

October 2024 / Issue-157



IPR amicus

An e-newsletter from
Lakshmikumar & Sridharan.

LKS Lakshmikumar
Sridharan
attorneys
SINCE 1985
exceeding expectations



Table of Contents

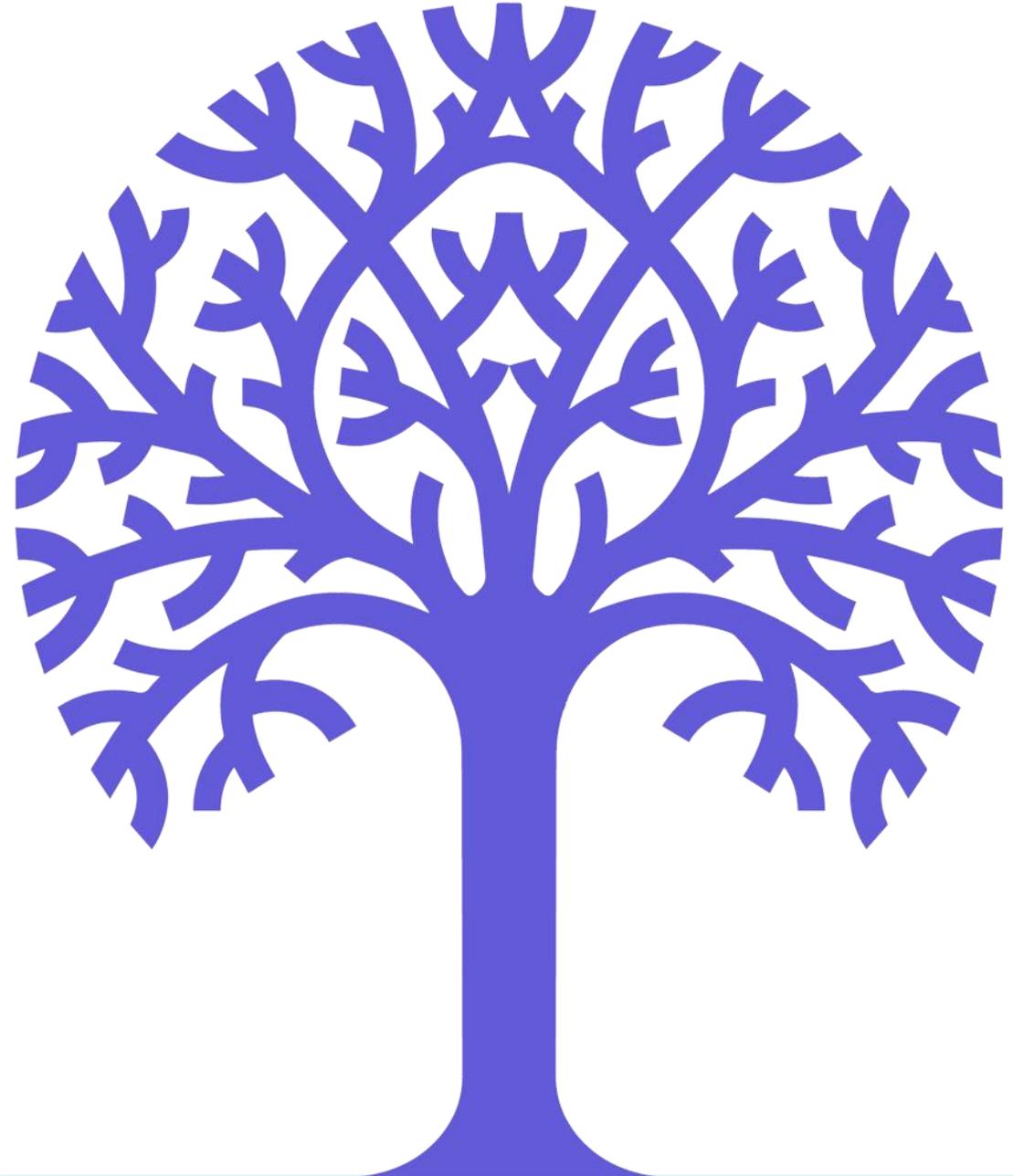
Articles 3

- The crocodile conundrum: Lacoste v. Crocodile International explained4
- With great influence comes great responsibility: Trademark disparagement13

Statute Update 21

Ratio Decidendi..... 23

News Nuggets..... 28





Articles

The crocodile conundrum: Lacoste v. Crocodile International explained

By Nabanita Mallick, Radhika Deekshay and Vindhya S. Mani

The first article in this issue of IPR Amicus discusses a recent judgement in *Lacoste & Anr. v. Crocodile International Pte. Ltd.*, wherein the Delhi High Court has ruled upon a two-decade long conflict between so-called ‘mirror’ logos of a crocodile/ saurian. The judgement touches upon various important principles, such as anti-dissection, initial interest confusion, idea-expression dichotomy, merger doctrine, etc., and is an amalgamation of plethora of branches of IP i.e., infringement, passing off, IP enforcement through agreements, territoriality of trademarks, etc. Elaborately discussing various points, the authors note that given that the bulk of India’s IP jurisprudence is based on interim stage decisions, there is a need for more such post-trial judgments to understand and appreciate nuances of IP law and Civil Procedure.

The crocodile conundrum: Lacoste v. Crocodile International explained

By Nabanita Mallick, Radhika Deekshay and Vindhya S. Mani

Trademark battles seldom last decades, however when they do, they give rise to a complex set of issues to address and adjudicate. One such case led to the recent judgement in *Lacoste & Anr. v. Crocodile International Pte Ltd & Anr.* CS(Comm)1550/2016, wherein the Delhi High Court ruled upon a two-decade long conflict between so-called 'mirror' logos of a crocodile/saurian i.e.,  ' v. '  '. Interestingly, the dispute forms part of a larger ongoing global conflict between the two parties in various jurisdictions such as Philippines, China, Singapore, New Zealand, etc. As one may expect, verdicts differ in different countries, however in India, the matter (which includes a myriad of facts, involving co-existence agreements, complexities in prior use, letters of consent, evidentiary lacuna, etc.) has been decided, at least in the first instance, in favour of *Lacoste*. The judgement touches upon various important principles, such as anti-dissection, initial interest confusion, idea-expression dichotomy, merger doctrine, etc. Before delving into the same, a brief understanding of the facts is necessary.

Brief facts

Both *Lacoste* ('plaintiff') and *Crocodile* ('defendant') lay claim to crocodile/ saurian logos that appear to mirror each other  vs. , respectively. Both parties have been using these logo devices on their clothing articles around the world, including India. The plaintiff instituted a suit for trademark infringement, copyright infringement, and passing off against the defendant's use of the mark. In defense, the defendant claimed that the present suit breaches the mutual understanding and contracts signed by the parties to maintain peaceful co-existence regarding their respective marks. Further, the defendant claims honest and concurrent use on account of a co-existence agreement signed between the parties in 1983 and a letter dated in 1985. In deciding the present matter, these two main documents, as well as several contemporaneous documents were scrutinized by the Court. The analysis presented by the Court gives an insight into the realm of IP enforcement, and the need for complete and holistic agreements.

A. The 1983 Agreement (dated 17 June 1983)

Applicability of the 1983 Agreement to India

The plaintiff and the defendant entered into a co-existence agreement on 17 June 1983, ('1983 Agreement') for co-existence between their saurian marks in specified markets. 'Territories' specified in Article I of the Agreement included Taiwan, Singapore, Indonesia, Malaysia (Malaya, Sabah, Sarawak), and Brunei. The same was also mentioned in the Preamble of the Agreement, and further Article II of the Agreement emphasized on the operational limits of the Parties within these defined territories. However, the Recitals of the Agreement also spoke of intentions of the Parties to cooperate in other parts of the world wherever possible.

The tenor of the Agreement and its specific clauses clearly delineates the rights of the Parties with respect to defined territories in Article I of the Agreement. Basis the same, the Court opined that there was no substantive, contractual or documentary support in the Agreement to show India or any other country was implicitly covered under the ambit of the Agreement.

The Court emphasized in the judgement that contracts are to be expressed in precise and unambiguous terms. No analogous terms or purported notions of '*understanding*', '*spirit of goodwill*',

'*cooperation*' can imply an understanding in the Agreement to extend to territories other than the ones explicitly mentioned in Article I of the Agreement.

The Court stressed that factors such as prevailing law, specific right and obligations, parties conduct, and explicit agreements should be considered at the time of adjudication of a matter, and the same is not to be adjudicated on the basis of implied or purported spirit of the Agreement. Hence, the Agreement was considered to be not binding *qua* India.

Territoriality of trademarks

Trademark rights are territorial and the jurisdiction in which they are granted and enforced play a key role. Rights granted in one country does not automatically confer rights in another, unless explicitly stated *via* agreement or treaties. Specification of the countries in the Agreement signifies clear intention to limit the scope of the Agreement in the specified territories only. This is clear from the fact that the plaintiff enforced its rights *via* legal proceedings in other countries, not specified in the Article 1 of the 1983 Agreement, such as in Myanmar and China, indicating the restrictive territorial scope of the Agreement.

Partial Arbitral Award of 15 August 2011

Further reliance was placed by the Court upon the Partial Arbitral Award given by the Arbitral Tribunal in Singapore on 15 August 2011, for the interpretation of the 1983 Agreement such as:

- Obligations of the Agreement (as per Article II) were confined only to the five territories which are listed as ‘the territories’ in Article I of the Agreement. Hence the Agreement did not obligate the Parties to consent to registrations in countries outside the specified territories. Further, the Preamble did not give rise to any other agreement.
- Contractual obligation surpassed the territorial limits of the Agreement only for ‘*technical cooperation*’ between the Parties to combat third party infringers outside the Territories, as illustrated by the plaintiff. The same did not affect other aspects of the Agreement. Hence, *technical cooperation* between the Parties which are directed against third parties does not obligate the Parties to not object the other Party’s marks

The Tribunal also considered the Parties’ conduct by the fact that multiple disputes outside the Territories of the Agreement were instituted.

Basis the same, it was concluded by the Court in the present matter that there was an *absence of an express provision* in the Agreement, regarding the Parties having to co-exist and cooperate in India. The Court opined that the ambit of the Agreement did not apply to the Parties in India and hence, the defendant could not assert its rights emanating from the 1983 Agreement in the Indian jurisdiction, and such an attempt by the defendant was labelled by the Court to *lack legal basis* and to be inconsistent with the territorial nature of trademarks.

B. 1985 Letter (dated 22 August 1985)

The next major document relied upon by the defendant, was the Letter dated 22 August 1985 (1985 Letter), wherein it was stated that the defendant allowed the use of the marks by the plaintiff in Korea, and that the defendant would issue consent letters to the plaintiff for the plaintiff’s marks to be registered in India, Pakistan and Bangladesh. Basis the 1985 Letter, the defendant contended that without its consent, the plaintiff could not have registered its marks in India. It was further contended that this Letter was issued after an offer made by the plaintiff to the defendant, proposing to exchange market presents in Korea, for the plaintiff’s position in India.

However, the plaintiff stated that the 1985 Letter was not addressed to them, nor did they respond to it, nor was the said

Letter signed by them, and accordingly claimed that the Letter did not constitute a mutual agreement which extended the 1983 Agreement to include India in its ambit. Moreover, the plaintiff asserted that they had already registered its trademarks in India, and they never required any consent letter from the defendant in the first place.

Court's interpretation

As there was no documentary or oral evidence regarding the events which preceded the issuance of the 1985 Letter, there could not be any inference that the same extended the scope of the 1983 Agreement to India.

The Court highlighted the need for absolute clarity in trademark agreements, which should be 'clear', 'specific' and 'actionable'. Factors such as:

1. Lack of precise legal documentation backing the 1985 Letter;
2. The plaintiff's actions in opposing the defendant's mark and rejecting their requests in different countries such as in Hungary, Japan, Myanmar, Uganda, India, Pakistan, Vietnam, Cambodia, Laos, Italy and China;

3. The elusive and vague responses of the witnesses who were cross-examined regarding 1985 letter and the 1983 Agreement.
4. Lack of evidence demonstrating the plaintiff's need, demand or subsequent use of the said 1985 Letter to get its marks registered in India;
5. The Partial Arbitral Award of 2011 which recognised the 1983 Agreement to only apply to the Territories mentioned in its Article I,

negated the claims of the defendant, regarding the 1985 Letter being an extended understanding for the 1983 Agreement, to apply to India as well.

This reinforces the necessity of clarity and specific context in trademark agreements, to enable effective enforcement.

C. Contemporaneous documents

The defendant further adduced certain contemporaneous documents to substantiate its claims, however most of these documents and letters were rejected by the Court as evidence of any binding agreement applicable to the use of the defendant's saurian logo '  ' in India, as the defendant was unable to share the originals of these documents, and because, the arguments and assertions made within these

letters and documents pertained primarily to regions explicitly outside of India. However, the documents that *were* admitted in evidence further demonstrated the plaintiff’s disinclination to sanction continuous use of the defendant saurian logo ‘’ without the ‘Crocodile’ signature, showing the plaintiff’s intent to protect their trademark rights and limiting the scope of co-existence.

Accordingly, the Court concluded that neither the 1985 Letter nor the admissible contemporaneous documents were accepted as extensions to the 1983 Agreement covering the defendant’s devices especially the saurian logo ‘’ in India. Accordingly, basis the finding of no intent of co-existence between the Parties in India, the Court went on to address the issues of prior rights, infringement and passing off which is discussed below:

1. Complexities of prior rights

Before answering the questions of infringement and passing off, any suit necessitates the establishment of whose rights are prior.

<p>plaintiff’s rights in India</p>	<p>defendant’s rights in India</p>
------------------------------------	------------------------------------

<p>1983 – Date of earliest Indian registration no. 400267 for the standalone saurian logo ‘’</p>	<p>1952 – Date of earliest Indian registration no. 154397 for the mark ‘’, which comprises the saurian logo along with the word ‘CROCODILE’.</p>
<p>1993 – plaintiff’s proven claim of first use of its standalone saurian logo in India</p>	<p>1997 – defendant’s claim of use of the saurian logo in India.</p> <p>1998 – defendant’s proven first use in India of a composite mark i.e., comprising <u>both</u> the saurian logo and the words ‘CROCODILE’ / ‘CROCODILE INTERNATIONAL’.</p>

Based on the findings above, the Court held that while the defendant has prior rights in its composite mark (*i.e.*,  which comprises both the word ‘CROCODILE’ and the saurian logo), however these rights only extend to the composite mark as a whole *i.e.*, not extending to the standalone saurian logo *per se*. Thus, even though the plaintiff’s registration (1983) and first use in India (1993) of the standalone saurian logo is

subsequent to the defendant’s composite registration (1952), the plaintiff was titled the prior adopter and user of the saurian logo as the defendant’s earlier registration merely comprises the saurian in addition to other elements and thus, does not entitle it to rights over the saurian alone.

This finding of the Court reaffirms the fundamental *principle of anti-dissection* in trademark law i.e., a mark must be considered as a whole and not in pieces to assert rights. It reaffirmed the rights of proprietors and asserts that no matter how complex the background of a case may be, the anti-dissection principle cannot be compromised on.

2. Holistic assessment of likelihood of confusion: a win for trademark infringement

The Court thereafter analyzed the similarities and dissimilarities between the conflicting marks of the parties.

plaintiff’s mark 	defendant’s mark 
<p>Analysis of the similarities</p> <ul style="list-style-type: none"> • Identical shape and posture, indicated by horizontal position, upwardly curved tail, side view portraying legs/ tail/ feet/ claws in similar fashion. 	

- Open mouth with visible teeth, placement and shape of teeth nearly alike.
- Arrangement and pattern of scale on the back is similar.
- Overall silhouette is indistinguishable.
- Similar aggressive stance.

Analysis of dissimilarities

- Certain distinction in the limbs and other features, however the positioning of defendant’s logo mirrors that of plaintiff’s logo.
- Orientation of the crocodiles (plaintiff’s crocodile is facing right, whereas defendant’s crocodile is facing left) carries minimal weight and will be perceived as insignificant by the consumers

Based upon the above analysis, the Court held that the similarities between the two saurian logos are *‘not only numerous, but also substantial’* such that they create a strong overall ocular and conceptual resemblance, which overshadows the minute directional difference of the logos. Accordingly, the Court held that this would cause *‘initial interest confusion’* i.e., an average consumer might initially

believe that the defendant's goods originate from the plaintiff, even if this confusion may not persist throughout the transaction. Thus, given the similarities between the marks and the identical goods to which they pertain, the Court affirmed the finding of significant likelihood of consumer confusion. Given the same along with the established prior rights of the plaintiff in the standalone saurian logo, it was held that there is a strong case for trademark infringement under Section 29(1) of the Trade Marks Act, 1999.

3. The value of evidence in passing off

While the plaintiff prevailed with respect to trademark infringement, their claim of passing off did not sustain. Any claim of passing off to be established, the plaintiff must successfully establish (a) reputation (b) misrepresentation to the public by the defendant (c) damage to plaintiff's goodwill or reputation by the defendant's actions. However, the plaintiff in this matter was unable to pass the first threshold, due to their failure to meet evidentiary requirements.

The Court defined reputation as 'recognition and standing that a trademark has acquired in the relevant public', and promulgated that reputation is built over time through consistent use, quality assurance, and marketing efforts. This can only be proven through convincing evidence. In this case,

the plaintiff presented two witnesses proclaiming extensive reputation of its saurian logo, articles, advertisements, study conducted on the awareness of the saurian logo, Chartered Accountant certificate endorsing the sale/ promotional expenses, *ex-parte ad-interim* injunction orders against other third parties using the saurian logo, computer generated prints of newspaper articles, endorsement by celebrities, etc. However, despite the evidence provided, the Court emphasized that the standard for assessing reputation is stringent and held that the plaintiff's oral and documentary evidence does not establish their exclusive reputation in the saurian logo. This was because the plaintiff failed to provide the certificate required under Section 65B of the Indian Evidence Act, 1872 (*now Bharatiya Shaksya Adhiniyam 2023*). The 65B certificate is necessary for the admissibility of electronic evidence in court proceedings as it serves as proof that the electronic evidence is authentic and has not been tampered with.

By submitting electronic copies of print articles, advertisements, etc., the plaintiff had, in the present case, presented electronic copies of the primary evidence. Accordingly, the Court mandated the requirement for a Section 65B certificate. In holding so, the Court stipulated that '*digital*

scans stored on a computer are treated as electronic records, and copies made therefrom are considered to be derived from electronic records. The absence of originals or certified copies of these print articles impinges the evidentiary value of these copies. Without a Section 65B certificate, these documents cannot fulfil the threshold of reliability and authenticity required by law, significantly weakening the plaintiffs' case'. Thus, the lack of original copies along with failure to provide the 65B certificate resulted in rejection of the electronic evidence provided by the plaintiff. As regards the other evidence furnished by the plaintiff, the Court held as follows:

- (i) Survey Report regarding recognition of the saurian logo lacked background documents detailing how the survey was conducted, data collected, methodology employed. Thus, the report was uncorroborated and self-serving.
- (ii) Chartered Accountant certificate was accepted by the Court as high sales figures/ promotional expenses corroborated reputation. However, this was not supplemented with other supporting documents to prove the sales and promotions.

Thus, by *inter alia* failing to provide Section 65B Certificate, the plaintiff's evidence was refused to be taken on record. The

remaining evidence was insufficient/ self-serving to prove reputation. Due to failure to prove reputation, the plaintiff's case of passing off did not find favour with the Court.

4. Limited expression: No copyright infringement

In so far as copyright infringement was concerned, here too the plaintiff failed, albeit on merits. The plaintiff asserted that it held copyright in its saurian logo, (under Reg. No. A-62692/2002) and that the defendant's saurian logo amounted to unauthorized substantial imitation of its artistic work and therefore, infringement thereof.

The Court emphasized that resemblance in the logo trademarks does not necessarily mean that copyright in the said trademarks has also been infringed. An independent assessment is necessary, under the tenets of copyright law, as per the Court. Therefore, the Court referred to the concept of idea-expression dichotomy i.e., copyright protects the expressions of creativity of the author and not the idea or the concept of the work. Reliance was also placed on the 'merger doctrine', which stipulates that '*when an idea and expression are so entangled that they are indistinguishable, a creator cannot be accorded monopoly over the idea which forms creative expression. Simply put, when the manner of expression of a concept is restricted, the Courts will not confer exclusive rights on the idea itself*'. Applying the idea-

expression dichotomy and merger doctrine to the present case, the Court held that the underlying concept of both works (the plaintiffs' and the defendants') is identical i.e., a ferocious crocodile in aggressive stance. This concept has very limited forms of expression, inasmuch that any depiction of a ferocious crocodile in aggressive stance will invariably include common features that form part of the works in question as well (tail, limb, open mouth, pointed teeth, scale, claws). Thus, due to the limited way in which the underlying idea can be expressed, no infringement of copyright can be constituted.

Conclusion

The judgement presents an interesting read given it is an amalgamation of plethora of branches of IP i.e., infringement, passing off, IP enforcement through agreements, territoriality of trademarks, etc. The judgment also highlights the test of the various principles and procedures, which lie in disputes that are subject to trial. Given that the bulk of India's IP jurisprudence is based on interim stage decisions, we need more such post-trial judgments to understand and appreciate nuances of IP law and Civil Procedure.

[The first and second authors are Associates while the third author is a Partner in IPR practice at Lakshmikumaran & Sridharan Attorneys]



Articles

With great influence comes great responsibility: Trademark disparagement

By Kriti Sood, Chhavi Dhawan and Vindhya S. Mani

The second article in this issue covers a Delhi High Court decision on trademark disparagement. Elaborately discussing the judgement, the authors note that the decision highlights the importance of Social Media Influencers to avoid commenting on topics outside the realm of their expertise and that the information disseminated by them should be backed by proof or material substantiation. The authors in this regard also observe that the latest ruling also cautions the influencers to ensure that their content is verified and supported by credible sources, and that they exercise due care and caution when sharing their views or opinions.

With great influence comes great responsibility: Trademark disparagement

Introduction

Social media has impacted all our lives, whether for good or worse will be a constant debate. *'A Social Media Influencer' can leave a significant impact on Humanity. If backed by reasons, it is no doubt for the betterment of Humanity but if baseless, it can significantly backfire'*. This statement was highlighted by the Delhi High Court in the recent case of *Zydus Wellness Products Limited v. Prashant Desai* [CS (COMM) 687/2024], whereby the Court emphasized that the Social Media Influencers have the growing responsibility of refraining from commenting on subjects in which they lack expertise.

Background and brief facts of the case

The plaintiff, Zydus Wellness Products Limited, is one of the market leaders in food and nutritional products for brands including 'COMPLAN', 'Nycil', 'Glucon-D', 'Sampriti', etc. They adopted the trademark 'COMPLAN' in the year 1956 and have been using the same since the year 1994. The plaintiff obtained trademark registration for its product in Classes 5, 29,

By Kriti Sood, Chhavi Dhawan and Vindhya S. Mani

30 and 32 and moreover, the plaintiff's product has acquired significant goodwill and recognition.

The plaintiff came across the defendant's video (who is a prominent Social Media Influencer) (**'impugned video'**) on 9 April 2024, on Instagram, wherein as per the plaintiff, the defendant made disparaging, defamatory and derogatory statements with reference to the product sold under the plaintiff's registered trademark, 'COMPLAN'.

In the impugned video, the defendant suggested to parents not to give certain foods, including the plaintiff's product 'COMPLAN' to their children, owing to the excessive amount of sugar in the said product.

The defendant explicitly used the following statements in the impugned video:

- A. *'Don't give these 3 foods to your kids ever.'*
- B. *'No. 3, Bournvita, COMPLAN, Horlicks. Don't mix them in the milk in the morning for your kids.'*
- C. *'Two scoops contain 40-50 grams of sugar, that's 200% of your kid's daily requirement of sugar.'*

- D. *'Excess sugar causes glucose spikes, leading to hunger and crankiness, and encouraging snacking.'*
- E. *'Don't feed these to your kids, improve their health.'*

Moreover, the defendant wrote the following caption for the impugned video:

'These three foods are spoiling your kids' health.

Bournvita, Complan, Horlicks- Two scoops contain 40 to 50 grams of sugar, which is 200% excess to your kids' daily sugar requirement.

Excess sugar causes glucose spike, making them hungrier and crankier.

....

Avoid these foods can improve your kid's health drastically and I highly recommend you to not give these to your kids.

On becoming aware of the impugned video, the plaintiff on the same day, messaged the defendant on Instagram and LinkedIn and requested to remove the said video. On receiving no response from the defendant, the plaintiff was left with no other choice and issued a Legal Notice on 17 April 2024 asking the defendant to immediately take down the impugned video.

However, two days after receiving the Legal Notice, on 19 April 2024, the defendant posted a snippet of the Legal Notice served upon him on a series of Instagram stories with interactive captions related to the impugned video. This led to the suit for trade mark disparagement.

Submissions of the plaintiff

The plaintiff highlighted that owing to the widespread reach of the defendant and the availability of the impugned video on a social media platform, the consumers can watch the video repeatedly, resulting in tarnishing the reputation and goodwill of the plaintiff. To support its contentions, the plaintiff placed reliance on *Gillette India Limited v. Reckitt Benckiser* [2018 SCC OnLine Mad 1126].

The plaintiff gave an account of the number of followers of the defendant on the social media platforms, comprising of about one million followers on Instagram and 60,000+ followers on Facebook. Accordingly, the plaintiff also highlighted that the impugned video has 3,49,02,025 views, 6,69,790 likes, 5,625 comments and 9,59,000 shares, highlighting the widespread reach of the defendant and the number of people being influenced by the false and misleading impugned video of the defendant.

The plaintiff also asserted that the defendant being a Social Media Influencer should have exercised more care and caution while posting the impugned video as he posed himself to be a self-declared Doctor/ Nutritionist/ Dietician, when the same is not the actual position.

According to the plaintiff, the defendant's recommendation to completely avoid feeding the plaintiff's product to children misleads the public into believing that the same is unhealthy and bad for children's health, thus being disparaging and derogatory.

The plaintiff further relied upon the 'Guidelines for Influencer Advertising in Digital Media in India' released by the Advertising Standards Council of India ('ASCI'), highlighting that health influencers like the defendant should have necessary medical qualifications and certificates to post information regarding health and nutrition. It was asserted that the defendant did not have the necessary medical qualifications and was in violation of the ASCI Guidelines and the Guidelines for Preventing of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022.

The plaintiff submitted that the impugned video evidently fulfilled the trinity test, since it (i) was false, (ii) was made and published maliciously and (iii) resulted in causing special damage to the plaintiff¹.

In the impugned video, the defendant conveyed that the plaintiff's product has 40g-50g of sugar i.e, 200% in excess of the daily sugar requirement for children, to which the plaintiff replied that, 100g of its product 'COMPLAN PISTA BADAM' contains 50.5g of sugar comprising of 26.8g of added sugar and 23.7g of naturally occurring sugar resulting in 16.665gms of sugar therein, moreover, even 2 heaped tablespoons of the plaintiff's product contains 8.8gm of added sugar and not the amount alleged in the impugned video. The plaintiff contended that there is no recommended daily sugar allowance for children, but only of 'added sugar'.

The plaintiff highlighted that the defendant specifically targeted the plaintiff's products amongst other products that were mentioned in the impugned video. Moreover, the plaintiff submitted that the *malafide* intent of the defendant was also apparent from the subsequent conduct of posting a snippet of the Legal Notice and the series of stories with interactive

¹ *Pepsi Co. Inc. and Ors v. Hindustan Coca Cola Ltd. and Anr.*, 2003 SCC Online Del 802

captions on his Instagram profile related to the impugned video.

The plaintiff highlighted that the defendant's freedom of speech and expression is not absolute, and that the defendant cannot be allowed to violate the rights and reputation of the plaintiff and its products.

Submissions of the defendant

The defendant took recourse to being a well-known social media influencer and content creator focusing on health and lifestyle, who discusses a plethora of items available in the market to draw attention to potential health risks associated with them. The defendant also asserted the qualification as a Chartered Accountant and a Certified Management Accountant, holding a Bachelor's degree in Commerce, who later on found the inclination and motivation to study the subject related to health, fitness, and lifestyle, and has also obtained several certifications from different universities on 'Nutrition Science', 'Exercise Physiology' and 'Health and Wellness: Designing a Sustainable Nutrition Plan' and at

present is also pursuing various courses encompassing the same.

The defendant submitted that the ASCI Guidelines are merely guiding principles and not mandatory to be followed as they do not impose any mandatory obligation to be followed, and therefore, any decision pronounced solely on the basis of the same cannot be considered to be obligatory and rather discretionary.²

The defendant highlighted that in order to satisfy a case for disparagement the ingredients including (i) false statements, (ii) statements with malice and (iii) damage suffered by the plaintiff have to be satisfied³, and as per the defendant, the plaintiff in this present case failed to satisfy any of these three ingredients.

The defendant additionally claimed to have spoken the truth in the impugned video and moreover, alleged the plaintiff to have wrongly analysed the amount of sugar in its product and only calculated the 'added sugar' therein.

² *Century Plyboards (India) Ltd. v. Advertising Standards Council of India*, 1999 SCC OnLine Bom 444; *Teleshop Teleshopping v. Advertising Standards Council of India*, 2015 SCC OnLine Bom 8777 and *Dish TV India Limited v. The Advertising Standards Council of India*, 2016 SCC OnLine Del 6715.

³ *Dabur India Limited v. Colortek Meghalaya Pvt. Ltd.*, 2009 SCC OnLine Del 3940 and *Hindustan Unilever Limited v. Cavincare Private Ltd.*, (2010) 44 PTC 270 (Del).

The defendant submitted that the impugned video was not directed towards the plaintiff's product but also directed towards biscuits, cookies and cereals, and has solely been made with the intent to educate the viewers without any intent to injure the plaintiff's product.

Lastly, the defendant submitted that the statements made in the impugned video are protected under Article 19(1)(a) of the Constitution of India that guarantees freedom of speech as long as the information disseminated online does not fall within the grounds mentioned in Article 19 (2) of the Constitution of India. The defendant claimed that the impugned video is an informative video.⁴

Analysis and decision

The Court analysed that the plaintiff has been in the industry since 1956 is not a fly-by-night operator, whereas on the other hand the defendant admittedly is neither a doctor, a Nutritionist nor a Dietician and certainly not connected with the Health Industry in any manner whatsoever. The Court was of the view that merely being a Social Media Influencer, the defendant is not bestowed with the independence to speak and/ or comment about a subject of which he is not the master.

The Court noted that the comments made by the defendant in the impugned video were not backed by any proof and lack accuracy and therefore, cannot be treated as genuine. The Court was cognizant of the fact that a Social Media Influencer like the defendant cannot openly express ideas or opinions without any sensible backing owing to the powerful influence that such a person has over individuals.

As per the ASCI Guidelines, a Social Media Influencer is required to have relevant medical qualifications for posting related to health and nutrition and the defendant did not comply with this requirement.

The Court was of the view that owing to the long-standing reputation of the plaintiff and the product offered by it, the plaintiff has procured the required permissions from the Statutory Authority and is in accordance with the guidelines laid down by the Food Safety and Statutory Authority of India. Accordingly, by uploading the impugned video the defendant is also questioning the veracity of the relevant authority.

The Court further carefully examined the video's substance, noting in particular that it lacked a factual foundation. The defendant's comments regarding the claimed sugar content of

⁴ *Shreya Singhal v. Union of India*, (2015) 5 SCC 1

plaintiff's products were critically analyzed by the Court since the defendant did not present any expert opinions or provide any medical studies to support the claims. The Court's ruling was also influenced by the language, tone, and tenor of the impugned video. The defendant's comments regarding COMPLAN were deemed by the Court to be aggressive, malicious, and deceptive. The defendant's careless handling of the situation was further evidenced by his failure to remove the impugned video even after plaintiff sent him a legal notice.

Additionally, owing to the number of followers that the defendant has on Instagram and Facebook and the possibility of an increase in number of views, 'likes', and comments in due course, the Court also analyzed the overall impact and effect, the impugned video would have on the public. The Court highlighted that if the impugned video is allowed to be over the internet, it will have a lasting negative impact on the minds of the public resulting in a deterrent to buying the plaintiff's product.

The Court also clarified that Article 19 of the Constitution of India, is subject to reasonable restrictions imposed by the State and only grants protection to the opinion that is not slanderous, defaming, etc. In the present case the defendant cannot rely upon Article 19 of the Constitution of India for

belittling the plaintiff's product, that has been recognized and authorized by the Government of India and allowing the defendant to do so will be against the permissions procured by the plaintiff from the Statutory Authority and guidelines followed by the plaintiff in accordance with the Food Safety and Statutory Authority of India.

The Court held that the defense set up by the defendant lacks credibility and that the plaintiff has successfully been able to make out a case of Disparagement.

The Court held that the defendant's impugned video amounts to infringement under Section 29 (8) of the Trade Marks Act, 1999, and moreover, the defendant has unauthorizedly and entirely reproduced the label and packaging of the plaintiff's product, that does not fall within any exceptions.

The Court's ruling came in favor of the plaintiff and against the defendant, restraining the defendant from publishing, uploading or making available the view of the impugned video or any part of it in any language, not limited to the electronic media as the actions of the defendant in the impugned video and subsequent amount to disparagement of the plaintiff's registered trademark. Further, the defendant was directed to

take down the impugned video from all his social media handles within the period of two weeks from the order.

The defendant challenged the instant order of the Single Judge, by way of an appeal⁵, before the Division Bench of the Delhi High Court. The Bench, by order dated 9 October 2024, issued notice of the appeal and the application seeking stay on the Single Judge's order to the plaintiff and has renotified the matter for further consideration on 10 December 2024. On *ad-interim* directions in the application for stay, the defendant asserted that being a public-spirited citizen, the intent was to educate the masses regarding the ill-effects of products like Horlicks, COMPLAN and others, thus was not motivated by malice. The Bench was, however, not inclined to pass any *ad-interim* orders in favour of the defendant. The Bench noted that gratuitous education of the masses has to stop short of disparagement.

Conclusion

Social Media Influencers often have vast audiences and wield significant influence over public opinion, especially amongst younger, impressionable followers. With this influence comes a greater responsibility to share accurate and informed opinions. This decision highlights the importance of Social Media Influencers to avoid commenting on topics outside the realm of their expertise. The information disseminated by them should be backed by proof or material substantiation. Influencers are also cautioned by the ruling to ensure that their content is verified and supported by credible sources, and that they exercise due care and caution when sharing their views or opinions.

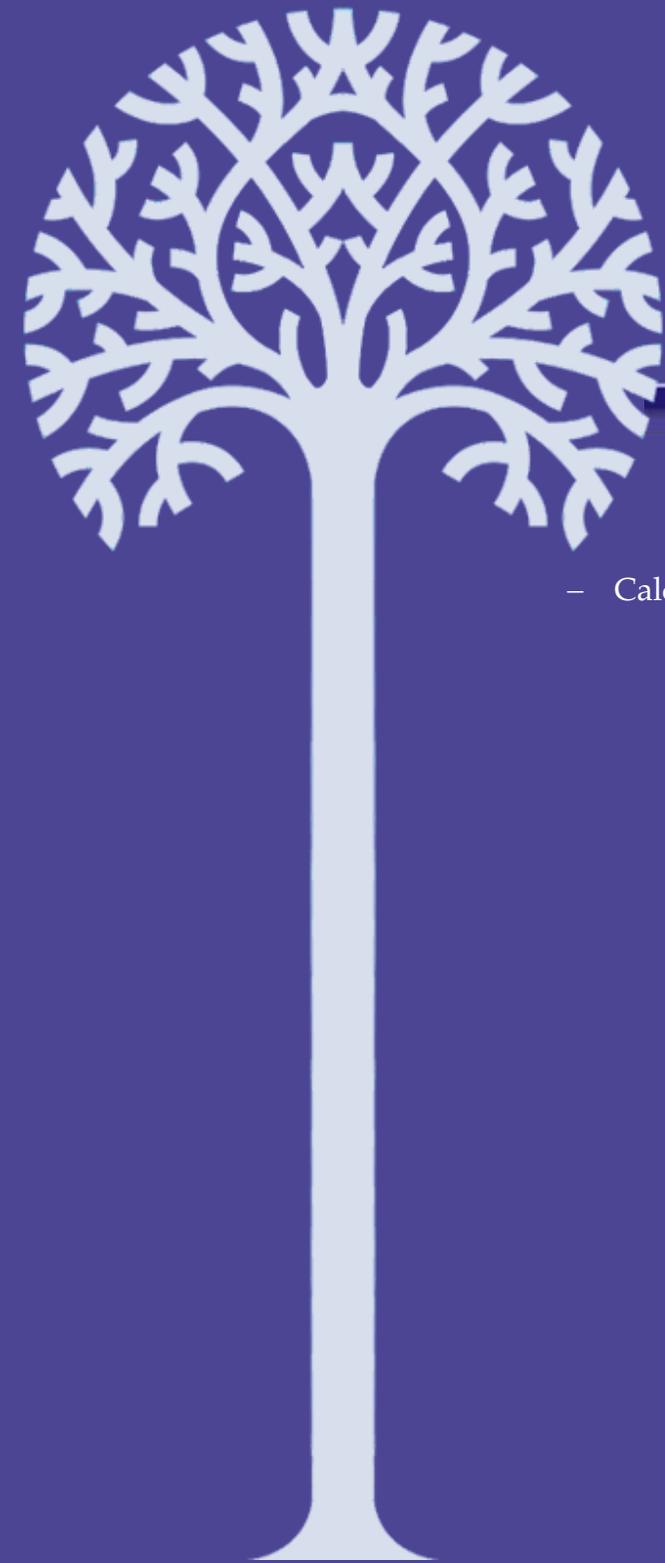
[The first and second authors are Associates while the third author is a Partner in IPR practice at Lakshmikumaran & Sridharan Attorneys]

⁵ FAO(OS) COMM 231/2024

Statute Update



- Calcutta High Court notifies IPR Division Rules

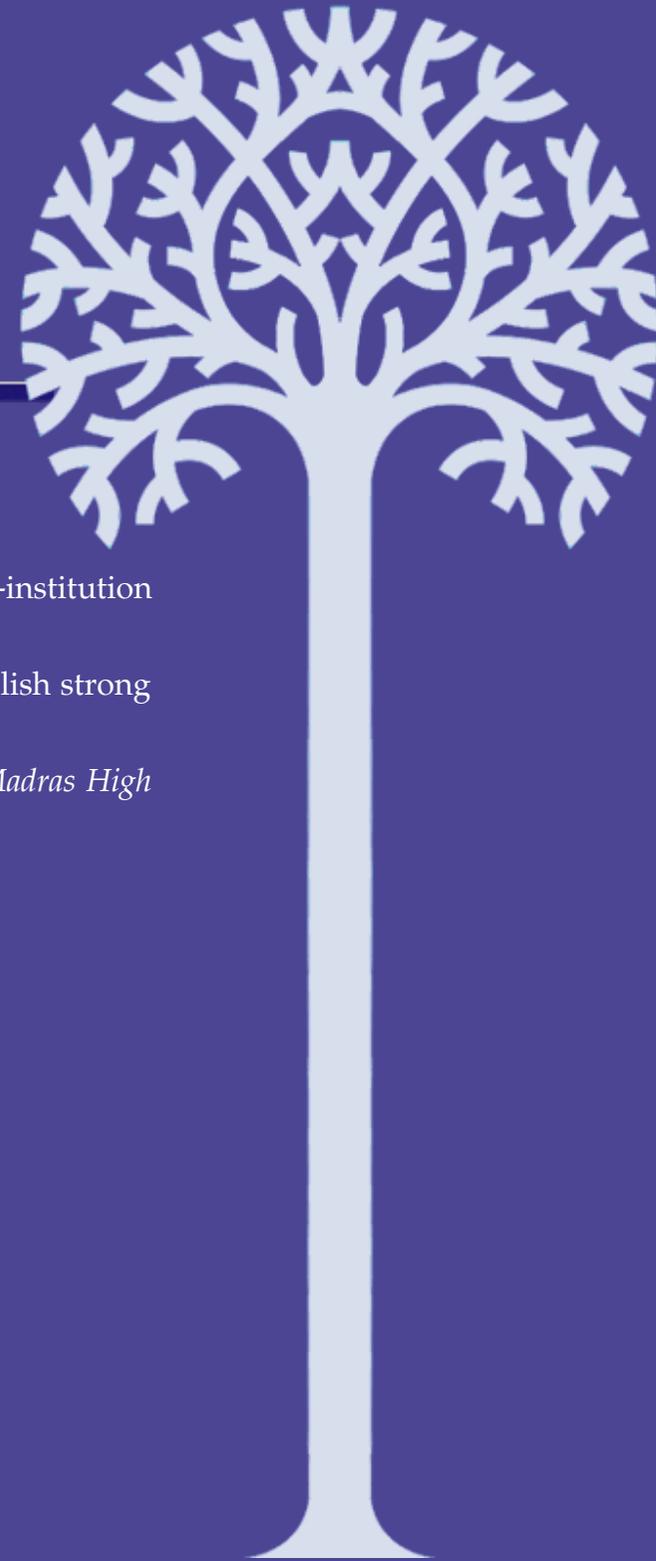


Calcutta High Court notifies IPR Division Rules

The Kolkata Gazette has on 20 September published a notification dated 2 July 2024 by the Calcutta High Court notifying the 'Intellectual Property Rights Division Rules of the High Court at Calcutta, 2023'. It may be noted that the Calcutta High Court is the third High Court, after the Delhi and Madras High Courts notified their respective Rules in respect of hearings

of IP cases. The Rules will govern the matters listed before the Intellectual Property Rights Division and the Intellectual Property Rights Appellate Division with respect to practice and procedure for exercise of ordinary original, appellate and writ jurisdiction, and other miscellaneous petitions arising out of intellectual property subject matter and related statutes including anything arising out of common law.

Ratio Decidendi



- Commercial suits in IP disputes – Urgent interim relief required without mandatory pre-institution mediation – Nature of suit pre-supposes urgency – *Telangana High Court*
- Patents – Competitor even though a ‘person interested’ to challenge patent post grant, to establish strong grounds for revocation – *Madras High Court*
- Trademarks ‘Arun’ and ‘Varun’ are not similar – No likelihood of confusion or deception – *Madras High Court*
- Label marks, one with Eagle and another with Garuda, are confusing – *Madras High Court*

Commercial suits in IP disputes – Urgent interim relief required without mandatory pre-institution mediation – Nature of suit pre-supposes urgency

The Telangana High Court has reiterated that the question of whether the suit requires urgent interim relief, and thus mandatory pre-institution mediation is not required, must be answered by the Court based on the substance of the dispute and the relief claimed. According to the High Court, the plaintiff must discharge the onus by proving to the Court that the suit indeed contemplates urgent interim relief and hence needs to be instituted without waiting for pre-institution mediation.

The case involved alleged misuse of the plaintiff's trademarks 'Sadanand', 'Tadaka' and 'Basant', and the trade dress, by the defendants by way of purchase of the rights in the trademark by the defendant No.2 and advance bookings floated by the defendant No.1 allegedly using the plaintiff's trademarks in respect of hybrid cotton and other seeds. Holding that the present suit instituted for infringement of trademarks and passing off was wholly unsuited for pre-institution mediation since it contemplated urgent interim relief, the Court also observed that stopping a rival from misappropriating the

trademarks before the onset of the *Kharif* season would also entail that the suit contemplates a sensitive time frame for urgent interim relief.

It may be noted that the High Court, while upholding the Trial Court decision, also noted that the nature of the present suit pre-supposes urgency. Observing that the urgency of Court intervention arises from the intangible nature of the property, the Court noted that infringement of IPRs is often unquantifiable. It was also observed that time is always of the essence in IP disputes, as even a single 'consumption' of the mark by an unauthorized user can result in immeasurable injury to the owner/proprietor.

The petitioner had relied upon Section 12A of the Commercial Courts Act, 2015 to urge that a suit which does not contemplate any urgent interim relief cannot be instituted unless the plaintiff exhausts the remedy of pre-institution mediation.

[*Kohinoor Seed Fields India Pvt. Ltd. v. Veda Seed Sciences Pvt. Ltd.* – Order dated 9 September 2024 in Civil Revision Petition No.2297 of 2024, Telangana High Court]

Patents – Competitor even though a ‘person interested’ to challenge patent post grant, to establish strong grounds for revocation

The Madras High Court has held that merely because, the petitioner, being a competitor of the respondent is entitled as a ‘person interested’ to challenge the patent, post grant, the said right is not automatic and unless it establishes strong grounds for revocation by citing relevant prior arts and also show how the subject patent is not novel and that it lacks inventive step or does not show any technical advance, the petitioner is not entitled to succeed in its challenge.

Firstly, in respect of eligibility of the petitioner to challenge the patent post grant, the Court held that the petition was maintainable under Section 64 of the Patents Act, 1970. The Court in this regard noted that the language employed in Section 2(t), which defines ‘person interested’, does not require that the person interested should be only in manufacturing in the same field. The petitioner here was a manufacturer of Ephedrine and Pseudoephedrine salts and also had a bulk manufacturing facility, while the respondent manufactured Active Pharmaceutical Ingredients including DL-Ephedrine HCl, DL-Methylephedrine HCl, Pseudoephedrine and salts. The Court

also noted that even according to the respondent, the petitioner was a competitor.

Further, in respect of novelty, the Court noted that the respondent had evolved a process whereby the reaction time was lesser and produced better results, especially drastic higher yield as well as optical purity of the isolated product was far superior to what was achieved in the prior arts. The Court noted that the reaction conditions were also far simpler than the ones followed in the prior arts.

Dismissing the petition for revocation, noting that the prior arts were much earlier to the patent in question, the Court observed that despite the prior arts being in existence, none was able to come up with the invention of the respondent all these long years, which itself showed that there was no obviousness in the claimed invention.

[Embio Limited v. Malladi Drugs & Pharmaceuticals Ltd. – Order dated 4 October 2024 in (T)OP(PT) No.45 of 2023, Madras High Court]

Trademarks ‘Arun’ and ‘Varun’ are not similar – No likelihood of confusion or deception

The Madras High Court has rejected the argument of the petitioner that the marks – ‘Arun’ of the petitioner and ‘Varun’

of the defendant, are similar and likely to cause confusion. The Court noted that both the names are common personal names in India, each depicting different Hindu Gods, Aruna and Varuna, and that there was no acquired distinctiveness or a secondary meaning to both the names.

The Court was also of the view that though both the marks are phonetically very similar, there is no visual similarity between the two rival marks [‘’ and ‘’ and no confusion is likely to arise from the unique ways in which both the rival marks are depicted. It was also noted that both the marks had coexisted since about two decades and not a single stance of confusion was shown by the petitioner. The High Court also noted that respondent’s area of operation is limited only to Trivandrum and Kollam in the State of Kerala, where the petitioner does not even have a presence.

Dismissing the petition for rectification and allowing the respondent protection under Section 12 of the Trade Marks Act, 1999, the Court also noted that in the Trademark Office’s search report the mark VARUN did not even figure as a conflicting or competing mark to ARUN.

[*Hatsun Agro Product Limited v. B.Balakrishnan Nair* – Order dated 20 September 2024 in (T) OP (TM) No.187 of 2023, Madras High Court]

Label marks, one with Eagle and another with Garuda, are confusing

Observing that while there is no phonetic similarity in the marks, one being Eagle and the other being Garuda, the Madras High Court has held that when it comes to visual similarity, the same cannot be said. In a case where the appellant was using the mark  while the respondent was using the mark , the Court observed that the image of an Eagle and Garuda can easily be confused and used interchangeably.

According to the Court, the end user, a man of average intelligence and imperfect recollection, will only be able to recollect the dominant feature, *viz.*, the eagle image and he cannot tell the difference between an eagle and Garuda. It was also noted that Garuda when translated to English only means Eagle and thus there is a likelihood of confusion and deception amongst the customers. The High Court also in this regard noted that both Eagle and Garuda were printed in English language and when an illiterate customer goes to buy the fireworks, he is likely to be deceived by the image of an eagle and may not be able to differentiate between an Eagle and Garuda.

defendant's contention of honest concurrent user [Section 12 of Trade Marks Act, 1999] was also rejected by the Court while it also overruled the Registrar's conclusion that the marks are not deceptively similar.

[*Southern India Exporting Company v. Classic Fireworks Industries – Judgement dated 20 September 2024 in (T) CMA (PT) No.10 of 2023, Madras High Court*]



News Nuggets

- Patent – Abandonment per se ought not to be presumed
- Copyright – Passport denial to boy named 'Loki Skywalker' due to Disney copyright
- Copyright in image used by AI company for training datasets – Exception under Section 60(d) of German copyright law
- Copyright – Indian Director files suit against a major streaming service provider over *Squid Game*
- Trademark – Label mark containing words 'Ammaji' infringes rights of mark having 'Amba' – Commercial impression is important
- Trademark 'Superhero' – US Trademark Office cancels 'superhero' trademark of Marvel Characters and DC Comics
- Trademark 'Freedom' for motorcycle – LML sues Bajaj Auto
- Geographical Indications law needs to be strengthened for quality control
- Patent – Apple defends iPhone security patent dispute

Patent – Abandonment per se ought not to be presumed

The Delhi High Court has recently reiterated that abandonment *per se* ought not to be presumed as it is a question of intent. According to the Court, where the express intentions and implied actions coupled with the overall conduct reflect that the applicant was ever willing to pursue its subject application, the applicant should not be made to suffer and the benefit ought to be extended to it. Deemed withdrawal under Section 11B(4) of the Patents Act, for non-filing of a request for examination of the patent application within the time specified, was thus quashed by the Court in *Bry-Air (Asia) Pvt. Ltd. v. Union of India* [Judgement dated 26 September 2024]. The patent application was earlier deemed as withdrawn when the Patent Agent who was handling the portfolio of the applicant failed to file Form 18, for request for examination of the subject application.

Copyright – Passport denial to boy named ‘Loki Skywalker’ due to Disney copyright

Naming your children based on popular characters can pose issues under intellectual property rights. As per news report on *Breezy Scroll* as available [here](#), a boy named ‘Loki Skywalker’ was initially denied passport as ‘Skywalker’ has an association with

a trademark held by Disney which acquired the ‘Star Wars’ franchise in 2012. The case highlights the importance of balancing personal naming choices with legal considerations around intellectual property.

Copyright in image used by AI company for training datasets – Exception under Section 60(d) of German copyright law

The Hamburg Regional Court, Germany, has dismissed a lawsuit brought by a photographer who sued an artificial intelligence (‘AI’) company for using his images to train its AI image generators. According to the decision dated 27 September, the AI company’s use of the images to train its datasets benefited from the exception to copyright infringement under Section 60(d) of the German copyright law. As per news report on Global Legal Post, as available [here](#), the decision sets a precedent as it broadens the scope of lawful data use for AI training.

Copyright – Indian Director files suit against a major streaming service provider over *Squid Game*

An Indian Director, Soham Shah, has on 13 September filed a lawsuit in the New York Federal Court claiming that the Netflix series *Squid Game* copies his 2009 Hindi-language film *Luck*. As

per news report by *News Week*, as available [here](#), the lawsuit seeks damages and permanent injunction for copyright infringement and other wrongful acts by defendant Netflix and defendant Dong-hyuk (who wrote the story and screenplay) concerning their unauthorized copying and use of *Luck*. According to the reports, the lawsuit claims that the main plot, characters, themes, mood, setting and sequence of events of *Squid Game* are strikingly similar to that of *Luck*, defying any likelihood that such similarities could be coincidence.

Trademark – Label mark containing words ‘Ammaji’ infringes rights of mark having ‘Amba’ – Commercial impression is important

The Delhi High Court has allowed interim relief in a case involving alleged infringement and passing off by the label mark  used by the defendant when the plaintiff was using the label marks  /  /  in respect of identical goods, TMT bars. Observing that the commercial impression of a trademark is required to be determined by examining the marks as a whole and not by comparing separate elements of the competing marks, the Court held that there is striking similarity between the marks which *prima facie* projects the same commercial impression. It noted that there is phonetic similarity

between the competing marks, the literal meaning of the words ‘AMBA’ and ‘AMMA’ are the same and they are synonyms. The High Court in *Amba Shakti Steels Ltd. v. Sequence Ferro Private Limited* [Judgement dated 3 September 2024] also in this regard noted that the suffix ‘JI’ is added to names as a mark of respect and does not alter the meaning of the words. Allowing the appeal, the Court also noted long and prior use by the plaintiff, interest of consumer, appellant’s turnover and period of usage of respective marks, while holding that the appellant was *prima facie* entitled to an interim injunction.

Trademark ‘Superhero’ – US Trademark Office cancels ‘superhero’ trademark of Marvel Characters and DC Comics

In its Order dated 26 September 2024, the US Trademark Office has cancelled ‘Superhero’ trademarks jointly owned by two comic book giants, Marvel and DC. As per news report on *Greek Reporter*, available [here](#), this decision was reached after a request from a comic artist who writes stories about ‘Super Babies,’ a team of superhero infants. The decision was given by the US Trademark Office’s Trademark Trial and Appeal Board after the respondents - Marvel Characters, Inc. and DC Comics, failed to respond even within the extended deadline.

Trademark 'Freedom' for motorcycle – LML sues Bajaj Auto

According to a news report on *Economic Times*, as available [here](#), SG Corporate Mobility, the parent company of LML, has filed a lawsuit against Bajaj Auto Ltd. before the Delhi High Court, alleging unauthorised use of the trademark 'Freedom' on latter's newly launched Freedom CNG motorbikes. The case is currently pending before the Delhi High Court.

Geographical Indications law needs to be strengthened for quality control

The Department of Promotion of Industry and Internal Trade (DPIIT) in the Ministry of Commerce is in the process of amending the Geographical Indications of Goods (Registration and Protection) Act, 1999 and had sought comments from the

stakeholders by 10 October 2024. As per various news reports, certain experts have suggested stronger quality control mechanisms and post-registration monitoring. Similarly, stricter standards for GI-tagged food products have also been suggested.

Patent – Apple defends iPhone security patent dispute

As per a news report on *Economic Times*, as available [here](#), Apple has successfully defended its secure enclave technology against patent infringement claims in a US court. The suit alleged that Apple's use of the Secure Enclave in features like Face ID, Touch ID, and passcode security violated Identity Security LLC's patents.

<p>NEW DELHI 7th Floor, Tower E, World Trade Centre, Nauroji Nagar, Delhi – 110029 Phone : +91-11-41299800, +91-11-46063300 ----- 5 Link Road, Jangpura Extension, Opp. Jangpura Metro Station, New Delhi 110014 Phone : +91-11-4129 9811 ----- B-6/10, Safdarjung Enclave New Delhi -110 029 Phone : +91-11-4129 9900 E-mail : Lsdel@lakshmisri.com , lprdel@lakshmisri.com</p>	<p>MUMBAI 2nd floor, B&C Wing, Cnergy IT Park, Appa Saheb Marathe Marg, (Near Century Bazar)Prabhadevi, Mumbai - 400025 Phone : +91-22-30567800/30567801 E-mail : lsbom@lakshmisri.com</p>
<p>CHENNAI 2, Wallace Garden, 2nd Street, Chennai - 600 006 Phone : +91-44-2833 4700 E-mail : lsmds@lakshmisri.com</p>	<p>BENGALURU 4th floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram West, Bangalore-560 055. Phone : +91-80-49331800 Fax:+91-80-49331899 E-mail : lsblr@lakshmisri.com</p>
<p>HYDERABAD 'Hastigiri', 5-9-163, Chapel Road, Opp. Methodist Church, Nampally, Hyderabad - 500 001 Phone : +91-40-2323 4924 E-mail : lshyd@lakshmisri.com</p>	<p>AHMEDABAD B-334, SAKAR-VII, Nehru Bridge Corner, Ashram Road, Ahmedabad - 380 009 Phone : +91-79-4001 4500 E-mail : lsahd@lakshmisri.com</p>
<p>PUNE 607-609, Nucleus, 1 Church Road, Camp, Pune-411 001. Phone : +91-20-6680 1900 E-mail : ls pune@lakshmisri.com</p>	<p>KOLKATA 6A, Middleton Street, Chhabildas Towers, 7th Floor, Kolkata – 700 071 Phone : +91 (33) 4005 5570 E-mail : lskolkata@lakshmisri.com</p>
<p>CHANDIGARH 1st Floor, SCO No. 59, Sector 26, Chandigarh -160026 Phone : +91-172-4921700 E-mail : lschd@lakshmisri.com</p>	<p>GURUGRAM OS2 & OS3, 5th floor, Corporate Office Tower, Ambience Island, Sector 25-A, Gurugram-122001 phone: +91-0124 - 477 1300 Email: lsgurgaon@lakshmisri.com</p>
<p>PRAYAGRAJ (ALLAHABAD) 3/1A/3, (opposite Auto Sales), Colvin Road, (Lohia Marg), Allahabad -211001 (U.P.) Phone : +91-532-2421037, 2420359 E-mail : lsallahabad@lakshmisri.com</p>	<p>KOCHI First floor, PDR Bhavan, Palliyil Lane, Foreshore Road, Ernakulam Kochi-682016 Phone : +91-484 4869018; 4867852 E-mail : lskochi@laskhmisri.com</p>
<p>JAIPUR 2nd Floor (Front side), Unique Destination, Tonk Road, Near Laxmi Mandir Cinema Crossing, Jaipur - 302 015 Phone : +91-141-456 1200 E-mail : lsjaipur@lakshmisri.com</p>	<p>NAGPUR First Floor, HRM Design Space, 90-A, Next to Ram Mandir, Ramnagar, Nagpur - 440033 Phone: +91-712-2959038/2959048 E-mail : lsnagpur@lakshmisri.com</p>

Disclaimer: LKS IPR Amicus is meant for informational purpose only and does not purport to be advice or opinion, legal or otherwise, whatsoever. The information provided is not intended to create an attorney-client relationship and not for advertising or soliciting. Lakshmikumaran & Sridharan does not intend to advertise its services or solicit work through this newsletter. Lakshmikumaran & Sridharan or its associates are not responsible for any error or omission in this newsletter or for any action taken based on its contents. The views expressed in the article(s) in this newsletter are personal views of the author(s). Unsolicited mails or information sent to Lakshmikumaran & Sridharan will not be treated as confidential and do not create attorney-client relationship with Lakshmikumaran & Sridharan. This issue covers news and developments till 16 October 2024. To unsubscribe, e-mail Knowledge Management Team at newsletter.ipr@lakshmisri.com or km@lakshmisri.com

www.lakshmisri.com

www.gst.lakshmisri.com

www.addb.lakshmisri.com

www.lakshmisri.cn



Lakshmikumaran
Sridharan
attorneys

SINCE 1985

exceeding expectations