

TRADEMARK LAWS

A. TRADEMARK INFRINGEMENT

2016 CLD 2260:

Ss. 14(3)(4), 83 & 84---Foreign trade mark---Infringement and passing off---Plaintiff got trade mark "Power Sonic" registered in its name whereas the same was already registered in USA and plaintiff was in business relations with it---Single Judge of High Court declined to grant interim relief to plaintiff---Validity---Such was a dishonest adoption of a foreign trade mark by its local importer---Before the plaintiff made application for registration of a deceptively similar trade mark before Pakistan Trade Marks Registry on 22-3-2012, they were already in business relations with US entity which appointed them as their agent effectively from 1-10-2003---Such relation was not denied and there were documents that showed that goods bearing "Power Sonic" trade mark were imported by plaintiff long before he filed application for registration of trade mark in question in their own name in Pakistan--- Goodwill had been established by the US entity in respect of goods for which plaintiff had registered a deceptively similar trade mark---Plaintiff made a misrepresentation by portraying himself as the owner of "Power Sonic" trade mark and actual loss would be caused, if plaintiff was allowed to use deceptively similar trade mark---Plaintiff who had dishonestly adopted US entity's trade mark should not be given any benefit thereof---Single Judge of High Court had rightly refused plaintiff's application seeking injunction and rightly declared registration of trade mark in question as unlawful and liable to be cancelled---Intra court appeal was dismissed accordingly

2015 CLD 2015

Ss. 14(3)(a), 17(2)(b) & 73---Civil Procedure Code (V of 1908), O. XXXIX, Rr. 1 & 2---Infringement of trade mark---Interim injunction, grant of---Trade mark application under process---Effect---Trial Court issued interim injunction in favour of plaintiff against defendant restraining him to use trade mark in question---Validity---At the stage of hearing application under O. XXXIX, Rr. 1 & 2, C.P.C., Trial Court, prima facie, considered evidence and material which was placed before it---Any findings recorded for grant or refusal of injunctive order were only of a tentative nature and had no effect on final outcome of a main suit---Merely filing an application for registration of trade mark could not be treated as a defence to claim for infringement, and the same had to be decided on its own merits---Appeal was dismissed in circumstances.

2014 CLD 504:

Ss. 17, 14 & 114--- "Dar-e-Arqam" School was established in the year 1992, whereafter appellant set up a school with the same name in 1993---Appellant's application for registration of Trade Mark was allowed, and upon rectification applications filed by respondent, appellant's opposition applications to the same were dismissed by Registrar Trade Marks---Contention of the appellant was that the Registrar Trade Marks had passed the impugned order without recording of evidence---Held, that there was no disagreement with regard to inventor/adopter of the name "Dar-e-Arqam", and the fact that the respondent school was registered in the year 1992 prior to the establishment of the school of the same name by the appellant---Dispute, in the present case, was as to whether there was acquiescence on part of each party in dispute to the use of the common name by the other party and if so, the consequence thereof; and secondly, there was dispute as to which party had a larger footprint in the public domain in order to claim benefit of such standing, repute and business profile for claiming exclusive use, if at all, of the name in question---High Court observed that finding on the said points of fact should provide an answer to the rival claims of the parties, and Registrar Trade Marks was directed to record evidence on the said points of facts and give his findings on the claims of the parties for exclusive use and trade mark registration for the name "Dar-e-Arqam" within a period of three months---Appeal was disposed of, accordingly

2013 CLD 1531 :

Ss. 2(xxxv), 8(a), 14, 17, 18, 22, 28, 33 & 39---Registered trade mark, infringement of---Permanent injunction, suit for---Plaintiff being proprietor of registered trade mark "MALTOFER" alleged its illegal use by defendant under imitated trade mark "MALTOS" in respect of pharmaceutical preparation---Proof---No trade mark or any part thereof in respect of goods or services would be registered, if same would cause deception and/or create confusion---Proprietor of a registered trade mark has an exclusive right therein and its violation was not permissible under law---Defendant could not be permitted to defeat vested right of registered proprietor (plaintiff), who entered the field first---Defendant's trade mark "MALTOS" was mala fide replacement of letters "FER" of plaintiff's registered trade mark "MALTOFER" with letter "S" to make the same "MALTOS"---Defendant's trade mark "MALTOS" was phonetically, visually, structurally, deceptively and confusingly similar and nearly resembling plaintiff's registered trade mark "MALTOFER"---Defendant had deliberately chosen to use trade mark "MALTOS" with a view to sell deceptively lower quality of goods by creating confusion qua plaintiff's best quality of goods available in market under trade mark "MALTOFER"---Nothing was available on record on behalf of defendant in rebuttal of plaintiff's evidence---No one under law could use trade mark of someone to deceive public and cause injury to its owner's goodwill and/or reputation---Plaintiff had not suffered damages/losses as he had filed suit immediately after getting knowledge about infringement of its registered trade mark by defendant---Plaintiff became entitled to relief of permanent injunction in view of its un-rebutted evidence and such dishonest act of defendant---Suit was decreed in circumstances.

2016 CLD 2144 KHC:

S. 40---Trade Marks Act (V of 1940), S. 21---Infringement of registered **trademark** --- Determination---Standard tests of---'Moron in a Hurry'; 'Lapp' tests and 'Classic Trinity' tests, applicability of---Scope---'Get up' of goods/**trademark** ---Scope---Simple 'identical' or 'nearly resembling' requirement from the Trade Marks Act, 1940 calculated to result in 'deception' or 'confusion' had been extensively broadened in Trade Marks Ordinance, 2001 to encompass a number of possibilities non-existent under Trade Marks Act, 1940---Courts, applying the 'Moron in a Hurry' test, **would look at the possibility**

of confusion between two trademarks, from the eyes of a less-than-prudent consumer, and if even such a consumer was cheated by the similarities between the two rival products, the test would pass and the defendant's goods would be held to be infringing---Given the **shape** and size of both the bottles in question and their respective caps as used by the parties being the **same**, the colour of syrup therein, the wrappers embodying **trademarks** and other features placed through a wrist-band in the center portion of the bottle, a 'moron in a hurry' would not be able to distinguish the minute and microscopic difference between the colour of the band and placement of fruits on the wrapper, and being identical looking bottles with similar coloured contents, he was going to pick the confusingly similar bottle of the defendant instead of that of the plaintiff---Said test was, therefore, passed in favour of the plaintiff---**Court, while applying the 'Lapp' test, which was a multi-factored test used to establish the existence of likelihood of confusion, considered a number of factors which included similarity of the marks, strength of plaintiff's mark; sophistication of consumers when making a purchase; intent of the defendant in adopting the mark; evidence of actual confusion (or lack thereof); similarity of marketing and advertising channels; extent to which the targets of the parties' sales efforts were the same; product similarity; identity/function/use; and, other factors suggesting that consumers might expect the prior owner to manufacture both products, or expect the prior owner to manufacture a product in defendant's market, or expect the prior owner was like to expand into defendant's market**---Court, while applying the 'Lapp' test to present case, found all said factors positive---**Courts, while applying the 'Classic Trinity' test considered three aspects of the rival parties: goodwill of the trademark of the plaintiff in respect of identical or similar goods; misrepresentation made by the defendant; and, actual damage caused (or to be caused) to the plaintiff from the acts of the defendant**---'Classical trinity test', in broader way, considered the **same** factors which the 'Lapp' test did---Moral of all said three tests was the **same**: **no one was allowed to put off his goods as the goods of a rival trader by using names, marks or other indicia by which he might induce purchasers to believe that the goods which he was selling were the manufacture of another person**---**Another important aspect, which the courts needed to look at while considering rival trademarks for the possibility of passing test of infringement or passing off, was to consider 'get-up' of the rival goods**---'Get-up'/features of appearance included the **size, shape and colour schemes of a product as well as distinctive packaging or the arrangement of labels or the fascia, layout and fitting of a shop**---'Get-up' was often relied upon by a claimant in addition to the name or the trademark alone---Comparing the rival products in question, clear resemblances were apparent, which included identical caps, ribs at the bottom of the bottle, word 'ROOH' as predominant feature of the defendant's label, devices of fruits and the placement of wrapper at the **same** place as that on the plaintiff's product---Overall impression left in the mind of an unwary purchaser was nearly the **same**---High Court observed that a person (urban shopper) saw or heard about more than 1500 trade marks in a day; thus not each and every microscopic element of each brand resided in a person's mind---**Very little sketch of a brand's 'get-up' would reside in the mind of a purchaser; therefore, the courts needed to protect that hazy picture developed in the mind of a purchaser by the owner of the original trade mark**---**Use of the intended trademark, trade dress and 'get-up' by the defendant infringed the common-law right of the plaintiff as well as his statutory rights**

provided pursuant to its registration and continuous use of its 'RoohAfza' trademark and trade-dress---High Court restrained the defendants and all person claiming under him from infringing the plaintiff's registered trademark in any manner---Appeal was allowed in circumstances.

B. DISTINCTIVE TRADEMARK

Section 14 (1)(b) of Trademarks Ordinance 2001 : A trademark which is devoid of distinctive character shall not be registered.

2016 CLD 1647

Ss. 2(1)(xlvii) & 114 --- trademark --- distinctive character---Principle---Appellants filed opposition against application for registration of **trademark** but same was displaced and **trademark** was registered---Validity---For a mark to have a **distinctive** character, a customer, when looking at the product on a second time, should be able to connect the product to his past experiences with the present product which meant notwithstanding the eye catching nature of design, product had to be recognized on being seen on the second time---Marks consisting of slug devices (being combinations of stripes, sparkles and colours-while seen as the arrangement of the product itself, or mere decoration, or even as indicating any ingredients in the toothpaste), failed to distinguish respondent's goods and therefore, did not function as a **trademark** and were debarred from registration---High Court set aside order of registration passed by Registrar **trademark** s---Appeal was allowed **under** circumstances.

C. LANDMARK JUDGEMENTS OF TRADEMARKS LAW (FOREIGN)

1. Yahoo!, Inc. v Akash Arora & Anr [1999 (19) PTC 201 (Del)] :-

The first decision on the protection of IP rights on the Internet.

In what is known till date as a Landmark judgment in cybersquatting, the Delhi High Court held that a domain name served the same function as a trademark and was therefore entitled to equal protection. As the domain names of the plaintiff 'Yahoo!' and defendant 'Yahoo India!', were nearly identical and phonetically similar, there was every possibility that internet users would be confused and deceived into believing that the domain names had a common source or a connection. The court further observed that the disclaimer used by the defendants was not sufficient because the nature of the Internet is such that use of a similar domain name cannot be rectified by a disclaimer, and that it did not matter that 'yahoo' is a dictionary word. The name had acquired uniqueness and distinctiveness and was associated with the plaintiff.

The Bombay High Court, in Rediff Communication v. Cyberbooth & Anr 2000 PTC 209 also observed that the value and importance of a domain name is like a corporate asset of a company.

2. DM entertainment v Baby Gift House and ors. [MANU/DE/2043/2010] :-

Celebrity Merchandising.

Daler Mehndi, the most famous pop star hailing from Punjab has created a niche audience and is immensely popular amongst Punjabi-pop music lovers. The appellant company was incorporated in 1996 to manage the artist's escalating career. The crux of the case is that the defendants had prolific businesses in selling miniature toys of Daler Mehndi and majorly cashed on to his popularity. Majorly aggrieved, the plaintiff company filed for permanent injunction from infringing the artist's right of publicity and false endorsement leading to passing off.

The plaintiff company had been assigned all the rights, titles and interests in the personality of the artist along with the Trademark, Daler Mehndi. It was contended by the plaintiff that the unauthorized or unlicensed use of or any part of the reputation of the artist, with respect to goods or services of any manner will lead to make an impression on the public that the goods or services are associated with the singer. And hence, it was submitted that such a use would lead to passing off. It was further averred by the plaintiff that such use was done for commercial exploitation without adequate permission from the person or any other authorized by him, shall constitute infringement of the person's right to publicity.

Section 29 of the Trademark Act-1999 (hereinafter the Act) lays down the aspects of infringement of trademark. It elucidates that a when a person is using, in course of trade any mark, which is identical or deceptively similar to a registered mark and which he is not entitled or licensed to use shall be deemed to infringe onto the rights of the person who has the lawful right over the mark.

The Act does not give a specific description of passing off as a result it has been derived through judicial precedents drawn from common law. Put simply , passing off would occur when the mark is not only being used deceptively similar to the mark of another but it is being used to create confusion in the minds of the consumer that results in the damage or loss of business for the person or company who/which is the lawful owner of the trademark.

Character merchandising is an area of law which is unexplored in India. The first case that dealt with this was Star India Private Limited v Leo Burnett India (Pvt.) Ltd. The courts in India in these earlier cases, had not dealt with publicity rights. In this case the Court did so quite emphatically. The court meted out a compensatory amount to the tune of Rs. 1,00,000 to the Plaintiff. The intent of the judiciary is clear.

3. Milmet Oftho Industries & Ors v. Allergan Inc.[Civil Appeal No. 5791 of 1998] :-

First to enter the world Market/Protecting Trademark Law in India on Established Foreign Brands/Healthcare and medicine.

In this landmark case, the Supreme Court extended the protection guaranteed under trademark law in India to a well-known foreign brand. The court restrained an Indian company from using the mark OCUFLOX. The court judgment was given irrespective of the fact that the U.S. company has neither used the mark in the Indian market, nor the mark was registered in India. The court held that the respondent in this case was the first to enter the market and adopt the mark. Also, the fact that the respondent has not used the mark in India is insignificant, if they were the first to enter the world market.

It was also laid down that in the fields of health care and medicine, all possibilities of deception and confusion should be prevented; keeping in mind that public interest is not jeopardized.

4. **The Coca-Cola Company Vs. Bisleri International Pvt. Ltd [Manu/DE/2698/2009] :-**

The Maaza War.

The Delhi High Court held that if the threat of infringement exists, then this court would certainly have jurisdiction to entertain the suit.

It was also held that the exporting of goods from a country is to be considered as sale within the country from where the goods are exported and the same amounts to infringement of trade mark.

In the present matter, the defendant, Bisleri by a master agreement, had sold and assigned the trade mark MAAZA including formulation rights, know-how, intellectual property rights, goodwill etc for India only with respect to a mango fruit drink known as MAAZA to Coca-Cola.

In 2008, the defendant filed an application for registration of the trade mark MAAZA in Turkey started exporting fruit drink under the trade mark MAAZA. The defendant sent a legal notice repudiating the agreement between the plaintiff and the defendant, leading to the present case. The plaintiff, the Coca Cola Company also claimed permanent injunction and damages for infringement of trade mark and passing off.

It was held by the court that the intention to use the trade mark besides direct or indirect use of the trade mark was sufficient to give jurisdiction to the court to decide on the issue. The court finally granted an interim injunction against the defendant (Bisleri) from using the trade mark MAAZA in India as well as for export market, which was held to be infringement of trade mark.

5. **Cadila Health Care v Cadila Pharmaceutical Ltd [2001 PTC (SC) 561]:**

Deceptive similarity in a passing-off action.

In this case the Supreme Court held that It is immaterial whether the plaintiff and defendant trade in the same field or in the same or similar products. It identified the following criteria in order to decide an action of passing off on the basis of unregistered trademark :

- The nature of the marks (i.e. whether they are word, label or composite marks);
- The degree of resemblance between the marks;
- The nature of the goods for which they are used as trademarks;
- Similarities in the nature, character and performance of goods of rival traders;
- The class of purchasers who are likely to buy goods bearing the marks;
- The method of purchasing the goods or placing orders; and
- Other circumstances that may be relevant.

6. **L'OREAL V. BELLURE**

The argument of free riding was raised in **L'OREAL V. BELLURE**, where the Court of Justice of the European Union (CJEU) ruled that 'free riding per se shall be prohibited' and that 'taking unfair advantage (intentionally clinging to the coat tails of trademark's owner mark) is synonymous with 'parasitism'. Furthermore, according to the Court's ruling, 'parasitism' refers not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of an identical or similar sign'.

D. **UNFAIR COMPETITION/PASSING OFF**

2016 CLD 1864 KHC:

Ss. 40, 52, 67, 82 & 86---Civil Procedure Code (V of 1908), O. XXXIX, Rr. 1 & 2--- Temporary injunction---Infringement of trade mark---Remedy for groundless threats of infringement proceedings---'**unfair competition**'---Definition---Protection of well-known trade mark---'Identical or confusing similar trade mark'---Determination---'Mark' and 'trade mark', use of---Distinction and Scope---'Classic Trinity'/'Moron in a Hurry' test, applicability of--- Determination--- 'Trade mark registration certificate'--- Scope---'Use it or lose it' principle of---Applicability---'Purity of trade mark register'--- Concept---'**unfair competition**' /threat under garb of infringement---Modes against---Claim on ground of 'dilution', infringement---Trial Court had restrained the defendant from using its trade mark 'Health Shield', holding the same identical and deceptively similar with the plaintiff's trade mark 'Shield' products---Plaintiff's mark 'Shield' was functioning as a trade mark; whereas, the defendant's mark 'Health Shield' was not being used as a trade mark---Actual damage or loss to the plaintiff on account of the defendant's use of impugned trade mark could not be imagined, as products of both parties were very much different in nature, sold to different customer needs and usually kept at different locations in shops---Plaintiff, in support of his 'dilution' claim, had to prove the highest degree of fame of his trade mark required under S. 86 of Trade Marks Ordinance, 2001---Once a trade mark had been (honestly) adopted by a trade, the mark would not always remain the property of the said trader, and he would remain the owner of the mark, as long as, he was using the mark in course of trade, and, having abandoned the use of the trade mark, he would eventually lose all rights to the mark---Trade mark registration certificate was, therefore, not a licence to stop other trade indiscriminately---Plaintiff had the reputation and goodwill in its trade mark, however, the same was only limited to the goods falling in Classes 3, 21 and 10, which were toothbrushes, toothpastes, baby feeders, etc. and the plaintiff did not manufacture or sell goods falling in Class 29, which was banaspati ghee, oils, etc. under its trade mark---Defendant had made no attempt to misrepresent or disguise itself as the plaintiff or to sail close to it---Court applying the test 'Moron in a Hurry' found that even a moron in a hurry would not pick a bottle of Dalda Cooking Oil instead of Shield toothpaste---Actual damage or loss to the plaintiff on account of the defendant's use of impugned trade mark could not be imagined, as products of both parties were very much different in nature, sold to different customer needs and usually kept at different locations in shops---Classic Trinity test was, therefore, passed in favour of the defendant---Plaintiff's trade mark could not be construed to have been misused in any way by the non-trademarked type use of the impugned mark by the defendant---High Court, finding all allegations as to infringement of the plaintiff's trade mark as baseless, vacated the injunction--- Principles.

2015 SCMR 919 SC:

Passing off, action for---Scope---Public interest---Protection of claimant's trademark or goodwill--- Balance between public interest and protection of claimant---Balancing exercise underlying the law of passing off was a compromise between two conflicting objectives, on the one hand the public interest in free **competition**, on the other the protection of a trader against **unfair competition** by others--
--To succeed in an action for passing off, it was not enough for a claimant to establish (mere) copying---All developments, whether in the commercial, artistic, professional or scientific fields, were made on the back of other people's ideas: copying may often be an essential step to progress--- Hence, there had to be some balance achieved between the public interest in not unduly hindering **competition** and encouraging development, on the one hand, and on the other, the public interest in encouraging, by rewarding through a monopoly, originality, effort and expenditure

2013 CLD 1531:

Ss. 67, 86 & 90(2)--- Specific Relief Act (I of 1877), S.54---Civil Procedure Code (V of 1908), O.XXXIX, Rr.1 & 2---Suit for injunction---Interim injunction, grant of---**unfair competition** and infringement of trade mark---Plaintiff sought injunction against defendant from restraining him to use trade mark MASACOL registered in its name of the plea of deception and similarity---Validity---Trade mark MASACOL was a registered trade mark of defendant and plaintiff without seeking declaration or its cancellation was simply seeking injunction---Plaintiff could not place any material on record to deny claim of defendant that after import of last consignment in year, 2009, Government had declined permission to grant license for import of product of plaintiff which had not been available in Pakistan for the last two years---Product MASACOL was being sold in market since middle of year, 2010 and there was no justification on record as to why plaintiff had brought action against defendant after a delay of almost 18 months, especially when plaintiff claimed that defendant was his agent in Pakistan for sale of his product which was not imported after expiry of its license in year, 2009---Claim of plaintiff as to infringement of their trade mark by defendant through its registered trade mark MASACOL, on the plea of similarity could not be determined unless plaintiff would succeed in rectifying register of trade marks in respect of its product and till then plaintiff was not entitled to injunction--- Balance of inconvenience tilted in favour of defendant on account of admitted position that plaintiff's product was out of market and defendant's claim to have captured sizable market was in record--- High Court declined to issue interim injunction in favour of plaintiff and against defendant from selling product under the name of MASACOL---Application was dismissed in circumstances.

2012 CLD 226:

Ss. 2(xii), 40, 67 & 86---Civil Procedure Code (V of 1908), O.XXXIX, Rr. 1 & 2---Specific Relief Act (I of 1877), S. 54--- Infringement and protection of trade mark, deception and unfair competition--- "Deceptively Similar"---Test---Expressions "of well known worldwide"---Criteria---Interim injunction, grant of--- Plaintiff, a French company of glassware and household items was owner of trade mark "LUMINARC" with an impression showing an Archer device, since year, 1948--- Grievance of plaintiff was that the defendants deceptively used trade mark "LUNIMARC" with an impression showing an Archer device in reverse position--
-Plea raised by plaintiff was that it was owner of well known trade mark and defendants were manufacturing products under the imitated trade mark causing deception to consumers and unfair competition---Validity--- Defendants were trying to pass off their goods firstly by using well known trade mark of plaintiff and secondly it was also mentioned to mislead the consumers that the product was of plaintiff made in France---

Test of "deceptively similar" under S. 2(xii) of Trade Marks Ordinance, 2001, was such near resemblance between it and another trade mark that it was likely to deceive or cause confusion---Trade mark of defendants, on the face of it, was deceptively similar in relation to trade mark of plaintiff which resemblance between plaintiff's trade mark and defendants trade mark would likely to deceive and cause confusion in common consumers' mind---Prima facie, defendants had also fallen prey to the provisions of S. 67(f) and (g) of Trade Marks Ordinance, 2001---Imitated word "LUNIMARC" was deceptively similar not only in spelling by also phonetically and was invariably also pronounced to be read as "LUMINARC", a well known name / word associated with plaintiff, used by it internationally since 1948 and same was the position with Archer device---Prima facie, the intent of defendants was to cash on from plaintiff's well known trade mark, and the same was not permissible under the provisions of Trade Marks Ordinance, 2001---Plaintiff for the purposes of injunction, had shown prima facie that its trade mark was well known worldwide---Criteria of "or well known worldwide" at interlocutory stage had been met and basic test of prima facie case was achieved by plaintiff---Peculiar embodiment of S.86 of Trade Marks Ordinance, 2001, was quite liberal when it came to be gauged from plaintiff's point of view---High Court confirmed interim injunction---Application was allowed in circumstances.

2015 SCMR 919 SC:

Passing off, action for---Scope---Public interest---Protection of claimant's trademark or goodwill---Balance between public interest and protection of claimant---Balancing exercise underlying the law of passing off was a compromise between two conflicting objectives, on the one hand the public interest in free **competition**, on the other the protection of a trader against **unfair competition** by others---To succeed in an action for passing off, it was not enough for a claimant to establish (mere) copying---All developments, whether in the commercial, artistic, professional or scientific fields, were made on the back of other people's ideas: copying may often be an essential step to progress---Hence, there had to be some balance achieved between the public interest in not unduly hindering **competition** and encouraging development, on the one hand, and on the other, the public interest in encouraging, by rewarding through a monopoly, originality, effort and expenditure

E. DECEPTIVE MARKETING PRACTICES (COMPETITION ACT, 2010)

2016 CLD 1128:

Ss. 10(1) & 10(2)(d)---Deceptive marketing practices---'Fraudulent use of another's **trademark**, firm name, or product labelling or packaging'---Parasitic copying/copycat packaging---Determination---Fraud, effect of---Wilful deceitfulness, existence of---Price of product considered as evidence of parasitic copying---Colouring scheme of packaging and labelling, relevance of---Commission's jurisdiction in cases of unregistered **trademark**s---Question before the Commission was whether the labelling and packaging of the respondent's product was misleadingly similar to that of the complainant's and if so, whether such confusing resemblance was deceptive and amounted to the 'fraudulent use' and that whether the use of the term/mark 'Combo Wings' by the respondent, in absence of authorization from the complainant, amounted to the 'fraudulent use'---Held, only distinguishing factor between packaging of both the products was the existence of the **trademark** logos, but if such logos were hidden or removed, that would be visually impossible to identify and distinguish the origin of the products---Any ordinary consumer could be deceived as to the origin of the two products at the time of exercising his choice of purchase, as the products, being

of the **same** nature, were displayed for sale side by side, adjacent to each other---Extent of mimicry by respondent in terms of the overall layout, design, size **shape** and colour scheme of respondent's packaging had made the respondent culpable to parasitic copying---Respondent had made attempt to capitalize on the goodwill and reputation of the complainant---Consumer were susceptible and at serious risk of falling prey to deceptive confusion pertaining to the origin and quality of the commodity in question due to the strikingly similar packaging and labelling of the products---Respondent therefore, had contravened S. 10(1) in terms of S. 10(2)(d) of Competition Act, 2010.

S. 10(2)(d)---Deceptive marketing practices---'Fraudulent use of another's trademark, firm name, or product labelling or packaging'---Principles---Objective man

Ss. 10(1) & 10(2)(a)---Deceptive marketing practices---'Distribution of false and misleading information that is capable of harming the business interest of another undertaking'---Proof---No strict proof of actual harm caused to an undertaking is required for determination of contravention of S. 10(2)(a) of Competition Act, 2010, as long as it can be shown that such potential harm is capable or possible of being caused or foreseeable. If estoppel and not the subject intent, would establish the 'fraudulent use'---Simple approach, that the complainant can demonstrate that the respondent, by use of the trademark, intends to deceive the customer/consumer to gain advantage, is to be adopted.

2016 CLD 40:

S. 10---Deceptive marketing practices---For purposes of deceptive marketing, actual deception need not to be shown to carry burden of proof; it was sufficient to establish that advertisement has tendency to deceive and capacity to mislead

F. GEOGRAPHICAL PLACE NAME & TRADEMARKS

(CANADIAN JURISPRUDENCE)

Conzorsio Del Proscuitto Di Parma v. Maple Leaf Meats Inc., 2001 2 FC 536:

The Federal Court—Trial Division held that although Parma was a city in Italy where people manufacture meat products, the trademark PARMA for meat products was not deceptively misdescriptive of the place of origin of the goods, even though the products did not come from Parma, since the ordinary Canadian consumer did not recognize the word "Parma" as having any geographic significance. As such, they would not be misled into believing that meat products bearing the trademark PARMA would have originated from the city of Parma. In addition to a mark having geographic name significance, the court in Parma held that the perception of the ordinary consumer was a necessary component of the Section 12(1)(b) analysis. The decision was upheld in 2002 by the Federal Court of Appeal, 2002 FCA 169.

Sociedad Agricola Santa Teresa Ltd. v. Vina Leyda Limitada, 2007 FC 1301

Trial Division held that if a mark contains the name of the geographic place from where the goods or services originated, then the ordinary consumer's recognition or perception of the place name was irrelevant when assessing clear descriptiveness of the place of origin. In this case, since Leyda was a wine producing region in Chile, it was necessary to conclude that the trademark LEYDA for wines was not registrable, being clearly descriptive of the place of origin of the products, contrary to Section 12(1)(b). (Section 12(1) (b) of the Trade-marks Act precludes registration of trademarks that are either clearly descriptive or deceptively misdescriptive of the character or quality of the goods or services with which they are associated, or their place of origin. Recent Canadian jurisprudence has, however, struggled with the appropriate legal test to apply in cases dealing with trademarks that are geographic place names).

The Ocean Park Dispute

More recently, in *Dr. Patrick Lum and Dr. P.K. Lum (2009) Inc. v. Dr. Coby Cragg Inc.*, 2014 FC 1171, 2015 FCA 293, the Federal Court—Trial Division considered the validity of a trademark registration for OCEAN PARK covering dentistry services offered in a neighborhood in Canada called Ocean Park. The plaintiffs argued that the OCEAN PARK registration should be invalidated since it was not registrable at the date of its registration, being clearly descriptive of the place of origin of the dental services, contrary to Section 12(1)(b) of the Trade-marks Act.

The trial court held that while the trademark OCEAN PARK was the geographic place name in which the dental services originated, that place name was not "indigenous to" (or known by consumers for) these services and, therefore, the mark could not be clearly descriptive of the place of origin of the associated services within the meaning of Section 12(1)(b).

On appeal, the Federal Court of Appeal overturned the lower court's decision, finding that the trademark OCEAN PARK was, in fact, clearly descriptive of the place of origin of the dental services. In so far as the services were provided in a neighborhood in British Columbia called Ocean Park, the Court found that the OCEAN PARK trademark prima facie described the geographic location in which the services were provided. As such, the mark was contrary to Section 12(1)(b) of the Trade-marks Act, being clearly descriptive of the place of origin of the services, and the registration was invalidated.

The LINGAYEN Trademark

In the most recent consideration of this issue, the Federal Court of Appeal in *MC Imports Inc. v. Afod Ltd*, 2016 FCA 60, also found that if a trademark is the name of a geographic place, and if the goods or services originate from that place, then the mark is clearly descriptive of the place of origin and not registrable. Consumer awareness is not relevant.

MC Imports was the registered owner in Canada of the LINGAYEN trademark covering Filipino food products, including fish sauce and paste. Afod Ltd. imported food products from the Philippines with labels featuring the words "Lingayen Style," and subsequently sold them to grocery stores in Canada. MC Imports began a trademark infringement action to prevent this importation and use, and Afod counterclaimed to expunge the LINGAYEN registration on the basis that it was clearly descriptive of the place of origin of the products and not registrable.

The Federal Court—Trial Division reviewed the two approaches to assessing the issue of clear descriptiveness and place of origin and held that, in this case, it was not necessary to determine which approach was doctrinally correct because, under either formulation, the mark was invalid. Since Lingayen was a geographic location in the Philippines, and since the goods in question originated from Lingayen, the LINGAYEN mark was clearly descriptive of the place of origin of the goods and invalid. The court also found that since the goods originated from Lingayen and since Lingayen, as a region, had a generally recognized connection to fish products from the perspective of the average Canadian consumer of the goods, the mark was clearly descriptive of the place of origin and not registrable. The court therefore dismissed the action for infringement and ordered the LINGAYEN registration to be expunged.

On appeal, the Federal Court of Appeal upheld the decision of the trial judge, but went on to clarify the appropriate legal test for determining the registrability of trademarks that describe places of origin of goods and services, noting that there was a need for guidance in this area.

In an attempt to reconcile the apparent doctrinal divide between the *Parma* and *Leyda* decisions, the Court acknowledged that there was a distinction between cases dealing with clear descriptiveness of the place of origin and those assessing the issue of deceptive misdescriptiveness of the place of origin, and that only the latter type required an assessment of consumer perception. Hence, the *Parma* case, relying on consumer awareness as a component of the analysis, would not be the proper jurisprudential authority in a case dealing with the issue of clear descriptiveness of the place of origin.

Parma dealt with the issue of whether a mark is deceptively misdescriptive of the place of origin. In these cases, even if the mark is the name of a geographic place, it may not be deceptively misdescriptive of the place of origin if the ordinary Canadian consumer would not assume that the goods or services came from that place. By contrast, in a case involving trademarks that are clearly descriptive of the place of origin, the perspective of the ordinary consumer would be unnecessary. If a mark is the name of a geographic place, and the goods or services emanate from there, then, as a matter of law, the mark would be clearly descriptive of the place of origin and not registrable.

The decision in MC Imports supports the trend in more recent Canadian jurisprudence, taking the position that the test for determining geographic descriptiveness under Section 12(1)(b) of the Trade-marks Act is different from the test applied to assess other kinds of descriptiveness. Some would argue, however, that there is no statutory basis for this distinction. The word "clearly" modifies the word "descriptive" in the same way as the word "deceptive" modifies the word "misdescriptive" in Section 12(1)(b), which suggests that consumer perception ought to be considered in the analysis of both. It remains to be seen whether Canadian jurisprudence will continue this trend.