on a prior decision of the Supreme Court where the Supreme Court noted the innovations that the plaintiff is credited with and the volume of worldwide sale and its position as being amongst the global top 500 companies identified by Fortune Magazine in 2010.

The Court opined "The owner of a well-known mark is entitled in law to seek injunction against use of that mark irrespective of whether the use is in relation to identical or similar goods or services or is in relation to other categories of goods or services. He may also prevent others from using the well-known trademark as a part of their corporate name/business name."

Held:

The Court held that the defendants infringed the registered trademark 'TOSHIBA' of the plaintiff by using it for selling and promoting elevators and escalators, using it on their letterheads/business cards, as part of their corporate name and by using the domain name www.toshibaelevators.com.

Further, the Hon'ble Court, while declaring the mark "TOSHIBA" as a well-known mark, observed "Considering, (i) the duration for which the trademark TOSHIBA has been used by the Plaintiff, (ii) the geographical extent of trading area in which this mark is being used, (iii) the volume of business being carried by the Plaintiff using the mark TOSHIBA on its goods, (iv) the extent of knowledge of the mark TOSHIBA in India, which is evident from the business activities of the company in India and the wide range of the products being sold by it in India under the brand name TOSHIBA, (v) the extensive advertisement and promotion of the brand TOSHIBA throughout the world, including in India the number of registrations which the Plaintiff company holds in a large number of countries, including India in respect of the trademark TOSHIBA and (vi) the number of consumers buying goods being sold under this brand name, I have no hesitation in holding that the TOSHIBA is a well-known brand in India, brand TOSHIBA enjoys a trans-border reputation and has acquired the status of a well-known brand in India."

The Hon'ble Court directed the defendants to pay INR 500,000 as punitive damages to the plaintiff.