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Article

Trademark battle over the word “PINK”

By **Sarita Rout**

The Chancery Division of the Community Trade Mark Court recently decided¹ against Victoria’s Secret UK Ltd. [hereinafter referred to as the ‘defendant’] in an infringement action brought by Thomas Pink Ltd. [hereinafter referred to as the ‘claimant’] in respect of its registered trade marks **P I N K** in European Union and a series of two marks  and  in United Kingdom [hereinafter collectively referred to as the ‘claimant’s marks’].

The claimant is primarily engaged in sale of shirts, other items of clothing and accessories, all of which are marketed and sold extensively under the claimant’s trademarks in UK and other European countries. The defendant, originating from USA, launched a sub-brand ‘PINK’ in respect of t-shirts and other clothing including lingerie aimed at the younger population. Upon the defendant’s opening of ‘PINK’ stores in UK, the claimant alleged that such adoption and use of the mark ‘PINK’ amounts to infringement and passing off of its registered trademarks.

Distinctiveness of the claimant’s trademarks

The defendant contended that the registrations in respect of the claimant’s trademarks are invalid *ab initio* as the word PINK is descriptive and suggestive of the characteristic of the goods, thereby not capable of being distinctive. The court held that this issue had already been dealt

with by the United Kingdom Intellectual Property Office (UKIPO) which granted registration to the claimant’s mark on the basis of evidence of acquired distinctiveness only. However, as the claimant, in the present suit, had contended that their trade marks were inherently distinctive, therefore, the court again looked into the issue and observed that even though the special form in which the word was presented (the rectangular box and the lines of the lettering being in pink colour to be precise) was unique to the claimant, it was not sufficient to be deemed inherently distinctive.

However, with respect to acquired distinctiveness, it re-affirmed the finding of the UKIPO that the same had acquired distinctiveness on account of evidence of widespread use for over three decades as proved from the testimonials of claimant’s staff witnesses.

The ‘average consumer’ and ‘likelihood of confusion’

Several decisions on this issue were discussed as the court observed that “*the likelihood of confusion is assessed from the perspective of the average consumer of the goods or services in question*”. It further stated that the average consumer in the present case would be “*consumer of clothing*”. The claimant cited the following instances through which an average consumer would be likely to be confused between the claimant’s mark and the defendant’s use of the mark PINK:

¹ *Thomas Pink Ltd v Victoria’s Secret UK Ltd*, [2014] EWHC 2631 (Ch)

- PINK being used on stores and retail shops by the defendant or reference to defendant's shop in a shop directory as "the PINK shop on level 4" without any reference to Victoria's Secret would confuse a person as to whether the shop belongs to the claimant or defendant;
- Use of the word PINK prominently in advertisements, shops with the words 'Victoria's Secret' written in font which generally goes unnoticed by viewers.
- Use of the sign PINK on items of clothing sold by the defendant or carry bags etc., when worn or used by a consumer would be assumed by others viewers as indicating the origin/association to the claimant since the viewer would not be in a position to check the neck label or tags attached to the goods in order to confirm the source.

Interestingly, the claimant also adduced evidence of instances when customers, confused by the deceptive use of the mark PINK by the defendant have entered the wrong shop with a view to exchange certain goods already purchased.

Another line of defence adopted was that the word PINK was never used in isolation by the defendant and has always been accompanied by the defendant's much celebrated trading name 'Victoria's Secret' thereby eliminating any scope of public confusion. However, the court rejected the above argument as it accepted the contention made by the claimant that the words 'Victoria's Secret' and 'PINK' was never used in the same font and size (other than two specific instances).

Rather, any reference to 'Victoria's Secret' was always in much lesser font which would easily escape the attention of the viewer thereby resulting in confusion amongst the public.

The court further observed that an average consumer is drawn by the signage and promotion, in particular the name of the store which is confusingly similar to another retailer's trade mark and not by the tags or neck label which can be accessed only upon entering the shop.

Infringement based on 'detriment to distinctive repute'

Another interesting aspect of the decision is the emphasis laid on 'reputation' being a relevant factor in determining whether a case of infringement exists or not. The claimant argued that its mark had acquired distinctiveness and well established reputation for shirts and had established itself as a "luxury retailer known for quality and tradition and traditional values". It further argued that the defendant's use of the impugned mark aimed at a sexy mass appeal would tarnish the claimant's reputation. To this, the court accepted that the link between the claimant's trademarks and the impugned mark would lead the customers to associate the two and would lead to detriment, if not tarnishment, to the reputation of the claimant.

The court further observed that the change in perception about the claimant's mark by virtue of its association with the sexy connotation of the impugned mark would also result in "change in economic behavior of the claimant's customers". The court therefore concluded that the use of the impugned mark by the defendant would

amount to dilution of the distinctiveness of the claimant's trademarks which had acquired through claimant's long and uninterrupted use of the same.

Territorial rights in trademarks

The judgment also touches on several other significant aspects of trademark protection and enforcement. For instance, the court accepted the submission of the defendant that by virtue of its extensive use and popularity of the impugned mark in United States, entering the European Union and UK market with the subject mark would be a natural extension of its business and therefore may not be deemed *malafide*. Therefore, the court re-emphasized the territoriality of the rights in trademarks. It also observed that the co-existence agreement between the claimant and the defendant in US was a covenant by the claimant not to sue in USA and therefore limited in territory without necessarily conferring a right to existence in EU and UK.

The decision

The court, in weighing the evidence of actual confusion, observed that though the evidence produced was not sufficient to establish the claimant's case, it is adequate to negate the defendant's claim that there is no evidence of actual confusion in the UK or EU. It concluded that the defendant's use of the word PINK both on its goods and as the name of its stores in European Union amounts to infringement of the claimant's registered trade mark rights.

The judgment makes a very interesting read with respect to arguments made by the counsels for the claimant in establishing the distinctiveness of claimant's marks despite the word PINK being descriptive of the goods and services as well as the court's analysis of the actual evidence produced in determining the likelihood of confusion on the part of the public.

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Ratio Decidendi

Trademarks – Infringement when part of registered mark used

Bombay High Court has granted interim injunction in a dispute involving alleged infringement of trademark "Tango Punch" by the defendant by use of words "Tango Charlie" in respect of similar product (country liquor). Relying on an earlier decision in the case of *Reckitt & Coleman of India Ltd v. Wockhardt Ltd.*, the court held that there is infringement once a particular feature of a trade mark is found to be distinctive and essential, and that essential feature is used without permission. Contention

of the defendant that every constituent part of a trademark must also be registered, was hence rejected by the court while also noting that the word "Tango" was not disclaimed by the applicant; not common to the trade and is not non-distinctive.

Further, the court though noted that statutory duty of the court under Section 17(1) of the Trade Marks Act is to take the label as a whole and that where a mark has multiple elements its registration gives exclusivity in use of the entire mark, it held that where the mark has a unique, distinctive and essential feature, though

not one separately registered, that feature cannot be used without fear of repercussion. Defendant's contention that plaintiff themselves being infringers cannot maintain an action in infringement against the defendant, was also rejected by the court, placing reliance on Section 28(3) of the Trade Marks Act, 1999. Contention of bona fide or honest industrial practice, for using each other's bottles, was also rejected by the court in this regard. [*Brihan Karan Sugar Syndicate Pvt. Ltd. v. Lokranjan Breweries Pvt. Ltd.* - Notice of Motion no. 1027 of 2014 in Suit no. 559/2014, decided on 2-9-2014, Bombay High Court]

Trademark infringements – Party to suit and territorial jurisdiction of courts

Bombay High Court has held that a licensee of trademark can also join as party to a suit of infringement. The court in this regard noted that while considering an application under Order VII Rule 11, the court cannot look into the defence of the defendant. Rejecting the contention of the defendant that entire plaint is liable to be rejected as licensee is not entitled to file suit, the court held that suit is anyway maintainable as registered proprietor was also one of the plaintiffs. It was also noted that legislature has purposely not restricted the meaning of the word "person" in Section 134(2) of the Trade Marks Act, 1999 only to a registered proprietor and registered user and that the word used is "includes" thereby meaning that the definition is inclusive.

Further in respect of territorial jurisdiction, the court held that even if the requirement of Clause XII of the Letters Patent or Section 20 of the Civil Procedure Code is not satisfied, Section 134(2) of Trade Marks Act will still confer jurisdiction on its

own terms, as it creates jurisdiction in addition to and independent of Section 20 of the Code and Clause XII of the Letters Patent. It was noted that object of incorporating changes in Section 134 was to allow the plaintiff to file a suit at a place where the plaintiff resides or carries on business without any reference to the place of business of the defendant or to the place where the cause of action arose. The court in this regard also held that cause of action and the place at which it has arisen are irrelevant under Section 134. [*Ultratech Cement Limited v. Dalmia Cement Bharat Limited* - Notice of motion (L) No. 141 of 2014 (by Dalmia Cement Bharat Ltd.) in Suit No. 42/2014, decided on 27-8-2014, Bombay High Court]

Patents – Non-disclosure of abandonment of application when not amounts to concealment of fact

Delhi High Court has granted interim injunction against manufacture or selling of active pharmaceutical ingredients (API), compounds or formulations containing Vildagliptin or its combinations – drug used to treat Type 2 Diabetes Mellitus. Noting that application for the patent was in public domain for sixteen years without any objection by defendant, and that it was only recently that a revocation application has been filed, the court held that it *prima facie* showed that defendant wanted to launch the compound patented in the suit patent. Further, observing that the defendant was yet to launch the product, it was held that balance of convenience would be in preserving the *status quo*. Earlier, the court also ruled that non-disclosure of abandonment of a

patent application by the plaintiff would not at this stage amount to concealment of material facts. The court in this regard noted that the second application was made by the patentee while the application in respect of the suit patent was pending and it was abandoned when the

suit patent was granted. Earlier decision in *F. Hoffmann - LA Roche Ltd.* [2009 (40) PTC 125 (Delhi)] was also distinguished by the court. [*Novartis AG v. Ranbaxy Laboratories Ltd.* - I.A. No. 17139/2014 in CS (OS) No. 2703/2014, decided on 8-9-2014, Delhi High Court]

News Nuggets

Australian Federal Court holds Isolated nucleic acid to be patentable

'This case is not about the wisdom of the patent system. It is about the application of Australian patent law...' The Federal Court of Australia in *D'Arcy v. Myriad Genetics Inc* (5-9-2014) held that the nucleic acid isolated from the cell nucleus is patent eligible matter. It did refer to the US decision in *Association for Molecular Pathology v. Myriad Genetics, Inc*, 596 US 12-398 (2013) where patentability was denied on grounds of exclusion to laws of nature. However the Australian decision was based on 'in manner of manufacture', distinction between discovery of a fact and deployment to a useful end and the absence of statutory or jurisprudential limitation of patentability to exclude 'products of nature'.

In its analysis the court emphasized that the claims were not for any naturally occurring material in a human body but related to the nucleic acid isolated from the natural environment. In the process of isolation a new product (since some of the covalent bonds were broken), capable of being used for further research/tests to determine

disposition to cancer, had emerged. Since the material could not be produced without human intervention, it was something 'artificial', of economic significance and bringing a benefit to mankind.

It also referred to the Australian Law Commission report which recommended against specific exclusions to genetic materials and technologies, which was accepted by the legislature.

CJEU rules on necessity for originality in a parody

Exception for use of copyrighted material in parody is the flavour of the season in UK. Since the recommendation in Hargreaves review in 2011, statutory protection for use in parody has been taken up and is likely to come into effect later this year. What is parody and when does it cease to be fair use are intriguing questions and could yield as many answers as there are fact situations.

Meanwhile, the CJEU (*Johan Deckmyn & ors v. Helena Vandersteen & ors*, 3-9-2014) recently had occasion to consider what can be parody. The Belgian court had a few questions: should parody display originality, seek to be humorous or to mock, regardless

of whether any criticism thereby expressed applies to the original work or to something or someone else and whether concept of “parody” an autonomous concept of EU law.

The point of contention between the parties to the suit - heirs of the author of copyright comic book ‘Suske en Wiske’ and the defendant belonging to a political party was the drawing used in a calendar distributed in 2011 which resembled the cover of one of the comics with a person in white tunic dropping coins in a street which are picked by other people. In the parody version, the main character resembled the Mayor of Ghent and the people in the street were shown to be of various race/country. The heirs objected to the ‘parody’ on various grounds including the discriminatory

character of the message conveyed, use of original in large parts which was not necessary and so on.

Parody is necessarily an imitative work and will therefore include some feature(s) which remind a person of the original work. The CJEU opined that a work of parody displays an original character of its own, other than that of displaying noticeable differences with respect to the original parodied work. However, to balance the interest of the user of copyrighted work and the right holders, the national court has to determine whether in the circumstances of the case the use was fair. The heirs, the court said had a legitimate interest in ensuring that a discriminatory message (placing people of different colour/wearing veils in the drawing) is not associated with the original work.

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