



RKD NewsNet July 2019

Compiled by: Adv. Sachi Kapoor & Adv. Aboli Kherde | Concept & Edited by: Dr. Mohan Dewan

International News

- MOTION MARKS IN UK
- AUDI VS AUDIMAS
- WHAT SHOULD ONE KEEP IN MIND WHILE SELECTING TRADEMARKS?
- THE THREE-STRIPE HYPE

National News

- WORKSHOP ON AUTOMOBILE AND IP
- KANAIIYA, THE CURD THIEF... & A TRADEMARK DISPUTE!
- MUSIC COMPOSERS V. MUSIC PRODUCERS

Motion Marks in UK

The Trademark Law in UK was amended in January 2019 to include the registration of motion marks. A Motion Mark is a moving logo or an animation of a logo, which is created and used by a company as a technique for innovative marketing in order to attract consumers towards their products/services. The amendment in the UK law now allows brand owners to obtain a trade mark protection for motion-based trade marks (e.g. GIFs, holograms and other forms of moving images) in a simple manner.

It was possible to register Motion marks in UK even before 2019, however, the applicant was to create something close to a 2D flicker book capturing each movement in the logo. This is the process to register motion marks in India as on date. Some of the popular motion marks are: Nokia's clasping hands sequence, the Microsoft windows, Sony Ericsson's colour liquid sequence, etc.

On June 26, 2019, the British IP Day was marked by the grant of the first ever moving multi-media mark in UK. Toshiba, the world famous Japanese company had applied for the company's logo which zooms out with polygons representing origami appearing and disappearing around it. The UKIPO Chairman stated that, *"Trademarks are likely to become increasingly innovative in the digital age, as organizations explore imaginative ways of reflecting their distinctive brand personalities using creative IP. Under the amended trademark law, submission of motion marks, hologram trademarks and sound marks via multimedia format now enables examiners to see exactly what the creator of the mark intended"*.

Audi vs Audimas

Audimas, a Lithuanian brand founded in 1931, popular for active leisure and sportswear. The company filed for a



trademark registration for the mark **AUDIMAS** at the EUIPO in 2014. The application was filed for goods and services covering the following: leather, animal skins, clothing, footwear, advertising, retailing and wholesaling. However, in 2015, Audi initiated an opposition proceeding and the mark was refused on completion of the opposition proceedings.



Audimas, unsatisfied with their decision appealed at the EUIPO Board of Appeal, however, the same was rejected in the year 2018, on the grounds that, the most dominant part of the applied for mark is 'audi' and thus, the registration of AUDIMAS will render to be confusing to the previously registered marks on Audi. Audimas, argued against this stating that, the mark should be considered as a whole and that audimas has a distinct meaning altogether. It was further submitted that, the element 'audimas' is always written as a single word, with the same spacing between the letters and without separation between them in addition to the brackets placed above the letters D and M.

The EUIPO however, stated that 'mas' in Spanish meant – more or plus. The General court upheld this finding of the EUIPO and held that since the term 'mas' was known to the Spanish speaking people, it has less-distinctiveness. On the other hand, the term 'audi' has no concrete meaning in Spanish, and thus will be the dominant element of the mark in the minds of the consumers. The Court also ruled that, the consumers tend to identify the mark and break it up on the basis of the verbal elements. It was also held, that more emphasis is applied on the first half of the mark as compared to the second half.

What should one keep in mind while selecting Trademarks?

A recent order of the USPTO (which we appreciate for its simplicity in thought and clarity in expression) very easily puts forth as to how one must assess if there is likelihood of confusion between contending trademarks. While there are other secondary factors which are assessed in complex cases, for beginners, this case is a good start:

In 2015, Louis Vuitton Malletier ("LV"), applied for the registration of its trademark APOGÉE at the USPTO. The Trademark Examining Attorney refused to register APOGÉE since the mark resembled the word mark APHOGEE which was registered for hair care products by KAB Brands ("KAB"). LV appealed against this decision.

The Appellate Board stated that, *"in any likelihood of confusion analysis the key considerations are the similarities between the marks and the similarities between the goods."*

LV contended that its mark did not resemble KAB's since ordinary consumers in America were familiar with French and would translate LV's mark APOGÉE to mean "height". They would also pronounce it as "A-PO-ZHAY". The Board did not agree with this contention. It held that the registered mark APHOGEE was a coined term. Since it is not a dictionary word, the consumers may pronounce it in more than one ways. Its pronunciation could not be definitively determined. LV also pointed out that the marketing materials used by KAB for APHOGEE products state that it is "pH optimized". Therefore, it was most likely that the mark will be used as APHOGEE, with 'pH' signifying the pH optimization in the products. The Board however observed that the registered mark APHOGEE was a word mark, hence it could not be restricted to a particular form of writing.

The Board concluded that when considered as a whole, both LV's and KAB's marks are similar in appearance, sound, connotation and commercial impression and therefore there is a likelihood of confusion.

With respect to the second point of assessing similarities, the Board relied on the case of **Octocom v. Hous. Computs. Servs. Inc.** wherein it was observed that, if the circumstances surrounding the marketing of goods under the contending marks could give rise to the mistaken belief that the goods emanate from the same source, then there is a likelihood of confusion.



LV's goods consist of perfumery products while KAB's goods consist of hair care products; however they both fall under the general category of beauty and personal care products. The Board also observed that there were many brands such as Calvin Klein Eternity, Clinique, Jack Black that sold perfumery and hair care products under the same brand. The Board held "*The issue is not whether the goods will be confused with each other, but rather whether the public will be confused as to their source.*" Therefore it concluded that there was likelihood of confusion with respect to the goods as well.

The Board observed that even though LV was to sell its products in *Louis Vuitton Malletier's store-within-store partnerships with high end retail stores within Louis Vuitton Malletier's exclusive distributor network* only, there was no proof that the trade channels are mutually exclusive and would never overlap.

Therefore, the Board observed that the trade channels of sale of both the goods as well as the conditions of sale were also similar enough to cause confusion. In view of all these considerations, the decision for refusing registration to LV's mark APOGEE was upheld.

The Three-Stripe hype



When one thinks of Adidas, one inevitably thinks of  . But does one think of Adidas, when one

sees this  ?

Confused?! Don't be. In simpler words, the question was whether the three stripes, used in any direction are closely associated with the German sportswear manufacturer Adidas? Adidas has sought to protect the three parallel stripes as their trademark. The trademark was granted by the EUIPO. However, in a dispute between Adidas and Shoe Branding Europe, a Belgian company, the validity of this Logo was challenged. It was declared invalid by the EUIPO Board of Appeal for lack of distinctiveness. Adidas then appealed to the General Court, contending that the Logo had acquired distinctive character due to its extensive and continuous use. It also presented several proofs to show the extensive use of the mark globally. Accordingly to Adidas's claim, the Logo of three stripes was so closely associated with Adidas, that the general public associated a logo of three stripes with Adidas alone.

However, the General Court was observed that the actual use of the marks was different from the form in which the marks were sought to be registered. This did not help in making the Logo inherently distinctive and closely associated with Adidas. Further, the evidence of use submitted by Adidas was also insufficient to prove that the mark of three-stripes could be closely associated with Adidas only. The relevance of its use could not be proved in more than 5 EU member states. Hence, Adidas's appeal failed.

WORKSHOP ON AUTOMOBILE AND IP



IP CHALLENGES IN LEVERAGING AI and BIG DATA IN FUTURE CARS

Dr. Mohan Dewan, Principal, R.K. Dewan and Co. was invited as one of the Speakers at a Workshop on Automobile and IP at Chennai on June 29, 2019. Dr. Dewan addressed an audience of more than 50+ leading In-house IP Counsels on the topic of IP CHALLENGES IN LEVERAGING AI and BIG DATA IN FUTURE CARS. While addressing the various challenges faced in protecting this nascent technology of Artificial Intelligence within the four-corners of the current legal set-up, Dr. Dewan suggested that AI should be treated as legal persons under law. He also discussed the possibilities of making the authors/ creators of the AI technology vicariously liable for the AIs actions and decisions.

In the patenting of any new and upcoming technologies, the issues faced are not related to the inventions related to application of the technology, the questions that arise majorly of are related to the adaptability of the legal framework to facilitate the protection of the new found technology and AI is no different. The issues with respect to the patenting of AI are very fundamental, considering that it is still in its blooming years. Questions, as primary as:

Who is the IP owner for creations by the AI?

Who is liable for mishaps caused by AI?

What exactly will be protected?

Who is AI?!

Arise.

Coming to automobiles, the challenge lies in two aspects:

The cardinal principal of vehicular machines is that safety-while-motion should not be compromised. While AI can be easily applied in other sectors, it has to pass the test of this principle very stringently before becoming a commercially successful invention, considering the risks involved. Secondly, who will be liable when this safety is compromised? As suggested by Dr. Dewan, vicarious liability of the owner to the appropriate extent can be a solution.

In the times to come, we are sure to see more and more automation in automobiles, which we believe will ease out the current questions related to AI.

Kanaiya, the curd thief... & a trademark dispute!

Gokul, Gowardhan, Kishen, Kaniya, Nand Gokul, Ananda, Shyam.. etc. Do these words ring a bell? Apart from being associated with milch animals, aren't they all connected to the Indian deity, Lord Krishna? In India, Lord Krishna is closely associated with milk and dairy products because of his age old stories of being a curd-thief and his name is used by numerous brands.

An application for the registration of the composite label:



कनैया डेरीफार्म



'KANAIYA Dairy Farm' in class 29 was filed at the TM

Registry respect of, *inter alia*, milk and other dairy products.

The application was opposed by Kanaiya Dairy Farms Pvt. Ltd. ("the Opponent") claiming that the mark was deceptively similar to its registered trademark KANAIYA. The Opponent stated that it was the prior adopter of the mark and had adopted it since 1983. The Registrar observed that Kanaiya being the name of Lord Krishna is closely associated with dairy products in India. In view of this, the Opponent herein could not be entitled to the exclusive use of the word 'KANAIYA'. Further, it also noted that the composite label of the Applicant had various additional elements such as a child (the young Lord Krishna), a pot and a churning stick. Also, the words **KANAIYA Dairy Farm** was written in vernacular language. This clearly differentiated it from the Opponent's mark when taken as a whole.

The Applicant, had also contended that the Opponent had failed to prove that it was the honest and prior adopted of the mark **KANAIYA** since it had submitted 2 different assignment deeds in 2 different opposition proceedings to support its claims of the mark being assigned to it. Hence, the validity of these assignment deeds is questionable. The Registry agreed with the Applicant's view. Upon examining the assignment deeds it observed that both the deeds were executed by 2 different persons in favour of M/s Kanaiya Dairy Farm. Hence the rights of the Opponent in the mark were unclear.

Hence, the Opposition Proceeding was rejected and the applicant's mark was allowed to proceed for advertisement.

Music Composers v. Music Producers

The Copyright Act, 1957 in India provides the following definitions for:

COMPOSER: "composer", in relation to a musical work, means the person who composes the music regardless of whether he records it in any form of graphical notation;

PRODUCER: "producer", in relation to a cinematograph film or sound recording, means a person who takes the initiative and responsibility for making the work;

Mr. Ilayaraja is a renowned music composer from South India with some of the finest music compositions credited to his name. Agi Music Sdn. Bhd. ("Agi Music") is a record label and music publishing company while Echo Recording Company Pvt. Ltd. ("Echo") is a recording company engaged in purchasing 'sound recordings' from producers of cinematograph films and using the same to manufacture cassettes and compact discs for sale. Recently, the Madras High Court decreed together 2 cases of copyright infringement in music works and sound recordings between these parties. The entire case revolves around the ownership of the Intellectual property in the music compositions/musical works of Ilayaraja.

According to Ilayaraja, he had assigned all the rights in his music compositions to his wife who then licensed the music works for use to Agi Music, in return of certain royalties to be paid to Ilayaraja. Since no *Term* was stipulated in



the assignment agreement with his wife, according to Ilaiyaraja, the statutory term of 5 years was to apply to it by default and the Assignment Agreement was to come to an end in 5 years, i.e. by 2012. Ilaiyaraja contends that Agi Music has continued to exploit his work unfairly and even after the lapsing of the agreements.

The Madras High Court ruled in favour of Mr. Ilaiyaraja stating that the Assignment Agreement and Sound Recording Licensing Agreement (SRLA) were both valid. It dismissed the suit by Agi Music stating that since the Term of the Assignment Agreement is determined as per the provisions of Section 19(5) of the Copyright Act, 1957, a term of 5 years only will be applied to it and no implied term beyond this stipulated period can be read into the SRLA.

Against Echo, Ilaiyaraja contended that he had not permitted Echo to exploit his works at all. Ilaiyaraja contended that he was the owner of the copyright in the music composed by him which was being used as 'sound recordings' in several cinematographic films. Echo countered Ilaiyaraja's claim stating that it had obtained licenses/assignments for the 'sound recordings' based on the 'musical works' of Ilaiyaraja from various **producers** of the films, who, according to it, are the owners of the recordings.

The Madras High Court ruled that even though the composer is the owner of the music compositions he creates, he cannot be considered to have rights in the 'sound recordings'. It was further observed that, by default, the copyright in the sound recordings lies with the Producer unless the Agreement specifically contains a provision to the contrary. *The Madras High Court ruled that even though the composer is the owner of the music compositions he creates, he cannot be considered to have rights in the 'sound recordings'. It was further observed that, by default, the copyright in the sound recordings lies with the Producer unless the Agreement specifically contains a provision to the contrary.* At the same time, the Court reiterated the provisions of the statutory moral rights of the composer in his works, which he cannot be deprived of. This is a partial win-win for both, the composers and the producers. While the producers have the liberty to use the music by customising it for their films etc. and the composer keeps receiving royalties for the same.