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INTELLECTUAL PROPERTY LAWS

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I INTRODUCTION

THE NEED for protecting public interest while promoting enjoyment of the economic benefits derived from the intellectual property rights has been one of the major considerations of various courts in deciding infringement cases. This is reflected in the reasoning given by the courts in cases of grant of temporary injunction, pre-grant opposition of patent application, fair use of works, unfair practices in case of false advertisement, *etc.* The expansion of the doctrine of fair dealing of works by educational institutions for activities related to education by the Supreme Court in *Manipal University (Academy of General Education, Manipal, v. B. Manini Mallya*¹) case is a welcome step in the right direction. Another interesting issue that came for consideration is the linkage between intellectual property laws particularly trademark and patent with the Drugs and Cosmetic Act, 1940. Considering the public interest involved, the courts took a clear view that the Drugs and Cosmetic Act having different and distinctive objectives should not be used for protecting the proprietary rights in the absence of clear legislative mandate.

II TRADEMARK

Non-user

Trademark law permits owners of the mark to register the same without actual use. This is basically intended to protect the interest of a person who proposed to use the mark. The law also envisages the removal of the mark from the register if it is not used within the prescribed period of time. The purpose of this provision is to prevent trafficking in marks. But this provision is used particularly by owners of foreign marks to retain their right even in cases where they know that it is not possible for them to do business in India using the mark. In many cases even the unauthorized use of the mark was considered as use for the purpose of retaining the

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1. 2009 (39) PTC 393 (SC). See *infra* note 69.



ownership and registration without actual use by the owner.^{1a} In *Thukral Mechanical Works v. P.M. Diesels Pvt. Ltd.*,² the Supreme Court examined whether the use of mark by a person without registration of the mark entitled him to retain the registration of the same mark made by another person who never used the mark. In this case, M/s. P.M. Diesels (respondent) registered the trademark “Field Marshal” in 1963 for diesel engines. The same mark was registered by M/s. Jain Industries in 1963 for centrifugal pumps, coupling for machines, etc. and was renewed in 1972, 79, 86 and 93 though they never used the mark. It is an admitted fact that the same mark was used by the Thukral Mechanical Works (appellants) from 1963 onwards without any registration for centrifugal pumps. When the respondent filed an infringement suit against M/s. Jain Industries before the Delhi High Court, the registration was transferred in the name of the appellants. The respondents also filed a rectification petition before the controller for removal of the mark from the register on the ground of non-user. This petition was withdrawn in 1986 when the mark was transferred in the name of the appellant and a fresh application against the appellant was filed on the ground of non-user. The intellectual property appellate board (IPAB) dismissed this application since it found that the mark was in use by the appellant from the date of transfer. A writ against this order was refused by the single bench of the Delhi High Court. But on appeal, the division bench set aside the order of IPAB and directed the board to reconsider the dispute on merits. This order was challenged before the Supreme Court. The important question examined by the court was whether the use of the mark by the appellant before the mark was transferred in their name could be considered as *bona fide* use “by any proprietor thereof for the time being” as per section 46(1)(b)³ of Act 1956. The issue is from which date the time of five years is to be calculated, namely the date from which the mark is registered or the date from which it is transferred to the appellant. It was contended by the appellant that since it was using the mark from the very beginning it should be considered as “use by the proprietor for the time being” as stipulated in the section. But the contention of the respondent was

1a. For example, see *Cycle Corporation of India Ltd. v. T.I. Raleigh Industries (P) Ltd.* (1996) 9 SCC 430.

2 2009 (39) PTC 193 (SC).

3 S. 46(1)(b) reads:

A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the registrar or the appellate Board by any person aggrieved on the ground either

(a)...

(b) that up to a date three months before the date of the applications a continuous period of five years from the date on which the trade mark is actually entered in the register or longer had elapsed during which the trade mark was registered and during which there was no *bona fide* use thereof in relation to those goods or services by any proprietor thereof for the time being: (emphasis added).

The corresponding provision is s. 47(1)(b) of the Trademark Act, 1999.



that only use by the person who registered the mark or by another person with his authorization alone could be considered as use of “proprietor thereof for the time being.” It was further argued that the unauthorized use of a person who subsequently became the proprietor could not be considered as *bona fide* under this section. Regarding the meaning of the words “for the time being”, the court observed:⁴

Two interpretations thereto which are possible are: (a) the said words would denote non-use of the trademark in relation to the goods by the appellant for a period of five years or longer and (b) the mark had not been used for a period of five years or longer either by the present proprietor thereof or his predecessor.....

Regarding the nature of the transfer and the rights of the parties, the court observed:⁵

The right of a registered trademark is not lost automatically on the expiry of five years and one month. It does not provide for a ‘sun set’ law. It has to be adjudicated upon. Whether the registered proprietor of the trademark had taken recourse to trafficking or not must be determined in an appropriate proceeding. The principle of ‘purchaser of a property has a duty to make enquiries,’ therefore, cannot apply in a case of this nature. So long as the right to assign a registered trademark remains valid, once the same is validly assigned, the assignee derives the same right as that of the assigner in terms of the statute. A title to a trademark derived on assignment as provided for under the Act cannot be equated with a defective title acquired in any other property as admittedly on the date of assignment, the right of the registered trademark was not extinguished.

The court finally held that the impugned judgment cannot be sustained and it was set aside accordingly. The court also directed the IPAB to determine the application afresh and imposed a cost of Rs.1 lakh on the appellant.⁶ It is difficult to understand the law laid down by the court in this case on the issue of non-user and the interpretation of the section. The above observations along with the final direction give an impression that the appellant has a valid title considering his use before acquisition of the title of the mark. This also gives an impression that even if the registered owner never used the mark, use by third party who subsequently acquired the title from the registered owner gives validity to the mark. The court seems to

4 2009 (39) PTC 193 (SC) at 200 (per S.B Sinha J).

5 *Id.* at 204.

6 *Id.* at 205.



have refused to consider this as trafficking of mark. If this is the case, it is difficult to appreciate the reason for the court to refer the matter back to IPAB for fresh consideration. It may be noted that the decision of the division bench of the High Court was to consider the case on merit by the IPAB. It is this order which was set aside by the Supreme Court and allowed the appeal with cost.

Comparative advertisement

It is the common law principles of unfair competition that governs comparative advertisement. The law in India is fairly articulated by the Calcutta High Court in *Reckitt Colman v. M.P. Ramachandran*⁷ and reiterated by many other High Courts.⁸ The issue in *Colgate-Palmolive (India) Ltd., v. Anchor Health & Beauty Care Pvt. Ltd.*,⁹ was whether the use of the words “only” and “first” in the advertisement of the defendants amounted to disparagement of the product of the plaintiff. In this case, the defendant advertised that “Anchor is the only tooth paste containing all the three ingredients viz. Calcium, Fluoride and Tricolosan.” It was also stated that Anchor is the “first all round protection tooth paste.” According to the plaintiff, these statements were not true but false, misleading and slanderous to their product Colgate-Palmolive tooth paste. After considering the law laid down by the courts in India, the Madras High Court held that though the statements were not true, there was no disparagement since the defendant was free to make such a statement as long as it was not directly connected to the product of the plaintiff. But the court granted an injunction and prevented the defendant from using the words “only” and “first” in the advertisement on the ground of unfair trade practice to protect the consumer. The court observed:¹⁰

In other words, I find the respondent guilty of an Unfair Trade Practice, because of the false or misleading information that the advertisement purports to propagate. However, I do not find the respondent guilty of disparagement. In such circumstances, what is the test to be adopted for determining whether a restraint order is to be issued against the respondent or not?

After referring to the Supreme Court observation in *Colgate Palmolive (India) Pvt. v. Hindustan Lever Ltd.*,¹¹ on the issue of protection of public

7 1999 (19) PTC 741 (Cal).

8 See *Rickitt & Colman of India Ltd. v. Kiwi T.T.K.Ltd.*, 1996 (16) PTC 393; *Pepsi Co. Inc. v. Hindustan Coca Cola Ltd.*, 2003 (27) PTC 305; *Dabur India Ltd. v. Colgate Palmolive India Ltd.*, AIR 2005 Del. 102; *Eureka Forbess Ltd., Pentair Water India (P) Ltd.*, 2007 (35) PTC 556.

9 2009 (40) PTC 653 (Mad).

10 *Id.* at 687.

11 (1999) 7 SCC 1.



interest while granting injunction and the provisions of the Consumer Protection Act, 1986 dealing with unfair trade practices, the court restrained the defendant from using the words 'only' and 'first' from their advertisement.¹² It is interesting to note that the judgment gives an impression that the plaintiff had a right to prevent the unfair trade practices of the competitor on the ground of consumer protection and public interest even though there was no direct relation of the same to the product of the plaintiff. This seems to be a wrong approach even though the genuine concern of the court was the protection of public interest.

Trademark linkage with Drugs and Cosmetic Act

The remedy for violation of the rights of trademark owner is either under the common law of passing off or infringement action as per the provisions of the Trademark Act, 1999. This legislative intent is well indicated in section 27 which deals with infringement of unregistered marks read with section 135 on relief in suits for infringement and passing off. The power to grant injunction or damages is with the district court who is competent to decide whether there is any actual violation of the rights of the parties. One of the interesting questions that came up for consideration before the Uttaranchal High Court is whether the drugs controller of India under the Drugs and Cosmetic Act, 1940 has the power to prevent infringement of trademark by refusing to give licence to manufacture and sell a cosmetic using a name already in use by another. In *Shobhan Lal Jain v. The Drug Controller*,¹³ the petitioner was marketing cosmetics in India since 1987 with the permission of the drugs controller using the mark "JOLEN." The mark is also registered in India since 1985 in their name. The sale continued till Madras and Delhi High Courts issued temporary injunction preventing the use of the name "JOLEN" in 2004 on litigation between the parties. The second respondent M/s. JOLEN Inc. of USA who obtained the injunction applied to the controller of drugs for licence to market the cosmetics in India in the name "JOLEN" and the same was issued. The petitioner filed objection to this on the ground that since a licence in the same name was already issued, issue of another licence in the same name to another person is violation of section 17D¹⁴ of the Drugs and Cosmetic Act. A notice was issued to the respondent which was withdrawn by the controller after hearing the parties on the ground that there is an injunction against the use of the mark by the petitioner in the trademark dispute pending before the court. The petitioner challenged the order of the controller before the High Court and the court directed the controller to

12 *Supra* note 9 at 688.

13 2009 (41) PTC 401 (Utt).

14 S.17D(a) reads: "For the purpose of this Chapter, a cosmetic shall be deemed to be spurious,— (a) if it is manufactured under a name which belongs to another cosmetic;..."
(*emphasis added*)



proceed with the case. The division bench in that case after examining section 17D observed:¹⁵

From the above provisions it is clear that if a licensee manufactures a cosmetic under a name, which belongs to another, or imitates or substitutes or in any manner likely to deceive, it would be a spurious cosmetics and in violation of section 17D of the aforesaid Act.

Based on the above observation and facts of the case, the controller held that the licence was issued validly. This order was again challenged on the ground of violation of section 17D of the Act. On the issue of the power of the controller to issue a second licence to another person to use a name which is already given licence that too in the context of pending trademark dispute, after examining the objectives of section 17D and the relevant provisions of Trademark Act, the court observed:¹⁶

Before R-1 i.e., the Drug Controller, Directorate of Health Services, Uttarakhand, there was no issue directly of a trademark dispute, nor is R-1 an authority for this purpose. R-1 had merely to decide as to whether under the parameters of law, which in the present case would be the Drugs and Cosmetic Act, 1940, a licence to manufacture a cosmetic was liable to be given to R-2 or not. Under the facts and circumstances of the case and in the light of the controversy between the parties, it is the clear opinion of this Court that such a licence could not be refused, merely on the ground that the Trademark "JOLEN," under which the cosmetics is to be marketed and sold, stand registered in the name of the petitioner.

Regarding the observation of the division bench on the interpretation of section 17D, the court was of the opinion that it had only stated the law and not given any final opinion on the facts and circumstances of this case.¹⁷ After examining the facts and circumstances of the present case, the court further observed:¹⁸

In view of this Court also the cosmetic being now manufactured by R-2 on a licence given by R-1 cannot be called a spurious cosmetic as defined under section 17D of the Drugs and Cosmetic Act, 1940 inasmuch as it is not being manufactured under the name which belongs to another cosmetic and more over in view of the interim

15 Quoted in *supra* note 13 at 410.

16 2009 (41) PTC 401 at 408.

17 *Id.* at 411.

18 2009 (41) PTC 401 at 412.



injunction of the Madras High Court as well as the interim orders of the Delhi High Court and in the light of the undertaking given by the petitioner before the Delhi High Court, for the purpose of Drugs and Cosmetic Act, the name “JOLEN” presently does not belong to the petitioner nor is it an imitation or substitution of any cosmetic or resembles cosmetic in a manner likely to deceive or bear upon its label or container in the name of another cosmetic as contemplated under section 17D(b) of the Act ...

It was argued by the petitioner that the rules of Cosmetic Act mandate the drugs controller to examine the validity of the trademark before issue of licence. The court opined thus:¹⁹

In the view of this court, it is not within the scope and power of the Drugs Controllers authority to examine as to whether any action of infringement or passing off is taking place between the two rival contenders.

The conclusion of the court based on the facts of the case though sounds justified, the observations made by it on the interpretation of section 17D, appears to create problems on the obligations of the drugs controller. It is categorically and rightly stated by the court that the drugs controller has no jurisdiction to examine the validity of the trademark. But the real issue is whether he has an obligation under the Act to take note of the dispute regarding the ownership of the name if brought to his notice while issuing a second licence? In other words is there an obligation on the part of drugs controller under the Act to consider section 17D while issuing licence that too to a name for which he has already issued a licence. It may be noted at the outset that section 17D that forms part of chapter IV of the Act is primarily intended for prohibition of manufacture and sale of spurious cosmetics. It is interesting to examine whether this provision can be used for issue of licence which is also covered under the same chapter.²⁰

If one examines the form²¹ and procedure for issue of licence, it is evident that the applicant must give a name in which he is going to market the cosmetic. And the licence is also issued to sell the cosmetic in that name.²² While granting the same the question is whether the drug controller has an obligation to find out whether a licence has already been issued in the same name for same or similar cosmetic? An examination of the provisions of the Drugs and Cosmetic Act makes it clear that there is no express provision mandating the controller to examine the records and find out

¹⁹ *Ibid.*

²⁰ S.18(b) & (c) deals with the power to issue licence as per the rules.

²¹ Form 31 and rule 138 deal with licence of cosmetic for manufacture for sale in India.

²² Form 23 and rule 140.



whether a licence has already been issued or not. That means it is possible that the drug controller may issue another licence on the same name irrespective of the fact whether the same is already in use. This seems to be the reason why even in this case the drugs controller issued the licence to the second respondent. It may be noted that section 17D comes into operation only when it is brought to the notice of the licensing authority that a spurious drug is in the market. Then the issue is if a notice is given to the drug controller that the licence issued by him will result in sale of spurious drug, is he required to look into section 17D for deciding the validity of licence? Assuming that the drugs controller is bound to examine, then the question is what exactly is the nature of his enquiry to decide this issue? Is he expected in case of finding another licence, to withdraw the second licence since it amounts to giving permission to manufacture “under a name which belongs to another cosmetic” or also to find out the true owner of the name?

On a combined reading of the power to issue licence for manufacture and sale of cosmetic and the obligation to prohibit manufacture and sale of spurious cosmetic it is evident that the drugs controller has under section 17D an obligation to find out whether the second licence would result in sale of spurious drug. That means he has to examine and find out whether he has already issued a licence in the same name. In case he has issued a licence in the same name he has no power to issue another licence since it belongs to another cosmetic. It is important to note that the words used in section 17D is “which belongs to another cosmetic.” This means from the perspective of drugs controller a name for which he has already issued a licence irrespective of who is the actual owner of the name. The words “belongs to” used in the clause refers to ‘the cosmetic’ and not to the owner. Hence it is clear that the controller has no obligation to find out the owner but only to find out whether it “belongs to another cosmetic” i.e., a name for which licence has already been issued. Thus controller’s only job is to ensure that he does not issue licence for two persons in the same name to sell same or similar cosmetic since it can create confusion and consumer deception.

If this is the law, the question is whether the controller can issue a second licence if it is brought to his notice that there is dispute regarding the ownership of the name? The decision in this case gives an impression that it is possible provided there is an injunction from a competent court against the person who first registered the name. If there is no injunction it appears that it is not possible for him to issue licence since what he needs to ensure is to prevent confusion in the market rather than assign the name to the actual owner. If the controller issues a second licence while the first is still in use this will amount to creating confusion. The judgment of the court also gives the same impression. It is only because of the injunctions from the High Courts that in the present case the court justified the validity of second licence. The fact that the product of the petitioner is not in the market and the respondent is manufacturing their own product the court held



that “it is not being manufactured under the name which belongs to another cosmetic.”²³ Since the use of the name by the first person is prohibited by the court and it is withdrawn from the market the second licence issued was held to be valid. Thus, it is clear that as per section 17D the drugs controller, if it is brought to his notice, has an obligation to deny licence to second person to prevent consumer confusion irrespective of the dispute on the ownership of the name. As rightly held by the court it is not within his power to examine the dispute on the trademark and it must be dealt with by the authorities under the Trademarks Act. But in case there is a dispute pending before the court and an injunction is granted preventing the first licensee from using it, as per this judgment, the drugs controller can issue a second licence.

III PATENT

Patent linkage with Drugs and Cosmetic Act

Chapter XVIII of the Patent Act, 1970 deals with various measures that can be used to prevent infringement of rights of the owner of patent. Section 108 provides for various remedies in case of infringement. In *Bayer Corporation v. Union of India*,²⁴ the Delhi High Court examined the possibility of using the provisions of the Drugs and Cosmetic Act to prevent third parties from manufacturing and selling patented drugs without the permission of the owner of patents. The attempt by the petitioner was to prevent the drugs controller from issuing licence for manufacturing a patented drug by the generic manufacturer. In this case Cipla made an application to the drugs controller for issue of licence to manufacture and sell the drug “Soranim.” Bayer filed the present writ petition seeking direction from the court to prevent the drugs controller from issuing the licence to Cipla. According to Bayer “Soranim” is a ‘spurious drug’ as per section 17B of the Drugs and Cosmetic Act since it is imitation of its patented drug “Sorafenib tosylate.” It was further contended by Bayer that the definition of spurious drug in section 17B must be read in the context of introducing product patent in India by the 2005 amendment in Patent Act. To buttress its argument Bayer relied on section 2²⁵ of the Drugs and Cosmetic Act supported with decided cases²⁶ and argued that the provisions must be read along with section 48 of the Patent Act since it is the “law for

23 2009 (41) PTC 401 at 412.

24 2009 (41) PTC 639 (Del).

25 S. 2 reads:

Application of other laws not barred: The provisions of this Act shall be in addition to and not in derogation of, the Dangerous Drugs Act, 1930 (2 of 1930), and any other law for the time being in force.

26 See *Hoechst Pharmaceuticals v. C.V.S. Mani*, ILR 1983 Del 548 and *Cattle Remedies v. Licensing Authority/ Director of Ayurvedic and Unani Services*, 2007 (2) AWC 1093. It may be noted that both the cases are based on trademark violation.



the time being in force” so as to create “patent linkage.” According to Bayer the drugs controller must take into account section 48 of the Patent Act before exercising the power of issue of licence to manufacture patented drugs by third parties. Bayer also relied on section 18²⁷ and rule 122B²⁸ and the requirements of disclosure of the details of patent application in Form 44 in the Drugs and Cosmetic Act to establish its linkage with Patent Act. On the issue of patent linkage after examining the above provisions and the provisions of the Patent Act the court concluded that ‘the two enactments highlight distinct, even disparate objectives’ one primarily to take care of the safety and good manufacturing practices and the other granting of private property rights.²⁹ The court also expressed the opinion that different types of expertise are required for deciding the issues that emerge in these two legislation and in the absence of express provisions it is not desirable to create linkages. The observation of the court is pertinent:³⁰

No doubt, courts can, through interpretive devices such as purposive interpretation, or for avoiding absurd results, at times “fill in” statutory gaps. But in every such instance, the courts further an explicitly discerned legislative intention. It would not be an exaggeration to say that what Bayer wants to achieve is not filling such a gap as much as establishment of an “air-link” where the gulf dividing what is sought for, and what exists on the statute, is of oceanic proportions.

According to the court, empowering the drug controller to prevent issue of licence to a patented drug will amount to reducing the provisions of the Patent Act on policing of patent infringement, *etc.* to “useless lumber.”³¹ In this context, the court after referring to cases³² on the scope of judicial policy making, observed:³³

If the court were to establish or decree a patent linkage, desired by Bayer, it would not only be making a policy choice, avoided by Parliament, but overstepping its obvious interpretive bounds.

27 S.18 deals with the prohibition of manufacture and sale of certain drugs and cosmetics.

28 Rule 122B read: “An application for grant of approval to manufacture the new drug and its formulations shall be made in form 44 to the Licensing Authority as defined in clause 9(b) of rule 21 and shall be accompanied by a fee of fifty thousand rupees.”

29 2009 (41) PTC 639 at 651.

30 *Id.* at 652.

31 *Id.* at 654.

32 *Directorate of Film Festivals v. Gaurav Ashwin Jain* (2007) 4 SCC 737; *State of Goa v. Western Builders* (2006) 6 SCC 239; *Premium Granites v. State of T.N.* 1994 (2) SCC 691 and *Fertilizer Corpn. Kamgar Union v. Union of India* 1981 (1) SCC 468.

33 2009 (41) PTC 639 at 653.

The court also examined the negative aspects of patent linkage such as delay in introducing generic drugs, increase in cost of drugs, preventing the use of early working provisions, *etc.* to conclude that there is no scope to find patent linkage as per the existing provisions.

On the issue of whether the generic drug based on a patented drug could be treated as ‘spurious drug’ under section 17B of the Drugs and Cosmetic Act, the court, after examining the legislative intent of the amendment and the cases, rejected the argument by observing that ‘the key elements of “spuriousness” are deception, in the manner of presentation of the drug concerned, in the sense that they imitate or represent themselves to be something that they are not.’³⁴

It appears that the main reason for the court to refuse the remedy is the absence of express provision in the Drugs and Cosmetic Act on patent linkage and the complex issues involved in it. The court is correct in this conclusion specially in the context of India not granting product patent for the drugs till 2005. There is also no legislative attempt after the introduction of product patent in India to create a conscious linkage of patent policing though the authorities are granting licence to manufacture and sell patented drugs. Though it is true that there is no legislative intent in case of drugs patented as per the Patent Act, it is worth examining whether there is any obligation on the controller to deny licence to third parties in cases of ‘patent or proprietary medicine’ under the Drugs and Cosmetic Act. This is important in the context of the obligation the drugs controller has in case of use of names (trademark) already in use.

Section 2(h) of the Drugs and Cosmetic Act defines “patent and proprietary medicine.” On the first part this covers traditional Indian system of medicines and other system of medicines on the second. The essence of the definition is that they are medicines which are not part of the documentation that recognize existing medicine. One of the conditions is that these medicines should not find mention in the authoritative texts or pharmacopoeias. This makes it clear that the new formulations must be treated as patent or proprietary medicine. It is true that the term patent in this Act is not linked to the definition of patent in the Patent Act. But the requirement to treat the medicine as patent or proprietary is the evidence of non availability of this medicine in the recognized documentation of medicines making it clear that the idea is to cover new medicines that are not yet manufactured by any one. This may include medicines that could be eligible for patent protection as well. The reason for the inclusion of this is the different standards followed for the purpose of giving approval for the manufacture and sale of these drugs.³⁵ As per section 18 (iii) of the Act, the only obligation of the manufacturer of these medicines is to give “the true formula or list of active ingredients contained in it together with the

³⁴ *Id.* at 658.

³⁵ See rule 122A to E dealing with new drugs.



quantities thereof”³⁶ in the cover/labels used for selling these medicines. This means that it is possible to manufacture and sell these medicines without disclosing the true formula. The question is whether the drugs controller can issue a licence to another person to manufacture the patent or proprietary medicine. It is true that there is no express provision in the Act prohibiting the drugs controller from issuing a second licence to the same medicine. But it appears that the practice at least in case of Indian system of medicine followed is not to issue another licence for such medicines and also to keep the information given by the first applicant to the controller for approval as secret.³⁷ This may be a practice followed based on the earlier provisions existed for the approval of such drugs.³⁸ Since there was no patent granted for new drugs in India till 2005, this provision was used by the industry to protect the proprietary interest in the new medicines developed by them. This was not a major issue in case of pharmaceutical products since Indian industries were producing only generic drugs rather than new drugs. In the context of introducing product patent for drugs, the information regarding the drug is going to be in public domain since there is no obligation to keep it secret. But it appears that at least in case of medicine important formula of which could be kept secret by the manufacturer the drug controller seems to have an obligation to protect the proprietary interest by keeping the information secret. The fact that the facts before the court in the present case are based on patented products seems to be the reason why the parties did not take the help of these provisions while seeking remedies. It is important to note the changes that are introduced in the rules of Drugs and Cosmetic Act regarding issue

36 S. 18(iii) reads: “any patent or proprietary medicine, unless there is display in the prescribed manner on the label or container thereof the true formula or list of active ingredients contained in it together with the quantities thereof.” See also similar obligation for importation of drugs in section 10(d).”

37 Information received from the Ayurved Industries in Kerala on personal discussions with the researchers.

38 S. 18(iii) as per original Act 1940 reads: “either the true formula or list of ingredients contained in it in a manner readily intelligible to members of the medical profession or the number of the certificate of registration granted, in the manner prescribed by the Central Government, in respect of such medicine by the Central Drugs Laboratory after being correctly informed of the formula of such medicine. Explanation: The formula or list of ingredients mentioned in sub-clause (iii) of clause (a) shall be deemed to be true and a sufficient compliance with that sub-clause if, without disclosing a full and detailed recipe of the ingredients, it indicated correctly all the potent or poisonous substance contained therein together with an approximate statement of the composition of the medicine.” There was an obligation to keep the information given in such cases as secret. The procedure followed is to keep it in sealed cover after examining the safety and quality. There was also no obligation to give the full details of the formula to the public while selling the drug. It was sufficient to give the registration number granted. See also the amendments to s.18 in 1955, 1982 and 1988. For the procedure followed earlier see the details given in *K.L.Chaturvedi v. State of Madhya Pradesh*, MANU/MP/0176/1960. This case challenged the validity of 1955 amendment to this section.



of licences³⁹ for new drugs including the definition of new drug⁴⁰ and the requirements in the form 44⁴¹ to mention the status of patent application. This is indicative of the new thinking in the context of introduction of product patent in India. In this context it is necessary to clarify the power of the drugs controller to issue second licence based on information given to him in secret. The cases on linkages of IP with Drugs and Cosmetic Act warrant a fresh legislative thinking including introduction of specific provisions which clarify the powers of drugs controller on the issue of licence.

Pre-grant opposition

One of the significant features of the Indian patent law is the provision for contesting application for patent before it is granted. The idea is to ensure that bad or illegal patents are not issued. Though the statute envisages the controller of patent to ensure the validity of the claims in the patent application before grant of patent, there are many practical limitations to this. For example, if the invention is already in use in India or abroad, there is no mechanism to find this out by the patent office before grant of patent. Similarly, if the applicant has illegally taken the invention from another person, then also there is no possibility for ascertaining it before grant of patent. There can also be a possibility of lack of information to find out the nature of prior publication of the same or similar invention. It is to make sure that all information necessary to guarantee the grant of valid patent is brought to the notice of patent office, that the provision for pre-grant opposition is included in the Act. Unlike post-grant opposition, ‘any person’ can make an application opposing the grant of patent during the pre-grant stage.⁴² The *locus standi* is broadened to facilitate even public interested persons to file an application opposing the grant of patent. One of the interesting questions that came up before the division bench of the Madras High Court in *Indian Network for People Living with HIV/AIDS v. Union of India*,⁴³ was the right of the person who filed opposition to be heard before his petition is disposed by the controller. In this case, the petitioner, an organization working for the welfare of HIV/AIDS affected persons, filed a pre-grant opposition against the grant of patent to F. Hoffmann-La Roche AG for a drug by name “Valgenciclovir” for treatment of CMC retinitis. Without giving an opportunity to the petitioner, the controller rejected the opposition and granted the patent and the same was published in 2007. The

39 See rule 122A to C.

40 See rule 122 E.

41 S. (1)(8). This was amended in 2001.

42 S.25(1) reads: “Where an application for a patent has been published but a patent has not been granted, *any person ...*” (emphasis added). But sub-s. (2) of s. 25 dealing with post grant opposition uses the words “any interested person” and person interested is defined in s.2 (t).

43 2009 (39) PTC 475 Mad (DB).



petitioner issued a notice to the controller for the right to be heard on his application under sub-section (1) of section 25 and the same was rejected but it was informed that the grounds of opposition were considered before deciding the application. According to the controller, since there was no merit in the opposition, the same was rejected. The present writ petition before the High Court was to cancel the grant of patent and direct the controller to give an opportunity to be heard to the petitioner before taking final decision. It was argued by the petitioner that as per sub-section (1) of section 25 they have a statutory right to be heard before the disposal of the petition since the word “shall”⁴⁴ is used and this is included to protect public interest. According to the controller, since the grounds of opposition of the petitioner were considered before making final decision, there could be no allegation of violation of any statutory right of being heard. After examining the relevant provisions of the Patent Act, the court observed:⁴⁵

The petitioners in this Writ petition are asserting their rights and voicing their concern on a broad public interest angle. So, it cannot be said if their right is denied they will not suffer any prejudice by denial of an opportunity of hearing to them to establish their rights. A right is legally protected interest. Therefore, when law consciously confers on a person to object at a pre-grant stage that right must be protected in the way it has been granted, namely the right to object with a right of hearing. For a Court to dilute the said right on the basis of an interpretation process and by looking at it from a rather narrow angle, would, in our judgment, be travesty of justice.

After examining the changes in the wording in the section, the court concluded that the word “shall” in sub-section (1) of section 25 made it mandatory to hear the petitioner. This reflects the changed legislative intent which cannot be diluted. The court set aside the order of the controller and directed to hear the petitioner before taking the final decision. This is a welcome judgment which is in tune with the legislative intent and will go a long way in protecting the interest of the public in granting patent having larger social implications.

Amendments to claims

Claims in the patent specification are significant inasmuch as they determine the boundaries of the patent. In case of infringement, it is the wordings used in the claim that is interpreted to find out the scope and coverage of the invention protected under the patent. Claims also help third

44 Last part of s. 25(1) reads: “...the Controller shall, if requested by such person for being heard, hear him and dispose...”

45 2009 (39) PTC 475 at 479.



parties to determine whether their use of protected invention will result in violation of the rights. To bring clarity and specificity to the claims, patent law provides for amending the claims even after the grant of patent.⁴⁶ To ensure that this provision is not used by the owner of patent to expand the scope of monopoly restrictions are also imposed on the grounds on which amendment is permitted.⁴⁷ The section was amended in 2002 to ensure this. As per the new section, the amendment to the claim is permitted only by way of 'disclaimer, correction or explanation.' The section also makes it clear that no amendment is permitted except for the purpose of 'incorporation of actual fact.' It is also made clear that the amendment should not result in covering matters 'not in substance disclosed or shown in the specification before the amendment' or 'would not fall wholly within the scope of a claim of the specification before the amendment.' The scope of this section was examined by the Delhi High Court in *AGC Flat Glass Europe SA v. Anand Mahajan*.⁴⁸ The plaintiff in this case was the owner of patent No. 190380 for 'Mirax New Generation Ecological Mirrors.' In 2006, an infringement suit was filed and the defendant challenged the validity of the patent on the ground of prior publication. The plaintiff then filed a petition for the amendment of claim 1 in the specification and the same was objected to by the respondent on the ground that it went beyond the scope of the subject matter disclosed in the original specification. After examining the provisions on amendment on the scope of the provisions the court opined:⁴⁹

Of course, the law operates differently when it comes to narrowing down or crystallizing the claims and apportioning those claims/subjects which are irrelevant and ultimately making it narrow and limiting the scope of the invention. An amendment under these circumstances is allowed and the excluded portion is disclaimed and the amendment becomes what is called a 'disclaimer.' The disclaimer doctrine thus means that a right holder is delimiting the scope of the invention by narrowing down the claims to its inconvenience in a way which makes the amended claims not inconsistent with the earlier claims in the original specification. This recourse of disclaimer is adopted by the right holders in order to clarify the exact scope of the invention, once they are faced with the invalidity of their patent.

The above interpretation is in tune with the legislative intent. But what is important is as to how the court is going to assess what is going to be included is a disclaimer, correction or explanation. In this case, the

⁴⁶ Ss. 57 and 58 of the Patents Act, 1970.

⁴⁷ S. 59.

⁴⁸ 2009 (41) PTC 207 (Del).

⁴⁹ 2009 (41) PTC 207 (Del) at 214-15 (per Manmohan Singh, J).



petitioner wanted to add the words 'a sensitizing material, typically tin' in the first claim. Rejecting the argument of the respondent that this will broaden the scope of the monopoly, the court concluded that it 'related to the first process of the invention and does not in any way seem to lie outside the scope of the invention in making the amendment a clarification one.'

Registration of assignment

The Patents Act permits transfer of ownership of the patent for the purpose of commercial exploitation or for other economic benefit. But what is mandatory for this to take effect is the registration of the same with the patent office. The decision in *National Research Development Corp. v. ABS Plastic Ltd.*,⁵⁰ reflects the importance of registration of the assignment of patent in case of infringement of terms of the assignment. In this case, CSIR assigned a patent to NRDC in 1975 for eight years for an initial amount of Rs. 60,000/- and 1 per cent royalty. NRDC transferred the technology by way of licence to ABS Plastic for commercial exploitation. The agreement mandated the payment of royalty to CSIR as agreed upon. On failure to pay the royalty, the present suit was filed. The defendant contended that since the assignment deed from CSIR to NRDC was not registered as per the provisions of the Patents Act, the same was illegal, void and not enforceable. The NRDC argued that what was transferred was technology and not patent requiring registration. Rejecting the argument of NRDC, the court concluded that it was patent and to be valid the assignment must be registered as per section 68 of the Patents Act. The suit was dismissed and NRDC/CSIR suffered a huge loss.

Injunction

The division benches of two High Courts show the new trend in grant of injunction in case of patent infringement. In *F.Hoffmann-LA Roche Ltd. v. Cipla Ltd.*,⁵¹ the Delhi High Court affirmed the single judge's⁵² opinion on the need for considering public interest thus:⁵³

This court is inclined to concur with the ... Single Judge that in a country like India where question of general public access to life saving drugs assume great significance, the adverse impact on such access which the grant of injunction in a case like the instant one is likely to have, would have to be accounted for. Evlicip is the Indian equivalent produced by the defendant in India as a generic drug manufacturer. It is priced at Rs. 1600 per tablet. Even if this does not make it inexpensive, the question of greater availability of

50 2009 (40) PTC 613 (Del).

51 2009 (40) PTC 125 (Del) (DB).

52 For a detailed analysis see N.S. Gopalakrishnan, "Intellectual Property Laws," XLIV *ASIL* 490 (2008).

53 2009 (40) PTC 125 at 156 (Del.) per AP Shah CJ & Muralidhar J.



such drug in the market assumes significance.... Given the nature of the drug, in the instant case, which admittedly is a life saving one, the fourth test identified by *EBay* that the grant of injunction should not result in public interest being disserved would be relevant.

The court rejected the appeal holding that the plaintiff was not entitled to injunction in this case and observed:⁵⁴

The defendant has been able to demonstrate *prima facie* that the plaintiffs do not hold a patent yet for the drug Tareeva, which is the Polymorph B form of the substance for which they hold a patent. Secondly, the defendant has raised a credible challenge to the validity of the patent held by the plaintiffs. In such circumstances, the public interest in greater public access to a life saving drug will have to outweigh the public interest in granting an injunction to the plaintiff.

The division bench of the Madras High Court in *TVS Motor Company Ltd. v. Bajaj Auto Ltd.*,⁵⁵ was to examine the injunction order granted by the single judge. Reversing the order, the division bench went in great detail into the technical difference between the two inventions by heavily relying on a technical paper written Sai Deepak, a student of the Rajeev Gandhi Law School of Intellectual Property of IIT, Khargpur to decide the issue of temporary injunction. The court justified its reversal of the injunction thus:⁵⁶

As per the application of the concept of pith and marrow of the claim, what is stated is that novel feature which is claimed to be essential would constitute the pith and marrow. The novel feature in the invention of the respondent based on patent no. 195904 dated 16.07.2002 varies in very many respects in the novel feature of the applicant's product based on patent no. 196636 dated 25.05.2000. While the acclaimed novel feature of the respondent's product is twin plug operation resulting in improved internal combustion, the acclaimed novel feature of the appellant's product is in the operation of two intake valves with one exhaust valve providing a combination of swirl and tumble operation of lean and rich air fuel mixture in its internal combustion process of course with the aid of twin plugs. If the pith and marrow of the respondent and the

54 *Id.* at 158.

55 2009 (40) PTC 689 (Mad) (DB). For details of the fact of the case and the comments of the single judge see N.S. Gopalakrishnan, *supra* note 52 at 490.

56 *Id.* at 722., *per* F.M. Ibrahim Kalifulla J.



appellant are distinctively identifiable there is absolutely no scope for grant of injunction as has been done by the ... Single Judge.

On the issue of inventive step, the court further observed:⁵⁷

In fact the decision reported in AIR 1930 PC 1 (*Canadian General Electric Co. Ltd. v. Fada Radio Ltd.*) the Privy Council has held that slight alterations or improvements may produce important results and may disclose great ingenuity. When we apply the said law laid down in sustaining an invention, we are convinced that the invention consisting of 'inventive step' at the hands of the appellant and respondent operate independently though in respect of four stroke internal combustion engine with twin plug operation of lean burn mixture.

The judgment though correct in refusing the injunction, a reading of it gives an impression of full trial of a patent case that too based on affidavits and expert written opinions. While the judgment deserves appreciation for reversing the wrong reasoning adopted by the single judge who issued injunction based on the presumption of validity of patent, one would wonder whether an elaborate analysis of infringement of patent using tests to interpret the claims is worth attempting at the *interim* stage especially in case of infringement of patents of recent origin. It may be true that the court has the obligation to find out the *prima facie* case before deciding the issue of temporary injunction. But an elaborate analysis of the minute details of the facts of invention based on affidavit in such cases needs serious re-consideration. It is fairly a settled rule that in case of infringement of patent of recent origin, the courts are not inclined to grant injunction when the validity of patent is in challenge.⁵⁸ It is also an established norm that the courts should avoid "mini trial" of the case at the *interim* stage, more so in case of complex patent infringement suits. In these circumstances, for grant of temporary injunction in case of infringement of patents of recent origin,⁵⁹ it is felt that the reliance on "rule of prudence" is preferred to the application of complex tests that are followed in interpreting claims based on proved facts to find out infringement as former saves valuable judicial time.

Design

It is an established principle of design law that the protection is available only to new or original design. It is well settled position that prior

⁵⁷ *Id.* at 722-33.

⁵⁸ See, for example, the observation in *Bilcare Ltd. v. Amartara Pvt. Ltd.*, 2007 (34) PTC 419 (Del.); *F.Hoffman-la Roche Ltd. v. Cipla Ltd.*, 2008 (37) PTC 71.

⁵⁹ See *Garware-Wall Ropes Ltd. v. Techfab India*, 2009 (39) PTC 257 (Guj.).



publication or use of a design before filing an application for registration will adversely affect the novelty. These principles are incorporated in the Indian law as well.⁶⁰ It is clearly stated in the section that disclosure of the design by way of publication in tangible form or by use or in any other way in India or in any other country is a bar for registration of the design in India.⁶¹ One of the issues that came up before the court was whether registration of a design in foreign countries could be treated as prior publication under section 4(b) to deny registration.⁶² Though the issue was addressed by the Supreme Court,⁶³ there was no final decision on the question since in that case there was no evidence to prove prior registration. The Delhi High Court in *Rickitt Benckiser (India) Ltd. v. Wyeth Ltd.*⁶⁴ examined the issue and decided that registration in foreign countries is a publication within the meaning of the section based on which registration in India could be denied. In this case, the design of the plaintiff for hair removal system was registered in India in clause 99 of the Act in 2003. The novelty of the design, according to the registration, resides in the shape, configuration and ornamentation of the “SPATULA” as illustrated. As per the design specification, the large S shaped spatula which is also known as the perfect touch spatula/perfect touch tool helps removal of hair. It was alleged that the defendant’s product “Anne French” violated the registered design of the plaintiff. It was contended by the defendant that the design of the plaintiff was not new since the design was already registered in different countries. To prove this, evidence of registration in UK, USA and Australia was produced. Relying on previous decisions, it was argued by the plaintiff that the registration in other countries could not be considered as disclosure by publication since it was not “in tangible form” as per section 4(b) of the Act. After examining the provisions, the court correctly distinguished the Supreme Court decision in *Bharat Glass*,⁶⁵ disagreed with the decision of the Calcutta High Court⁶⁶ and observed:⁶⁷

In any event, I am not in agreement with the view that registration of a design would not amount to publication in any eventuality. Under the said Act, in view of the provisions of section 7 thereof, the Controller is required to, soon after the registration of a design,

⁶⁰ See s. 4 of the Designs Act, 2000.

⁶¹ S.4(b) reads: “A design which ... b) 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; or ... shall not be registered.”

⁶² See *Bharat Glass Tubes v. Gopal Glass* (2008) 10 SCC 657; also see, *Gopal Glass Works Ltd. v. Asst. Controller of Patents & Designs*, 2006 (33) PTC 434 (Cal).

⁶³ See *Bharat Glass Tubes* *ibid.*

⁶⁴ 2009 (41) PTC 24 (Del).

⁶⁵ *Supra* note 62.

⁶⁶ *Gopal Glass Works Ltd.* *supra* note 62.

⁶⁷ 2009 (41) PTC 24 at 36-38 (per Badar Durrez Ahmed J).



cause publication of the prescribed particulars of a design to be published in the prescribed manner and thereafter the design is open to public inspection.... Viewed in this light, the publication of the particulars of registered designs in terms of section 7 of the said Act would amount to publication as understood in the context of section 19(1)(b) as also publication in tangible form within the meaning of section 4(b) of the said Act.

Referring to English law, it was argued before the court that there are instances of keeping the design in secret even after registration and hence it is not correct to conclude that registration in foreign countries will result in publication. After examining the law in England, the court concluded:⁶⁸

From the above discussion, it can be safely concluded that while a previous registration in India would be a ground for cancellation without looking into the aspect of disclosure to the public or publication in general, a design registered in any other country prior to the date of registration in India, would also be required to have been disclosed to the public by publication in tangible form or by use or in any other way for it to qualify as a ground for cancellation of the subsequent registration in India.

On the facts of the case, the court concluded that since there is adequate evidence to show that the registration of the design in UK, USA and Australia are not kept in secret, it amounts to prior publication in tangible form. This is the correct interpretation of the law and it is hoped that other High Courts would follow the same.

IV COPYRIGHT

Permitted use

There are three interesting cases that discussed some of the exceptions provided under section 52 of the Copyright Act, 1957 for use of works without the permission of the owner of copyright. In *Academy of General Education, Manipal, v. B. Manini Mallya*,⁶⁹ the Supreme Court examined the scope of fair dealing of works by educational institutions. Karanth, while working in the Manipal Academy developed and modified the traditional “*Yakshagana*.” The copyright in the work now is with the respondent based on a will executed by him. The academy performed the work in Delhi in 2001 in memory of Karanth without any change. The respondent alleged copyright infringement and filed the present suit in Udupi. The district court held that the performance was in violation of copyright and the same was

⁶⁸ *Id.* at 39.

⁶⁹ *Supra* note 1.



confirmed by the High Court of Karnataka. Before the Supreme Court, it was conceded by the appellant that the copyright in the work was with Karanth and the same devolved to the respondent based on the will. The appellant argued that the performance was covered under the exemption provided in section 52 for the performance of the work by an educational institution. After examining various aspects spelt out in section 52 on fair dealing, the court observed:⁷⁰

Section 52 of the Act provides for certain acts which would not constitute an infringement of copyright. When a fair dealing is made, *inter alia*, of a literary or dramatic work for the purpose of private use including research and criticism or review, whether of that work or of any other work, the right in terms of the provisions of the Act cannot be claimed. Thus if some performance or dance is carried out within the purview of the said clause, the order of injunction shall not be applied.

In the facts and circumstances of the case, the above observation reiterates the position that fair dealing for private use, research and criticism or review permits an individual in some circumstances to use the complete work. Thus, now it is clear that making a copy of complete work or performing a work for private use or research is within the scope of fair dealing. Regarding the application of the defense of private use for educational institutions, the court further clarified:⁷¹

Similarly, appellant being an educational institution, if the dance is performed within the meaning of provisions of clause (i) of subsection (1) of section 52 of the Act strictly, the order of injunction shall not apply thereto also.

This observation in fact broadened the scope of fair dealing for private use and for educational institutions. This is a welcome step which will enable educational institutions to claim the defense of private use if it uses the works for activities that are not part of teaching and research. The use of the word “strictly” indicates that other conditions of fair dealing must be satisfied to use the complete work by the educational institutions. What is recognized is the use of complete work within the scope of the defense. This judgment will go a long way in promoting creativity and facilitating access of works for private use. What is more significant is the following observation:⁷²

70 *Id.* at 404 (per S.B. Sinha J).

71 *Ibid.* (*emphasis added*).

72 *Ibid.*



Yet again, if such performance is conducted before a non-paying audience by the appellant, which is an institution, if it comes within the purview of amateur club or society, the same would not constitute any violation of the said order of injunction.

This again is an attempt to expand the rights of educational institutions to perform the work for non-educational uses. The condition is that the institution must come within the purview of amateur club or society. Clause (l) of sub-section (1) of section 52 provides exemption of use of works by amateur club and society.⁷³ This gives an impression that if there is an arts club or society within the educational institutions and they perform the work, then also the educational institutions can claim exception. This is also an expansion of the scope of the use of works by educational institutions. It appears that this observation reflects the social reality of Indian educational institutions which promote cultural activities within the institutions in addition to the normal teaching and research activities. This expansion of the use of works by educational institutions will surely strengthen the activities by these institutions that too of private nature.

In *Ram Sampath v. Rajesh Roshan*,⁷⁴ the Bombay High Court examined the scope of fair dealing of musical works. Plaintiff was the owner of the musical composition entitled “THUMP” created for use in advertisement. The defendant used small portion (six seconds) of the same composition (tune) in the songs for the film “KRAZZY 4.” In a suit for infringement, it was, *inter alia*, contended by the defendant that since the portion copied is very small it falls within section 52 and not an infringement of the copyright in the musical work. After examining the provisions, the court spelled out the following factors to determine the fair dealing of musical work:⁷⁵

In my view for considering whether a copy of a part of the former musical work into the latter musical work amounts to an actionable infringement, the following factors would be required to be taken into consideration. First is to identify the similarities and differences between the two works. Second is to find out whether the latter would meaningfully exist without the copied part. It may be necessary to find the soul of a musical work. The soul cannot be determined merely by comparing the length of the part copied but whether the part copied is an essential part of a musical work. Though a musical work may have a length of several minutes, the listener often remembers a “catch part” to which he is immediately

73 S.52 (1)(l) reads: “the performance of a literary, dramatic or musical work by an amateur club or society, if the performance is given to a non-paying audience, or for the benefit of a religious institution.”

74 2009 (40) PTC 78 (Bom).

75 *Id.* at 85-86 (*per* D.G. Karnik J).



hooked on. It is necessary to look for such “catch part” or the “hook part”. If the “catch part” or “hook part”, however small, is copied the whole of the latter work would amount to actionable infringement. It is necessary to remind oneself that the desire of an infringer is necessarily to copy “the attractive,” “the catchy,” “the grain” and leave the chaff, for he would attract the audience only by the attractive, and not by the ordinary. These factors are only illustrative and there would be many other factors which may be required to be looked into depending on the factors and circumstances of each case.

On the facts of the case, even though the portion copied is very small since it is repeated four times, the court concluded that it amounted to infringement. The issue of injunction preventing the use of musical work in the film resulted in out of court settlement and the suit was dismissed based on consent agreement.⁷⁶ The observation, it appears, is more useful to find out infringement rather than fair dealing of the work. There is a clear distinction between the two. All cases of fair dealing are infringements but the law exempts the same based on the principles of promoting creativity, access and affordability based on social, economic, educational, industrial, *etc.* considerations of a society. This is evident from the title of section 52 which says “certain acts not to be infringement of copyright” and also the beginning of the section which says “the following acts shall not constitute an infringement of copyright.” Once the defendant takes the plea of section 52, what is expected of the court on the application of the provisions of section 52 is not to examine whether the activity is infringement or not but to examine whether the conditions stated in different clauses of the section are satisfied. This is what the Supreme Court in *Manipal* case⁷⁷ attempted while justifying the use of complete work without permission. It is not the portion used or the number of times it is used that is the important consideration but the purpose and its consequences. It is unfortunate that the court failed to examine these factors though conceived of the same in the observation.

The Madras High Court in *Periyar Self Respect Propaganda Institution v. Periyar Dravidar Kazhaghham*,⁷⁸ examined the scope and applicability of clause (m)⁷⁹ of sub-section (1) of section 52 in the context of re-publication of the articles of *Periyar* published in “Kudiyarasu.” E.V. Ramaswami, popularly called *Periyar*, published a number of articles related to political, social and economic issues in the news paper

⁷⁶ See *Ram Sampath v. Rajesh Roshan*, 2009 (40) PTC 90 (Bom).

⁷⁷ *Academy of General Education, Manipal, v. B. Manini Mallya*, 2009 (39) PTC 393 (SC).

⁷⁸ 2009 (41) PTC 448 (Mad).

⁷⁹ S. 52(10)(m) reads: “the reproduction in a newspaper, magazine or other periodical of an article on current economic, political, social or religious topic, unless the author of such article has expressly reserved to himself the right of such reproduction.”



Kudiyarasu. The society of the plaintiff was started by *Periyar* in 1952 and he assigned all his “movable property” to the society. The society republished some of his works earlier. The plaintiff asserted that since the society was started by *Periyar* and he assigned all his movable property to it, all his writings also are property of the society. The defendant who was a member of the society left it, and started a new society to promote the ideology of self-respect proclaimed by *Periyar*. The announcement of the publication of the compilation of “*Kudiyarasu*” of 26 years by the defendant resulted in the present litigation. According to the defendant, since *Periyar* died intestate in 1973 and there was no clear assignment of the copyright in his work, the plaintiff could not object to the publication of his works. It was also contended that since the works of *Periyar* were based on social, political and religious themes published in newspaper, there was no copyright in the same and hence it could be republished as per clause (m) of sub-section (1) of section 52. Regarding the ownership of copyright of the works, the court, after examining sections 18 and 19 of the Copyright Act dealing with assignment, concluded that there were no documents to show proper assignment of copyright as mandated by the Act. On the issue of vesting of ownership, after examining the rules and regulations of the society, the court observed:⁸⁰

In the present case, a reading of memorandum of association and the rules and regulations does not disclose any such vesting of ownership with the society. In fact, Rules 22 and 23 only talk about future purchase of properties vesting with the society. The copyright in literary materials can only be an intellectual property and there has to be materials to show that it was specifically assigned. It is an admitted case that *Periyar* died intestate and there is no written or other material to show that a copyright has been reserved by him as an author of those articles and that he also assigned it in favour of the plaintiff.

The court is correct in concluding that a written assignment signed by the author is required as per the Copyright Act for a valid assignment and the general assignment of “all movable property” to the society is inadequate to claim ownership of literary works. But, it appears, this will not give the defendant the right to publish the work in which copyright subsists. As per section 17, author of the literary work is the first owner of copyright and it is automatic as soon as it is created. Hence, the law is that *Periyar* being the owner of the copyright in all his literary works published in *Kudiyarasu* which cannot be published without permission. To justify the publication by the defendant, the court relied on clause (m) of sub-section (1) of section

80 2009 (41) PTC 448 at 457 (per K. Chandru J).



52 and the public interest in copyright law projected by the Supreme Court⁸¹ and opined:⁸²

In the present case, it has been made clear that the author of Kudiyarasu, i.e., late Periyar, was the owner and the articles published in the newspapers mostly related to the then existed economical, political and religious topics. Therefore, unless the author has expressly reserved his right of reproduction, no copyright will vest with anyone as reproduction of such articles cannot constitute an infringement of copyright as per section 52(1)(m) set out above.

This, it appears, to say the least, is a poor appreciation of the purpose and intent of section 52(1)(m). At the outset, it is to be clarified that permission to reproduce the work as per section 52 is not intended to deny copyright to the author. The section is intended to exempt such reproduction from infringement. This does not mean that there is no copyright in the work and thus the observation of the court that “no copyright will vest with anyone” is the wrong interpretation of law. An analysis of this clause makes it clear that it is only “reproduction in a newspaper, magazine or other periodicals” that is permitted and not any other reproduction. This is further clear from the use of the words ‘such reproduction’ in the end of the clause. The purpose of this clause, it is evident, is to permit newspapers, magazines or other periodicals to publish the articles of current economic, political, social or religious topics. It is the dissemination of such articles in public interest through this medium that is intended by this section in circumstances where “such reproduction” is not reserved by the author. The expansion of this section to all forms of reproduction is beyond the legislative intent and will go against the interest of authors. In the present case, the defendant was bringing out a compilation of all the articles in a book form. It is difficult to conceive this as a reproduction in newspaper, magazine or other periodical as intended in the section.

It is further to be noted that the section places another restriction on the reproduction by using the words “current.” As per the decision in this case, reproduction even after 85 years (1925-1938) of first publication seems “current.” It is possible for old themes to be relevant even after a long period of publication. But it appears this is not the intention of the legislature that is reflected in this clause. The objective seems to be to promote dissemination of contemporary writings of social importance. The word “current” needs to be interpreted based on the time of publication of the article to ensure that the section is interpreted in a balanced manner. It

81 Relied on *Entertainment Network v. Super Cassette*, 2008 (37) PTC 253 and *Academy of General Education Manipal v. B. Malini Mallya* (2009) 4 SCC 256.

82 2009 (41) PTC 448 at 457.



is important to remember that section 52 is an attempt to create balance between the proprietary interest of the author and the larger public interest on access to information. It is evident that clause (m) is primarily intended for the promotion of wider access to information of social relevance. But the identification of the nature of publications, use of the word current and express reservation of such reproduction by the author are intended to protect the interest of the author. It is the failure of the court to appreciate the limiting principles to be used in interpreting the clauses in section 52 that resulted in the above observation. Though the court was justified in denying injunction in the present case since the plaintiff had no valid title on the literary works, the justification of the same based on section 52(1)(m) was contrary to the basic philosophy and principles of copyright law.

Power of copyright board

The jurisdiction of the High Court to hear a matter pending before the copyright board and the power of the copyright board to give temporary relief pending the final disposal of compulsory licence was considered by the Bombay High Court in *Music Choice India Pvt. Ltd. v. Phonographic Performances Ltd.*⁸³ The plaintiff, a broadcasting organization of music through television, cable and internet, requested the defendant for licence to broadcast the music owned by them. Since the terms and conditions fixed by the defendant were unreasonable, the plaintiff approached the copyright board for issue of compulsory licence. Pending disposal of the case, the present case was filed before the Bombay High Court for an order declaring that the plaintiff is entitled to licence on such terms and conditions fixed by the copyright board. They also sought a direction to the defendant not to interfere with the broadcasting of the music on payment of the rates fixed by the copyright board. The defendant contended that since the matter was pending before the copyright board, the High Court had no jurisdiction to entertain the case. After examining the power of the copyright board, the court observed:⁸⁴

This court does not have the inherent jurisdiction to try the suit, it being impliedly barred by section 31(1)(b) of the Copyright Act, it having to be exclusively granted by the Copyright Board, and that position having been expressly admitted by the plaintiff by virtue of its own application before the Copyright Board dated July 2007 itself.

On the contention that there was no express provision in the Act for the copyright board to issue temporary relief, the court held:⁸⁵

⁸³ 2009 (39) PTC 597 (Bom).

⁸⁴ *Id* at. 608, (*per* Roshan Dalvi J).

⁸⁵ *Ibid*.



There is nothing in the Act to prevent the Copyright Board from passing any interim order of determination of reasonable fee by way of royalty or compensation payable by the plaintiff, if an application in that effect is made and a prima facie case is made out.

It may be mentioned that even where there was no specific provision in a legislation granting jurisdiction to a tribunal to grant *interim* relief, it has been the settled position in law that *interim* relief is passed in aid of the final relief as an inherent power of the court or tribunal.

This clarifies the position of law and is going to help parties to claim benefit from the copyright board which normally takes a lot of time to dispose of cases.

V CONCLUSION

The aforesaid decisions reflect increased awareness of the owners of intellectual property in protecting their rights and the need for the judiciary to be more vigilant in interpreting the provisions so as to maintain the right balance between the conflicting interests of owners and larger public to have access to intellectual property at affordable cost.

