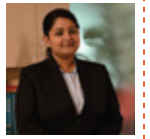




Steering Clear of Trademark Genericismization



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Genericismization of a trademark occurs when it is reduced to a common term identifying a category of products. Simply put, trademark genericismization is death of the mark as it no longer remains the exclusive preserve of the brand owner and becomes the name of the product itself. A wide array of linguistic, legal, and marketing-related factors contribute to trademark genericismization. While not all contributors are in a brand owner's control, those which are, can be pivotal in saving a brand.

Ironically, victims of genericismization are often successful brands whose products are or were market leaders in their segment. In a typical example of brand genericide (literally, "death" by genericismization), a brand owner invests in marketing strategies to popularise its brand hoping to make the product a leader in its category. The brand then becomes not only successful but also ends up becoming colloquial to mean the entire product category. Consumers cease to refer to the trademark as a proper noun for the brand owner's product but refer to it as a common noun to mean a product category.

So, what prompts the public to use a trademark as a common term to mean a category of products?

- First, owing to being one of a kind of the product, the public may come to understand the company's trademark as the generic term for the product.
- Second, if a product is new and there is no alternative generic term available to describe it, the public may resort to using the mark to describe the product.
- Third, the trade holder's own generic use of its mark can lead to genericismization.

ESCALATOR, THERMOS, CELLOPHANE and ASPIRIN are often cited as examples of marks that have been declared generic. Interestingly, in each of these cases the trademark owners themselves used the trademarks interchangeably with the name of the product, in advertising and patent applications.

Short of getting the company's entire legal team together to shoot an

anti-genericismization video like Velco®, some fairly straightforward housekeeping rules could be followed by companies by way of best practices against genericismization of their brands:

- Do not use the trademark as a verb.
- Always identify the trademark either in upper case and with symbols ® or TM.
- Where the product itself is unique (and subject of a patent), give the product an easily pronounceable name as also category for public reference.
- Be consistent in your messaging and educational outreach to both consumers and members of the trade.

Running Xerox Corporation's highly successful anti-genericismization program in India has taught us that traditional trademark enforcement measures have to be coupled with unconventional approaches. Innocent misuse of the mark can be addressed by educational letters or soft approaches – sometimes a telephone call and a frank conversation can ensure that people are educated rather than intimidated. Softer approaches are also budget friendly and leave the brand owner with reserves for aggressive court actions when needed. It is critical that the communication channels between a company's marketing team and legal team are seamless and even PR and communication statements are vetted to ensure that company functionaries are not guilty of unwittingly using the mark in the generic sense.

A brand owner combating genericismization of its trademark by third party misuse has to adopt a multi-pronged strategy and remain continually vigilant and proactive. Anti-genericismization campaigns are perennial and cannot conclude even if a court holds at any point that a mark is not generic. A fresh challenge could well be raised on a later date and the courts will then concern themselves with the events of the period between the last pronouncement and the subsequent challenge. As the brand owner combines its own disciplined use of the trademark with creative enforcement strategies, the trademark will endure.

Goodwill in a post-Toyota world: What luxury brand owners need to know



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The recent Indian Supreme Court judgment in the matter of Toyota vs. Prius, while upholding the principles of territoriality of trademarks has observed that in a passing off action, the claimant cannot merely claim transborder reputation but needs to establish goodwill specifically in India. The question that arises in the light of this judgment is, is the road now steeper uphill for luxury brand owners to prove goodwill in India if they do not have a physical presence?

First and foremost, contrary to popular perception, the judgment does not dramatically change any of the pre-existing goalposts. For example, it does not require a claimant to have an establishment or an office in the country or for its advertising to have specifically targeted Indian customers. The judges interpret 'goodwill' widely enough to encompass knowledge and awareness of a brand in India. They observe, that the legal burden on the trademark owner is not to prove "the existence of... a real market but the presence of the claimant through its mark within a particular territorial jurisdiction in a more subtle form". Thus, as long as the relevant section of public in India is aware of the trademark, the goodwill threshold of Toyota can be met.

Some examples of the kind of evidence that will be useful for luxury brand owners without an actual retail or store presence in India, to meet the evidentiary threshold in a post Toyota world would thus be:

- In the absence of regular customers in India, particulars of Indian celebrities and public figures who use/ wear the products – this could include celebrities of Indian origin or Indian celebrities participating in red carpet events abroad and the actual 'use' need not be on Indian soil;

- Endorsements by international personalities with a strong fan following in India;
- Advertisements on print and electronic media such as in luxury magazines and newspapers – access to foreign editions of such publications in embassies or on aircrafts, lounges, etc. would also work (there is therefore no requirement that Indian editions of these publications carry such advertisements);
- Sale of goods on third party portals like netaporter.com, outnet.com, etc. which have a dedicated Indian customer base;
- Demonstration that the brand owner's own portal has global shipping capability coupled with evidence of actual sales to India – the volume of sales is not important, the availability of international shipping and the fact that Indian customers are utilizing the feature, are both key;
- Social media following from India;
- Consumer surveys to demonstrate brand awareness;
- Google analytics or other similar data to show traffic from India to the trademark owner's global website or India-specific website.

Ultimately, the question of creative evidence gathering would only become relevant in a passing off action. As long as the trademark owner is the registered proprietor of the trademarks, the evidentiary threshold to prove infringement would reduce significantly, especially for luxury brands where bad faith is usually easy to establish. In fact given that the Indian trademark statute codifies trademark dilution and equates it with infringement, a luxury trademark owner with registrations in classes 18 and 25 for instance could enforce their trademark rights even in respect of products in classes 3 or 28 on the strength of the globally well-known nature of their registered trademark and the bad faith of the adopter.

Artificial Intelligence in Healthcare



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Information technology is revolutionizing the way the world works today. We use technology in every aspect of our lives from ordering food to detecting diseases. Machine learning, an application of Artificial intelligence (AI), is like the human brain that sifts through huge amounts of data as its "past experience" to predict meaningful results. Artificial intelligence promises to be the next successful area of cooperation between humans and machines.

Artificial intelligence is reforming healthcare by facilitating predictive data analysis which is beneficial in the world of big data. The pharmaceutical sector has traditionally worked with huge amounts of data; often making accurate analysis and prediction a challenging task. The marriage between AI and the pharma industry makes sense on many levels.

Human intelligence has various layers that range from predicting concepts, reasoning or understanding of a situation to assessing behavioral patterns. Machine learning attempts to simulate that intelligence by linking through various data sets (medical history, genetics, habits etc) such that the predictions made are not only equivalent of human expertise but perhaps slightly more precise.

There is a need in the market today to create central repositories of these data sets that will enable the efficacy of treatments by mapping each patient's needs. Artificial intelligence is fine tuning various processes in healthcare. From drug discovery to drug development to choosing patients for clinical trials based on their medical history. Developing predictive diagnosis, precision medicine to the business aspect of pharmaceuticals by predicting how small variations in the product can lead to change in demand in various geographical areas.

While AI is proving to be beneficial, the importance of responsible and ethical AI is continually highlighted by various stakeholders. Ethical AI must aim to be in sync with the existing MCI regulations of doctor-patient interoperability and relationships. Apart from Ethical AI, data privacy is the primary concern as questions of liability, security of data and consent of use of data arises. The sensitive nature of medical data gathered by AI begs the question that is there a way to protect such data from misuse?

In 2015 the Ministry of Health and Family Welfare proposed NeHA (National eHealth Authority) as a nodal authority responsible for the

development of an integrated health information system in India. NeHA will also be responsible for enforcing regulations related to privacy and security of medical literature. The Ministry of Health and Family Welfare is also working on a sector-specific legislation called the Digital Information Security in Health Care Act 2018. This act will provide civil and criminal remedies for data breaches and will lay down principles for data collection and use by defining acceptable behavior for AI systems in the pharmaceutical sector.

AI, though cost effective in the long run does not have an easy road ahead. A major hurdle for AI in healthcare in India is the lack of open data sets, access to medical information and a non-existing regulatory regimen. All this results in uncertainty. The proposed framework needs to take in to account the cultural and ethical issues that companies involved in the development of AI may face in India and work with relevant stakeholders to build a sustainable AI environment. Effective implementation of AI in healthcare is only possible by laying down a legal framework that ensures transparency and accountability for all players in the market.

Role of Customs in Combatting Piracy and Counterfeiting in India



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With a view to strengthen the Indian Customs law and to provide remedies for protecting intellectual property rights at the borders, the Government of India had notified the Intellectual Property Rights (Imported Goods) Enforcement Rules in 2007. Under these Rules, right holders can record their registered intellectual property rights with customs for a period of five years or until the expiry of the IP, whichever is earlier.

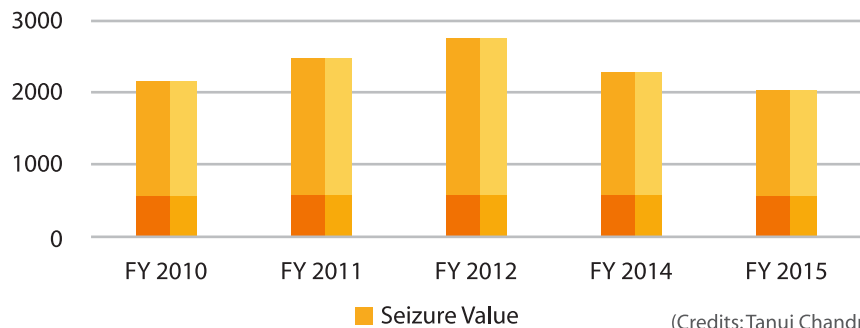
Basis the IP recordings, customs interdicts those consignments that are not being imported by the right holder's authorised representatives or importers green lighted by the right holder. They then generate an alert asking the rights holder to join the proceedings by submitting an indemnity bond as well as a fixed deposit or bank guarantee equivalent to 25% of 110% of the value of the detained goods.

Once the right holder has joined the proceedings, he or his representative can photograph or take samples of the interdicted goods for testing and analysis. Upon confirmation that the goods are

counterfeit/ infringing, the customs authorities will direct destruction of the goods in the event the importer is not able to demonstrate that the goods are in fact genuine. This ensures that goods are removed from the commercial stream at the point of their entry and the right holder does not have to take multiple actions against retailers or wholesalers.

The challenges in customs enforcement are however many. With the Indian government's recent policy to promote "ease of doing business" customs is required to mandatorily clear about 90% of inbound consignments without opening them. IP violations are not apparent even if a consignment were to be opened. Customs is thus heavily reliant on the declarations made in the bill of entry. When the written declaration and the goods do not match, or the trademark is mentioned on the bill of entry and the importer is not on the list of "authorised importers" submitted by the right holder, only then are red flags raised by Customs. This has had a direct impact on the value of customs seizures which appear to be declining.

CUSTOM SEIZURE VALUE IN INR CRORES



(Credits: Tanuj Chandra)

Data sources:

http://www.cag.gov.in/sites/default/files/audit_report_files/Union_Compliance_In_Direct_Tax_Customs_Revenue_Dept_8_2015.pdf;

http://www.cag.gov.in/sites/default/files/audit_report_files/Union_Customs_Compliance_Department_Revenue_Report_5_2016.pdf

Smart infringers simply do not declare the trademark on the bill of entry. Often brand owners themselves let consignments containing second hand or refurbished products go on the mistaken assumption that they are permitted in law. In reality the jurisprudence is clear that refurbished and second-hand products cannot bear a registered trademark and are deemed infringing goods. Brand owners need to take advantage of the expansive definition of infringement under the Indian trademark law and find creative solutions.

In a March 2018 interview in World Trademark Review, Cynthia Tregillis, vice president of global brand protection and trademarks at Western Digital Corporation underscored her company's significant success in

implementing creative enforcement tactics in India: "Working with wonderful outside counsel, we have employed very creative tactics in India, using consumer protection laws as a more effective means of upholding our brand and tackling counterfeiters and parallel importers. Consumers were being harmed, and we found that Indian courts are very receptive to that argument."

Finally, brand owners must invest in regular customs trainings not only to bring the authorities up to speed on the nuances of the products but equally to share intelligence that they gather from the market on infringement to ensure that their Customs enforcement strategy is updated and robust.

Fidus Snapshots



Shwetasree Majumder with co-panelists at the IPBC India Conference.
L-R: Madhav Kulkarni - Dow Chemical, Faiz ur Rahman - Wipro, Balwant Rai - Daimler India, Cecilia Emanuelson - Inter Ikea Systems BV.



Shwetasree Majumder with her co-panelists at the INTA India Workshop.
L-R: William Kelly - Ofo, Anand Shankar Jha - Mynta, Aneesh Garg - Walmart India.



Shwetasree Majumder speaks at a seminar on the Delhi High Court Original Side Rules. On the dias, L-R: Justice Navin Chawla, Justice Manmohan, Acting Chief Justice Gita Mittal, Justice Jayant Nath, Mr. Kirti Uppal, Senior Advocate and President of the Delhi High Court Bar Association.

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