

RKD Newsletter March-2019

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Dr. Dewan speaks at the Conference for High Court Justices on Intellectual Property Rights (IPR)

We are immensely proud and delighted to report that Dr. Mohan Dewan, Principal, R. K. Dewan and Co. was invited as a speaker at the Conference for High Court Judges on Intellectual Property Rights (IPR) from 8th to 10th February, 2019. This Conference was organised by the National Judicial Academy, Bhopal, under the Directorship of Hon'ble Justice G. Raghuram.

Dr. Dewan addressed the collegium of High Court Judges through 3 separate sessions on the following topics:

1. Challenges of Intellectual Property Rights in Digital Age;
2. Resolving Intellectual Property Disputes via Commercial Courts and ADRs; and
3. Role of the Judiciary in effective Enforcement of Intellectual Property Rights



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Disney “worries” About Its Trademark “Hakuna Matata”

When words/phrases are used amongst cross borders, such use has immense emotion attached to it among the local linguistic groups. Common examples are – Namaste, Khadi, Yoga Asanas, As-Salaam-Alaikum, etc.

Similarly in Swahili, (a native language of the African Great Lakes region and other parts of eastern and south-eastern Africa) the phrase “Hakuna Matata” translates to - “no worries”. We are all familiar with the popular phrase used in the Disney movie – The Lion King. Such usage popularized the local underrated phrase and also brought the world’s notice towards the Swahili group. However, recently, Walt Disney has sought trademark rights over the phrase for its film “The Lion King”. There is a petition being circulated on the social media that asks Disney to relinquish its rights to the phrase. It states that Disney’s move of monopolising a traditional Swahili phrase for itself has led to an emotional response. Surprisingly, some petitions call it ‘*an assault on the Swahili people and Africa as a whole*’.

You may wonder – why the chaos? Well, we agree that such native phrases unless derogatory in nature, can undoubtedly be good trademarks. However, these native phrases have a regional emotion attached to it. If the trademark application was made by the local Swahili speaking group, it would not have attracted any negative



response. But the same phrase being filed by a US based entity viz. Walt Disney has given rise to 'heating of the emotion' amongst the local groups. The primary reason for the local groups reacting negatively could be the disturbing thought of their local phrase being wrongly monopolized by a foreign entity. Once such a trademark is granted, this foreign entity will be free to use the phrase as per its own fancies. The current uproar being received by the local linguistic groups would not have occurred had the trademark application been filed from an individual/group from their native community.

Till Walt Disney used 'Hakuna Matata' in its movie – The Lion King, in good light, such use was appreciated and justified, however, to have a general trademark in its own name caused a storm.

Now, is the petition a merely lack of understanding trademarks or a self-induced promotional activity ahead of "The Lion King's" re-launch, is a question we leave for the readers?!

Japan PO Says Discovery and Discoverer Are Dissimilar

Recently, Jaguar Land Rover Limited ("Jaguar") which has been using the mark "DISCOVERY" for its Four Wheeler SUV "LAND ROVER DISCOVERY" opposed the registration of the mark "DISCOVERER" at the Opposition Board of the Japan Patent Office ("JPO"). The applicant of the mark "DISCOVERER" had applied for its registration with respect to "batteries and cells, telecommunication machines and apparatus, recorded video discs, and other goods". Jaguar contended that the mark "DISCOVERER" was confusingly similar to Jaguar's mark "DISCOVERY". However, the Opposition Board stated that Jaguar had not placed enough materials/ evidence on record to prove the degree of popularity and reputation of Jaguar's mark "DISCOVERY". Further it was of the opinion that the marks were visually, phonetically and conceptually distinguishable and hence deemed dissimilar. It observed that the word Discovery was a generic word. The goods that both the parties dealt in were so varied that the chances of confusion amongst consumers were less.

A cursory search of the mark "DISCOVERY" in India revealed that the mark is Objected as of now. Ironically, in its reply to Examination Report, Jaguar states that its mark "DISCOVERY" can peacefully co-exist with Discovery Communication LLC's (the Discovery Channel) "DISCOVERY" since the parties deal in dissimilar goods and that Jaguar has filed for a specific set of goods, i.e. Passenger Vehicles only.

US SC: Right against Infringer of Copyright Can Be Retrospectively Enforced After Registration of Copyright

In the case of **Fourth Estate Public Benefit Corp. v. Wall-Street.com** dated March 4, 2019, the US Supreme Court's clarified its stand on one of the most fundamental and largely used provision of the US Copyright law, i.e. whether suit for infringement can be filed before copyright registration is granted. **Fourth Estate** is a news organisation which had licensed its works to a news broadcasting website Wall-Street vide a License Agreement. The Agreement required Wall-Street to take down/ remove all of the licensed content before it could be cancelled. With regards to the copyright in the works, Fourth Estate's application for registration of such copyright was pending at the Register of Copyrights.



The US copyright law entitles a copyright owner to institute a civil action for infringement of its exclusive rights in its creation. The bone of contention in this case was whether *grant of registration was a pre-condition for filing suit for infringement or whether applying for registration alone was sufficient*. The Court assessed the two approaches put forth by the parties in interpreting the phrase "Registration has been made". While one interpretation was that the right to sue for infringement arises when an application for registration is made, the other interpretation was that such right arises only when any action is taken upon such application by the Register (read Registrar).

The Court held that a copyright claimant may commence an infringement suit, when registration is granted by the Copyright Office. However, to ensure that the rights of the copyright owner against infringement during the period between application and registration remain protected, it further held that a copyright owner can take action retrospectively, i.e. for such infringement which has taken place even before registration. The Court observed that other provisions of the Copyright Act support its reading of "registration" to mean "*action by the Register*".

Hence, though the right is accrued after registration, it can be enforced for a time before such registration is complete. The Court held that "*As per equitable principles in IP law, any author gains 'exclusive rights' in his/ her work immediately upon the work's creation. If infringement occurs before a copyright owner applies for registration, that owner may eventually recover damages for the past infringement, as well as the infringer's profits.*"

The Warner v. Spotify waltz!

Spotify, the music streaming web-application, faced certain legal issues before its launch in India. Spotify reportedly entered into license agreements with major record labels such as Sony, T-Series etc. to broadcast their music through its application. It would pay royalties to the owners of the works held by these labels as per the provisions of these license agreements. However, its negotiations with one of the international record label Warner Music Company apparently did not work out. It is reported that the parties could not agree upon the royalties to be paid.

Spotify, in view of its forthcoming launch, nevertheless decided to proceed with statutory license as per the Copyright Act. The Copyright Act allows broadcasters to obtain licenses without the express permission of the owner at royalty rates fixed by the "Intellectual Property Appellate Board ("IPAB").

Warner Music decided to injunct Spotify and approached the Bombay High Court for this. The Bombay High Court rejected the injunction but asked Spotify to deposit an amount to the tune of INR 6 Crore with it. Since the process of obtaining the license is dealt with by the IPAB, the High Court stated that its Order is without prejudice to the IPAB's decision regarding statutory license which Spotify seeks to obtain from the Board. If Spotify fails to obtain a statutory license, the Court will hear the parties and decide whether Warner's musical works have been infringed/ exploited. The case is listed for further hearing in March, 2019. Watch this space for updates!

The Nizam Wins Its Trademark Battle

The mark "NIZAM" is being used by Mr. Rajesh Chugh (plaintiff in the original suit and Respondent in this Appeal) for his business of selling "Kebabs" and related food products. Mr. Rajesh Chugh claimed that by virtue of extensive and continuous use as well as the high quality taste of food items sold under his brand and trademark 'Nizam's, it is exclusively associated with his business and services.



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Respondent's Registered Mark

Appellant's
infringing
mark

Chhavi Poplai & Anr v. Rajesh Chugh & Anr, an appeal against the order of a Single judge of the Delhi High Court, is a case of infringement of the mark "NIZAM".

Mr. Poplai, (the Appellant in this appeal), who was operating a franchise of Mr. Rajesh Chugh's "NIZAM", was found to be unauthorisedly using the mark inspite of termination of the arrangement between the parties. Mr. Poplai's new logo has 'Nizam' as its most prominent part, making it deceptively similar to Mr. Rajesh Chugh's logo. Mr. Poplai was not only using the mark on his website, food aggregating websites such as Swiggy, Zomato, but had also applied for the registration of the device mark 'New Nizam's Kababs and Biryani' claiming use since the time he was operating the franchise of Mr. Rajesh Chugh.

The Single Judge of the High Court held that a *prima facie* case of infringement and passing off is made out in favour of Mr. Rajesh Chugh.

In the appeal, the Court observed that given that the marks were deceptively similar and that both the parties dealt in same goods, the infringing mark is bound to create confusion in the mind of an average viewer. Mr. Poplai contended that "Nizam" is a generic word and hence, no person can claim a monopolistic right over the same. However, Mr. Poplai had himself applied for the registration of the mark "Nizam". Hence, he was estopped from claiming that the word "Nizam" was generic. The Court cited **Neon Laboratories v. Thermis Medicare Ltd. 2014 (60) PTC 621(Bom)** in which it was held that a party cannot take a plea of a mark being common to the trade when the it has itself applied for its registration. "There is a form of estoppel by conduct that applies to such a party. *"A man may not 'approbate' and 'reprobate'. He may take inconsistent stands, but not ones that are mutually destructive."*

Mr. Poplai's next argument was that since Mr. Rajesh Chugh had chosen not to restrain a party in Calcutta from using the mark, it is said to have acquiesced infringement of the same. However, the Court did not find any merit in this argument as it observed that the party in Calcutta had confined its registration and use of the mark 'Nizam's to West Bengal. Therefore, the appeal was dismissed and the Order of the learned Single Judge was upheld.