
Intellectual Property Appellate Board (IPAB) lays down strict test for determining 'well known' status

An order dated 16th April, 2015 (in ORA/126/2012/TM/CH) passed by the Intellectual Property Appellate Board (IPAB) in a cancellation/rectification action based on prior adoption and world-wide use of the mark HYPNOS by Hypnos Limited (HL), United Kingdom has brought to the forefront debate on the evidentiary requirement to establish 'well known status'. In this case, IPAB did microscopic examination of evidence filed by the Petitioner (HL) to support its prior adoption and well known status of the mark and came to the conclusion that Petitioner's evidence was weak as it had shown no sale in India prior to 2007 (the date of registration by the other side). IPAB also observed HL had not shown instances of any actual confusion. IPAB thus held in favour of Hosur Coir Foam Pvt. Ltd (HCFPL) and refused to cancel/rectify the mark HYPNOS registered in the name of HCFPL under registration No.1544245 in class 20.

Hypnos Limited (HL) in support of its petition to cancel the mark argued that:

- a) HL is a family run business incorporated in 1926 in the United Kingdom and is one of the most renowned manufacturer of uniquely designed, hand-crafted and technologically highly advanced beds, mattresses, pillows, etc.
- b) They are the registered proprietor of the mark "HYPNOS" in a number of countries which was adopted several decades ago in relation to its products beds and bedding, mattresses, pillows and other allied products.
- c) The worldwide operations of the applicant cater to highly specialized market and consumers namely royal palaces and estates, luxury and boutique hotels, cruise liners, yacht, spa, etc, and the trade mark and brand "HYPNOS" has an excellent reputation and goodwill and is exclusively identified and associated with the applicant alone.
- d) Due to superior quality, extensive and continuous use including wide publicity and promotion, the mark "HYPNOS" has acquired factual distinctiveness and has become inextricably linked with the applicant's products.
- e) By virtue of its first worldwide use coupled with transborder reputation, HL's trademark HYPNOS is the earlier trade mark within the meaning of section 11 of the Trade Marks Act, 1999, and is a well known trade mark in India.
- f) HL's HYPNOS mark is registered in several countries of the world and in India it is pending registration.
- g) HCFPL had dishonestly adopted and applied for registration of the impugned trade mark "HYPNOS" which is an internationally well known mark exclusively associated with HL.

- h) The adoption of the impugned trade mark by HCFPL in relation to identical goods is tainted with dishonesty and they have not made any bonafide use of the mark and the entry remains wrongly on the Register without sufficient cause and is liable to be expunged.

The Respondent (HCFPL) in response made the following submissions:

- a) HCFPL is the proprietor of the trade mark HYPNOS bearing No.1544245 in class 20 for selling mattresses and other related products and has been continuously using the impugned trade mark 16th October, 2008.
- b) HCFPL's exclusive licensee, Peps Industries Pvt Ltd has extensively advertised and promoted the brand HYPNOS in print and other media and due to outstanding quality of its products has received tremendous response from the public at large.
- c) The evidence provided by the HL of use are very limited in nature and in no manner assist them in proving well known status of their mark "HYPNOS" in any jurisdiction including India.
- d) Due to territoriality factor in trademark laws, local use is must to claim spill over of reputation.
- e) None of the evidences submitted by HL proves that use of the mark "HYPNOS" by HCFPL leads to actual or even likelihood of detriment to the distinctive character or repute of its trade mark or that HCFPL has actually gained any unfair advantage by using their mark "HYPNOS"

After hearing the arguments, reviewing the case laws and documents in detail the IPAB culled out three main issues:

- 1) Whether the trademark 'HYPNOS' of HL is well known trademark and carries trans-border reputation?
- 2) If yes, what affect of spill over of reputation of the trade mark 'HYPNOS' in India?
- 3) Whether the respondent's adoption is contrary to section 12 (that provides for registration in case of honest concurrent use) of the Trade Marks Act, 1999?

IPAB held

- Trademarks Act clearly suggests that "the rights emerging there from are a monopolistic right and the trademarks existence and its relevance only comes when it is used on a product. The trademark rights exist in each country separately in accordance with the country specific statutory scheme". Further, a close scrutiny of the documents filed by the applicant reveals that only 14 documents are before the critical date of 28th March, 2007, registration date of the HCFPL trademark and out of 14 documents, HL has submitted 5

invoices specifically in relation to 2 countries only. A few invoices do not reflect firstly the extensive use or show the well known recognition of the applicant's mark among the consumers in India or internationally.

- The documents relied on by HL are insufficient to substantiate their contention regarding well known nature and trans-border reputation whereas HCFPL has filed several invoices evidencing their use of the mark over the years.
- "That mere filing of an application or obtaining certificates of registrations for the trademark from some countries itself is not sufficient to establish worldwide reputation or trans-border reputation even considering the fact that to establish trans-border reputation there is no requirement of actual use of the trademark". However, where a person claims to have attained well known status and is deriving trans-order reputation of his mark, the onus is cast upon the applicant to establish the said contention wherein they have miserably failed.
- The Board also held that the applicant has not been able to show any tangible evidence indicating the measure of public inconvenience from the resemblance of the marks nor have they proved their case through any instances of confusion. Further, the applicant has also failed in proving the relative inconvenience which would be caused if the impugned mark is not removed and therefore dismissed the rectification petition.

Our comment

IPAB in this case has taken a different view of global reputation in the context of cancellation/rectification action and held that principles laid down by the courts in passing off actions may not apply. This has created a piquant situation where two forums have taken different view on nature and extent of evidence required to support trans-border reputation. Further, it is interesting to note that while applying test for honest concurrent use (Section 12 of the Trademarks Act), IPAB has not insisted on honesty of adoption to be shown by the registered proprietor and is again not in line with earlier decisions of the court.

Vatika Towers
10th Floor Block-B
Sector-54
Gurgaon-122002
National Capital Region (Haryana)
India

Tel. +91 124 4655999
Fax. +91 124 4045047
Email info@rnaip.com

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