
Phonetic similarity is not the final test

Bombay High Court refused to grant injunction in a suit for trademark infringement filed by International Foodstuffs Co. LLC (IFCL), against Parle Products Pvt. Ltd (Parle) and Ors. IFCL was aggrieved by Parle's use of the mark "LONDONDERRY" for confectionery which infringed its registered rights in the mark "LONDON DAIRY".

Plaintiff in the suit contends:

1. IFCL is a Dubai-based company and has been in business since 1975.
2. IFCL is the registered proprietor of the mark "LONDON DAIRY" and use the same in relation to ice-cream. The mark LONDON DAIRY is registered in class 30 both as a word mark as well as a label mark.
3. The mark "LONDON DAIRY" is depicted in a stylised fashion with a unique colour scheme and distinctive font. The two words are used separately and the word "LONDON" specifically disclaimed.
4. IFCL has made extensive sales of the LONDON DAIRY branded products in several countries of the Middle East and also in India since 2010. IFCL has also spent substantial amounts for sales and promotion of the LONDON DAIRY brand.
5. Defendants have dishonestly adopted the mark LONDONDERRY which they use in relation to boiled confectionary sweet.
6. The Defendants mark LONDONDERRY closely resembles IFCL's registered mark LONDON DAIRY and as the rival marks are also phonetically similar an injunction must be granted to safeguard IFCL's rights.

Parle contends as follows:

1. The mark "LONDONDERRY" is used as a single word and also has an entirely different colour scheme and font so as to make it far removed from LONDON DAIRY.
2. IFCL has never used the mark LONDON DAIRY for anything other than ice-cream. Parle's application for registration of the mark LONDONDERRY in class 30 which is pending does not include ice-creams.

3. IFCL's registration in class 30 gives protection only to those goods for which it has use and not the entire goods falling in the relevant class. Thus, IFCL must be deemed to have limited their use only to ice-cream within class 30.
4. IFCL had no reputation in India till 2010 and nothing to indicate an international reputation so as to claim trans-border protection. Parle has been using the mark since April 2011, which is the relevant date of adoption. IFCL has failed to prove its goodwill and reputation and Parle's adoption and use of the LONDONDERRY mark is with an intention to deceive.
5. The mark LONDON DAIRY is a combination of a disclaimed word "LONDON" and DAIRY; a word publici juris to the extent that no exclusivity can attach to it at all, even for ice-cream. Further, IFCL cannot claim a monopoly on all marks that sound similar but are used on distinct and different products in wholly distinct packaging and pricing.

The parties relied on several case laws to substantiate their cases. The Court after considering the arguments, pleadings and case laws held as follows.

- Visually there is nothing common between the rival marks and the words themselves are different. Though the words may have same pronunciation that is not the entirety of the test.
- IFCL's product is clearly distinct, requires refrigeration, is packaged differently and is expensive by Indian standards, starting at Rs. 80/-. Whereas, Parle's boiled sweet is sold in single sachets priced at Rs. 0.50. Therefore, over and above the differences in the vendibility of the products the chances of the same causing confusion in the market do not exist.
- The words "LONDON DAIRY", when used in relation to ice-cream, might connote the goods of IFCL but that is not what Parle does. The latter's product falls in the same class but is entirely distinguishable in every word and in every way except the phonetic.
- The Court also cannot close its eyes on the surrounding circumstances such as packaging, goods, their price point, the distinct words, stylization, use in an everyday context, lack of any meaningful reputation or goodwill, want of demonstration of deceit or misrepresentation while considering an application for injunction.

In view of the above findings the Court held that IFCL is not entitled for an injunction and therefore refused its application.

Our comment

The Ruling is contrary to established practice of comparing marks phonetically and paying greater attention to this factor while determining similarity. Also the surrounding circumstances theory may lead to proliferation of infringements where the traders work backward to build labels/wrappers that use different colour scheme while copying the essence of the marks. IFCL is likely to Appeal against the order and it would be interesting to see how the two judge bench examines the issues.

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