

## Newsletter January 2016

### Seize notice!

The ownership of a patent allows the patent holder to restrain any other party from using the patented technology/work. This is a right *in rem* i.e. against the world at large. An infringement of patent rights can attract (a) an expensive law suit and (b) also tarnish the reputation of the infringer.

Changzhou First International Trade, a Chinese firm recently faced the wrath of the California based patent holder Future Motion. It has been reported that the price of the ‘Surfing Electric Scooters’ sold by Changzhou First International Trade was \$550 at the online shopping portal Alibaba (which itself has a fair share of controversies surrounding it for sale of counterfeits) and this price is less than that of the product being sold by Future Motion. Allowing the Chinese firm to showcase as well as sell its ‘Surfing Electric Scooters’ would lead to direct economic losses for the US patent holder.

The patent in question is related to the invention of a one wheel hover board. Unlike the usual hover board having two wheels at the ends, the invented hover board has a wheel at the center to enable a rider to maintain balance on the board. Future Motion owns the design and utility patents for this board. CFI showcased the vehicle as a ‘Surfing Electric Scooters’ at the CES tech show, in Las Vegas, USA this prompted Future Motion to initially serve a cease and desist notice to the Chinese firm. When the firm declined to comply, Future Motion filed a suit and obtained a restraining order, followed by a request to the U.S. Marshall for seizing the showcased goods.

The Chinese firm’s stand is that they invented the device first; this argument can only be supported by proper evidence

A lesson from this episode this is that before exhibiting its products an entity must conduct a thorough search of patents in the concerned jurisdiction. A failure to do the same can be detrimental to the reputation of such entity. It will be interesting to see the events unfold at the trial stage.

### Threshold for expert evidence

The role of an expert witness is of an integral nature in litigation, a slight sway in one direction can lead to an alteration in the final verdict. In such situation if the expert holds a bias it will prejudice the trial and act as a boulder to delivering justice in the matter before the court. The Canadian Supreme Court in the case of *White Burgess Langille Inman v Abbott and Halliburton Company Limited* laid down the threshold to examine the admissibility of the expert’s evidence.

The shareholders of Abbott and Halliburton Company filed a suit for professional negligence against their auditors. The shareholders reached this conclusion after appointing a different auditing firm to review their financial statements. The auditors (Appellant) sought a motion for summary judgment against the shareholders (Respondent) to dismiss their claims following which the shareholders retained one Ms. Susan Macmillan, from the auditing firm on whose information they were relying upon, to submit an affidavit setting out her findings, conclusions and reasons as to why, in her opinion, the Appellant had failed to perform its duties. The Appellant sought to dismiss the Affidavit from being accepted on the grounds that it was biased.



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The motions judge agreed with the Appellant's claim but this decision was overturned by the Court of Appeal and on further appeal; the Supreme Court of Canada accepted the expert's affidavit. The Supreme Court reasoned that it was of utmost importance to ensure that the expert leading the evidence is impartial and independent failure to confirm the same could lead to 'egregious miscarriage of justice'. It further held that the admissibility of the expert evidence should be in two stages namely:

1. **Threshold requirement of admissibility:** This stage heavily relies on the following criteria:

—**Relevance:** whether the expert's evidence is relevant to the case.

—**Necessity:** Whether the requirement of an expert's evidence is necessary to the case at hand;

—**Absence of any exclusionary rule:** There should be no rule excluding in particular the expert's opinion; and

—**Properly Qualified expert:** The expert should be holding the qualifications to provide an opinion in the matter.

2. **Cost Benefit Analysis:** The Court assesses in stage II whether the evidence provided by the expert is integral and beneficial to the ongoing trial, even if such evidence is likely to cause "potential harm to the trial process that may flow from admission."

In the matter at hand the Court opined that the expert's evidence was accepted since it met all the requisites for admissibility. Though in this case the expert concerned was an auditor, the ruling will also have an implication for experts in the patent trials. Patent trials heavily rely upon the information provided by the experts since; the judiciary cannot be expected to be aware of the intricate details concerning the invention.

#### **Plain packaging and IP concerns**

The role of a judiciary is to ensure maintain checks and balances in the legislations being formed by the legislature but the judiciary cannot legislate. The UK High Court is facing a testing situation where the tobacco companies in U.K. have approached it against a recent U.K legislation which requires cigarettes to be sold only in plain packaging from May 2016.

A similar situation had arisen in Australia last year where plain packaging was made compulsory; the tobacco companies lost their battle there. The primary IP concern for the tobacco companies is that, the plain packaging will prohibit the use of their logo, design or any other copyrighted work on the cigarette packs. All the cigarettes will be sold in the same packaging (containing pictures of effects of smoking) with only the name of the brand being written in a standard format.

This implies that a consumer will no longer be able to distinguish the cigarette of one brand from the other based on their trade dress, which increases the likelihood of confusion among the consumers while purchasing cigarettes from a retail outlet. Trademark law discourages any likelihood of confusion among cigarette brands but in this case the government authorities are citing public interest in the imposition of such law therefore, trademark law might not be applicable. It will be interesting to see how the UK courts decide this matter.

#### **A new 'Slant' in U.S.A.'s trademark laws**

An Asian American band 'The Slants' has been garnering a lot of attention globally for the name adopted by them. The band sought to register the name 'Slants' as a trademark, this was rejected by the Trademark office on the



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grounds that the use of the word 'Slants' for Asian-Americans was disparaging and the Lanham Act does not allow registration of disparaging marks. The US Court of Appeals for the Federal Circuit overturned the decision of the USPTO and also struck down the section that bars the registration of 'disparaging' marks.

The Appellate Court was of the belief that the band had been named 'The Slants' with the intention of expressing the racial and cultural divide that still exists in the country and the same could not be barred by law. It was considered as a form of freedom of speech and expression. Through this case, Freedom of Speech triumphed over the law of non-registration of disparaging trademarks in the United States.

### **Kitty and copyright (C)laws**

A copyright lawsuit is no laughing matter particularly when allegations are levelled against a popular sitcom such as 'The Big Bang Theory' (TBBT). The merchandise of the sitcom relies on the popular quotes, phrases from the series. A popular song from the show is 'Soft kitty, warm kitty', this children's nursery rhyme has gained immense popularity through the show and is often used in the show's merchandised goods.

Ms. Ellen Newlin Chase and Margaret Chase Perry have stated in their lawsuit that this song was written by their mother, Ms. Edith Newlin, a nursery school teacher who died in 2004. It has been alleged that the makers of TBBT in 2007, obtained the permission to use the nursery rhyme from Willis Music Company that had published the song in a book 'Songs for the nursery school', instead of obtaining the license from the heirs of Ms. Newlin owning the copyright to the song. There has been no response given by the makers of the show but if these allegations are true it could mean that the show will have to do away with the popular song/lullaby as well as, pay damages for the unauthorized use of the same.

This lawsuit is a reminder that a thorough search must be conducted prior to using a work commercially because in the event such work belongs to another entity (still owning the rights) it can not only result in an economic loss but to some extent a loss of reputation.

### **Sued again!**

American painter and photographer Richard Prince is in another copyright muddle. Photographer Donald Graham has claimed that Prince made unauthorized use of his photographs and sold them at \$ 90,000. Richard Prince is often referred to as a re-photographer (takes photograph of an existing photograph) he tends to use existing photographs and makes certain changes (tweaks the picture slightly) to communicate a different meaning. The previous case involving him, *Cairou v Prince*, was a landmark judgment where the principles of determining a work being transformative enough to qualify for fair use was discussed. In that case Richard Prince had used images of individuals from the *Rastafarian* community and had altered them by superimposing 'Sunglasses', 'Guitar' etc. the superimposition was done in color over the original black and white images. The end result i.e. Prince's work, communicated a different message from the original somber photographs and the Court held that Prince's work would qualify as a transformative use and therefore, could not be considered as an act of infringement. However, this time around the courts may not hold the same opinion the reason being, the image used by Prince was taken from Mr. Graham's Instagram account incidentally of a *Rastafarian* smoking. It is also his claim that there has been no substantive change in the original picture apart from resizing (the image was printed and put out on a large canvass) and cropping.



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### **Year of the monkey**

One monkey has taken the copyright world by storm! Introducing Naruto, a six year old Macaque, who ingeniously took a selfie on a tourist's camera the photograph, went viral. There was a discussion on the copyright ownership in the photograph. Copyright Laws very clearly state that in case of photographs the copyright vests with the photographer but in this case the photographer is a monkey. Things took a turn when People for the Ethical Treatment for Animals (PETA) filed a suit in a court in San Francisco stating that the proceeds from the selfie should be diverted to Naruto. The U.S. Copyright law strictly states that it does not register the works which have been created by nature, animals, or plants. PETA not only sued David Slater for making money out of the photograph but also his publishers, in their application they demanded an injunction on the publication and circulation of the picture. PETA in its lawsuit contended that Naruto's actions were 'purposeful and voluntary' which is not very convincing, considering that Naruto is a monkey who obviously doesn't know the meaning of a photograph, let alone copyright. Judge William Orrick, presiding over the matter was not very impressed with PETA's arguments and held that the organization was stretching the matter too far. He further stated that had the legislative intent been to include animals as potential owners of copyright, it would have been clearly specified in the legislation. He further stated that he would dismiss the suit in the upcoming hearing.

Interestingly, the photographer whose camera was used too, does not have the copyright. This means that copyright ownership of the picture vests with no one; in this scenario should the picture be considered to be within the public domain? At present this question remains unanswered.

### **Why so serious?**

The sure shot signs to depict success of a brand are the emergence of – imitators and parodists. In such a situation a brand owner can protect their brand by suing the infringers and enjoying a good laugh on the parodies of their work/product however, suing the latter could take away the fun.

Louis Vuitton is very vigilant in protecting its brand image and taking timely actions against any potential threat to its reputation however, recently they sued a company making parodies of their bag. The suit was filed against My Other Brand (MOB) for - (1) Trademark dilution; (2) infringement of their Trademark –the 'LV' logo, the independent flower; and (3) copyright infringement of artistic works. My Other Bag's designs had the image of different designs of Louis Vuitton bags juxtaposed on the front side of the bag. MOB argued that its designs were a parody of the premium brand and were a comment on the society's attraction to premium and luxury goods. Furthermore, it was stated that their bags could not be confused with the original Louis Vuitton, it clearly was a parody. The judge of New York District Court agreed with MOB and ruled that the bags sold by the Respondent (MOB), contained the logo 'MOB' and thus, there was no likelihood of confusion.

A similar decision was handed out to Louis Vuitton earlier, in the case of *Louis Vuitton v Haute Diggity Dogg*. There Louis Vuitton had sued Haute Diggity Dogg for manufacturing plush toys for dogs under the name –Chewy Vuitton. In this decision as well, the court ruled that 'Chewy Vuitton' was a play on the words 'Louis Vuitton' and clearly a pun, there was no likelihood of confusion or dilution of mark found in that case. Interestingly, popular brands like Lucas Films, known for their Star Wars franchise, have found a way around this by themselves poking fun at their



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characters. This has helped the brand gain more popularity among the audiences. Maybe this case should be a lesson to high end brands to laugh at themselves every once in a while as it might do them well, in the long run, than harm.

### **Will the real ‘Merck’ please stand up?**

A trademark battle for a well-known mark is a common occurrence but it might not be so common if the two parties involved in the suit were well aware of each other’s existence for the last 125 years. This was the case with the mark ‘Merck’ which was concurrently being used by the two entities –Germany based Merck KGaA and U.S. based Merck & Co.

The mark ‘Merck’ was originally used in Germany in 1668 and in the year 1889 a member of the Merck family established a partnership business with a third party with economic support from its German counterpart. The latter initially acted as the selling agent to the German Merck enterprise but later set out its own business in US. The two entities have repeatedly entered into Agreements with regard to the use of the mark ‘Merck’ in the years 1932, 1955 and 1970. The common agreement between the two entities has been that Merck & Co., USA was allowed to use the mark only in the territories of U.S.A and Canada. However, it was found out that repeatedly the U.S. entity was using the ‘Merck’ mark in other territories as well. The situation aggravated with the rise in online presence of the two entities, it was found out by Merck KGaA that Merck & Co. USA was marketing itself as ‘Merck’ through its websites which were accessible and targeted to the audience in U.K.

The UK courts ruled in favor of Merck Germany, stating that Merck, USA had acted in breach of the Agreement reached between the parties in 1970. It was held that the simultaneous use of the mark ‘Merck’ by both the entities in common territories could create confusion in the minds of the consumers more so, when Merck, Germany enjoys an extensive reputation in the United Kingdom. The Court held that Merck, US was to be enjoined from using the mark ‘Merck’ in any printed or digital material addressed to the U.K., it could refer itself as MSD or Merck Sharp and Dohme. Further, it was ordered that Merck, US should cease from using domain names such as ‘merckformothers’, ‘merckresponsibility’ or deploy geo-targeting to prevent the traffic from UK to access their sites (strictly meant for US and Canada).

This case throw light on the fact that even if the mark is not physically being used in a territory, it can still be considered as infringing upon the rights of another entity if it has a virtual presence in such territory. The Indian Trademark office allows concurrent use of marks subject to territorial restrictions, it is important for the proprietors of the marks to keep a vigilance over the online use of their mark–websites, newsletter, or through social media. Further, the concept of geo-targeting is a useful tool for proprietors to ensure that the use of the mark as their domain name is strictly accessible to the intended audience alone and prevent any impending infringement lawsuit.

### **Coffee & copyright**

A lot can happen over a cup of coffee, and this includes a copyright suit. Starbucks was recently involved in a copyright suit filed by artist Maya Hayuk. It was claimed by Ms. Hayuk that advertising agency appointed by Starbucks had approached her for creating artwork for their upcoming advertisement campaign. The advertising agency and Ms. Hayuk failed to reach an agreement thus; the artist did not create any artistic work for Starbucks.

It was the case of the artist that despite her declining the offer to create the artworks for Starbucks, Starbucks in its recent campaign used images which were substantially similar to her existing artworks. It was alleged that in the



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advertisements the colored rays emanating from the Frappuccino cups were substantially similar to the color combinations, expressions and the ‘overall look and feel’ of five of her artworks.

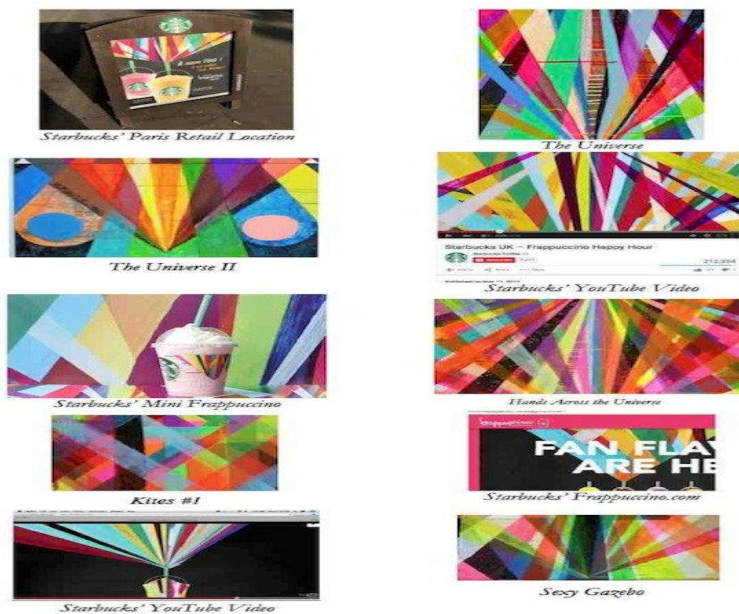


Image from [HERE](#)

The Court looked into her claims and decided the case from the perspective of an average individual who does not have a discerning eye. The Court was of the view that Hayuk’s works used the geometric forms such as lines, circles coupled with colors and textures and all of this was considered to be within the public domain, no artist could be allowed to claim monopoly over any of these elements. Moreover, the Court opined that the ‘total concept and feel’ of the artist’s works and the advertisement were not similar, it could be said that there was a common use of overlapping colored rays but the same could not be determinative of a copyright infringement by Starbucks. The suit was dismissed by the Judge.

If one looks at the pictures, it is quite evident that there is a similarity between the artist’s works and the Starbucks advertisement however, it is difficult for the court to exactly point out the ‘element’ which can be considered as copyrightable in the images. The pictures show colorful rays emanating and this (without showing the entire painting) cannot be construed as communicating to the audience the same concept and it could be argued that there is no copyright infringement whatsoever.

We leave it up to the readers to decide whether they agree with the Court’s decision or not.

### **New Year and new beginnings**

Our new dynamic Controller General Mr. O.P. Gupta is on the right track by issuing another progressive order that has introduced a change in the numbering systems for the Patent applications in India. The new numbering format for patent Applications in India is- YYYYJTNNNNNN

Where:



**Y = Year of filing of Patent Application**

**J = Jurisdiction in which the Application was filed**

Each Jurisdiction has been assigned a number which are as follows:

Delhi = 1, Mumbai = 2, Kolkata = 3 and Chennai = 4

**T = Type of Application, each application type has been assigned a number:**

For e.g.: Ordinary patent = 1, ordinary divisional = 2, ordinary patent of addition = 3 etc.

**N = the fixed length common continuous running serial number applicable for all the Patent Offices in India.**

**Illustration:** If an ordinary patent of addition is to be filed in the Delhi jurisdiction in the year 2016 the Application would be numbered as -201613\_\_ (Insert 6 digit number given by the patent office).

In the earlier format for numbering a patent application there were eight independent series of application numbers and that was quite confusing for users and the Patent Office –Patent Number/Jurisdiction/Year of filing the Patent Application. It is evident that the new format makes it easier to conduct a patent search also; it provides information about the type of Patent Application. The previous format provided no such information it only demarcated a PCT application from a domestic one. This new format makes it convenient for Applicants to search for relevant patent applications.

Similarly, a new numbering format for Request for examination of patent has been implemented **R/XXXXXXJNNNNNN**.

Where:

**R = Regular request for Examination and X = express request for examination and the other alphabets hold the same connotation as specified for Patent Application format.**

This numbering format makes it easier for searches and tracking the status of the request for examination. It can be said that this order of the Patent Controller seeks to implement an easier and convenient method for searching Patent Applications and Request for Examination.

This order can be accessed at the following link:

[HTTP://WWW.IPINDIA.NIC.IN/OFFICECIRCULAR/OFFICEORDER\\_31DECEMBER2015.PDF](http://www.ipindia.nic.in/officircular/officereorder_31december2015.pdf)

### **Melting ties**

Ice creams are commonly used to cheer oneself or make up with a friend however, the name of an ice cream brand is also at the heart of a dispute between two parties. “Kwality” is a loved ice-cream brand in India but it was in the news for an IP dispute between the founding family of Kwality and an erstwhile business partner.

In 1982 an assignment deed was executed between the Founder of Kwality Walls, Mr. Iqbal Ghai and Mr. PL Lamba (Defendant) whereby, the latter was assigned the exclusive right and benefit to use the mark Kwality (trademark) along with the artistic work/logo (Copyright) in the Northern part of the country. Similarly, another



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assignment agreement was executed in 1991 where similar rights were given to the Defendant for use in Kolkata and Chennai respectively.

The Plaintiff, Mr. Ravi Ghai (son of Mr. Iqbal Ghai), in 2015 came across a news report where it was stated that the Defendant had assigned the mark 'Kwality' along with the artistic work to a third party for use in relation to milk products and non-alcoholic beverages. The Plaintiff stated that such an act of the Defendant was beyond the scope of the Assignment agreements executed in 1982 and 1991; it was stated that the agreements never gave the Defendant the right to assign the mark to any third party, it merely allowed the Defendant alone to use the mark and artistic work in relation to ice cream, ice cream on stick and ice cream powder. The Defendant failed to show to the Court the relevant paragraphs where it had been granted the right to further assign the mark and artistic work/logo.

On perusing the above stated facts the Delhi High Court granted a temporary injunction in favor of the Plaintiff restraining the Defendant from acting upon the assignment deed entered into with the third party. The matter is listed for framing of issues on 19th February, 2015.

### **Being Khan**

What's in a name? This quote of Shakespeare if put before an IP lawyer, will entail a long response. The name of a person however common, if it has attained the status of a brand it will no longer be open for another individual bearing a similar name to register its mark.

One would normally assume that a celebrity is a famous figure hence any product/site launched under a celebrity's name would be available for use without any concern however, trademark laws do not always permit the same. Last year, popular singer Rihanna tried to register her middle name 'Robyn' as a trademark but she met resistance from DC Comics that owns the trademark for the character 'Robin' in the Batman series. Similarly this time Indian actor Salman Khan has stirred a controversy by proposing to launch a website 'khanmarket' as an online shopping portal. This proposal of his did not go down well with the Confederation of All India Traders who have stated that the name 'Khan Market' immediately invokes the identity of the popular Khan Market in Delhi. The Khan Market in Delhi is associated with luxury products and has been in place for close to six decades making it a popular shopping place in the city.

The CAIT in its letter to the actor has stated that the launch of his shopping portal with the name 'khanmarket' would create confusion in the minds of the consumers. It is important to note that the CAIT has raised a valid concern, apart from the fact that Khan market invokes the identity of the Delhi shopping place; also, the surname 'khan' in itself is a common surname and if the actor proceeds with such domain name registration it would create a monopoly over the commonly used surname which is not in the interest of the public at large. It remains to be seen how the actor responds to this petition of CAIT.

### **Fair game**

The Indian Courts are often accused of being biased in favour of generic manufacturers particularly, since the *NATCO vs Bayer* decision for granting compulsory licensing to an Indian generic manufacturing company. It is quite obvious that after that landmark decision a lot of generics applied for compulsory licensing for various drugs. The Controller of Patents office, Mumbai recently showed that not every application for a compulsory licensing can be accepted; it was only when a substantial case for the grant of a compulsory license is made out that such an order could be passed.





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Lee Pharma Ltd. filed an application for a compulsory license, under Section 84(1), for the drug Saxagliptin meant for diabetic patients. It was claimed by the Applicant that the drug was required by approximately 1 million diabetic people in India and the patentee i.e. AstraZeneca AB had failed to produce and distribute the drug in 'adequate' quantities in India. A major flaw in this claim of the Applicant was that they had failed to adduce any cogent evidence to substantiate their claim. In fact, the Court recorded in its findings that there were alternative drugs for diabetics, like Linagliptin, Sitagliptin and Vildagliptin hence, there was no plausible reason for diabetic patients to particularly use Saxagliptin alone. In addition to this, the Controller held that substantial evidence was not put on record to show that there was a shortage of the drug, in India, due to its importation.

In the light of these facts the Controller of patents rejected the application for a compulsory license. The Controller has demonstrated through this decision that the Department fully understands the need to protect the pharmaceutical industry from generic manufacturers, to encourage research and innovation. It is important to understand that research and innovation in the pharmaceutical sectors involves incurring high expenses which can be recovered only after the drugs are sold in the market to enable a researcher to recoup its R&D costs. An unreasonable lowering of drug prices will only result in curbing the research activities. The Indian judiciary is trying to strike a balance between research and development and affordable prices for drugs, neither can be ignored as both constitute public interest.

### **Kick starting start-ups!**

The Indian Government, in an ambitious move, launched the 'Scheme for Facilitating Start Ups Intellectual Property Protection (SIPP)' on 16th January, 2016. In the modern era, innovation driven industries play a key role in steering the economy of a nation therefore, it has become increasingly important to encourage and protect such industries.

The SIPP lays down the following criteria to classify an entity as a start-up:

1 Years since incorporation/registration in India < 5 years;

2 Annual Turnover < INR 25 crores; and

3 The startup should be working towards 'innovation, development, deployment or commercialization of new products, *processes or services driven by technology or intellectual property.*'

Further, a start-up shall be eligible for availing the benefits of this scheme upon obtaining certification from the start-up Certification Board. The scheme states that the 'Facilitators' will assist the start-ups in protecting their IP rights, for this purpose, the term 'Facilitator' has been defined to include –registered patent agent, registered trademark agent, an advocate entitled to practice in India and government departments such as Technology Information, Forecasting and Assessment Council, National Resources Defense Council, Biotechnology Research Assistance Council etc. The Facilitators have been assigned the task of advising the start-ups on IP based queries on a pro-bono basis, assisting in filing and disposal of IP applications relating to patents, trademark and designs etc.

The fees for such assistance given by the Facilitator shall be borne by the Department of Industrial Policy and Promotion (DIPP) however; the statutory fees involved will have to be paid by the start-ups themselves. Furthermore, to reach out to a wider audience the government has announced that they will develop a private-public partnership model for setting up 35 new incubators and 31 innovation centers at national institutes. This scheme will be run for a trial period of 1 year to determine the practicality in implementing it in the longer run. It is a bold step



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taken by the Indian government to encourage new actors to enter the market and compete as well as innovate along with the established industries.

The SIPP can be accessed at:

[HTTP://WWW.IPINDIA.NIC.IN/IPONEV/FACILATING\\_STATUPINDIA\\_SIPP\\_18JANAURY2016.PDF](http://www.ipindia.nic.in/iponev/facilating_statupindia_sipp_18janaury2016.pdf)

### **License to sue**

Licensing of IP is a tricky issue; it makes the Licensor vulnerable to potential infringement by the Licensee. It is therefore, important to keep a check on an erstwhile Licensee, as was realized by Helamin Technologies Pvt. Ltd recently.

In 2001, the Plaintiff (Helamin Technologies) appointed the Defendant as its technical consultant for the UAE market. There, the Defendant received technical training and gained access to confidential information and it was during this time that the Defendant established Helamin Impex Pvt. Ltd. (hereby referred to as Defendant II). Later, the Plaintiff and Defendant II entered into a Licensing agreement; however, owing to the poor quality of the end products supplied by Defendant II, the Licensing agreement between the two parties was terminated in 2006. In 2009, it came into the notice of the Plaintiff that Defendant No. II was selling water treatment chemicals based on the 'Helamin' technology under the name 'Indiamin' to fertilizer companies in India. Furthermore, Defendant II continued to operate under the name 'Helamin Impex Pvt. Ltd' and hyperlinked to the Plaintiff's website [WWW.HELAMIN.COM](http://WWW.HELAMIN.COM) thereby, giving the impression that the Defendants were affiliated with the Plaintiff.

On hearing the arguments the Delhi High Court ruled that that once the licensor – licensee or a manufacturer – distributor relationship terminates, the licensee or the distributor have no right whatsoever to use either the trademark or the trade name of the licensor. The Defendants' argument that the Plaintiff had acquiesced with their use of mark, was held to be incorrect. The court ruled that the defense of acquiescence would not be applicable to a party that had used the mark fraudulently and dishonestly. The Court held that the fact that the Defendants had retained Helamin as a part of their corporate name showed their malafide intention of misleading the consumers. The Defendants were restrained from using the mark 'Helamin'.

This case re-establishes that it is always important for companies to appoint vigilance teams to ensure that their marks are not infringed and in the event that there is a case of infringement a timely action can be instituted.

### **Deception point**

In a country like India where unemployment rates are high, hundreds of people look for new avenues and register themselves on different portals to seek jobs. This whole concept of seeking jobs by posting one's resume online, in India, became popular with the launch of [WWW.NAUKRI.COM](http://WWW.NAUKRI.COM) in 1997. The job portal is still active and running but was recently miffed with a domain name copycat going by the name [WWW.NAUKRINEWS.COM](http://WWW.NAUKRINEWS.COM), the result? – A domain name suit before the Delhi High Court.

Naukri.com (Plaintiff) claimed that it had received information from one of their customers stating that he was receiving spam mails from a similar domain name –naukrinews.com (Defendant). The Plaintiff sent a cease and desist notice to the Defendant from carrying out such activities and harassing their existing customer base. It was found upon further investigation that the Defendant had registered itself as a prospective customer of Naukri to gain



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access to its customer database and using the same for furthering its own business. The Defendant was also involved in the same line of services i.e. providing a platform to job seekers to look for job opportunities. It was the case of the Plaintiff that the Defendant was deceiving its customers by projecting itself as a venture of the Plaintiff also, the Plaintiff was the registered owner of the mark 'Naukri' under classes 9 and 42, in the Trademark Registry.

The Delhi High Court found merit in the arguments of the Plaintiff and held that a *prima-facie* case of infringement had been made out. The Court passed an order of ex-parte injunction and restrained the Defendant from using the domain name 'Naukri' or any prefix, suffix or as an integral part of the domain name / trade mark/corporate name/trading style etc. The Court also appointed a local commissioner to seize the computer, hard drive or any device containing the infringed data.

It is disappointing to note that there are entities that encroach upon the privacy of individuals for their own profit. In the present case, not only was there an encroachment upon the Trademark rights of naukri.com but also a breach of privacy, the data of the customers of naukri.com had been given in confidence to naukri.com alone and not to any other entity. The Delhi High Court's decision of seizing the hard drives and computer containing the data is in public interest and more such actions should be taken against such perpetrators of privacy of innocent individuals.

#### **Cheat code**

Being a popular brand has a lot of perks such as –loyal consumer base, good reputation, profits etc. but there is a down side to the same, there are many actors who intend to ride on the coat tails of such brands and establish their own business. The Indian courts have repeatedly punished such perpetrators with the intention of setting an example in the society and discouraging any such further incidents. Recently, the Delhi High Court passed another such decision protecting a well-known mark from being diluted or losing out on profits.

Cartier International (Plaintiff) filed a suit against an e-commerce website [WWW.DIGAAZ.COM](http://WWW.DIGAAZ.COM) (Respondent) for selling counterfeits of its original products. The Respondent's website was offering the counterfeit products bearing model names identical to those of the Plaintiffs' original product lines and that too at discounted rates which never were offered by the Plaintiff. The Plaintiff sent a cease and desist notice to the Respondent despite this, the Respondent continued to sell counterfeits. It was also submitted by the Plaintiff that despite complaints made by the purchasers regarding counterfeits, the Respondent did not offer refunds to such duped customers. One of the purchasers filed a complaint against the Respondent with the Cyber Crime Cell of Chandigarh police; this was followed by a raid in the premises of the Respondent where thousands of counterfeit products of various luxury brands, including that of the Plaintiff, were seized. It was also the case of the Plaintiff that the Respondent had made profits by selling counterfeits and duping the consumers over the last three years.

The Delhi High Court was satisfied by the case made out by the Plaintiff and stated that a 'classic case of infringement of trademark and passing off' had been made out. The Court held that the act of cheating cannot be condoned unless punished and in this case there was a suitable cause to pass a judgment for payment of punitive damages to the Plaintiff. The Respondent was ordered to pay INR 1 crore to the Plaintiff.

This case simply re-establishes that cheaters cannot be winners and winners never cheat.



**R. K. DEWAN & Co.**  
ADVOCATES, TRADE MARK & PATENT ATTORNEYS

Established in 1942

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