

POLICY PIECE

Referential Names & Intellectual Property Infringement

With progression of time we are witnessing the rise of Intellectual Property (IP) issues in India across industries. Every new case raises a few new questions and simultaneously rests some old ones. While traditionally IP disputes arose mainly in the pharma and software industries, recent trends have shown a noticeable surge in other industries including the Appliances and Consumer Electronics (ACE). One such case in the Bombay High Court, belonging to a particular segment of the ACE industry, highlights relevant issues for the entire industry.

This suit for IP infringement was instituted by the multinational electronics company Seiko Epson, against Jet Cartridge (India) Pvt. Ltd. Epson, a company whose very name stands for "Son of Electronic Printer" quite imaginably has a strong IP portfolio around its printers, basis which it alleged that Jet Cartridge, was infringing on their IP rights on two counts - one, that of the registered designs of the nozzles that are used in cartridges, and the other of using their trademark 'EPSON' without authorization when they label their products as "Compatible with EPSON".

Assessing the first aspect involves a simple test of comparing the registered designs with that used by the defendants. The

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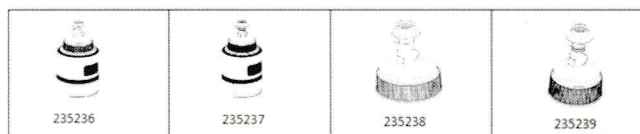


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Indian Industrial Design registrations with numbers 235236 & 235237, titled "Packaging Container" along with 235238 & 235239, titled "Container Cap with Stopper", entitles EPSON under the Design Act, 2000, to exclusive use of the designs covered. The order by the court dated 23 November 2016 reflects that the counsel appearing for Jet Cartridge, Dr. Saraf, made a statement- *as regards the design infringement, the defendants will change the nozzle of the cartridge from the plaintiffs' proprietary design and they will do so with immediate effect. The nozzles of all existing products and inventories which have not yet gone into market will also be changed.*

Coming to the more interesting part of the case, the argument that the trademark law allows EPSON to an outright exclusive use of its name, even if it were used merely as a reference, was a contentious one. Ordinarily, in a trademark infringement matter, the court sees whether the defendant used a mark identical or similar to the plaintiff's mark in a manner that may confuse/deceive a consumer into believing that the defendant's goods/services are actually that of the plaintiff's. Typical examples include using minor spelling or visual variations, strikingly similar packaging or direct counterfeiting. In this case, however, the question really was whether the inscription "Compatible with EPSON" on a cartridge packaging would qualify as infringement. If so why, and if otherwise why not?

On one side, the argument stands that a clear indication is provided that the cartridge does not belong to EPSON but is merely compatible for use with EPSON printers and hence not misleading. While on the other hand, would it be unrealistic to assume that a casual customer might be led to believe that the



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company selling the products are authorized by EPSON to do so, and is indirectly buying it from EPSON. Honorable Justice Gautam Patel, had the following to say on this aspect:

Ms. Oberoi for the plaintiffs would have it that the defendants are prohibited from using the name EPSON at all, even in a purely descriptive sense to demonstrate compatibility, because this is the plaintiffs' trademark, even if the defendants do not use that word as a trade mark but only as a descriptor to identify compatibility. Prima facie, this does not seem to be a supportable or tenable proposition in law. A laptop repair service may, for instance, say that it can repair laptops of various makes and brands and names these, but not use these as trademarks. Persons make various kinds of accessories (screen protectors, peripherals, etc.) and these are often denominated as being compatible with a certain name product: mobile phones, for instance, of specified makes and brands. This use is not illicit. The plaintiffs enjoy a monopoly in the mark and are entitled to prevent unauthorized use of the mark. The defendants are clear that they do not use the name as a mark but only to identify that their cartridges are compatible with printers manufactured by the

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plaintiffs. There cannot be the kind of monopoly that Ms. Oberoi suggests. At her instance, I will leave contentions open in this regard till the replies and rejoinders are filed.

While the court was open to further deliberation and debates over its initial view on the subject matter, as the trend goes, the dispute was settled between the parties. The consent terms dated 20 December 2016 that were tendered to the court had Jet Cartridge reaffirming its undertaking to change the nozzle designs altogether, whereas EPSON agreed to their use of "Compatible with EPSON" on their packaging. Thus, an important perspective regarding the legal principles and consequences on the use of referential naming was set.

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