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Right of Memes

The 'Grumpy Cat' is one of the sensational memes of recent times, the cat in question is one with a sour expression and gained immediate popularity online. The image of the 'Grumpy Cat' is subject matter of both copyright and trade mark registrations in the name of Grumpy Cat Ltd. In or around 2013 Grumpy Cat Limited granted Grenade Beverage the limited license to use the Grumpy Cat's name and image for their special line of ice coffee sold as 'Grumpy Cat Grumpuccino'. In 2015, it came to the notice of Grumpy Cat Ltd. that Grenade Beverage had breached the terms of its License Agreement and had in fact use the name and image of Grumpy Cat for its other coffee products as well as T-shirts. It was also selling Grumpy Cat Roasted Coffee product, the packaging of which included an image of the Grumpy Cat used without the permission of the Copyright owner. This product was advertised on social media platforms such as Facebook, Twitter and Instagram.

On December 11, 2015 Grumpy Cat Ltd. filed a suit against Grenade and its principals claiming copyright and trade mark infringement. Grenade argued that Grumpy Cat Ltd had breached its terms of the license agreement by not approving the extended line of coffee products sought to be released by Grenade Beverage.

The Federal judge ruled that there was no breach of terms of contract by Grumpy Cat Ltd. Soon after, the jury in its recent verdict held that Grenade LLC was guilty of infringing the copyright and trade mark of Grumpy Cat LLC by using the name, likeness and the image of the Grumpy Cat on products without prior permission of the registered holder of trade mark and copyrights. Furthermore, damages to the tune of \$700,000 were awarded to Grumpy Cat LLC for the infringement by Grenade Beverages. This decision identifies the rights of memes to be protected from unauthorised use. Also, it is likely that the Grumpy Cat will not be Grumpy for a while now.

Stricter compliance for working of patents in India

The grant of a patent is a contract between the patentee and the government according to which the government grants the patentee the monopoly over such invention's commercial exploitation for a period of 20 years in return, the

patentee has to work such invention on a commercial basis to benefit the society. It is for this reason that Section 146 was included in the Indian Patents Act, 2005. This section makes it mandatory for a patent holder to submit the details of the working of the patent in India, to the Controller of Patents. The patentees have to submit form 27 giving such information, the failure to do so may attract penalties specified in Section 122 of the Act.

In the Writ Petition filed by IP scholar Mr. Shamnad Basheer it was submitted that several patentees/licensees were not furnishing information regarding the working of the patent in India. It was submitted that such non-furnishing of information was a blatant disregard of section 146 of the Act and that the Delhi High Court ought to issue directions to that effect. The Delhi High Court in the past has granted compulsory licenses in several cases and one such beneficiary of these decisions is NATCO. It was submitted by the petitioner that NATCO had been granted compulsory licenses to work the patentee invention in India, yet no such information under form 27 was submitted by it, which in a way fails the purpose of the grant of compulsory license.

The High Court perused the submissions and held that in no case could it be stated that the information regarding the working of patent is confidential, it was necessary for such patentee and/or licensee to furnish such information to the Controller of Patents. This decision is in the interest of the public at large, since the patentees/licensees not working the patent in sufficient quantity will come to light. Furthermore the entities that have obtained compulsory licenses will have to prove that their obtaining the license has indeed resulted in more commercial exploitation of the patent for the interest of the public. The matter was adjourned by the High Court to confirm with the Controller of Patents the numbers of cases in which patentee are yet to comply with section 146.

Registered Trademark cannot be removed without prior notice to registered proprietor

A trademark is registered for a period of ten years and is subject to renewal of its registration at its 10th year to further remain registered for another and subsequent periods of 10 years. After the expiration of the time period for renewal, for a period of one year from the date of expiration of the registration, the registered proprietor of the trade mark has the option to apply for restoration of the trade mark upon payment of a surcharge. If no restoration application is filed during this period then the registration lapses irretrievably. While the choice to renew one's trademark is that of the proprietor of such mark, Section 25 (3) of the Trade Marks Act, 1999 makes it mandatory for the Trade Marks Registry to notify such proprietor about the upcoming renewal of its trade mark.

In the case of *Kleenage Products Pvt Ltd vs the Registrar of Trademarks & Anr.*, the Petitioner (Kleenage) filed a writ petition before the Bombay High Court claiming that its registered trade mark 'KLITOLIN' was to be removed from the Register on account of non-renewal. The Petitioner did not file for renewal of its trade mark since it did not receive an intimation from the Trade Mark Registry about the impending renewal. As a result the Petitioner's registered trade mark was liable to be removed from the Register. The Petitioner, as guided by R.K. Dewan & Co. filed a Writ Petition before the Bombay High Court where it was argued that under section 25 (3) of the Trade Marks Act, 1999 and rule 67 of the Trade Marks Rules, 2003 that the Registrar of Trade Marks is bound to notify to the proprietor of a

registered trade mark about the requirement of renewal of its trade mark, this is usually referred to as an O-3 notice. It was claimed by the Petitioner that no such notice was served upon it by the Registrar of Trade Marks and the proprietor was not informed of the required renewal. The Registrar of Trade Marks submitted that a O-3 notice had been served upon the Petitioner however, no documentary evidence was available with the Registry to support such service.

In light if these submissions the High Court ordered that the Registrar of Trade Marks to accept the Petitioner's application for renewal of its trade mark upon payment of the requisite official fees.

The order in this case is a relief for proprietors of trade marks who have not renewed their trade mark registrations because no notice was served upon them by the Registrar intimating them about the renewal requirement. Such proprietors will benefit from this decision and will succeed in keeping their registration alive.

When the prefix is not distinctive....

The Trade Marks Act, 1999 specifies that a mark has to be viewed as a whole and as per Section 17 of the Act, a trade mark cannot be dissected into parts. There are, however, certain prefixes which, by virtue of extensive and uninterrupted use have become exclusive to a particular proprietor for e.g. 'Mc' and 'Mac' as prefixes are exclusively associated with McDonald's. In a recent suit, Bigtree Entertainment, the proprietor of the trade mark 'BookMyShow' and its variants sought to obtain injunction against another entity using the trade mark 'BookMySports'.

Bigtree entertainment claimed that the prefix 'BookMy' was extensively used by them and therefore was exclusive to it alone. The Defendant (Brain Seed Sportainment) claimed that there were several domain names with the prefix 'BookMy' apart from the Plaintiff. The Defendant also claimed that the prefix 'BookMy' was not distinctive and was rather descriptive therefore, the Plaintiff could not claim exclusivity over the same.

The Delhi High Court perused the submissions of the parties and concluded that the Plaintiff had not shown any document on record to prove that the prefix 'BookMy' was exclusively associated with it alone. It was also observed that there were other entities using the prefix 'BookMy' therefore, the Plaintiff was unable to prove *prima-facie* case of infringement or passing off against the Defendant.

The finding of the Court in this case may not be in line with the general understanding of section 29 of the Trade Marks Act, 1999. The proprietor of a registered trade mark has the right to initiate an action of infringement against an entity that is using a deceptively similar trade mark causing likelihood of confusion in the minds of public. Furthermore, the Court did not assess that an ordinary person may be misled into believing an association between the two marks in question. The use of the prefix 'BookMy' by other entities by itself does not permit the Defendant to also use the same as its trade mark. Another important consideration is the fact that on BookMyShow tickets for various activities, events including sports can be booked. Therefore the target consumer base may be led to believe

that there is an association between the Plaintiff and the Defendant. Since, this is an interim order, it remains to be seen what the final decision may be.

Assignment to Indian subsidiary not necessary for Global Company to claim IP Protection in India

Trade Marks are territorial rights therefore, in order to claim protection of trade marks, it is necessary that such a mark is registered in India to initiate any infringement action. It is a common practice for Multi-National Companies to license/assign their trade marks in favour of the Indian representative office to ensure that the trade marks are commercialized in India by such Indian office directly. Recently, Levi Strauss & Co. initiated an action for trade mark infringement against a shop selling apparels namely, jeans bearing logos identical to its registered trademarks "LEVI'S STRAUSS" and "LEVI'S".

Levi Strauss & Co. succeeded in obtaining an *ex-parte ad-interim* injunction against the Defendants. A local commissioner was appointed to seize the infringing goods from the Defendant's shop. The suit was later dismissed by Additional District Judge on the grounds that the Local Commissioner appointed, had not been examined by the Plaintiff and the goods seized from the Defendant's shop had not been produced before the Court to show that the Defendant had infringed the trademark of the Plaintiff or was passing off the goods as that of the Plaintiff. The District Judge also held that the sales and expenses incurred for the trade marks 'Levi's' and 'Levi's Strauss' as certified by a Chartered Accountant, had originally been incurred by Levi's Strauss India Pvt Ltd. in India. However, there was no assignment deed between Levi Strauss and Co. and Levi's Strauss India Pvt. Ltd. Therefore, the injunction order was stayed and the suit was dismissed. An appeal was filed by Levi Strauss & Co. claiming that the Commissioner's report is evidence in a suit and can be admitted without examination. It was also contended that there was no requirement for submitting an assignment deed between itself and the Indian Company because the trade marks were registered in the name of the parent company itself i.e. Levi Strauss & Co. Furthermore, it was submitted that Levi Strauss & Co. and its Indian company should be considered as one economic entity so far as the business is conducted by Levi Strauss in different countries through such companies but the marks are owned by the parent company itself and the affiliates/subsidiaries use the registered trade mark with the permission of the Plaintiff and therefore, there was no requirement to furnish the assignment deed.

The High Court perused the facts and held that the Local Commissioner was an officer of the Court and it is not necessary to examine the Commissioner in every matter, it may be done at the option of the Party (in the event any clarification is required in respect of the report). Further, the Sales and expenses figures of the Indian entity placed before the Court have to be taken on record to show the usage of the trade mark in India. It is not necessary for Levi Strauss & Co to show the assignment of trademarks to its Indian entity; *moreso*, the legal proceedings certificates furnished before the Court clearly show Levi Strauss & Co as the owner of the trade mark and the suit has been filed by the registered proprietor. Therefore, no further assignment was required to be furnished to establish the proprietary rights of the mark in India. This decision is a new development in transactional IP law in India, it will



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relieve a foreign proprietors of trademarks from the burden of executing an assignment/license agreement in favour of its Indian counterpart, and will allow them to directly claim use of the trade mark in India by itself.