
Science and Technology facilitates reputation to Spillover

The two judge bench aka Division Bench (DB) of the Delhi High Court heard an appeal filed by Mac Personal Care Pvt. Ltd (MPCL) against the restraint order dated February 19, 2015, passed by the Single Judge of the same court. The DB vide order dated January 28, 2016, dismissed the Appeal of MPCL and made interesting observations in relation to trans-border reputation of a mark. The suit for passing off to restraint use of LAVERA mark was originally filed by Respondent/Plaintiff, Laverana GmbH & Co. KG, Germany (Laverana)

Background

Laverana, the proprietor of the mark LAVERA had filed the suit against MPCL for passing off, damages, delivery up, etc, before the Delhi High Court. The suit was based on the prior adoption and use of LAVERA mark and its extensive international use. Further, Laverana relied upon its trans-border reputation and spill over of reputation in India. Laverana argued that the word LAVERA in Latin language means 'the truth' and is an arbitrary word when used in relation to cosmetics and body care products. Therefore, MPCL's use of a virtually identical mark 'Mac's Lavera' in relation to identical products, i.e., cosmetics, amounts to passing off. Laverana also filed extensive documents such as foreign registration certificates, awards, article/s enunciating the quality of its products so as to substantiate its contentions. The Single Judge of the Delhi High Court after a detailed hearing confirmed the ex-parte interim injunction it had granted earlier in favour of Laverana restraining MPCL from using the mark LAVERA or any other mark deceptively similar to LAVERA till the disposal of the suit. While confirming the injunction the Single Judge clearly held that Laverana has succeeded in establishing its prior use and trans-border reputation in the LAVERA mark. Further, the Judge also raised doubts regarding the justification provided by MPCL for adopting a virtually identical mark LAVERA. Aggrieved by the said order, MPCL filed the appeal.

Appeal

MPCL raised several contentions challenging the order of the Single Judge. The DB while deciding the appeal primarily considered the following points:

1. whether Laverana has established a trans-border reputation;
2. whether MPCL is the bonafide adopter and user of the mark LAVERA; and
3. whether delay and laches would be detrimental to the case of Laverana.

Trans-border reputation

With regard to trans-border reputation, the DB discussed in detail the concept of trans-border reputation and the relevant factors which helps in deciding the claim of trans-border reputation. In this regard, the DB specifically considered the great advancement made in the field of science and technology coupled with the modern means of communication to conclude that nowadays anyone in any country at the click of a few buttons is able to view international trademarks with such ease that spill over factor has become easy to establish. Moreover, with regard to whether the mark LAVERA has acquired goodwill and reputation in the international market and the same has spilled over into India, the court considered the materials on record and identified the following factors whereby Laverana has succeeded in establishing reputation in the LAVERA mark and its spill over into India.

- Registration of a trademark in a jurisdiction abroad.
- Details/declarations of the registration are in the public domain and open to inspection.
- Registration has been granted by the authority after being convinced of the distinctiveness and registrability of the subject mark.
- Registrations in multiple jurisdictions create a stronger presumption in favour of the subject mark.
- Renowned magazines, publications, even if they are few.
- Volume of sales.

Adoption

With regard to adoption of the mark LAVERA by MPCL the court held that the mark LAVERA in Latin means 'the truth' and is an arbitrary word when used in relation to cosmetic products. Moreover, the justification provided by MPCL in adopting an identical mark in relation to identical goods is least convincing and therefore the adoption appears dishonest.

Delay and laches

On the question of delay and laches, the court held that when the initial adoption of the mark by MPCL is itself dishonest and vitiated by fraud, delay is not a valid ground to allow misuse. Further, MPCL will also not be able to seek shelter under the guise of an honest concurrent user, as the adoption from the very inception is dishonest.

The court thus dismissed the Appeal and confirmed the injunction already operating against MPCL.

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

Tel. +91124 4655999
Fax. +91124 4045047
Email info@rnaip.com

Copyright © RNA, IP Attorneys