



## 17

# INTELLECTUAL PROPERTY LAWS

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### I INTRODUCTION

THERE ARE a number of interesting decisions contributing to the development of law in the area of trademark, patent, copyright and design reported during the period of survey. The recognition of moral rights to the performer based on the principles of equity is the most significant development. The dispute on exclusive marketing rights on pharmaceutical products dominated the field of patent. The litigations in the field of designs show the increasing competition in the Indian market and the efforts of owners to use different intellectual property laws to extend their market monopoly.

### II TRADEMARK

#### **Jurisdiction**

One of the jurisdictional issues that led to conflicting judgments in India was settled by the Supreme Court in *Dhodha House & Patel Field Marshal Industries v. S.K. Maingi & P.M. Diesel Ltd.*<sup>1</sup> In this case the plaintiff was the owner of trademark and was carrying a business within the jurisdiction of the court where he filed the suit. His trademark was infringed in another jurisdiction and there was no infringement of trademarks within the jurisdiction of the court where he filed the suit since there was no actual sale of the infringed goods within the territory of the court in which he was actually carrying on business. As per section 62(2)<sup>2</sup> of the Copyright Act, 1957 the suit was filed in the court within the jurisdiction of which he was actually carrying on business. He claimed remedies under the Trade Mark Act. It was contended

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1 (2006) 9 SCC 41.

2 S. 62(2) reads: (2) “For the purpose of sub-section (1), any “district court having jurisdiction” shall, notwithstanding anything contained in the Code of Civil Procedure, 1908, or any other law for the time being in force, include a district court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or other proceeding or, where there are more than one such persons, any of them *actually and voluntarily resides or carries on business or personally works for gain*” (emphasis added).



by the defendant that since there was no actual infringement of trademark within the jurisdiction of the court<sup>3</sup> the cause of action could not be joined and tried together in a court having jurisdiction to try only infringement of copyright. While some high courts took the view that the suit could not be joined and tried together, others were of the view that it was possible to join the cause of action. So the short question that came up for consideration before the Supreme Court was whether although the causes of action in terms of both the Copyright Act, 1957 and Trade and Merchandise Mark Act, 1958 may be different, would a suit be maintainable in a court only because it has the jurisdiction to entertain the same in terms of section 62(2) of the Copyright Act? The court after examining the provisions of these laws answered thus:<sup>4</sup>

... Sub-section (2) of Section 62 in the 1957 Act provides for an additional Forum. Such additional Forum was provided so as to enable the author to file a suit who may not otherwise be in a position to file a suit at different places where his copyright was violated. The Parliament while enacting the Trade and Merchandise Marks Act in the year 1958 was aware of the provisions of the 1957 Act. It still did not choose to make a similar provision therein. Such an omission may be held to be conscious action on the part of the Parliament. The intention of the Parliament in not providing for an additional Forum in relation to the violation of the 1958 Act is therefore, clear and explicit. The Parliament while enacting the Trade Mark Act 1999 provided for such an additional Forum by enacting sub-section (2) of Section 134 of the Trade Mark Act. The Court shall not, it is well settled, readily presume the existence of jurisdiction of the court which was not conferred by the Statute...

Regarding the similarity of cause of action and the possibility of joint trial the court further observed:<sup>5</sup>

For the purpose of invoking the jurisdiction of a court only because two causes of action joined in terms of the provisions of the Code of Civil Procedure, the same would not mean that thereby the jurisdiction conferred upon a court which had jurisdiction to try only the suit in respect of one cause of action and not the other. Recourse to the additional Forum however, in a given case may be taken if both the causes of action arise within the jurisdiction of the court which otherwise had the necessary jurisdiction to decide all the issues.

3 S. 105 of the Trade and Merchandise Act, 1958 reads: "No suit ... shall be instituted in any court inferior to a District Court having jurisdiction to try the suit".

4 *Id.* at 48.

5 *Id.* at 56.



Regarding the question of whether a joint suit can lie if the violation of trademark is only incidental the court clarified thus:<sup>6</sup>

In this case we have not examined the question as to whether if a cause of action arises under the 1957 Act and the violation of the provisions of Trade Mark Act is only incidental, a composite suit will lie or not, as such a question does not arise in this case.

The Delhi High Court in subsequent cases followed this interpretation.<sup>7</sup>

In *Cadila Healthcare Limited v. Lupin Laboratories Ltd.*,<sup>8</sup> the Gujarat High Court concluded that the newly created fast track courts could be treated as district court for the purpose of trying trademark infringement cases. In this case the plaintiff was denied temporary injunction on a passing off suit filed in the district court. On appeal the high court also denied injunction but directed the district court to dispose of the case within three months. The district judge referred the case to the fast track court for early disposal. This order was challenged before the high court on the ground that the suit must be tried by the district court and not in the fast track court since they are not district courts as per the provisions of section 134 of the Trade Mark Act, 1999. After examining the provisions of the Constitution, the orders based on which the fast track courts are constituted and the Supreme Court decision in *Brij Mohan Lal v. Union of India*,<sup>9</sup> where the court held that the judge of the fast track court is equivalent to district judge, the court opined:<sup>10</sup>

From all these provisions the intention of the Legislature to create the post of Additional Judges according to the requirement in the district is for the speedy disposal of the cases by the District Judge with the aid of Additional Judges. In view of this it can be said that the Fast Track Court Judge decides cases with the aid of Additional Judges, they discharge all functions as Additional Judges in discharge of the functions of the District Judges. Hence, the Fast Track Court Judge is part and parcel of District Judge and is covered within the definition of District Court. Hence, in view of the notification appointment of Fast Track Court Judge and the provisions of the Gujarat Civil Court Act and the order passed by the Fast Track Court Judge for all purposes shall be deemed to have been passed by the District Court, the Fast Track Court Judge is part and parcel of the

6 *Ibid.*

7 See *L.G. Corporation v. Intermarket Electroplasters (P) Ltd.*, 2006 (32) PTC 429 (Del); *Dabur India Ltd., v. K.R. Industries*, 2006 (33) PTC 107 (Del); *The Jay Engineering Works Ltd., v. Ramesh Aggrarwal*, 2006 (33) PTC 561 (Del); *S. Oliver Bernd Greier GmbH & Co. KG v. Karni Enterprises & Ano.*, 2006 (33) PTC 574 (Del).

8 2006 (33) PTC 68 (Guj).

9 (2002) 5 SCC 1.

10 *Supra* note 8 at 77.



District Court and for all purpose it is a District Court within the meaning of the CPC.

Based on the above observation the court held that section 136 of the Trade Mark Act, 1999 includes fast track court judges also.

**Registration – opposition**

The validity of rule 47 of the Trademark Rules, 2005 dealing with extension of time for filing objection to registration of trademark was challenged in *Sardar Gurudas Singh Bedi v. Union of India & Others*<sup>11</sup>. The petitioner filed an application for registration of the trademark “Volga” for confectionary items and it was still pending. The respondent filed an application for the registration of the trademark “Volga Ice Cream” and the same was notified for opposition. The stipulated time for filing opposition was on or before 1.01.2006. The petitioner came to know about the application only on 3.01.2006 and on the same day he filed the opposition with a request to extend the time. Since it was after three months the same was rejected by the registrar under rule 47(6)<sup>12</sup> of Trade Mark Rules, 2005. The petitioner challenged this order arguing that rule 47(6) is *ultra vires* section 21<sup>13</sup> of the Trade Mark Act, 1999. It was also argued by the petitioner that the period for filing request for extension of time under section 21 is after expiration of three months. According to him, rule 47(6) mandating to file such an application before the expiry of three months is contrary to the intention of the legislature in section 21 and hence *ultra vires*. The court after examining the earlier provisions and the changes introduced in the Act and rules following the general principles of delegated legislation concluded thus:<sup>14</sup>

If Rule 47(6) as it now stands has to be accepted, then it confers power to extend time only if the application is made before the expiry of period of three months. Such a rule will be clearly *ultra vires* Section 21(1) of the Act of 1999. It is also not possible to read down Rule 47(6) so as to make the rule *intra vires* Section 21. Nothing also has been brought before us to point out any mischief that was being occasioned and which mischief was required to be remedied. In the

11 2006 (33) PTC 321 (Bom).

12 Rule 47(6) reads: “An application for an extension of the period within which a notice of opposition to the registration of a trade mark may be given under sub-section (1) of section 21, shall be made in Form TM-44 accompanied by the fee prescribed in First Schedule *before the expiry of the period of three months under sub-section (1) of section 21*” (emphasis added).

13 S. 21 reads: “Any person may, within three months from the date of the advertisement or re-advertisement of an application for registration or within such further period, not exceeding one month in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee, allows, give notice in writing in the prescribed manner to the Registrar of opposition to the registration”.

14 *Supra* note 11 at 330.

Act of 1940 Section 15(2) did not set out the period but left it to the rule making authority. The Rule making authority provided for a period of four months to file opposition. Under the Act of 1958 the period was fixed by the Legislature itself, though the delegate made rules in an exercise of subordinate legislation. The same is the position in the Act of 1999. In these circumstances, we are clearly of the view that Rule 47(6) is clearly ultra vires of Section 21 and consequently will have to be struck down as null and void.

#### Parallel import

The Delhi High Court in *Samsung Electronics Company Ltd. v. G. Choudhary*<sup>15</sup> in an *ex-parte* interim proceeding examined the scope of parallel import of trademark goods under the Trade Mark Act, 1999. The plaintiff in this case filed a suit for injunction in the Delhi High Court to prevent the defendant in Bangalore from importing and selling his products manufactured in China. According to the plaintiff though the products imported by the defendant to India were genuine products manufactured by the company in China they were not meant for the Indian market. The reason for this was that it had not complied with some of the regulations in India regarding labeling and pricing. This made it clear that these goods were not goods which could be sold infringing the trademark of the plaintiff. The question was whether under the Trade Mark Act, 1999 sale of such products in India was prohibited or not? After examining section 30 (3) and (4)<sup>16</sup> of the Trade Mark Act, 1999, article 50 of the TRIPS Agreement the court concluded thus:<sup>17</sup>

In view of the brief discussion I am satisfied that a *prima facie* case has been disclosed for the issuance of ex parte ad interim injunction. The balance of convenience is in favour of the plaintiff who is likely to suffer irreparable loss and injury if only notice is issued in the first instance. It is almost certain that the goods and the evidence to substantiate the complaints of the plaintiff shall be removed if an injunction is not granted forthwith.

15 2006 (33) PTC 425 (Del).

16 S. 30 (3) reads: "Where the goods bearing a registered trade mark are lawfully acquired by a person, the sale of the goods in the market or otherwise dealing in those goods by that person or by a person claiming under or through him is not infringement of a trade mark by reason only of— (a) the registered trade mark having been assigned by the registered proprietor to some other person, after the acquisition of those goods; or (b) the goods having been put on the market under the registered trade mark by the proprietor or with his consent.

(4) Sub-section (3) shall not apply where there exists legitimate reasons for the proprietor to oppose further dealings in the goods in particular, where the condition of the goods has been changed or impaired after they have been put on the market".

17 *Supra* note 15, *ibid*.



The court restrained the defendant from selling gray market ink, cartridges/toners or any other mark “SAMSUNG”. The court also issued a search and seizure order similar to *Anton Piller* order<sup>18</sup> without incorporating any safeguard to prevent its abuse by the plaintiff.

One of the problems of intellectual property monopoly is the possibility of its being misused by the owner to the detriment of the general public through unreasonable pricing of the product. This is normally implemented by licencing the rights to sell the products to different persons in different countries and fixing different prices depending upon the market conditions. This would enable the owner of intellectual property to prevent third parties from importing genuine goods sold in one country to another country on the ground of infringement. It is to prevent this abuse of monopoly that the countries were given freedom under the international law dealing with intellectual property rights to decide whether to permit the movement of goods from one territory to another. The principle of exhaustion of rights is used for achieving this. This is considered as a limitation on the exclusive rights granted to the owner of intellectual property to protect public interest of making the products available at a reasonable price. Depending on the market conditions and the economic advantage the country is going to gain, the law-makers decide whether to follow a national exhaustion or an international exhaustion of rights. In case a country decides to follow international exhaustion, then it allows the importation of genuine goods from other territory into its market which is not treated as infringement irrespective of the contractual agreements entered into by the owner of the intellectual property. This in fact permits a seller to purchase genuine goods from another territory and import the same to the market of the country that follows international exhaustion and to sell them. This measure of permitting “parallel import” is intended to put pressure on the owner of intellectual property to fix the price of the products reasonably in a country so that parallel importation of similar goods from another territory and selling it is not going to be profitable. This in turn enables the consumers to get the products protected by intellectual property law at a reasonable price. Thus, permitting parallel import is a policy matter to be decided by Parliament. This freedom is given to the countries under article 6 of the TRIPS Agreement, which reads as follows:

For the purposes of dispute settlement under this Agreement, subject to the provisions of Articles 3 and 4 nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights.

18 The court directed a commissioner to visit the business place of the defendant without giving notice to the defendant and search and seize the goods with the assistance of the plaintiff and police. The origin of these types of order is based on *Anton Piller K.G. v. Manufacturing Process Ltd.*, [1976] R.P.C. 719. For problem relating to such orders in India see, N.S. Gopalakrishnan, “Intellectual Property Laws”, XLI *ASIL* 419 at 430-31 (2005) and footnote thereof.



One could see similar approach in other treaties as well.<sup>19</sup> Taking advantage of this flexibility available under the TRIPS Agreement the Indian Parliament permitted parallel import in its intellectual property laws. This is evident from section 107<sup>20</sup> of the Patent Act introduced in 2002 and section 30(3) of the Trade Mark Act, 1999.

It is unfortunate that the Delhi High Court failed to examine this policy issue before banning parallel import. The court felt that parallel import is an “economic malpractice rampant in another country” to be controlled through the judicial intervention of “already staggering” Indian judicial system. The reason that influenced the court to prevent parallel import from China to India is the lack of law in China to control the same. The observation of the court is pertinent:<sup>21</sup>

Countries not connected with the manufacturing process (such as Indian in the present case) whose economies have not received any economic benefit are expected to expand their resources to fight malpractices to which they are not privy. It also places an added and heavy burden on the Indian judicial system, already staggering under the weight of an exponential increase in litigation, not adequately matched by a corresponding increase in the strength of Judges, to fight an illegality occurring in another country. In the course of preliminary hearing it has been conceded by Counsel for the Plaintiff that legal steps to stem this problem, which has become both endemic and pandemic in not more than a couple of countries with whom we share the eastern hemisphere, have not been initiated in the country of origin. It is thus left to the Indian Legal system to judicially quell an economic malpractice rampant in another country.

It is felt that it would have been better had the court followed the policy choice of the Parliament of India, rather than trying to find solution for problems of multinational corporations in another country. It is also unfortunate that the court though relied on article 50 of the TRIPS Agreement failed to notice the clarification given in footnote 13 in the same article, which reads:

It is understood that there shall be no obligation to apply such procedures to imports of goods put on the market in another country by or with the consent of the right holder, or to goods in transit.

- 19 For example see art 6(2) of WIPO Copyright Treaty 1996 and art 12(2) of WIPO Performances and Phonogram Treaty 1996 dealing with distribution right. Art 6(2) reads: “Nothing in this Treaty shall affect the freedom of Contracting Parties to determine the conditions, if any, under which the exhaustion of the rights in paragraph (1) applies after the first sale or other transfer of ownership of the original or a copy of the work with the authorization of the author”.
- 20 S. 107 (b) reads: “importation of patented products by any person from a person who is duly authorized by the patentee to sell or distribute the product, shall not be considered as infringement of patent rights”.
- 21 *Supra* note 15 at 426.



All these provisions make it clear that parallel import goods are not “gray market” products as understood by the court if the law of the land permits the same. It may be a gray market good in another country if their law prohibits parallel import following national exhaustion. Only because the law of some countries treat parallel import goods as infringed it does not mean that they are infringed goods in India since the legislation consciously opted the policy of permitting parallel import to check the abuse of monopoly by the owners of intellectual property. It is evident that the plaintiff while seeking the *ex parte* injunction did not provide the court with a balanced picture of the legal position on parallel import. Had the court been provided with all the materials it is felt that the court would not have interfered with policy matters. The Delhi High Court would have refused to intervene in this issue.

This case also exposes the danger of granting *ex parte* “search and seizure” orders without hearing the other side. The net result of the decision is that a citizen of India, taking advantage of the policy choice of Parliament and thus trying to protect the interest of the consumers from the exploitation of multinational companies using their intellectual property rights, is put into unjustified trouble. It is hoped that the court will take a more balanced approach and reverse the decision at the earliest opportunity.

### III PATENTS

In *Wockhardt Ltd. v. Hetero Drugs Ltd.*,<sup>22</sup> the Madras High Court examined the scope of Exclusive Marketing Rights (EMR) granted under section 24A of the Patent Act and its impact on a person who started manufacturing the same product in India. In this case the appellant was granted process patent and EMR for the drug Nadifloxacin 1% cream. The process patent application was filed on 08.05.2000 and the same was granted on 06.06.2003. A product patent application for the same product was filed on 28.03.2002 and was pending. After obtaining licence for manufacture from the drug controller the appellant started manufacturing the product from 2002 and based on this an application was filed for EMR and the same was granted on 15.03.2003 for five years. The respondent based the patent for the same product in US and Japan adopted the drug, obtained a marketing approval from the drug controller and started manufacturing the same product from 14.09.2004. The appellant challenged the grant of marketing licence to the respondent in the Delhi High Court which was pending but no injunction was granted. The respondent also filed a writ petition before the Bombay High Court challenging the validity of the grant of EMR which was also pending and no injunction was granted. Hence both the parties were manufacturing and marketing the product.

22 2006 (32) PTC 65 (Mad) (DB).





The present suit for infringement of process patent and the EMR was filed before the civil court in Chennai by the appellant in which the court granted temporary injunction. This was challenged before the single bench of the Madras High Court and the same was reversed on the ground of pending cases before the Delhi and Bombay High Courts. The appellant challenged this order before the division bench. According to the appellant the refusal of the injunction by the Delhi High Court against the grant of licence by the drug controller for the respondent is not a bar for refusal of enforcement of his civil rights for the infringement of patent and EMR. It was also argued that since no injunction was granted in the writ filed by the respondent challenging the validity of the patent and EMR, he was entitled to file the civil suit to prevent infringement of his rights. After examining the order of the single judge on cause of action and jurisdiction, the court observed:<sup>23</sup>

The scope of the present suit is completely different from that of the writ petition pending before the Delhi High Court. In other words, the issue before the Delhi High Court is entirely different from the one before this court, where alone the civil rights of EMR and process patent can be decided. Further, the reason given by the Single Judge runs counter to his conclusion arrived at to the effect that the process patent, EMR and the Drug Licence in favour of the appellant are in force and the same cannot be questioned at this stage.

The court buttressed its conclusion taking strength from the decision of the Bombay High Court refusing to grant interim relief to the writ petition filed by the respondent challenging the validity of patent and EMR and opined:<sup>24</sup>

The fact that no injunction order was obtained against the appellant would indicate that the Bombay High Court has not prevented the appellant herein from exercising its rights over the Process Patent and the EMR and, on the other hand, declined to grant the interim relief sought for by the first respondent herein to allow it to manufacture and market the product impugned.

It was argued by the respondent that since they started the manufacture of the product from September 2004 onwards, as per section 11(A) (7) proviso<sup>25</sup> the appellant was not entitled to any infringement proceeding and

23 *Id.* at 72.

24 *Id.* at 74.

25 S. 11A (7) proviso reads: "Provided also that after a patent is granted in respect of applications made under sub-section (2) of section 5, the patent-holder shall only be entitled to receive reasonable royalty from such enterprises which have made significant investment and were producing and marketing the concerned product prior to the 1st day of January, 2005 and which continue to manufacture the product covered by the patent on the date of grant of the patent and no infringement proceedings shall be instituted against such enterprises." (Introduced in 2005, The Patent (Amendment) Act 2005).



was only entitled to claim reasonable royalty. The court rejected this argument thus:<sup>26</sup>

We are unable to accept the contention of the Senior counsel for the first respondent, especially when we feel that the short period, namely, five years, in which the appellant is allowed to exercise its right over the product impugned, is not to be disturbed, in the light of the fact that merely royalty, in our view would not suffice to, make good the loss. Similarly we are of the view that the contention urged by the counsel for the third respondent need not be decided at this stage.

It appears that the court failed to appreciate the rationale of this provision introduced in 2005 when the Indian Patent Act moved from process patent to product patent in case of pharmaceuticals. It may be recalled that the concept of EMR under section 24B was introduced in the patent law through the 1999 patent amendment with retrospective effect<sup>27</sup> to satisfy the obligation of India under article 70(8) and (9) of the TRIPS Agreement. This was a temporary arrangement made to facilitate enjoyment of patent monopoly without grant of patent. This section was omitted in 2005 when product patent was introduced by deleting section 5 of the Act.<sup>28</sup> It was not mandatory that a person who filed a patent application should apply for EMR and manufacture or sell the product in India. Since there was no grant of monopoly there was always the possibility of an Indian industry investing money in developing process to introduce the same drug in the market based on foreign patents. In case the patent is granted subsequently there could always be a possibility of infringement action against the manufacturer though there was no actual infringement at the time of manufacture. It is to safeguard such investment and at the same time protect the interest of the patent holder the new proviso was introduced. The court should have taken this into consideration and examined whether this provision is applicable to the present case. It is interesting to note that in this case the product patent application is still pending. The appellant was granted the EMR based on the process patent. In this context it is worth examining whether this provision could be used to the advantage of respondent. The provision<sup>29</sup> for grant of EMR based on process patent was included in the 1999 Act to protect the interest of the Indian industries which are involved in developing new products. Since product patent was not available these industries would be deprived of the benefit of EMR in the absence of this provision. It is evident from the fact that the respondent entered the market within a short period (14.09.2004) after the grant of process patent (06.03.2003). This makes it clear that the respondent made his investment much before the grant of process patent and was trying to rely on

26 *Supra* note 22 at 76.

27 See Indian Patent (Amendment) Act, 1999.

28 See Indian Patent (Amendment) Act, 2005 clauses 4 and 21.

29 See s. 24(B)(1)(b).



the US and Japan patent. These facts make it clear that this is a fit case where the benefit of the proviso to section 11(A)(7) could be applied, though it was intended to cases based on grant of patent. The complex nature of the facts seem to be the reason why the Delhi and Bombay High Courts refused to grant injunctions to both the parties and allowed them to continue with the manufacture till final disposal of the case.

It is to be noted that the argument of the defendant is that the product claimed in the product patent application is not new and so questioned the validity of the EMR. It is clear from section 24D that in case of infringement of EMR all procedures followed in case of infringement of patent shall be followed. The settled law for the grant of temporary injunction in case of patent infringement is that the court will be reluctant to grant the injunction in cases where there is a challenge to the validity of the patent where the defendant has entered the market with the patented product as soon as the patent was granted. This principle was followed by the Bombay High Court in the case of *Novartis AG v. Mehar Pharma*<sup>30</sup> and refused to grant injunction in case of violation of EMR. It is all the more important to follow this approach in this case since EMR was granted based on a process patent and not on the strength of a product patent obtained from a foreign country. In the light of section 3(d) on the scope of pharmaceutical inventions introduced through the 2005 amendment of Patent Act it is clear that there could be chances of many minor inventions kept out of patentability in India. The decision by the Controller of Patent in the Novartis patent application is a clear indication of this fact. In this context it would have been in the fitness of things had the court examined whether the settled principles of grant of temporary injunction were applicable in this case before granting temporary injunction.<sup>31</sup>

#### IV DESIGN

The scope of protection of “artistic work” under the Copyright Act and the Design Act was examined by the Delhi High Court in *Microfibres Inc. v. Girdhar & Co. & Others*.<sup>32</sup> The plaintiff is a company incorporated in US and engaged in the business of manufacturing, marketing and exporting upholstery fabric using the brand name “Microfibers”. The artistic works used in the fabrics are registered in USA and claimed copyright protection in India under the Copyright Act. The plaintiff alleged that the defendants who are in the same business copied the designs and were selling fabrics with identical designs. According to the plaintiff it amounted to infringement of their

30 2005 (30) PTC 160 (Bom.).

31 It is interesting to note that the parties went on appeal to the Supreme Court and the injunction order was modified to confine it to the manufacture of Nadifloxacin Cream 1% only till the disposal of the suit without going into details of the case. See *Hetero Drugs Ltd., v. Wockhart Ltd.*, 2006 (32) PTC 479 (SC).

32 2006 (32) PTC 157 (Del).



copyright in the artistic work used in the fabrics. The defendants countered this argument and contended that the designs of the plaintiff are artistic works capable of registration under schedule 4 clauses 13 and 14 of the Design Act, 2000. Since the designs are not registered in India and are in the market for a long period of time they are not protected under the Copyright Act as per section 15. It was argued by the plaintiff that since the definition of design under section 2 of the Design Act expressly excludes artistic work as defined in clause (c) of section 2 of the Copyright Act it is entitled to protection under the Copyright Act. After examining the provisions under the Copyright Act and Design Act regarding the scope of protection of artistic work the court observed:<sup>33</sup>

In order for the work of the plaintiff to qualify as an “artistic work”, it must fall within the definition of sub-section (c) of section 2 of the Copyright Act. A reading of the said provision would show that attempt of the plaintiff can only be to bring it within the concept of ‘painting’. The comparison with the painting of MF Hussain would be otiose as the work in question, in the present case, is not a piece of art by itself in the form of painting. There is no doubt that labour has been put and there is some innovativeness applied to put a particular configuration in place. Such configuration is of the motifs and designs which by themselves would not be original. The originality is being claimed on the basis of the arrangement made. What cannot be lost sight of is the very object with which arrangements or works had been made. The object is to put them into industrial use. An industrial process has to be done to apply the work or configuration to the textile. It is not something which has to be framed and put on the wall or would have any utility by itself. The two important aspects are the object with which it is made (which is industrial) and its inability to stand by itself as a piece of art. In fact, it has no independent existence of itself...

Regarding the scope of the exclusion of artistic work from the definition of design under the Design Act the court opined:<sup>34</sup>

The exclusion of an “artistic work” as defined in section 2(c) of the Copyright Act from the definition of “design” under section 2(d) of the Design Act, 2000 is only meant to exclude the nature of artistic work like painting of M.F. Hussain. It is thus, the painting, sculptors and such work of art which are sought to be specifically excluded from the new Act ...

33 *Id.* at 186.

34 *Id.* at 187.



The court concluded on the claim of the copyright protection of plaintiff thus:<sup>35</sup>

...It is, thus, apparently clear that in the context of the Indian Law, it is the Design Act of 1911 or 2000, which would give protection to the plaintiff and not the Copyright Act. The application of mind and skill is not being denied nor the fact that the defendants have copied the same, but that would still not amount to the works in question being labeled as 'artistic work' within the definition of section 2(c) of the Copyright Act and, thus, the protection is not available under the Copyright Act.

The interpretation given by the court is correct and it served the purpose of preventing the plaintiff from extending the monopoly of a work already in the public domain by taking undue advantage of the Indian law.

The Calcutta High Court in *Gopal Glass Works Ltd. v. Asst. Controller of Patents & Designs*<sup>36</sup> examined the issue whether registration of a design in a foreign country could be treated as 'publication' as per the Indian law. The appellant in this case filed an application for registration of a design on a glass sheet and the same was granted on 5<sup>th</sup> November 2002. He then ordered two rollers from a German company for applying this design to the glass sheets. The respondents started selling glass sheets with same design. The appellant filed an infringement suit. The respondent then filed an application for cancellation of the registration of the design on the ground of prior publication since the design was already registered in UK. The controller accepted the arguments and cancelled the registration. The present appeal was filed challenging the order of the controller. It was contended by the respondent that registration in a foreign country is not treated as publication under the Indian law. After examining sections 2, 4, 19 and 51A of the Design Act, 2000 the Calcutta High Court observed:<sup>37</sup>

Under the law presently in force in India, specification, drawing and/or demonstrations in connection with registration of a design do not per se constitute publication, which prohibit future registration of that design. Had publication of design specification by a registering authority, particularly a registering authority in a foreign country, in connection with registration of a design in itself, amounted to prior publication, that would hit all future applications in India, for registration in India would not separately have been made a ground for cancellation of a registered design. Moreover, it is significant that

35 *Ibid.*

36 2006 (33) PTC 434 (Cal). See also *Gopal Glass Works Ltd., v. IAG Company Ltd. & Others*, 2006 (33) PTC 620 (Guj).

37 *Id.* at 444.



parliament consciously made publication in a country other than India a ground of cancellation, in addition to publication in India, but expressly restricted the embargo of prior publication to registration in India. Registration in a country other than India has not been made a ground for the cancellation of a registered design.

This interpretation of the court seems to be not in tune with the Paris Convention and also section 4 of the Design Act. Section 4 of the Design Act deals with prohibition of registration of certain designs. Section 4(b) dealing with publication reads:

... has been disclosed to the public anywhere in India or in any other country by publication in tangible form or by use or *in any other way* prior to the filing date, or where applicable, *the priority date of the application* for registration of designs.

It is clear from this section that there are different kinds of disclosure of the design that prevent registration in India. The use of the words “in any other way” makes it clear that the nature of publication is not limited to publication in published literature only. Moreover the specific mention of “the priority date of the application” refers to foreign applications and the disclosure of the design in foreign application. It is well settled principle of Paris Convention for the Protection of Industrial Property (1883) that a design holder intending to file a design application in another country must file the application within the stipulated period of six months after filing a national application.<sup>38</sup> The failure to file the application in foreign countries within the priority date would result in treating the design as disclosed and denial of protection in that country. It is to give effect to this international obligation that it is made clear in section 4(b) that designs registered or pending registration will be treated as not disclosed if the application is filed in India within the priority date. It is also for this reason that the controller cancelled the registration when it was brought to his notice that the same design was already registered in England. The court failed to appreciate this international principle while interpreting the provisions of the Design Act.

It was also contended by the respondent that since the roller used by the appellant already has the same design embossed, it is only its application on the glass sheet and hence the design was not new. Rejecting this argument the court opined:<sup>39</sup>

The embossing rollers manufactured by the German company are only the device for producing the impugned design. It is immaterial that the

38 See art 4 A(1) & C(1) of the Paris Convention for the Protection of Industrial Property (1883).

39 *Id.* at 445.



embossing rollers were developed by the appellant. Furthermore, in relation to design, the “expression” original includes designs which though old in themselves are new in their application. The brochures of the German company do not contain any photograph or illustration of the impugned design or glass.

It appears the use of words “used or in any other way” in section 4(b) takes care of this situation as well.

## V COPYRIGHT

### Concept of originality

In *Infoseek Solutions v. Kerala Law Times*,<sup>40</sup> the Kerala High Court examined the scope of copyright protection of reported judgments. In this case the plaintiff is the publisher of a law journal, Kerala Law Times (KLT) reporting mainly the judgments of the Kerala High Court. It was alleged that the defendant produced a CD-ROM of the judgments of Kerala High Court copying the judgments including the head notes from KLT. The plaintiff filed a civil suit for infringement of copyright in the district court and a temporary injunction was granted preventing the defendants from publishing the CD-ROM. This order was challenged before the high court by the defendant on the ground that there is no copyright in the judgments exclusively to the plaintiff and the copyright in the head note is limited to what has been created by the plaintiff and do not extend to what is extracted from the judgment and placed in the head note. On the contrary the respondent argued that the ‘version of the judgment’ as reported by him including the head notes, corrections in the judgment together constitute a separate copyright in the judgment and is owned by him. The question whether any one could claim copyright over the judgment of courts, was examined by the court elaborately in the light of *Gurdit Singh*,<sup>41</sup> *Surendra Singh*<sup>42</sup> (dealing with the meaning of judgment and its importance), the offence of forgery dealt with under section 46B IPC and the decisions in *Shakuntala Devi*<sup>43</sup> and *AIR Karamchari Sangh*<sup>44</sup> and concluded thus:<sup>45</sup>

Thus, the judgment of the superior Courts constitutes an important source of law. Law is the expression of the sovereign, manifesting through the constitutional institutions providing for the making and laying down of the laws. None have copyright over the law of the land.

40 2006 (4) KLT 311.

41 *Gurdit Singh v. State of Punjab*, (1974) 2 SCC 260.

42 AIR 1954 SC 194.

43 *Shakuntala Devi Jain v. Kuntal Kumari*, (1969) 1 SCR 1006.

44 *All India Reporter Karamchari Sangh v. All India Reporter Ltd.*, (1968) Supp SCC 472.

45 *Supra* note 40 at 317.



On the question whether the Copyright Act recognizes copyright in judgments, after referring to the definition of Government work in section 2(k), the ownership of copyright in the government work in section 17(d), the exemption on reproduction of judgments in section 52(q) (iv) and section 16 dealing with existence of copyright, the court concluded that judgments are not government work and hence not entitled to copyright. The observation of the court is pertinent:<sup>46</sup>

A conjoint reading of S. 17(d) and S.52 (1)(q)(iv) having regard to S.16 would clearly show that S.17(d) is subject to S.52(1)(q)(iv). This means that the reproduction or publication of any judgment or order of a Court, Tribunal or other judicial authority shall not constitute an infringement of copyright and therefore, the judgment or order of a Court, Tribunal or other judicial authority cannot be treated as a Government work even for the Government to be the first owner of the copyright therein in terms of S.17(d). The rationale behind this is that the judgment or order is *of* a Court, Tribunal or other judicial authority and is *not* “a work which is made or published by or under the direction or control of the Court, Tribunal or other judicial authority” to bring it within the term “Government Work” as defined in S.2(k)...

This is a distorted interpretation of the Copyright Act to say the least. If one examines the scheme of the Copyright Act regarding the copyright of government works it is clear that the government is the first owner and not the person who actually authored it. This is made further clear in section 17(d) dealing with ownership of works and section 28 dealing with term of copyright in government works.<sup>47</sup> It may be noted that Section 52 dealing with acts that are not infringement has an express provision on judgment to make it clear that government wanted to assert the copyright in judgments while at the same time facilitating its reproduction and publication unless there was a prohibition by the court. It is only reproduction and publication that is permitted and not any other acts. The idea of claiming ownership is to regulate the publication of the judgments and to prevent errors and modifications.<sup>48</sup> The assertion made by the court that “the judgment or order is *of* a Court ...” to distinguish it from the definition of government work “a work which is made or published by or under the direction or control of the Court ...” in section 2(k) of the Copyright Act appears to be too literal.

46 *Id.* at 319.

47 S. 28 reads: “In the case of Government work, where Government is the first owner of the copyright therein, copyright shall subsist until sixty years from the beginning of the calendar year next following the year in which the work is first published”.

48 For detailed analysis of the copyright in government work, see N.S. Gopalakrishnan, “Intellectual Property Laws”, XXXVII *ASIL* 373 at 384-85 (2001) and the foot notes there off.





Regarding the question whether the plaintiff has a copyright over the published judgments in the KLT, the court after tracing the history of law reporting<sup>49</sup> concluded thus:<sup>50</sup>

In view of the aforesaid conspectus, the report of a judgment by a law reporter is a composite document and is not to be sliced into head note on the one side and the main text of the judgment on the other, for the purpose of appreciating it as a literary work to determine whether the reporter has a copyright on it. There appears to be no other way of looking at it. What the law reporter is expected to do is to present a judgment with the attendant comments, head-notes etc. This is, by itself, an art, that too, a literary exercise. It is wholly inappropriate to treat the main text of the judgment and the setting in which it is put, as also the head-notes etc., into different slots, for considering whether each such part gives any separate copyright to the reporter. A report is a whole document and the copyright will have to rest on the report as a whole.... A report of a judgment, which includes the entire text of the judgment and is placed as a report along with head-notes or editorial notes and in any particular layout of a reporter and publisher, contains such originality as required it to be treated as an original literary work for the purpose of S.13(1)(a) of the Act...

The above reasoning of the court influenced by the observation of the Supreme Court in the interim order passed in the *Eastern Book Co.* case<sup>51</sup> raises both conceptual and practical problems. For the purpose of providing copyright to the reporter the court took the report as a “composite document” and located the originality in placing the judgment “along with head-notes or editorial notes and in any particular layout of a reporter”. The conceptual question is whether this “composite document” is an original literary work authored by the reporter to claim copyright over the full content of it or is it a compilation of original judgment along with his own contribution in terms of head-note or editorial note and layout. It is obvious that the report as characterized by the court as a “composite document” is not completely authored by the reporter since according to the court itself the reporter is placing the judgment “along with head-notes or editorial notes and in any particular layout of a reporter”. It is a well accepted norm of law reporting that the reporter is not permitted to make any change in the judgment without the permission of the court and his job is only to reproduce the same as it is. This makes it clear that the judgment, which is the creation of the judge and a government work cannot be treated as part of his work to claim copyright in

49 *Supra* note 40 at 320-22.

50 *Id.* at 323-24.

51 *Id.* at 325.



it as a “composite document” in the form of original literary work. In case the report is treated without separating the judgment, the reporter will be able to claim copyright over the judgment being part of his “composite document”. This is the reason why the Indian courts on different occasions treated the report as a compilation of the original judgment with head-notes or editorial notes and separated them to find out the copyright protection of the reporter.<sup>52</sup> In case of compilations it is well settled that the copyright is not on the content but on the manner in which it is arranged.<sup>53</sup> It is well settled by the courts in India that the head-note or editorial note is the creation of the reporter except the parts of the judgments extracted in it.<sup>54</sup> If this is the case then the question is whether there is the minimum level of originality in the “particular layout of a reporter” to provide copyright. This was considered to be too trivial for providing copyright protection in the earlier case.<sup>55</sup> Assuming that there is the minimum level of originality the practical problem one may face is to locate ‘the expressed form of the layout’ to compare it with that of the violator to find out copyright infringement.

It is clear from the first part of the judgment that the court wanted to keep the judgment out of the purview of copyright law. So if the intention of the court is not to provide copyright to the judgment but only to the “head-notes or editorial notes and in any particular layout of a reporter” when the report is treated as a “composite document”, then the practical problem one faces is how to separate the ‘original judgment’ from the copyrighted ‘version’ of the plaintiff’s report. If the reporters make editorial changes like correcting the spelling, adding footnote etc., (which he is not expected to do without the permission of the court as per the rules of law reporting) and this is not expressly mentioned in the report, it will be extremely difficult for a user to distinguish between the “original judgment” as pronounced by the court and the “version” of the plaintiff as reported. In this context the question is whether the act of a subsequent reporter or user who copies the full or substantial portion of the judgment from the plaintiff’s report and changes its layout and publishes the same would amount to infringement of copyright in the report of the plaintiff? If it is treated as violation then this would result in the conversion of a judgment which is supposed to be a public document as per the court into private property only because some editing work is done. This seems to be not the objective of the copyright law. This will also go against the argument of the court that there is no monopoly on the judgments. The fact that the court in this case approved the injunction granted by the

52 *N.T. Raghunathan v. All India Reporter*, AIR 1971 Bom 48; *S.K. Dutt v. Law Book Co.*, AIR 1954 All 570; *Eastern Book Company v. Naveen J. Desai*, AIR 2001 Del 186.

53 See *Macmillan & Co v. K. and J. Cooper*, AIR 1924 PC. 75; *Feist Publication, INC. v. Rural Telephone Service Company, INC.*, 499 US 340.

54 *Ibid.*

55 *Eastern Book Company v. Navin J. Desai*, AIR 2001 Del 185 and 2002 (25) PTC 641.



lower court preventing the defendant from publishing the CD-ROM gives the impression that copying the judgments from the plaintiff's report changing the layout will amount to violation of the copyright in the "composite document". In this context the observation of the court is important:<sup>56</sup>

Having perused Ext. A3 series, I am satisfied, *prima facie*, that the product of the defendant has been proved to contain verbatim copy of the head-notes, short notes etc. of the plaintiff's publication, though the defendants have merely changed the manner in which the case number, names of parties, appearing counsels etc. are shown... A grammatical error in the head-note in the plaintiff's publication has been carried over to the version of the defendants.

The reference above is only to the head-note and no mention about the original judgment. But the defendant is prevented from publishing the CD-ROM including the version of plaintiff's report. Does this mandate that any one who is interested in reproducing the judgment should not rely on the published reports but must take a certified copy from the court? If this is not the intention of the court, (which is surely not), the judgment needs clarification as to the nature of copyright enjoyed by the reporter on the original judgment. In this context the theory of the court that report is a "composite document" to enjoy copyright protection also needs reconsideration.

#### Copyright in artistic design

In *Bamford Excavators Ltd. v. Action Construction Equipment Ltd.*,<sup>57</sup> the plaintiff was the manufacturer of construction and material handling machinery including backhoe loaders, hydraulic excavators, articulated loading shovels and parts, attachments and components thereto. They started a joint venture manufacturing in India and transferred many technologies including (a) the product design, specification, drawings and other information for the product and sub-assemblies thereof; (b) reproducible drawings, specifications and written descriptions of manufacturing methods and processes involved; and (c) detailed drawings showing parts of the product, technical characteristics and dimensions of components. It was alleged that the defendants started manufacturing similar product by reverse engineering and copied all the essential features of the product of the plaintiff and hence violated the copyright in the artistic work of the design. The plaintiff argued that they have the exclusive right to produce in any material form including depiction in three dimensions of the two dimensional artistic work. The defendants, on the other hand, argued that the product is already in the market for a long period of time and the spare parts are available in the market produced by many companies.

<sup>56</sup> *Supra* note 40 at 326.

<sup>57</sup> (2006) 33 PTC 161 (Del).

It was also argued that there are differences between the number of components used by the plaintiff and defendants in the products. After examining sections 14, 2(c) and 15 of the Copyright Act the court concluded:<sup>58</sup>

... If that be so, the plaintiff cannot sue the defendants on account of the similarity of the outward looks of the product or its components because the outward looks are only designs over which the plaintiffs cannot claim any copyright. The photographs placed by the parties show that all loaders look more or less the same just as all cranes, television sets or other industrial products of common use do.

The court thus made it clear that if the drawings are designs capable of protection under the Design Act, copyright cannot be claimed on it as artistic work and the competitor cannot be prevented from manufacturing the same on the ground that it is the “depiction of a two dimensional work into three dimensional work”. This seems to be the correct approach and the court thus maintained the distinction between artistic work protected under the Copyright Act and artistic designs protected under the Design Act.

#### Contract of service

In *Diljeet Titus v. Alfred A. Adebare & Others*<sup>59</sup> the Delhi High Court examined the scope of section 17(c) of the Copyright Act to find out whether an associate of a law firm is an employee in the contract of service. In this case the plaintiff was managing a law firm, M/s. Titus and Company and the defendant was working in the firm. Because of difference of opinion defendant decided to separate and while leaving the firm he copied all the files in the computer including the address of the clients. The plaintiff filed a suit against him for infringement of copyright and breach of confidentiality agreements. According to the plaintiff the defendant was working on contract of service and all the work he created during his course of employment would come within the scope of section 17(c) of the Copyright Act and are owned by him. The defendant argued that he was a partner of the firm and his employment could not be treated as contract of service since it would be in violation of rule 49 of section VII of the Bar Council of India Rules prohibiting full time employment of a lawyer. The court relying on the principle of “integration” to find out the nature of employment laid down in *Ram Singh & Others v. U.T. Chandigarh*<sup>60</sup> and the Bar Council Rules concluded that the relationship is a contract of service and not in violation of the Bar Council Rules. The court observed thus:<sup>61</sup>

58 *Id.* at 169.

59 2006 (32) PTC 609 (Del).

60 2004 (1) SCC 126.

61 *Supra* note 59 at 639-40.



The object of this Rule is to make distinction where an advocate instead of practising professional law, decided to work for an organization or a person on a full time salary basis. It would have no application to the principle of an advocate being associated with any other advocate. Yet simultaneously it cannot be said that if this is the position there can be no contract of service in a relationship between two advocates. I consider it appropriate to emphasize that in such a relationship between advocates possibly ever a greater trust and confidence element is involved than between two business people. This is so since the advocate is not really working for himself but for his client and is rendering service for remuneration.

**Moral right of performer**

The Delhi High Court in *Neha Bhasin v. Anand Raj Anand*<sup>62</sup> examined whether a performer is entitled to protection of her moral rights based on the principles of equity and common law. Ms. Neha Bhasin, a singer, alleged that her voice has been used by the defendants for the three versions of the song “ek look ek look” in the film “Aryan - unbreakable”. It was also alleged that the defendants in connivance with the music director has shown her to be the singer along with another person and treated her as backup vocalist in all the three versions and this is evident from the jacket/inlay of the CD produced by the defendants. The defendant admitted in his correspondence to the plaintiff that there was a mistake and he would correct the same which he refused to carry out. According to the plaintiff her voice was stolen and falsely attributed and hence she is entitled for injunction and damages. She filed a suit under order XXXIX rules 1 and 2 of CPC alleging infringement of her performer’s right under the Copyright Act. The defendant argued that the sound engineer while re-mixing with the help of the software “Nuedo” used the technology to create “layering” of sounds of more than one singer. Since more layers were created using the voice of the other singer, her name was given as the lead singer rather than that of the plaintiff. On examination of evidence produced by the parties the court found that the allegation of the plaintiff was correct and the defendant was trying to mislead the court. The court concluded that the plaintiff has a *prima facie* case based on violation of performer’s right under section 38 of the Copyright Act and section 70 of the Contract Act. On the question of refusing the due credit as a singer the court relied on the principles of equity and the Supreme Court decision in *Suresh Jindal v. Rizdoli Corrier Della Sera Prodzioni T.V. S.P.A*<sup>63</sup> and observed:<sup>64</sup>

... But what is more is that the plaintiff also has a right in equity for being given proper credit for the song sung by her. If her voice is

62 2006 (32) PTC 779 (Del).

63 1991 Supp (2) SCC 3. In this case the Supreme Court recognized the right of a co-producer to show his name in the film.

64 *Supra* note 62 at 808.



used and commercially exploited she has the right to prevent it being attributed to somebody else... The damage and injury caused and being caused to the plaintiff is twice over. First, she is not described as the lead female singer and in her place the name of the defendant No. 2 appears as the lead main female vocalist. Second, the plaintiff, who indeed was the lead/main singer has been demoted to the status of a mere backup singer. The latter act in itself is likely to cause grave harm and injury to the reputation of the plaintiff as a singer. Her aspiration to rise as a female vocalist would receive a big jolt if in the market she is perceived merely as a backup singer and not as a lead singer.

It is to be noted that Copyright Act has not yet recognized moral rights for the performers though the same is available for the authors under section 57 of the Copyright Act. Article 5<sup>65</sup> of the WIPO Performances and Phonograms Treaty (WPPT) 1996 recognizes moral rights of the performer. The proposed draft amendments to Copyright Act included a provision<sup>66</sup> to protect the moral rights of the performer in tune with the provisions of WPPT. So this decision should be welcomed as it updates the law.

65 Art (1) reads: "Independent of a performer's economic rights, and even after the transfer of those rights, the performer shall, as regards his live aural performances or performances fixed in phonograms, have the right to claim to be identified as the performer of his performances, except where omission is dictated by the manner of the use of the performance, and to object to any distortion, mutilation or other modification of his performances that would be prejudicial to his reputation".

66 See s. 38B of the draft Amendments to Copyright Act, placed in the web site of Copyright Office, Department of Education, Government of India, for comments, <http://copyright.gov.in> visited on 28-02-07.