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An e-newsletter from  
Lakshmikumaran & Sridharan, India

April 2021 / Issue-115

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**April**  
2021





## Article

### Comparative advertising of soaps – No violation of trademark law if backed by science: Bombay High Court

By Ayushman Kheterpal and Sudarshan Singh Shekhawat

Comparative Advertising is an aggressive form of marketing involving direct or veiled comparisons of one brand with one or more competing brands. Comparative advertisements may often lead to a legal tussle under the Indian Trademark Law.

In a recent such tussle, the FMCG<sup>1</sup> giant Hindustan Unilever Limited (**‘Plaintiff’**) sought to restrain pharma company USV Private Limited (**‘Defendant’**), from comparative advertising (**‘impugned advertisements’**) of the Defendant’s soap ‘Sebamed’ with the Plaintiff’s soaps Lux, Dove and/or Pears. The Bombay High Court’s Single Judge, by Order dated 19 January 2021<sup>2</sup> partially allowed the Defendant to continue with its impugned advertisements subject to certain restrictions/restraints at an *ad-interim* stage. The Order dated 19 January 2021 was upheld by the Division Bench of the Bombay High Court *vide* Order dated 21 January 2021<sup>3</sup>. Quickly thereafter, Special Leave Petition was preferred by the Plaintiff which was dismissed by the Supreme Court<sup>4</sup>.

#### *Ruling of the Single Judge*

The Plaintiff’s grievance was related to a series of advertisements wherein the first one was a ten second teaser film in Hindi titled **‘SACH COMING SOON’** (Truth coming soon) which depicted models sitting at a table where one says *‘Filmstars, celebrities aur bollywood beauties kuch bhi bolne tayyar hote hai par sach bolney se ghabratey hai, sach coming soon’* (Celebrities will say anything in advertisements but are afraid to tell the truth, which is coming soon). Further, the Plaintiff submitted that the impugned advertisements were mainly three audio-visual advertisements in Hindi language titled:

- a) **‘FILMSTARS KI NAHI, SCIENCE KI SUNO’** (Listen to science and not filmstars) – This compared Defendant’s soap with LUX soap of the Plaintiff.
- b) **‘TRANSPARENT SOAP KA SACH’** (The truth behind transparent soap) – This involved comparison with PEARS soap of the Plaintiff.
- c) **‘DUDH JAISE SAFED SOAP KA SACH’** (Truth behind the soap claiming to be white like milk) – This involved comparison with DOVE soap of the Plaintiff.

These three advertisements were launched by the Defendant for its product ‘Sebamed Cleansing Bar’. The Plaintiff argued that the

<sup>1</sup> Fast Moving Consumer Goods.

<sup>2</sup> *Hindustan Unilever Limited and Another v. USV Private Limited*, Interim Application (L) No. 808 OF 2021 in Commercial IP Suit (L) NO. 805 OF 2021, Bombay High Court, order of Single Judge dated 19 January 2021.

<sup>3</sup> *Hindustan Unilever Limited and Another v. USV Private Limited*, Interim Application (L) No.1921 OF 2021 IN Commercial Appeal (L) NO.1919 OF 2021, Bombay High Court, order of Division Bench dated 21 January 2021.

<sup>4</sup> *Hindustan Unilever Limited and Another v. USV Private Limited*, Petition(s) for Special Leave to Appeal (C) No(s). 2437/2021, Order of Supreme Court dated 15 February 2021.

impugned advertisements specifically targetted and disparaged the Plaintiff's products by insinuating that the use of LUX and PEARS soaps on skin was as bad as using a detergent soap like 'RIN' solely on the basis of their pH levels. They also showed that pH of Dove was also high (pH 7) which was stated to be '*not perfect for sensitive skin*'. In comparison, the advertisement depicted that pH level (5.5) of the Defendant's product was perfect for sensitive skin.

The Plaintiff argued that the three impugned advertisements along with the teaser created an impression that the Plaintiff was lying about its product and misleading the public. The Plaintiff further argued that the impugned advertisements mislead the public by conveying that the pH was the sole determinative factor for the quality of a soap and that any soap having a pH higher than 5.5 was not safe, inferior, sub-standard, harmful, dangerous, and not appropriate for the requirements/ suitability of human skin. The Plaintiff further submitted that the impugned advertisements deliberately slandered, denigrated and disparaged the Plaintiff's LUX, DOVE and PEARS soaps to unjustly gain by promoting its SEBAMED CLEANSING BAR.

The Plaintiff submitted that most soaps had a pH of 9-10 and were completely safe for the human skin. The Plaintiff objected to comparison of LUX and DOVE with detergent soaps, which was argued to be of totally different composition and function. It was submitted that the effect of the product on the skin i.e. harshness or mildness was not solely governed by the pH level, but by several other ingredients contained in the soap. Thus, it was argued that a soap with a higher pH could be milder than a soap with a lower pH level.

### *Submissions of the Defendant*

The Defendant submitted that a normal healthy skin had the pH range of 5.4 to 5.9, and use of soap with high pH (higher the pH, greater the alkalinity) caused an increase in the skin pH which increased dehydration of the skin by removing the body's natural oils causing irritability and alteration in bacterial flora. It was submitted that optimal protection and compatibility with the skin (which is slightly acidic), was only achieved with a pH value of 5.5. It was further submitted that the pH value of LUX and PEARS closely matched the Plaintiff's detergent soap RIN (pH value 10.52). In support of its contentions, the reliance was placed by the Defendant on an article of the Indian Journal of Dermatology<sup>5</sup>. The Defendant submitted that though pH was not the only determinative factor in ascertaining the harshness or mildness of a soap, it was certainly one of the relevant factors.

The Defendant further submitted that in an old advertisement, the Plaintiff itself had highlighted the pH level of its DOVE soap in a laudatory manner, along with a claim that it was milder in comparison to arguably harsh sandal and detergent soaps by using a litmus paper, where the Plaintiff's DOVE soap was claimed to be milder on the basis of its lower pH. Therefore, it was submitted that the Plaintiff should not be allowed to approbate and reprobate in respect of pH.

It was further submitted that the impugned advertisements were a form of commercial free speech and were, thus, protected under Article 19(1)(a) of the Constitution of India and cannot be indicted by any law unless it was within the exception of Article 19(2).

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<sup>5</sup> Jose Tarun et al., *Evaluation of pH of Bathing Soaps and Shampoos for Skin and Hair Care*, 59(5) INDIAN J DERMATOL. 442, 442-444 (2014).

### *Decision of the Court<sup>6</sup>*

The Single Judge observed that if the advertisement was found to be disparaging, then, the Court could either restrain the communication of the entire advertisement, or could identify the parts of advertisements that belittle the competitor's product and grant an appropriate injunction accordingly. The Single Judge further held that a regular consumer was not a scientist who knows what are the ingredients that go into making a soap and what is the effect of those ingredients on the skin including the pH level of a soap.

In this backdrop, the Single Judge analysed the two audio-visual advertisements comparing Defendant's product with LUX and PEARS soap of Plaintiff along with printed advertisements, and found them insinuating that the use of these soaps is as bad or equivalent to using the detergent soap RIN on the skin and, therefore, held them to be disparaging to the Plaintiff's LUX and PEARS soaps. The Single Judge relied on a 2016 decision of Advertising Standards Council of India (ASCI) which clearly held that pH alone does not govern the quality or harshness of soap. The Court concurred with ASCI and observed that depending on the ingredients of the soap, it was possible that a soap having a higher pH value may still be milder on skin than a soap having a pH value which is lower. The Single Judge permitted the Defendants to air such advertisements, in respect of LUX and PEARS soaps, however, directed that the same should be without any reference to any washing detergent including Plaintiff's RIN. It was held that such reference was not protected under commercial free speech as contemplated under Article 19(1)(a) of the Constitution of India, since the said provision did not permit a party to

disparage, belittle and/or malign the product of the competitor.

Further, it was held that the third audio-visual advertisement of 'DUDH JAISE SAFED SOAP KA SACH' (comparison with DOVE soap) and related printed advertisements did not warrant any injunctive relief since such advertisements merely boasted of pH level of SEBAMED soap being lower than that of the DOVE soap and portrayed it being best for sensitive skin. Herein, the Court found the Defendant to have admitted that it was incorrect to categorize any soaps with a pH between 6 to 10 or between 0 to 5 as 'not safe' and to categorize soaps having pH levels between 5 to 6 as 'safe'. The Court directed the Defendant to substitute the words 'not safe' and 'safe' with the words 'not ideal' and 'ideal'.

Regarding the old advertisement of the Plaintiff comparing its product DOVE based on pH alone, the Court held that even if it was to be assumed that the Plaintiff had misled the public in the past, it was before the ASCI decision and for such claims, the Plaintiff was pulled up by the ASCI. The Plaintiff's advertisements were subsequently pulled down. The Single Judge while reasoning that the two wrongs does not make one right, held that the Defendant could not take a defence under the old advertisement of the Plaintiff.

### ***Ruling of the Division Bench***

Being aggrieved by the Single Judge's Order dated 19 January 2021<sup>7</sup>, the Plaintiff immediately approached Division Bench of the Bombay High Court for an appeal since ad-interim injunction was granted only partially and a complete relief was denied to the Plaintiff. The Division bench *vide* its Order dated 21 January 2021<sup>8</sup>, observed that the Defendant had already been restrained from using the terminology 'safe' and 'unsafe' in

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<sup>6</sup> *Supra* Note 2.

<sup>7</sup> *Ibid.*

<sup>8</sup> *Supra* Note 3.

the impugned advertisements. Further, comparison with the Plaintiff's products with washing detergent in general and RIN detergent/bar in particular had also been prohibited by the impugned order.

The Plaintiff contended that whilst it may be permissible for the Defendant to describe its own product as 'ideal', it should not be permitted to describe the Plaintiff's products as 'not ideal'. The Plaintiff further contended that its product 'DOVE' had been said to be 'not perfect for sensitive skin' which arguably amounted to disparagement. The Defendant proposed that, without prejudice to its rights and until final disposal of the Interim Application before the trial court, it would delete the sentence 'It's not perfect for sensitive skin' in the impugned advertisement whilst comparing it to DOVE Soap.

The Division Bench by relying upon the article titled '*Evaluation of pH of Bathing Soaps and Shampoos for Skin and Hair Care*<sup>9</sup>' concluded that there was nothing wrong in Defendant's comparison of the pH of the two products and claiming that its product was ideal for sensitive skin. Further, while deciding the issue whether the Defendant can be permitted to say that the Plaintiff's products were 'not ideal' for sensitive skin, the Division Bench held that there was some scientific basis for saying so. The Division Bench denied to modify the order of Single Judge reasoning that, even if the Defendant were to stop at merely comparing the two products by names and with reference to their respective pH values, and then calling its product as 'ideal for skin care', it wouldn't be that different from implying that the rival products were not so ideal. The Division Bench further observed that the real denigration came with the use of the words 'not safe' had been already dealt with in the Single Judge's order<sup>10</sup>, since

such term did not have any substantial scientific basis *prima facie*, as safety was also based on other factors other than the pH value.

## Conclusion

The Single Judge in the present case<sup>11</sup> pertinently observed that while advertising was merely a commercial transaction, it was nonetheless dissemination of information regarding the product advertised and that public at large was benefitted by such information making it critical for a democratic economy. Further, it is settled law that whilst advertising own product, one was entitled to some puffery regarding its goods, even though the declaration might be untrue. The proponent of an advertisement could also compare the advantages of its product over the product of others. However, while doing so, one could not say that goods of its competitors were bad, either expressly or by necessary implication, else one would be guilty of slander and defamation. It is also well settled that to decide the question of disparagement, the following factors are to be considered:

- (a) the intent of the commercial / advertisement;
- (b) the manner of the commercial / advertisement and
- (c) the story line of the advertisement / commercial and the message sought to be conveyed by it.

The rulings of the Bombay High Court follow the aforementioned well established jurisprudence of Comparative Advertising. However, in the present case, while the rulings allowed the impugned advertisements to continue to be aired to the public based on the scientific principles, it crucially also restrained the

<sup>9</sup> *Supra* Note 5.

<sup>10</sup> *Supra* Note 2.

<sup>11</sup> *Ibid.*

Defendants from extrapolating the said scientific principles beyond the factual limits.

It is pertinent to mention that facts of this case bear a resemblance to the Delhi High Court's ruling in *Havells India Ltd. and Ors. v. Amritanshu Khaitan and Ors.*<sup>12</sup> wherein Eveready LED Bulbs compared its brightness (lumens) and price with that of the Havells LED Bulbs. Main argument of the aggrieved party herein was that the Defendant was misleading the public by not disclosing all the relevant factors including 'power factor' and 'overall life' of the bulb. The Delhi High Court herein held that 'In the opinion of this Court, it is open to an advertiser to highlight a special feature/characteristic of his product which sets it apart from its competitors and to make a comparison as long as it is true. For instance, if a chocolate biscuit manufacturer issues a comparative advertising highlighting that his

*product has the highest chocolate content and the lowest price, then in the opinion of this Court the rival manufacturer cannot seek an injunction on the ground that fibre content or calorific value or protein content had not been compared.*'. Similarly, in present case, even though the Defendant had not compared the constituent ingredients of the soap with that of the Plaintiff's soaps, the same may not be necessarily required to be shown in light of the aforesaid jurisprudence. The aforesaid analysis may be crucial for conclusive determination of the present dispute, since this issue is bound to be raised by the Plaintiff at trial stage.

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## Statute Update

### Intellectual Property Appellate Board (IPAB) abolished

The Central Government has by an Ordinance promulgated on 4 April 2021 abolished the Intellectual Property Appellate Board ('IPAB'). It may be noted that a Bill for this purpose was earlier introduced in the lower House of the Indian Parliament (Lok Sabha) on 13 February 2021 but was not passed by both the Houses of the Parliament.

According to the Statement of Objects and Reasons appended to the Bill introduced in

February, the Tribunals (then) proposed to be abolished, including the IPAB, were of the kind which handle cases in which public at large is not a litigant or those which neither take away any significant workload from High Courts which otherwise would have adjudicated such cases nor provide speedy disposal.

The Tribunals Reforms (Rationalisation and Conditions of Service) Ordinance, 2021 amends for this purpose, the Cinematograph Act, 1952, the Copyright Act, 1957, the Patents Act, 1970, the Trade Marks Act, 1999, the Geographical Indications of Goods (Registration and

<sup>12</sup> 2015(62)PTC64(Del)

Protection) Act, 1999 and the Protection of Plant Varieties and Farmers' Rights Act, 2001.

### **Copyright Rules 2013 amended – Electronic means of communication, annual transparency report by Copyright societies, etc.**

The Department for Promotion of Industry and Internal Trade in the Ministry of Commerce and Industry has issued a notification on 30 March 2021 to amend the Copyright Rules, 2013. It may be noted that many of the changes now notified were earlier published for public comments in May 2019 through the Draft Copyright (Amendment) Rules, 2019. Some of the changes are listed below.

- Electronic means of communication has now been deemed as a communication of the written intimation from the Copyright office and the Registrar of Copyrights.
- Application for copyright registration of computer programme now must accompany only '*at least first 10 and last 10 pages of source code, or the entire source code if less than 20 pages, with no blocked out or redacted portions*'. Hitherto, the provision provided for submission of source code and object code. Effectively, the entire source code need not accompany the registration application now if the code is more than 20 pages.
- Copyright societies to make public an annual transparency report. This report is to

be presented in the annual General Body meeting, filed with the Registrar and published on the website of the society. New Rule 65A contains the list of 8 types of information that this report must contain.

- Copyright societies need to create a system of payment (for collection and distribution of royalty) through electronic modes and need to establish a system through which the payments so made are traceable.
- Royalties which could not be distributed within specified time are to be kept separate in accounts of copyright societies while the societies must take all necessary measures to identify and locate the authors. Royalties remaining undistributed to be transferred to the welfare fund of the copyright society after specified time period.
- Words 'Official Gazette' has been substituted at many places with the word 'journal'. Effectively, the notifications now need not be published in the Official Gazette and will be published in the Copyright Journal which will be made available at the official website of the Copyright Office.
- Interestingly, the latest amendments substitute the 'Copyright Board' with 'Appellate Board', while the Intellectual Property Appellate Board (IPAB) has been abolished within 5 days of the amendments, thus rendering the specified amendments otiose.



## Ratio decidendi

### Deception and confusion in trade dress – Similarities to be examined but dissimilarities cannot be ignored

The Delhi High Court has dismissed the suit for alleged infringement and passing off in trade dress of digestive biscuits. Listing out the dissimilarities between the contending packaging, the Court noted that though the examination is generally required to be directed towards assessing whether there is a deceptive extent of similarity between the marks irrespective of their individual dissimilar features, the points of dissimilarity between the rival marks cannot be regarded as irrelevant and ignored. It observed that if similarities can cause deception or confusion, dissimilarities, if sufficient, can also obviate any such possibility. The Court also rejected the plea that, as per Section 29(2)(b) of the Trademarks Act, 1999, since the goods were the same, *viz.* biscuits (for which plaintiff had an omnibus trade mark registration), mere similarity of the trademark would suffice.

The dispute involved the alleged deceptive similarity in the packaging of digestive biscuits manufactured by the plaintiff under brand name 'Nutri Choice' and by the defendant using brand name 'Farmlite'. Noting that while the word 'Farmlite' as used on the defendants pack, does not immediately strike the eye, the words 'Nutri Choice', as used on the plaintiffs pack, were large and prominent, the Court held that a person of average intelligence and imperfect recollection is bound to notice the absence of such words on the defendant's pack. Similarly, the use of the words '5-Seed Digestive' prominently and

pictorial representation of the five seeds contained in the biscuits, by the defendant, was noted by the Court when it held that the defendants' biscuit had a unique identity, which was distinct and different from that of the plaintiffs' biscuit. Further, reiterating that the test must be that of the perception of a person of imperfect recollection, and not that of an amnesiac, the High Court also noted that the different brands of the biscuit and the different companies manufacturing the biscuits were prominently displayed on both the packs.

Rejecting the application for interim injunction, the Court was of the view that the distinguishing features were too many which more than counterbalanced the similarities and *prima facie* negated any possibility of confusion, much less deception.

The High Court, similarly, also rejected the plea of confusion in the packing of the 'Nutri Choice 5 Grain Digestive' biscuits of the plaintiff and the 'Sunfeast Farmlite Veda Digestive' biscuits of the defendant. According to the Court, defendant's biscuits containing ayurvedic ingredients were not often encountered in the market and formed a *specie sui generis*. [*Britannia Industries Ltd. v. ITC Ltd.* – Judgement dated 5 April 2021 in IAs in CS(COMM) 553 and 554/2020, Delhi High Court]

### Trademarks – Monopoly claim over use of acronym when not sustainable

The Delhi High Court has rejected the plea that use of acronym of the corporate name of the plaintiff by the defendant in its movie would amount to infringement of plaintiff's trademark. It



also held that the fact that the acronym of the fictional corporate entity fashioned in their movie, coincided with the acronym of the Plaintiff's corporate name, cannot be the sole ground for granting an injunction against the release of a certified feature film.

The Court noted that though the plaintiff claimed to be the proprietor of the registered trademark 'DRL', no evidence was placed on record to show the use of the said registered trademark. It noted that registration of the trademark in one class cannot, by itself, give the Plaintiff an unrestricted right or monopoly over the letters D, R and L, when used in that order. Plaintiff's reliance on certain news articles in English newspapers, to establish its association with the word mark 'DRL', was also rejected by the Single Judge observing that the articles did not use 'DRL' on a standalone basis, and that the authors had used the initials of the plaintiff's company as abbreviation for mere ease of reference. Further, noting that various third parties were using and were also registered proprietors of the trademark 'DRL' in relation to several types of businesses, it was held that *prima facie* it cannot be held that 'DRL' was synonym to the Plaintiff's corporate name 'Dr. Reddy's Laboratories'.

Delving on the question as to whether the usage of 'DRL' in the movie amounts to infringement of the plaintiff's trademark, the Court observed that plaintiff's rights were *prima facie* limited to pharmaceutical preparations while the fictitious entity of 'Drishti Refineries Limited' in the movie was involved in the business of setting up refinery plants. The High Court was of the view that *prima facie*, there was no merit in the contention that the portrayal in the movie would amount to the general populace drawing an association with the plaintiff company.

Petitioner's reliance on Section 29(4) of the Trademarks Act, 1999 to contend that the use of 'DRL' by the defendants constituted infringement, as the advertisement was against the reputation of the plaintiff's trademark, was hence also rejected. The Court was of the view that there was *prima facie* no case of infringement as the defendants' use of DRL was not akin to the use of a trademark, in respect of the goods/services for which the plaintiff was the proprietor. [*Dr. Reddy's Laboratories Limited v. Eros International Media Limited* – Judgement dated 23 March 2021 in CS(COMM) 126/2021, Delhi High Court]

- 1) Trademark passing off – Registration of defendant mark when not material
- 2) Word 'Studiomaster' not descriptive of audio equipment

The Delhi High Court has held that the fact that defendant has a registered trademark is immaterial for the plaintiff seeking an injunction in a passing off action if the plaintiff is able to demonstrate that the defendant's mark is deceptively similar to its mark which has been in use prior to the defendant's mark. The Court noted that the plaintiff's mark [stylised word 'Studiomaster'] was used since 2003 by its sister concern and from 2008 onwards by them on assignment while the defendant could not place anything to demonstrate the commercial use of its marks [stylised words 'Studioman' and 'Studiomin']. It also noted that the plaintiff had invested substantial funds in promoting its device mark, a claim which was supported by a certificate of the chartered accountant. It observed that there was likelihood of confusion in the mind of a consumer having an imperfect recollection, as the stylised version of the

impugned marks were deceptively similar to the plaintiff's mark. The High Court reiterated that where the plaintiff has made sufficiently long use of a particularly distinctive device mark, a special obligation is cast on the competitor to avoid confusion.

It also held that since the plaintiff had obtained registrations *qua* the formative marks of the original device mark 'Studiomaster', it should be able to obtain protective orders *qua* other deceptively similar marks such as the impugned marks. The defendant's argument that the plaintiff had abandoned its earlier attempt to get its word mark 'Studiomaster' registered, was held as not material.

Similarly, the plea that the trademark 'Studiomaster' was descriptive, was also rejected by the Court while disposing the Interlocutory Applications filed against the *ex parte* interim injunction order. The Court noted that the word 'studio' was not descriptive of the product [audio equipment] manufactured and sold by the plaintiff and that it was further combined with another word 'Master' which was arbitrary. Noting that unless the word 'Studiomaster' is accompanied by the name of the product, it does not by itself give a clue as to what is the product about, the Single-Judge Bench of the High Court held that the word does not describe the products and goods. [*Audioplus v. Manoj Nagar* – Judgement dated 19 March 2021 in CS (COMM) No. 193/2020, Delhi High Court]

## Patents – Novelty not deniable for use in similar treatment when compounds structurally different

The Intellectual Property Appellate Board ('IPAB') has held that the novelty of the compound claimed in an application cannot be denied just because both the compounds are used for similar treatments, in a case where it has been acknowledged that both the compounds are structurally different. According to the IPAB, denial of novelty as compounds used for similar treatment, even when structurally different, is an absurd argument and cannot pass the scrutiny of tests of determining the novelty. The Board observed that once admitting that the compound of the instant invention and the compounds of the prior art were structurally different the lack of novelty cannot be proved by the reason that both the compounds are used for similar treatment.

The Appellate Board though observed that the grant of patent in any other jurisdiction does not have any binding effect on the Indian Patent Office ('IPO'), it held that if the patents are granted in other jurisdictions, considering the identical citations, refusal of the same case at IPO without adding any further citations and/or putting forward any new arguments is also not tenable. [*Canbas Co. Ltd. v. Controller of Patents* – Order dated 10 February 2021 in OA/18/2016/PT/KOL, IPAB]



## News Nuggets

### Design of Lego brick – EU’s General Court sets aside EUIPO’s decision holding design invalid

The European Union’s General Court has annulled the decision of the Third Board of Appeal of the European Union Intellectual Property Office (‘EUIPO’) that Lego bricks’ design is invalid since the design is solely dictated by the technical function of the product, i.e. to allow assembly with, and disassembly from, the rest of the bricks of the toy building set. Observing that the brick in question has a smooth surface on either side of the row of four studs on the upper face, which feature was not included among the features identified by the Board of Appeal (‘BoA’), the Court held that the BoA did not establish that all of the features of the product were solely dictated by the technical function of the product. It also held that the EUIPO failed to examine the relevance of the application of the exception under Article 8(3) of Regulation No 6/2002 which stated that the mechanical fittings of modular products may constitute an important element of the innovative characteristics of modular products and present a major marketing asset, and therefore should be eligible for protection. Further, noting that no provision of Regulation No. 6/2002 precluded the benefit of the exception from being relied on, for the first time, before the BoA, the General Court in the case *Lego A/S v. EUIPO* [Judgement dated 24 March 2021] upheld the reliance on the said Article 8(3) by the appellant.

### Prayer for injunction – Practice of two separate prayers, one for infringement and another for passing off, unwise

The Bombay High Court has deprecated the practice of setting out two separate prayers, one for infringement and one for passing off, where both seek injunction. Urging the advocates to reconsider the manner in which they frame these prayers, the Court termed the practice as ‘singularly unwise’. The Single-Judge of the High Court also suggested that the operative injunction order should only be an injunction without a restriction specifying infringement or passing off. It observed that this was the correct and consistent practice of the Delhi High Court also.

The Court also noted that the practice of segregating injunction prayers for infringement and passing off was also inconsistent with the other standard-form prayers like prayer for Court Receiver or for damages where there is no segregation in prayers. Observing that there is no one-to-one correspondence between a cause of action and relief, the Court noted that it was inconceivable that a defendant would be under an injunction not to infringe, but would be set at liberty to pass off, or *vice versa*. The High Court in the case *Hindustan Unilever Ltd. v. An Opposing Party* [Judgement dated 22 March 2021] was hence of the view that the prayer for relief must be framed as one simply for an injunction though that relief may be supported by establishing a cause of action either in infringement or passing off, or both.

## Trademarks – Delhi HC grants interim injunction to proceed with a suit in US District Court

The Delhi High Court has temporarily restrained a US Company from continuing to proceed with a suit titled *Phillips 66 Company v. Raaj Unocal Lubricants Ltd.* before the United States District Court at Southern District of Texas (Houston Division). The Court was of the view that the proceedings in the Texas District Court were *prima facie* oppressive and vexatious as though the Defendant No. 2 (US Company) was involved in the proceedings, before the Registrar of Trademarks, against the plaintiff, and was well aware of the rights of the plaintiff over the said mark, it concealed these facts in the proceedings before the Texas District Court. It also noted that the plaintiff was not claiming any trademark rights in the USA and any claim of infringement, with respect to the rights of the plaintiff would have to be determined in India. Further, granting interim injunction in respect of use of the mark '76' by the defendant, in the case *Raaj Unocal Lubricants Limited v. Apple Energy Pvt. Ltd.* [Order dated 8 March 2021], the Court noted that the plaintiff was, *prima facie*, entitled to the exclusive use of the '76' mark and to ownership thereof by virtue of an MOU and that the mark, which the Defendant No. 2 (successor of company which granted rights to plaintiff) proposes to register and use, was clearly identical to the '76' logo in the plaintiff's 'UNOCAL 76' trademark.

## Confusion in trademarks – Effect of common elements as also present in other marks in same market to be considered

Observing that the order of the Additional City Civil Judge, Bengaluru City was totally bereft

of any discussion regarding the broad and essential features of the two trademarks containing the words 'Matru Ayurveda' and 'Matruveda', the Karnataka High Court has set aside the impugned Order granting temporary injunction against use of trademark containing word 'Matruveda' in the preparation, sale and distribution of herbal products. It observed that the impugned Order wrongly addressed the alleged existence of similarity between the trade names of the plaintiff and the defendant, while there is a difference between the trade name and trade mark, and that in the present case the trade names were set inside the trade mark (in a circle, trademark of the defendant having two leaves spread afar and while plaintiff had two leaves intertwined to each other).

The High Court was also of the view that the trial Court should consider, where there are common elements in the marks of plaintiff and defendant which are also contained in a number of other marks in use in the same market, whether such a common occurrence in the market tends to cause purchasers to pay more attention to the other features of the respective marks and to distinguish between them by those features. The Court in the case *N. Dinesh Kumar v. Shweta Khandelwal* [Judgement dated 15 March 2021] noted that the defendant must successfully show before the Trial Court that the marks containing the common elements were in fairly extensive use in the market.

## Patents – Identification of a particular bacteria whether invention?

The Madras High Court has *prima facie* rejected the defence based on Section 3(c) of the Patents Act, in a case involving alleged infringement of a patent in a drug consisting of a kind of bacteria (*streptococcus thermophilus*) with additions of vitamins, minerals, carbohydrates, fats and proteins. Though the

Court held that it may not be proper to examine at the interim stage as to whether the plaintiffs' product can be categorised as an invention and whether streptococcus thermophilus will pass the test of being discovered after research, it observed that to identify a beneficial bacteria, from among numerous choices and thereafter determining the particular strain of such bacteria and

thereafter determining the required colony forming units requires research and is not a discovery made over night. Maintaining the *status quo* of interim injunction, the Court in the case *Centaur Pharmaceuticals Pvt. Ltd. v. La Renon Health Care Pvt. Ltd.* [Order dated 1 April 2021] held that the defendant will have to wait for the trial.

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