

### *The Importance of Being Honest*

The Delhi High Court granted an interesting injunction in favour of Mayo Clinic, USA on May 29, 2023.

The Defendants were operating hospitals and medication education institutions under Mayo Clinic's trade mark and name MAYO. The Defendants traced their adoption of the MAYO mark back to 1995 and claimed that Mayo Clinic could not demonstrate the requisite goodwill and reputation in India at that point in time. The Defendants also contended that since Mayo Clinic had issued a legal notice to them back in 2014, the suit brought in 2022 suffered from delay. As such the heart of their defence was that even if the marks are identical and used in relation to identical services, i.e., healthcare and education, on account of the duration of the Defendants' use and the delay in bringing the action, an injunction ought not be granted.

What the Defendants found challenging to explain however were the claims on their website that they gathered inspiration from Mayo Clinic's founder i.e. Dr. William Mayo of 'MAYO CLINIC', U.S.A. and that the Defendants' own founder studied medicine and worked in hospitals in the U.S.A before establishing his own 'MAYO' entities in India.

With this, the Court concluded that the adoption of the trade mark 'MAYO' by the Defendants was dishonest and an attempt to ride on Mayo Clinic's goodwill and reputation. The defences of delay and acquiescence stood obliterated by the large body of case law which sets out that delay is unimportant in the face of dishonesty and that statutory rights are unaffected by delay.

Notably, the Court found that a vested rights defence under Section 34 of the Act is not available when the adoption of the mark is dishonest. Further, since Mayo Clinic had put the Defendants to notice of their rights back in 2014, there was no acquiescence.

Mayo Clinic was armed with Indian trade mark registrations, the earliest of which was for the word mark MAYO in class 16 dating back to 1992 i.e. 3 years prior to the Defendants' claim of adoption of MAYO mark.

The Defendants argued that a class 16 registration, even one which covered medical journals and periodicals, could not be enforced against medical services (class 44) or educational services (class 41). The Court found however that medical and education services are allied and cognate to medical journals and periodicals, and as such the Defendants did infringe Mayo Clinic's trade mark registrations in class 16. The Court also observed since the service classes i.e. Class 35 onwards were introduced in India much later (i.e. in 2003), Mayo Clinic had sought and obtained registrations in class 16 being closest to its activities. Reference was also made to *Renaissance Hotel Holdings*

*Inc. v. B. Vijaya Sai*, (2022) 5 SCC 1 where the Supreme Court held that the defendants' adoption of the impugned mark in relation to hotels would amount to infringement of the plaintiff's registrations under Classes 16 and 42. The enforceability of the class 16 registration is an important aspect of this decision, particularly since many service providers' earliest registrations fall in this class.

Another aspect worth mention was the resolution of the conflict in the Supreme Court's findings and observations in *Milmet Oftho Industries and Ors. v. Allergan Inc.*, (2004) 12 SCC 624 [*'Milmet'*] on the one hand and *Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries Ltd.*, (2018) 2 SCC 1 [*'Prius'*] on the other.

The Defendants relied heavily on *Prius* to contend that Mayo Clinic had not yet proved goodwill and reputation of its trade marks **in India** prior to the Defendants' adoption and as such a case of passing off is not made out. Mayo Clinic responded with *Milmet* where the Supreme Court found that the field of medicine is of an international character and here the 'first in the world market' test applies. The Court found that *Prius* referenced *Milmet* but did not overrule or distinguish it. As *Milmet* dealt with medical preparations while *Prius* involved automotive spare parts, the former was naturally found applicable in the context of the present case. Mayo Clinic is admittedly the first in the world to adopt and use MAYO in relation to healthcare and educational services and consequently the Defendants were found to have committed the tort of passing off, in addition of course to infringement of Mayo Clinic's registered trade marks.

The Defendants have been restrained from using MAYO or any similar mark in any manner till the final adjudication of the suit.

This decision has several important aspects including enforceability of class 16 registrations, effect of a legal notice on delay and acquiescence, and the reconciliation of *Milmet* and *Prius*. The most significant perhaps was the calamitous effect the Defendants' dishonest adoption had on their defence. The Defendants neither contended that their adoption was not inspired by Mayo Clinic's founder nor did they offer an alternate theory of adoption. This weighed heavily against the Defendants and went on to disabuse them of their defences. This crucial aspect of this decision underscores the importance of honest adoption particularly to safeguard defences which are may otherwise be stripped away.

*Mayo Clinic was represented by Raunaq Kamath, Aditya Gupta and Aishwarya Kane of Ira Law. For any questions on the contents of this article, please contact Raunaq Kamath at [raunaq@ira.law](mailto:raunaq@ira.law). This update is intended for informational purposes only and is not intended for solicitation of work or as a substitute for legal advice.*