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INTELLECTUAL PROPERTY LAW

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I INTRODUCTION

IN THE year 2010, around two hundred and twenty decided cases have been reported, which means that on an average one case is decided on every working day. It is a significant number indeed! The trend, as far as trademark law is concerned, remains the same as previous years, *i.e.* in most of the cases there were disputes between deceptively similar trademarks. An unfortunate trend that has emerged during the year is advertising by business corporates in a manner that it results in disparaging the products of the competitors. The author feels that the judiciary should not in any subtle or oblique manner become a party to this new trend in the garb of “permissible comparative advertising”, or “mere puffing”.

There is a significant increase in the disputes under copyright law which shows that the creators are becoming aware of their legal rights. The small scale industry is widely now using the provision of section 15(2) of the Copyright Act, 1957 to expunge industrial designs from the copyright register. The software multinationals, film industry and other copyright industries are making use of *Anton Piller* order, *mareva* injunction, infringement provisions, *etc.* to safeguard their rights. Authors are showing courage to challenge assignment deeds (in the form of standard form agreements) signed between them and the publishers. The collecting societies are also becoming proactive in protecting the rights of their copyright owner members.

It is significant to note that cases are being instituted and decided under all branches of intellectual property rights and are not merely restricted to the commercial field of trademarks.

II DESIGNS

Reciprocal arrangements

In *Reckitt Benckiser (India) Ltd. v Wyeth Limited*,¹ Reckitt had claimed infringement by Wyeth of the design registered by Reckitt, with respect to an S-shaped spatula that was to be used for applying a cream for hair removal.

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¹ 2010 (44) PTC 589 (Del.) (DB).

However, Wyeth had contended that Reckitt's design lacked originality insofar as the same had also been registered, published as well as used in countries other than India before the Indian registration had taken place in reality. Delhi High Court, after referring to sections 2(9), 4, 5(1), 10, 16, 17, 19 and 44 of the Designs Act, 2000, held:

1. If a design is registered in India, it automatically means that it is also published in a tangible form.
2. A design would continue to remain new although it is published in India or abroad i.e. available in public domain in India or abroad within the period of six months after making of an application abroad for registration of such design in the specified country abroad if within this six month period an application is also made in India for registration of the design for which application is made abroad in the specified country.
3. In case, however, no application is made in India for registration within a period of six months of making an application abroad for registration of design in the specified country and if before the period of six months or after six months but before making the application for registration in India the design registered abroad comes into public domain, the availability of the design registered abroad in public domain will result in the design becoming not new on account of falling within the eventuality of s. 44(2) read with s. 4(b) of the Designs Act, 2000.²

Cancellation of registration - jurisdiction

The interpretation of section 2(e) defining "High Court" and section 19(2) of the Designs Act, 2010 came up before the Supreme Court in *Godrej Sara Lee Ltd. v. Reckitt Benckiser Australia Pty. Ltd.*³ In this case, the controller of patents and designs, Kolkata cancelled two registered designs under section 19(1) of the Designs Act belonging to the respondent. An appeal was filed before the Delhi High Court against the orders passed by the controller. The Supreme Court held that the expression "High Court" as used in sections 19(2) and 2(e) will have to be read in relation to the cause of action and not otherwise. In the instant case, the cause of action for appeal had arisen on account of cancellation of design by the controller of designs, Kolkata; it was only the Calcutta High Court, and not the Delhi High Court, which would have jurisdiction to entertain the appeals under section 19.

2 S. 44. *Reciprocal arrangement with United Kingdom and other convention countries or group of countries or intergovernmental organizations.*- The registration of a design shall not be invalidated by reason only of the exhibition or use of or the publication of description or representation of the design in India during the period specified in this section as that within which the application may be made.

3 2010 (42) PTC 417 (SC).

Copyright and designs

An application was filed under section 50 of the Copyright Act, 1957 for expunction of a registered item⁴ of the respondent. On a complaint of the petitioner, the Delhi police had raided the premises of the respondent and caught him red-handed filing in cones of impugned art work. The principal ground was the violation of rule 16(3) of the Copyright Rules. Besides, the CB ordered that the product to be sold in the packages, that is, *Mehandi* was a very low cost product and whatever be the turnover of the respondent thereto, it could safely be taken that by then more than 50 times reproduction thereof might have taken place. In view of that, the registration lacked its existence vide section 15(2) of the Copyright Act, 1950.

In *Ramesh Chand, Sole Proprietor v. Rikhab Chand Jain, Sole Proprietor*⁵ the CB ordered that since products, hosiery items, were low cost, it could be presumed that the articles to which labels were applied had so far been reproduced more than fifty times by an industrial process by the owner of the copyright, or, with his licence by any other person in terms of section 15(2). Thus, the labels were held to be designs under the Designs Act, 2000. Similarly, in *Dalip Kumar Sohanlal Maheshwari v. Narayan Atluram Chaattija*,⁶ the CB held that since the respondent was extensively using the label for his product which was low cost product of daily use, it was enough to conclude that the label had been reproduced by an industrial process far more than fifty times inviting disqualification of section 15(2) of the Copyright Act, 1957.

In *Godrej Consumer Products Ltd. v. Ashok Kumar Jain*,⁷ the impugned work was label used upon a consumer product of everyday household. Held, since the registration was obtained in 2004, it was presumed that it must have been produced by then more than fifty times, thus falling into the mischief of section 15(2) of the Copyright Act, 1957.

III COPYRIGHT

Subject matter of copyright - slogans

It is a well settled position in India, US and UK that copyright law does not provide protection to single words, slogans and catch phrases but protection can be had either under the law of tort or common law remedy of passing off.⁸ The Copyright Board (CB) thus wrongly held in *Enercon Systems*

4 *Manmohan Singh Proprietor, M/s. S Singh Mehendi Industries v. Abdul Waris Proprietor, M/s. Sana Mehendi Industries*, 2010 (44) PTC 645 (CB).

5 2010 (44) PTC 399 (CB).

6 2010 (43) PTC 614 (CB); also see *V. Pichandi v. Chakrapani Ilangu*, 2010 (43) PTC 193(CB); *Deemark Health Care v. Spaceage Multi Product Pvt. Ltd.*, 2010 (43) PTC 353 (CB).

7 2010 (43) PTC 606 (CB).

8 See Alka Chawla, *Copyright and Related Rights: National and International Perspectives* 50 (Macmillan India Ltd., 2007).

Pvt. Ltd. v. Registrar of Copyrights^{8a} that slogans were copyrightable and again committed the same mistake in 2010 by giving directions to the registrar of copyrights to register “Sampurna Suraksha ki Guarantee” in *Kamdhenu*.⁹

It is quite surprising that the chairman of the CB alongwith three other members misread the division bench judgment of Delhi High Court in *Pepsi Co. Inc. v Hindustan Coca Cola Ltd.*¹⁰ A careful reading of para. 24 of the aforesaid judgment shows that the court first gave contention of the appellants that “Yeh Dil Maange More” slogan was copyrightable and then of the respondent and finally held “It is original combinations from two different languages thereby conveying the theme of the advertising. It has acquired distinctiveness and association with the product of the appellant.” The next para 25 starts with the words, “Similarly the GLOBE DEVICE is a registered trade mark of the appellant” clearly implying that the words “Yeh Dil Maange More” are protected by trade mark law and not by copyright law as they had acquired distinctiveness. It is well known that acquiring distinctiveness is a criteria for registration of a trademark under Trade Mark Act, 1999 and not under the copyright law.

Copyright owners and their rights

In *John Wiley & Sons Inc. v. Prabhat Chander Kumar Jain*,¹¹ Manmohan Singh J of Delhi High Court elaborately discussed the scheme of Copyright Act, 1957 especially dealing with rights of copyright owners and their licenses. The plaintiffs were publishers in USA. They decided to expand their operations in India by introducing low price edition (LPE) of their books, authorized publishers in India for publishing and distributing their works subject to certain territorial restrictions. The grievance of the plaintiffs began when they discovered that the defendants, who were publishers and booksellers in Delhi started a website offering online sales and delivery worldwide of the LPE of the plaintiffs' publications. Plaintiffs alleged that these acts of defendants of diverting the LPE of books meant for sale in India and neighboring states to USA, UK and other countries amounted to infringement of the plaintiffs copyright in the said books. According to defendants, they had legally bought the books and then exported them. The defendants contended that the export of books did not amount to infringement of copyright. They also relied upon the rule of “exhaustion of rights” whereby the rights of the copyright holder were lost once the first sale of the article was effected.

The court, after discussing sections 13, 14, 30, 51, 54 of the Copyright Act, 1957, laid down the following legal propositions:¹²

8a 2008 (37) PTC 599 (CB).

9 *Kamdhenu Ispat Ltd. v. Registrar of Copyrights*, 2010 (43) PTC 345 (CB).

10 2003 (27) PTC 305 (Del.) (DB).

11 2010 (44) PTC 675 (Del.).

12 *Id.* at 700.

That the rights of the owner may be broader than the limited rights of the exclusive licensee, although the exclusive licensee has the independent right to sue for infringement of the copyright.

That the rights of the owner and exclusive licensee may not be the same and the rights of the exclusive licensee shall also be subject to the fetters imposed by the agreement between the licensor and licensee.

Applying these principles to the present case, it can be seen that the plaintiffs were the worldwide owners of the books and their copyright. The acts of the defendants of purchase of the books from the exclusive licensees/ licensees were legitimate in nature and did not hinder or take away anyone's rights including the rights of exclusive licensees/licensee. But once the said defendant offered for sale the books or publications (which were fettered by territorial restrictions purchased from exclusive licensees) and put them into circulation by selling or offering for sale or by taking orders for sale to the territories beyond the ones for which permission had been granted by the owners of the copyright, the said acts were *prima facie* tantamounting to putting into circulation or issuance of copies not being in circulation in other territories where the right to do so was of the owner to exercise and violated the rights of the owner of the copyright under section 14 read with section 51 of the Act, if not the rights of the exclusive licensee.

Moreover, the licensee who was the permissive right holder of the copyright which was subject to limitation could assign the said right only and nothing beyond that. The only exception to that would be a person who was a *bona fide* purchaser without having notice of the transaction. Once the defendants purchased the LPE books of the plaintiffs from their exclusive licensee, they were conscious of the fact that the said editions were subject to territorial restrictions which were meant to be sold within the limited territories only. The notice on the book itself gave knowledge to the purchaser about the said territorial restriction. The defendants' argument that the first sale doctrine will exhaust the rights of the plaintiffs internationally was incongruous and the same would lead to absurd results in as much as the defendants were the purchasers of the books with notice from the exclusive licensee and not from the owner of the copyright. The purchaser after purchasing from the exclusive licensee could not by claiming the principle of exhaustion or extinguishment of rights defeat the rights of the owner. This was the only harmonious interpretation possible by invocation of doctrine of first sales in the present case.

Assignment

The Delhi High Court in *Pine Labs*¹³ decided the question of ownership of copyright in a situation where plaintiff assigned his copyright in a future

13 *Pine Labs Pvt. Ltd. v. Gemalto Terminals India Pvt. Ltd.* (2010) 42 PTC 229 (Del.).

work to the defendant. The plaintiff contended that section 19(5) and (6) of the Copyright Act would be applicable and, hence, assignment would be valid only for a period of five years within the territory of India. The defendant, on the other hand, argued that the provisions of statutory assignment under section 19 will not apply to an agreement to assign.

The court observed that there were two types of agreements, one being assignment (of existing work) which is an actual assignment and the other was agreement to enter into assignment or agreement to assign future work. In the former, the interest passes along with the beneficial interest whereas the latter was an “assignment in equity” or “equitable assignment” where rights and interests in equity are passed to the assignee whereas the beneficial rights are retained by the author/assigner. The court went through various commentaries written by English authors and concluded that “the assignment in equity is based on the intention of the parties whether express or implied and is unfettered and unbridled by the provisions of section 19.”

It is to be stated that the learned judge had not correctly analysed the scheme of the Indian Copyright Act (as amended in 1994) which substituted section 19(2) by sub-sections (2) to (6). On reading sections 18 and 19 together, it is very clear that the Copyright Act deals with assignment of existing and future work and does not intend to keep the latter out of the statutory scheme. It is a well settled rule of interpretation that where language is unambiguous, there is no need to resort to foreign authorities. Equitable assignment (of common law) is given a place in statutory law in India (*vide* section 18 of the Copyright Act). Therefore, if an assignment or future work is done in writing, it will be an assignment to which all sub-sections of section 19 would be applicable.

In *PEE PEE Publishers and Distributors (P) Ltd v. Neena Khanna (Dr.)*,¹⁴ an agreement was signed between the publisher and author. The relevant clauses of the agreement read as follows:

(3) The copyright of this work vests with the author(s) and the author(s) willingly assign(s) the right to publisher to publish the work, and to reassign the rights of co-publishing, translation, adaptation as may be considered necessary by the publisher.

(4) The author(s) however agree not to assign the copyright to anyone else during the validity of this agreement without the explicit written permission of the publisher.

The court in this case emphasized that copyright law is a beneficial piece of legislation whose object is protection of the author. It spelt out the duty of the court, especially in cases involving the agreement between the author

14 2010 (44) PTC 45 (Del.).

and the publisher, to be mindful and circumspect to infer the true intent of the parties so that the interest of the author may not be adversely affected and the correct interpretation to the agreement may be given. The court held that the conjoint reading of clauses 3 and 4 of the agreement makes it apparent that although the agreement uses the word “assigns” but the copyright still vests with the author. This is more so, when in clause 3 the expression “assigns” is used but in clause 4 the author can still assign the copyright with the permission of the publisher during the currency of the agreement which means that the title/copyright still vests with the author.

In this case, the Delhi High Court tried to give a very strong position to the author *vis-a-vis* the publisher, which is a welcome step.

In *Emgeeyar Pictures Ltd. v O.K. Films*,¹⁵ there was an assignment deed executed by the appellant in favour of defendant no. 1 with respect to three films for a period of 99 years from 25.1.99. The consideration was to be paid in two installments: one in advance and the other on receipt of some lab letter transferring and delivering the entire copyrights. It was alleged that the defendant no.1 failed to honour the agreement and committed a grave breach of the contract and hence he was not entitled to any right arising from the assignment deed. The case was decided by the Division Bench of Madras High Court by applying section 19(4) of the Copyright Act and principles laid down under the Sale of Goods Act, 1930. It is humbly submitted that the judgment is *per incurium* as it ignored section 23 of the Contract Act, 1872 which states that the consideration or object of an agreement is unlawful if it is of such a nature that, if permitted, it would defeat the provisions of any law. The above stated assignment deed was made in contravention of section 26 of the Copyright Act which gives a copyright for sixty years from the beginning of the calendar year next following the year in which the film is published. If the copyright does not subsist after the above stated sixty years, how could an assignment of copyright be made for a period of ninety nine years?

Copyright societies

Technological innovations and developments have on one hand created new opportunities for economic exploitation of intellectual works but have posed serious challenges to effective protection of these new opportunities, on the other. Individual control of creator’s copyright has become impracticable, rather impossible, in many areas. To overcome this problem, the copyright owners have resorted to collective administration of rights through copyright societies for administering their rights.¹⁶ The Indian Performing

15 2010 (42) PTC 404 (Mad.) (DB).

16 http://www.ifro.org/sites/default/files/Collective_Administration_1997.pdf ; see also S.M. Stewart, *International Copyright and Neighbouring Rights* (Butterworths, 2nd ed., 1989); W.R. Cornish, *Intellectual Property* (Sweet and Maxwell, 2nd ed., 1993); Alka Chawla, *supra* note 5.

Rights Society (IPRS) is one such society registered under section 33 of the Copyright Act, 1957. The IPRS is affiliated to 194 world societies of authors and composers. The members comprise of authors, composers and publishers of Indian musical and literary works who have executed deeds of assignment assigning their various rights. The IPRS has also been authorized to grant license and collect royalties and license fee on behalf of its members for use and exploitation of the copyrights. IPRS tries to work actively and efficiently to guard and protect the rights of its members.

In *IPRS v. Muthoot Finance Private Ltd.*,¹⁷ IPRS filed a suit seeking an order of temporary injunction restraining the respondents and their agents from in any manner communicating any of the musical and literary works of its members in the form of broadcast on their private FM radio stations. The members of IPRS had executed deeds of assignment assigning their public performing rights in respect of their music to IPRS. The respondent contended that it had acquired license from another registered society, namely Phonographic Performance Ltd. (PPL) registered under section 33(3) of the Copyright Act, 1957 for issuing licenses with respect to sound recordings.

The court held that sound recording was a separate class of work from that of literary and musical work and that copyright in a sound recording shall not affect the separate copyright in any work in respect of which a sound recording was made.¹⁸ Therefore, unless the respondent obtained license from IPRS, they had no right to broadcast the songs of the members of IPRS.

In *Music Broadcast Pvt. Ltd. v. Phonographic Performances Ltd.*,¹⁹ the issue before the CB was reasonable determination of tariff to be payable by radio broadcasters for exploiting by way of broadcast the sound recordings administered by Phonographic Performance Ltd. (PPL). To settle the issue the CB went into the historical evolution of enacting section 31 of the Copyright Act dealing with compulsory licenses in works withheld from public. The CB first delineated the constitutional backdrop under which the provisions of Copyright Act, 1957 operate. It reiterated the settled law since *Romesh Thappar*²⁰ that communication through any media, may be electronic, print or whatsoever else, has its constitutional protection under article 19(1)(a)²¹ of the Constitution of India. The CB then explained the evolution of radio in India. Radio since its start in pre-independence era had been in state sector till 1995 when process of privatization started in small ways. In 1999, Government of India launched the first phase of private sector involvement in FM radio broadcasting. During ninth five year plan, it adopted a policy for improving variety of content and quality of radio broadcasting. This heralded a technological shift from medium wave (MV) to frequency modulation (FM)

17 2010 (42) PTC 752 (Mad.).

18 The Copyright Act, 1957, s. 13(1) and (4).

19 2010 (44) PTC 107 (CB).

20 *Romesh Thappar v. State of Madras*, AIR 1950 SC 124.

21 Art. 19. Protection of certain rights regarding freedom of speech, etc. (1) All citizens shall have the right to (a) to freedom of speech and expression....

radio broadcasting. As part of phase I of the policy on expansion of FM radio broadcasting services through private agencies, FM spectrum was made available to private broadcasters and they were given their own frequencies to launch their channels. Unfortunately, the licensing policy during phase I was so designed that it was virtually impossible for the broadcasters to make any profit. The biggest drawback being the high annual license fee which was “fixed”, *i.e.* not dependant on the revenue earned by the broadcaster.

In 2005, the Government introduced phase II for FM radio giving business a boost. The phase II policy changed the license fee structure from fixed license fee to revenue sharing model after taking into consideration the recommendations given by TRAI and Mitra Committee on radio broadcast policy of 2004, experiences of phase I and wide range consultations. The CB concluded that the government all through had been pursuing the growth and development of FM radio broadcasting in private sector as a vehicle of societal development which was hitherto pursued only in state sector. The CB then went into the question of what was a reasonable tariff. For answering the question, the CB held that comparisons or analogies cannot be drawn between TV broadcasters and radio. It preferred the revenue sharing model but specified certain reasonable terms and conditions to be followed by the music companies and the PPL.

Fair dealing - version recording

Vipin Sanghi J of Delhi High Court²² analysed, *inter alia*, five earlier judgments all in case of Gramophone Company of India Ltd. to interpret section 52(1)(j) of the Copyright Act dealing with version recordings. Sanghi J held the following with great clarity:

- (i) Copyright is a statutory right (section 16). Only those rights which the Copyright Act creates, to the extent it creates, and, subject to the limitations that the Act imposes, vest in the owner of the copyright in the work, whether it is primary work such as literary, dramatic or musical work, or a derivative work such as sound recording or cinematographic film.
- (ii) The court read various clauses of sections 2 and 13 and came to a conclusion in favour of the authors of the primary work and held that the copyright in the primary and original literary, dramatic and musical works as also a separate copyright in sound recording or cinematographic film made there from coexist and the copyright in the primary and original works continue to subsist for exploitation by the owner(s) thereof in future and these rights are not affected

22 *Gramophone Company of India Ltd. v. Super Cassette Industries Ltd.*, 2010 (44) PTC 541 (Del.).

- by the *factum* of the making of a cinematograph film or sound recordings, the copyright(s) of which may vest in different authors.
- (iii) The court went through the scheme of the Act with respect to grant of licenses and assignment. It found out that in case of compulsory licenses, an application had to be made to the Copyright Board, whereas, that was not the case in case of statutory licenses. Section 52 was an illustration of statutory license.
 - (iv) Section 52(1)(j) deals with exploitation of only those literary, dramatic or musical work which the author of the work has already voluntarily permitted to be made in sound recordings, and has thereby thrown his work in the public domain in the form of sound recording. The law grants him the right to exclusively make sound recordings and the rights which go with it [under Section 14(e)] until the expiration of two calendar years after the end of the year in which the recording was made. However, thereafter the right to make version recordings or further sound recordings becomes available to others as well, subject to the conditions of section 52 and Rule 21 of the Copyright Rules being complied with. The court reiterated the decision in *Microfibres Inc v. Girdhar & Co.*²³ in as much as it held, “the legislative intent was to grant a higher protection to pure, original, artistic works such as paintings, sculpture *etc.* and lesser protection to design activity which is commercial in nature.
 - (v) The court declared the judgment of Delhi High Court in *Super Cassette Industries Ltd. v. Bhatla Cassette Industries*²⁴ as *per incurium*.
 - (vi) Once a version recording in compliance with section 52(1)(j) has been made, it is as much a sound recording as any other sound recording. Therefore, the copyright holder in a version recording, which is a sound recording has all the usual rights under section 14(e). There is no limitation contained in the Act which prohibits the exploitation of the version recording by sale/ hire of copies of version recording, as a version recording through mobile phones or internet.
 - (vii) The defendants cannot market their version recordings under labels and covers which deceive or confuse the unsuspecting customer with regard to the fact that they are recordings from the original sound track and not version recordings.

Piracy of softwares

Microsoft Corporation²⁵ filed suits against four different defendants alleging violation of the copyright on the ground of suspicion that the

23 2009 (40) PTC 519 (DB) (Del.).

24 2003 (27) PTC (Del.).

25 *Microsoft Corporation v. Dhiren Gopal*, 2010 (42) PTC 1 (Del.).

defendants were using pirated/illegal copied software of the plaintiffs at their office/work place. The suspicion was based on the investigation done by an alleged independent “investigator” engaged by the plaintiffs, who through telephonic conversation with the employees of the defendants, estimated the number of computers that may be installed at the office/work place of the defendants and, thereafter, matching the number of licenses of the software of the plaintiffs lawfully procured by the defendants. The plaintiffs also visited websites of the defendants to know the nature of work being done by them and the kind of software being used by the defendants and the claims being made by the defendants. It was prayed that an *ex-parte* injunction should be issued restraining defendants, their agents, servants and all other persons acting on their behalf from using pirated/unlicensed software programmes of the plaintiffs in any manner to protect the copyright of the plaintiffs. They filed an application under order 26, rules 9 and 10, CPC seeking appointment of a local commissioner to visit the offices of defendants and to seize the hard discs of the computers, compact discs and other storage/replicating media installed at defendants’ offices with the help of technical expert of the plaintiff and to prepare an audit report/license summaries and to determine if they contained pirated, counterfeit unlicensed version and to seize and seal the computers’ CPU, hard disc, compact disc, and other storage/replicating media as found to contain unlicensed, pirated, counterfeit version of any of the plaintiff’s softwares, returning them on superdari to defendants with a condition to produce the same before the court and directing the defendants and their employees to provide password and particulars of their computer systems. Out of the four defendants against whom these suits had been filed, none had business place in Delhi. The defendants had offices and work places in Bangalore only.

The single judge concluded that the investigators had no knowledge of piracy or copying of software and were not expert in the field. It was further held that the reports of the investigators were tainted inasmuch as they were apparently employees of the law firms which had filed the suit on behalf of the appellants. He then discussed the case law with regard to the appropriate forum in which the suit could have been filed. This was necessitated by the fact that all defendants in the suit were carrying on business outside Delhi. The learned judge noted the provisions of section 62(2) of the Copyright Act, 1957 and also noted that there was a divergence of opinion between two division bench decisions of that court, namely *Indian Performing Right Society Limited v. Sanjay Dalia*²⁶ and *Horlicks Limited v. Heinz India (Private) Limited*.²⁷ After noticing the divergence of views, the learned judge tentatively came to the conclusion that the suit could be filed in that court. Eventually, he issued an *ex parte ad interim* injunction in following terms:²⁸

26 2009 (39) PTC (Delhi) (DB).

27 2010 (42) PTC 156 (Del.) (DB).

28 *Supra* note 25 at 15-16.

1. The plaintiffs shall deposit with Registrar General of this Court a sum of Rs. 2 lac as cost security in each case for the defendants, which will be paid to the defendants in case the suit is found speculative and the allegations made by the plaintiffs are found false.
2. The defendants in case are using pirated software, shall cease and desist from using pirated software forthwith.
3. The Local Commissioner along with a technical expert of the plaintiffs shall visit each of the offices of the defendants and with the help of technical expert, shall prepare mirror images of the hard discs of the computers being used in the offices of the defendants and immediately thereafter, the mirror image shall be sealed by the Local Commissioner with his seal and the Local Commissioner shall bring those mirror images to the Court and deposit the same in the court. The mirror images will be inspected by the technical expert of the plaintiffs in presence of representative of the defendants in court and the plaintiffs shall prepare a list of the software being used and found on the hard disc. The plaintiff's responsible officer, who shall take personal liability to suffer consequences in case the affidavit is found false, shall file an affidavit about the infringements giving details of pirated/infringing softwares.

The plaintiffs, thereafter, filed an appeal²⁹ against the order of the single judge. They alleged that certain observations made in the impugned order were wholly unwarranted; the operation of the impugned order be stayed; and terms of the injunction granted be modified. The division bench made the following order:

- 1) The law is as laid down in *Horlicks Limited*³⁰ which categorically states that this Court will have jurisdiction.
- 2) Respondents and its principal officers, director, agents, franchisees etc. shall not reproduce/store/install and/or use pirated/unlicensed software of appellants until the next date of hearing.
- 3) Appellants are entitled to take upto three of its experts to make an inventory of the software (unlicensed or pirated) used by the respondents in the presence of an authorized officer and a technical expert of the respondent.
- 4) Appellants will be entitled to take Local Commissioners for carrying out the Commission.
- 5) If respondents so desire, they may make a mirror image of the hard disc of the computers for future use. The appeal was, therefore, allowed subject to all just exceptions.

29 2010 (42) PTC 339 at (Del.) (DB).

30 2010 (42) PTC (Del.) (DB); see the Copyright Act 1957, s. 62(2).

Infringement of cinematograph film

In *Twentieth Century for Film Corporation v. Sohail Maklai Entertainment Pvt. Ltd.*,³¹ the plaintiff claimed that copyright in the literary and artistic work being the script and screenplay of its film “Phone Booth” assigned to it under certain agreement. It claims that the defendant had infringed copyright in the script, screen, storyline and dialogues in their film “Knock Out”.

It may be submitted here that the vocabulary and the analogies drawn by the learned judge of Bombay High Court shows that the conceptual clarity regarding various intellectual properties is missing. To quote:³²

This essentially relates to an idea which is already available and not a theme which is a first time production. It could be best understood by an illustration. If the idea of Mahatma Gandhi’s death (It is an actual event and not an idea) is to be viewed and broadcast, none would have a monopoly over it. It can be used by anyone, dis-similarly from the previous users. But an idea which never was available or shown is an original work (It seems ‘novelty’ and ‘originality’ are same for the learned judge). The monopoly and consequently the copyright would be implicit in such original work. These ideas can be understood by the distinction of a discovery and an invention. Whatever is there but not brought out would be discovered; but whatever is not there is invented for the first time. (The concepts of discovery and invention are terms from the Patents Act, 1970 which, it is humbly stated should not be used to draw analogies with the Copyright Act). The inventor would, therefore, alone have copyright in the expression of that invention which is artistic work [“Cinematograph film” defined under Section 2 (f) is synonymously and alternatively used with term “artistic work” which is defined under Section 2 (c). Both the works are entirely different and give rise to different rights]. Hence copyright is contained in the original expression of the idea.

The court held that the defendant shall not exhibit, release for exhibition or broadcast their film “Knock Out” in any jurisdiction in the present form so as to infringe the plaintiff’s copyright in the script, screenplay, story and dialogues so as to pass off the suit film as that of the plaintiff’s film “Phone Booth” without the consent of the film.

It is to be noted that decision was given without any reference to the provisions of the Copyright Act. Therefore, it is not clear whether the infringement was of section 14(1)(a) dealing with literary work or section

31 2010 (44) PTC 647 (Bom.).

32 *Id.* at 651-52.

14(1)(d) dealing with cinematograph films. No reference has also been made to section 13(3)(a) which states that copyright shall not subsist in any cinematograph film if a substantial part of the film is an infringement of the copyright in any other work.

IV PATENTS

Generic drugs

In *Bayers Corporation v. Union of India*,³³ the court held that there was no patent linkage between the Drugs and Cosmetics Act, 1940 (DC Act) and the Patents Act, 1970 as the scheme of both the Acts were distinct and separate. The court was not in agreement with the plaintiff Bayer that drug controller general of India (DGCI) should ensure protection of patent of Bayer by refusing marketing approval to Cipla, the generic manufacturer. If the patent holder felt aggrieved, it cannot have remedies under the DC Act. The court opined that the question whether patent linkage should be introduced was a policy matter to be undertaken by the government and not the court.

Bayer raised another interesting issue that generic drugs were “spurious” within the meaning of section 17B of DC Act. The court rightly answered the question in the negative holding that if Cipla used its own brand name and label and did not try to pass off its goods as that of Bayer, there was no likelihood of deception and, therefore, Cipla’s generic drugs could not be termed as spurious. The case is a victory for the cancer patient aid association.

Evergreening - S. 3(d)

Section 3 of the Patents Act reads:

The following are not inventions within the meaning of this Act - ...

...

(d) the mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance or the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant.

Explanation- For the purposes of this clause, salts, esters, ethers, polymorphs, metabolites, pure form, particle size, isomers, mixtures of isomers, complexes, combinations and other derivatives of known substance shall be considered to be the same substance, unless they differ significantly in properties with regard to efficacy.

33 2010 (43) PTC 12 (Del.).

The division bench of Bombay High Court³⁴ reiterated the decision of the Madras High Court in *Novartis*³⁵ holding that from the language of section 3(d) of the Patents Act, 1970, when considered alongwith parliamentary debates, it was clear that section 3(d) was the result of parliamentary debates and not mere reproduction of the provision of the Ordinance. The amended section was a comprehensive provision covering all fields of technology including the field of pharmacology. In the pharmacology field, if the discovery was made from a known substance, a duty was cast upon the patent applicant to show that the discovery had resulted in the enhancement of the known therapeutic efficacy of the substance. It was only then that it would be treated as an invention. The test to decide whether the discovery was an invention or not, was that the patent applicant should show the discovery had resulted in the enhancement of the known therapeutic efficacy of that substance and if discovery was nothing other than the derivative of a known substance, then it must be shown that the properties in derivatives differed significantly with regard to efficacy.

In the present case, an application was filed for grant of patent for clopidogrel bisulfate, a salt of clopidogrel. The pre-grant opposition claimed that the therapeutic efficacy of clopidogrel and clopidogrel bisulfate (plavix) in treating heart ailments was well known. The pre-grant opposition was dismissed in view of the advantageous effects of crystalline clopidogrel besylate of instant invention over the known clopidogrel bisulfate.

Pre-grant and post-grant opposition

Prior to the 2005 amendment of the Patents Act, the controller at the pre-grant stage could either refuse the patent application or require the applicant to make amendments to the satisfaction of the controller. If such changes were not made or directed, the controller could refuse the application. Further, an appeal lay to the High Court under section 116 against an order under section 15 refusing a patent and against an order under section 25. There was, however, no provision for a post-grant opposition. However, the 2005 amendment brought a significant change in this scheme. The Delhi High Court in *UCB Farchim SA v. Cipla Ltd.*³⁶ discussed the differences between pre-grant and post-grant opposition introduced by the 2005 amendment. While a pre-grant opposition can be filed under section 25(1) of the Patents Act at any time after the publication of the patent application but before the grant of a patent, a post-grant opposition under section 25(2) of the Patents Act has to be filed before the expiry of one year from the date of the publication of the grant of patent. A second significant difference, after the amendment of 2005,

34 *Glochem Industries Ltd. v. Cadila Healthcare Ltd.*, 2010 (44) PTC 362C (Bom.) (DB).

35 *Novartis AG v. UOI* (2007) 4 MLJ 1153.

36 2010 (42) PTC 425 (Del.).

is that a pre-grant opposition can be filed only by “any person” whereas a post-grant opposition under section 25(2) can be filed only by “any person interested”. It may be noticed that the application for revocation of a patent in terms of section 64 of the Patents Act can also be filed by only “any person interested”. In other words, the post-grant opposition and the application for revocation cannot be filed by any person who is not shown to be a person who is “interested”. A third significant difference is that the representation at the stage of pre-grant is considered by the controller himself. Rule 55 of the Patents Rules requires the controller to consider the “statement and evidence filed by the applicant” and, thereafter, either refuse to grant the patent or require the complete specification to be amended to his satisfaction. Of course, in that event, notice will be given to the applicant for grant of patent who can file his reply and evidence. The court found merit in the contention that the pre-grant opposition was in fact “in aid of the examination” of the patent application by the controller. The procedure was, however, different aspect as far as the post-grant opposition was concerned. There, in terms of section 25(3), the controller has to constitute an opposition board consisting of such officers as he may determine and refer to such opposition board the notice of opposition along with other documents for its examination and recommendations. After receiving the recommendations of the opposition board, the controller gives the patentee and the opponent an opportunity of being heard. The controller then takes a decision to maintain, amend or revoke the patent. The fourth major difference between the pre-grant and the post-grant opposition is that while in terms of section 117A, an appeal to the IPAB was maintainable against the order of the controller in a post-grant opposition under section 25(4) of the Patents Act, an appeal has not been expressly made available against an order made under section 25(1) of the Patents Act.

Where a pre-grant opposition under section 25(1) was filed by a person who was a third party and not a person interested in the sense of the term under section 25(2) or 64 of the Patents Act, and such pre-grant opposition was rejected by the controller, it would be for the court when approached by such third party pre-grant opposor under article 226 of the Constitution of India to determine if in the facts and circumstances, the petition requires to be entertained.

In *Snehlata C. Gupta v. UOI*,³⁷ the court went into the question of date of grant of patent³⁸ as the same is critical for determining the time within which a pre-grant opposition can be filed under section 25(1) of the Patents Act, 1970. The court held that for the purposes of section 43(1), the date of grant of patent was the date on which the controller passed an order to that effect on the file. Section 43(1) indicates that the “patent shall be grantedwith the

37 2010 (43) PTC 813 (Del.)

38 The Patents Act, 1970, s. 43.

seal of the patent office and the date on which the patent is granted shall be entered in the register". When read continuously, the language of section 43(1) did appear to indicate that it was the decision taken by the controller on file which was the determining event for ascertaining the date of grant of patent.

The court has not given a liberal interpretation to section 25(1) dealing with pre-grant opposition as the applicant for grant of patent has to face several hurdles before the grant of patent can be said to be final.

Use of inventions for purposes of government

In *Garware Wall Ropes Ltd. v. A.I. Chopra Engineers & Contractors*,³⁹ the appellant filed suit for a declaration that respondent 1 was not entitled to manufacture, sell, use, *etc.* or offer for sale the products patented for plaintiff titled as GSWR and spiral lock systems, a decree of perpetual injunction and claimed damages for past actions with a prayer for rendition of accounts for infringement of the patents. Konkan railway is a co-patentee with the appellant. Both the patents are the results of efforts of the appellant in its research and development wing. Respondent no. 1 is a railway contractor who, without the consent and authority from the appellant, is manufacturing, using, selling, *etc.* steel wire rope net system and steel spring lock system which were identical to and/or substantially similar to appellant's patented goods resulting into infringement thereof. The appellant came to know that the contractor was in fact supplying those systems to various railway authorities and continued to do so in spite of legal notices to him. The contractor set up a defence that section 100 of the Patents Act grants complete protection for using the said patents for the work of railways, which is a department of the central government and such contracts are signed on behalf of the President of India which is an authority in favour of the contractor as contemplated by section 100 of the Patents Act, 1970. The respondent contractor did not dispute that he had been infringing the patents but his defence was that there was protective umbrella in the form of section 100 of the Act as he was using the products for the purpose of the government, *i.e.* Indian railways. The court held that the words 'for the purposes of the Government' in section 100 extends to central government, state government or a government undertaking. Sections 99 and 100 had been enacted so that the patent can be utilized by these authorities not only for the discharge of departmental duties or sovereign functions but in accordance with the terms and conditions laid down in chapter XVII. Under these provisions, even a third person, *i.e.* a contractor like respondent no. 1 can be allowed to use the patent for the purposes of the government. But then that was upon the agreement or license given by the patentee to such third person and upon payment of royalty, *etc.* The government was not entitled to use the patent free of cost.

39 2010 (42) PTC 731 (Bom.).

If any other interpretation was given, the net result would be that a patentee inventing a patent by utilization of huge money and manpower involving scientists, technocrats and technicians would be left high and dry and this would definitely be detrimental to the encouragement of scientific and technical advances in the country.

Groundless threats of infringement proceedings

In *Dashmesh Mechanical Works v. Hari Singh*,⁴⁰ the plaintiff and the defendant were residing in Punjab. The plaintiff filed a suit under section 106 of the Patents Act for declaration and permanent injunction restraining the defendant from issuing illegal threats and for damages in the High Court of Delhi. The plaintiff invoked the territorial jurisdiction of Delhi High Court as the threat in the form of notice had been issued from defendant's counsel, who was based in and worked from Delhi. The plaintiff stated that he carried on extensive business through its retail outlets in Delhi and the threats given by the defendant were capable of prejudicing the plaintiff's business in Delhi.

The court held that it was a settled law that the plaintiff was a *dominus lites*, i.e. master of or having dominion over the case. He has a right to have his forum of convenience by approaching the court where the cause of action arises. Actually he is the person who has to control all his actions unless the said forum is opposed to public policy or will be an abuse of the process of law. The plaintiff has every right to choose the forum best suited to him. No doubt, the plaintiff during the trial has to prove that the court has territorial jurisdiction after producing evidence in this regard. At this stage, in the present matter, *prima facie* it could not be said that the court lacked the inherent jurisdiction to entertain the suit. The mere failure to mention in its paragraph stating the cause of action that the plaintiff had been threatened in Delhi was not enough to return the plaint because while deciding the application of the defendants, the whole plaint had to be taken into consideration.

V PROTECTION OF PLANT VARIETIES AND FARMER'S RIGHTS ACT, 2001 (PPV & FR ACT, 2001)

The registry of plant varieties decided⁴¹ that section 21 of the PPV & FR Act, 2001 was substantially same as section 21 of the Trade Marks Act, 1999 (TM Act). It is well settled⁴² under the TM Act that for the purpose of counting three months for filing notice of opposition, the relevant date was

40 2010 (42) PTC 288 (Del.).

41 *Nuziveedu Seeds Pvt. Ltd. v. Maharashtra Hybrid Seeds Co. Ltd.* 2010 (44) PTC 328 (Reg.).

42 *Pavunny Ouseph v. Registrar of Trade Mark*, AIR 1952 Travancore Cochin 77; *Siyaram Kumar Engineering Works Private Ltd. v. The Assistant Registrar of Trade Mark*, 1996 (2) DLT 179.

the date of issue of the journal and not the date printed on the journal. The same principle was applicable to PPV & FR Act, 2001. The registry then went into the question of power of the registrar to extend the time limit for filing notice of opposition. It observed that rule 33(6) of PPV & FR Rules, 2003 was silent on extending the time limit for filing of opposition but provided for extending the time limit for filing evidence. It applied the maxim, *Cui jurisdictio data est, ea quoque concessa esse videntur, sine quibus jurisdictio explicari non potest* (To whom jurisdiction is given, to those things are also considered to be granted without which the jurisdiction cannot be exercised) and came to the conclusion that registrar had power to extend the time limit for filing notice of opposition. What is the effect of the words, “as may be prescribed” in the PPV & FR Act, 2001 if the rules are not prescribed? This question was discussed in *Maharashtra Hybrid Seeds*.⁴³ The applicant filed an application under section 14 for registration of their cotton hybrid and then under section 24(5) to protect their interest. The application was contested on the ground that the applicant had not complied with the mandatory provision of section 18(1)(g) which states that every application under section 14 shall be accompanied by such fee as may be prescribed. Under section 96(2)(xii) of the Act, the fee under section 18(1)(g) has to be prescribed by the central government. The registrar ordered that if rules were not prescribed at the relevant point of time, it cannot take away the substantive right granted by the Act. Accordingly, rule 8(2)(d) which states that the date on which the entire fee is paid shall be the date of filing of the application cannot be applicable at a point of time when fees were not prescribed as the substantive right under section 14 takes priority over procedural rules.

VI TRADE MARKS

Deceptive similarity

The question of deceptive similarity between two trade marks can be decided by applying the following well settled tests to the facts of a given case:

- 1) Visual similarity between trade marks
- 2) Phonetic similarity between trade marks
- 3) Test of consumer: literate or illiterate consumer, purchasing power of the consumer, high profile consumer, memory of the consumer with its usual imperfect recollection, etc.
- 4) Test of prior user
- 5) Test of goods: Transborder reputation of the goods, get up of the goods, trade dress, market of the goods, price of goods, etc.
- 6) Anti-dissection rule, *i.e.* the mark to be seen as a whole.

43 *Maharashtra Hybrid Seeds Co. Ltd. v. Prabhat Agribiotech Ltd.*, 2010 (44) PTC 341 (Reg.).

This kind of test applied by the court normally depends on pleas raised by the parties. It is, therefore, important for litigants to choose the right argument to impress upon the judge. Following are some of the cases where the above quoted tests have been applied:

In *Badli Ram*,⁴⁴ the plaintiff was using “501” as its registered trademark for bidis since 1932. The defendant started similar business of manufacturing bidis and selling them bearing the trademark containing numeral “501” prominently on the label. Such use was held to be deceptively similar. “MEECO” was a registered trade mark in electronic goods. Defendant’s trade mark “MEEKO” for high tech PVC cables, wires, *etc.* being phonetically and visually similar to plaintiff’s mark “MEECO” was held to cause deceptive similarity.⁴⁵ Appellants, using trademarks SCOTCH LITE, SCOTCH BOY, SCOTCH RAP, SCOTCH GARD for two decades, filed applications for SCOTCH FLEX, SCOTCH LOK, SCOTCHCAST, *etc.* The respondents filed applications for trade mark SCOTCH (word *per se*) for different goods. Held, it should not be registered as it would dilute the distinctiveness and deface the well reputed and well known trade mark of the appellant.⁴⁶

The defendants started using the mark “Flying Tiger Balm” or “Tiger Balm” in English and Chinese characters, *i.e.* the device of a leaping tiger with wings since 1965, *i.e.* during the period when plaintiff (user of similar mark since 1900) stopped manufacturing and sale in India due to some trade restrictions. Moreover, the defendant was selling the products in hexagonal shaped bottles similar to that of the plaintiff. The court held that it could not be said that the defendant had honestly adopted the impugned mark as it was manufacturing and marketing other products like Burmex, Tuhu Balm and Flying Peacock Balm in other places except in India where they adopted Flying Tiger Balm as they were aware that plaintiff had not got their mark registered in India while it was registered in 40 other countries.⁴⁷ This was held to be deceptively similar.

The court applied the test of customer in *P.P. Jewelers Pvt. Ltd. v. P.P. Buildwell Pvt. Ltd.*⁴⁸ It was held that the business activity of respondents involved office spaces and show rooms in shopping malls whereas the appellant was dealing in jewellery. The letters “PP” common to trademarks of appellant and respondent were held to cause minimal deception as properties sought to be purchased were highly expensive and would require thorough inquiries and various grounds of negotiations by purchasers before entering into agreements.

44 *Badli Ram Sharma v. Mangalore Ganesh Bidi Works*, 2010 (43) PTC 103 (All).

45 *M.S Electricals v. Meenu Electric Company*, 2010 (43) PTC 336 (Kar.).

46 *3M Co. v. Rajdhani Electricals*, 2010 (43) PTC 258 (IPAB).

47 2010 (44) PTC 484 (Kar.).

48 2010 (43) PTC (1) (Del.) (DB).

In *Himalaya Drug Co. v. SBC Limited*,⁴⁹ the plaintiff was a registered partnership firm engaged in the business of manufacturing and marketing *ayurvedic* medicinal preparations and formulations since 1930. It claimed to have gained tremendous reputation in the field of medicine and amongst consumers through large-scale advertising, extensive sales and innovative promotional schemes. Liv.52 was stated to be among several well-known *ayurvedic* medicines manufactured and marketed by the plaintiff. It sought a permanent injunction restraining infringement of its said trademark by the defendant which was manufacturing a homeopathic drug “LIV-T”. The court applied various tests to come to the conclusion that Liv.52 and LIV-T were not deceptively similar. The court first applied the ‘anti-dissection’ rule, *i.e.* the conflicting composite marks are to be compared by looking at them as a whole, rather than breaking the marks up into their component parts for comparison. They are not deceptively similar as one mark uses an alphabet whereas, the other uses a numeral. The court further held that the two marks were not phonetically similar. Moreover, one mark was for *ayurvedic* medicine whereas the other was for homeopathic medicine. The medicines were prescribed by the practitioners of two different branches of medicine and available in different shops.

In *Kirorimal Kashiram Mktg & Agencies Pvt. Ltd. v. Shree Sita Chawal Udyog Mill Tolly Vill*,⁵⁰ defendant’s trade mark “Golden Deer” was held to be deceptively similar to plaintiff’s registered trade mark “Double Deer”. Both the marks were used for selling rice. The court held that deer was a prominent part of the plaintiff’s registered trademark. The expression “Deer” was arbitrarily adopted by the plaintiff, it had no connection or co-relation with the product, namely rice. Such arbitrary adoption of a word mark with respect to a product with which it has no co-relation, was entitled to a very high degree of protection. In *Bansal Brothers v. Kanhayalal Satish Kumar*,⁵¹ appellant’s trademark “KANHIYA” was held to be identical with and/or deceptively similar to the respondent’s registered trademark “KANAHYA”. The goods in this case were rice, foodgrains, pulses, sweets, namkeens, halwa, poori, samosa, bhujia, and all such other cooked/ fried preparations which were edible goods of the same description for human consumption.

In *New Look Textiles v. K.N. Nagarajan*,⁵² the Madras High Court clubbed the principles of copyright, passing off, and infringement of trade mark to decide that the trade marks “Minister Cotton” and “Minister White” were not deceptively similar to each other. The court applied the “visual test” to come to this conclusion. There was no need for the court to mix up copyright principles with the trade mark law as both were distinct and separate laws.

49 2010 (43) PTC 739 (Del.).

50 2010 (44) PTC 293 (Del.) (DB).

51 2010(44) PTC 349(IPAB).

52 2010 (43) PTC 116 (Mad.).

It seems it is becoming a trend with some of the learned judges to write long judgments by citing innumerable precedents without distinguishing one from the other. The High Court of Delhi in *Marico*⁵³ discussed around forty cases to determine whether there was infringement or passing off by the defendant Agro Tech having “Sundrop” as trademark. The plaintiff had “Saffola” as trademark. The trade dress, get up, colour scheme, and the font of the rival labels was completely different. The only similarity was the usage of words “LOSORB TECHNOLOGY TM” with the plaintiff’s mark and “LOW ABSORB TECHNOLOGY TM” with the defendant’s mark. The court held that since these words were descriptive of the character or quality of goods and had not acquired any secondary meaning no one can monopolize them. The goods of both the rivals in fact contained an additive which reduces oil absorption by food stuffs during the process of frying. The Delhi High Court in yet another case⁵⁴ held:

Insofar as descriptive names are concerned, the position at law is that as in the case of geographical names, a descriptive mark may be granted protection where the same has been assumed a secondary meaning which identifies it either with particular goods or as being from a particular source.

In the instant case, the plaintiff, NNE Pharmaplan India Ltd. and defendant company, CGMP Pharmaplan Private Ltd. had logos with distinct attributes and different colours. The common word “Pharmaplan” was descriptive in nature as both the rival companies were doing the business, *inter alia*, of technical planning related to pharmaceutical, *etc.* and they had also not acquired any secondary meaning. It was held that the words were not likely to cause confusion or deception in the minds of the customers who were generally of a high profile nature.

Advertising of products/disparaging of products

In the recent times, there is a change in the style of advertisement for goods. The advertisements are showing comparisons with other goods, using superlative degrees for their products or showing authenticity/genuineness of their goods by depicting experts or professionals like doctors, dentists, police officials, *etc.* The division bench of Delhi High Court⁵⁵ laid down a few principles while discussing whether the advertisement of Good Knight (a mosquito repellent) depicting its positive points of having *tulsi*, lavender and milk protein in its product and thus not causing any rashes or allergy amounts

53 *Marico Limited v. Agro Tech Foods Ltd.*, 2010 (43) PTC 39 (Del.).

54 *NNE Pharmaplan India Ltd. v. CGMP Pharmaplan Pvt. Ltd.*, 2010 (43) PTC 66 (Del.).

55 *Dabur India Ltd. v. Colortek Meghalaya Pvt. Ltd.*, 2010 (44) PTC 254 (Del.) (DB).

to denigrating ‘Odomos mosquito repellent’. The division bench gave the answer in the negative observing thus:

- 1) An advertisement is a commercial speech and is protected by Article 19(1)(a) of the Constitution
- 2) An advertisement must not be false, misleading, unfair or deceptive
- 3) There would be some grey areas but these need not necessarily be taken as serious repercussions of fact but only as glorifying one’s product.
- 4) While glorifying its product, the advertiser may not, denigrate or disparage a rival product. It is one thing to say that the defendant’s product is better than that of the plaintiff and it is another thing to say that the plaintiff’s product is inferior to that of the defendant.

In *Eureka Forbes Ltd v Kent RO Systems*,⁵⁶ the plaintiff had obtained registration of trade mark bearing suffixes like UV and RO alongside the mark. The court held that this could not lead to a conclusion that UV and RO were related to plaintiff’s products. Therefore, any depiction by defendant that UV or RO technology were less effective in treatment of water as against the one manufactured and sold by defendant which had a combination of UV (ultra violet), RO (Reverse Osmosis), UF (Ultra filtration) and TDS (turbidity and dissolved substances) control technology did not lead to disparagement. The court held that in order to succeed in a case of “trade libel” or “malicious falsehood” or “generic disparagement”, the plaintiff had to prove that the statement made in the impugned advertisement was untrue and made maliciously, *i.e.* without just cause or excuse and the plaintiffs had suffered damage by such an action of the defendant. The Delhi High Court⁵⁷ reiterated these principles and held that defendant claiming in its advertisement that its shampoo was more efficacious as it had more quantity than other shampoos sold in sachets of Re.1 did not amount to disparaging.

In *S.C. Johnson & Sons v. Buchanan Group Pty. Ltd.*,⁵⁸ the plaintiff’s grievance was that the impugned advertisement denigrated the plaintiff’s product “MR. MUSCLE KITCHEN CLEANER”. The defendant compared its own product “CIF cream” with plaintiff’s product by using amongst others, a virtually similar container which was orange in colour and had a similar trigger. The court held that the impugned advertisement *prima facie* did seem to denigrate the plaintiff’s product. In this case, the impugned advertisement denigrated the plaintiff’s product alluding to a “specific defect” or demerit in plaintiff’s product by comparing its product with that of the plaintiff.

In *Frankfinn Aviation Services Pvt. Ltd. v Akash Gupta*,⁵⁹ the plaintiff,

56 2010 (44) PTC 261 (Del.).

57 *Hindustan Unilever Ltd. v. Cavincare Pvt. Ltd.*, 2010 (44) PTC 270 (Del.).

58 2010 (42) PTC 77 (Del.).

The Frankfinn Aviation Services Pvt. Ltd., was a company incorporated under the Companies Act, 1956 running a chain of institutes under the name and style of “Frankfinn Institute of Airhostess Training”. It has 43 centres all over the country constituting the largest network of airhostess training centres providing training in aviation, hospitality and travel industry. The plaintiff filed a suit against the defendant on the basis of the advertisement published by the defendant in the newspaper HT City of *Hindustan Times* in which the defendant had allegedly made a false, misleading, disparaging and defamatory statement against the plaintiff which harmed/injured the plaintiff’s reputation and business interest as well as misled the public especially the existing and prospective students and their parents. The defendant was also engaged in the same trade, *i.e.* providing training in the aviation and hospitality industry and running its centre under the name and style of: AHA” (Air Hostess Academy). The alleged defamatory statements made by the defendant in the issue of HT City of *Hindustan Times* (Delhi Edition) dated 3rd August 2005 are reproduced hereunder:

ANY IN-FINN-SHIN INSTITUTE

In Flight and Airport Exposure	They provide training in a stationed aircraft, which is useless, as for cabin crew to have real hands-on training, the plane must take off.
Brand Ambassador	They have to resort to using celebrities, as they have No real successes to speak of.
Placements	You will not disagree that the only criteria to choose any educational institute is its placement percentage and not numbers. All tall claims are hollow unless Supported by placement percentages (e.g.: If 70students are placed, the question arises, out of how many students -6000 or 7000?)

The court held that the advertisement by defendant was defamatory and disparaging to the plaintiff’s services to the extent when it contained the words ‘useless’ and ‘no real successes’. The defendants could not in any way be allowed to use the same while comparing/stating the advantages of its services and disparaging the services of the plaintiff.

In *Hindustan Unilever Ltd. v. Procter & Gamble Home Products Ltd.*,⁶⁰ the court did not find any disparagement by the respondent. While deciding the dispute the perception of an average individual who was reasonably well

59 2010 (42) PTC 294 (Del.).

60 2010 (43) PTC 460 (Cal.) (DB).

informed and observant was considered as the market targeted was not of illiterate persons.

Spurious drugs

In *United Biotech (P) Ltd. v. Schon Pharmaceuticals Ltd.*,⁶¹ the plaintiff, having the trade mark TAZIN (an invented word) for its pharmaceutical preparation, filed a suit for permanent injunction, passing off, rendition of accounts of profits/damages and delivery up, *etc.* against the defendant. The defendant started selling pharmaceutical preparation under the trade mark TAZIN. The court held that the defendant knowingly and deliberately adopted the trade mark TAZIN with malafide intention to cause confusion and deception about the source of goods marketed under the said trade mark. The defendant was thus conspiring and abetting sale of spurious and counterfeit medicines and causing loss to the plaintiff company. The court relied on its earlier judgment⁶² that recognized third type damages as punitive damages apart from compensatory and nominal damages.

The judiciary has rightly imposed punitive damages as production of spurious drugs is a very serious crime involving the health of people.

In *HAB Pharmaceuticals and Research Ltd. v. Pramo Life Sciences*,⁶³ the plaintiff claimed copyright in the packaging of the product “VEGA 100” or “VEGAH 100”. The products are pharmaceutical products, manufactured in accordance with required degree of security, standard and quality. The plaintiffs alleged that the defendant started manufacturing, marketing and selling a similar preparation with the identical and/or visually, phonetically and structurally similar trade mark “PRAMOVEGA”. It is sold in deceptively/confusingly similar blister pack. The court held that plaintiffs had a copyright with regard to the packaging in their favour, therefore, it needed to be protected. It then followed the guidelines given in *Cadila*⁶⁴ and later reiterated in *Hein*.⁶⁵ In these cases, the Supreme Court had held that the tests of deceptive/confusing similarity in case of pharmaceutical products were somewhat stricter as public interest was at stake. The claim of the plaintiff with regard to passing off by the defendants was based on the fact that the tablets were prescribed for treating male erectile dysfunction. Thus, this was a tablet for treating a male sexual disorder. The class of persons who are prescribed such drugs differ. The drugs are prescribed to treat the patients residing both in urban and rural areas. In these circumstances, the adverse effect on account of confusion about identity of the product could have dire effect on the public

61 2010 (42) PTC 103 (Del.).

62 *Time Incorporated v. Lokesh Srivastava*, 2005 (30) PTC 3 (Del.).

63 2010 (42) PTC 537 (Bom.).

64 *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.*, AIR 200 SC 1952.

65 *Heinz Italia v. Dabur India Ltd.* (2007) 35 PTC 1 (SC).

health. From the record, it was *prima facie* demonstrated that the packaging was identical. It was undisputed that the product was identical.

It is to be stated that the court unnecessarily went into the principles of copyright law. The decision could have been given purely on the principles of passing off and infringement under trade mark law.

VII JURISDICTION

The jurisdictional facts and issues are very important in litigation as the intent behind prescribing the place of suing is to ensure that litigation should be used as a weapon of harassment. In *Archie Comic Publications Inc v. Purple Creations Pvt. Ltd.*,⁶⁶ the court reiterated that section 62(2) of the Copyright Act and section 134(2) of the Trade Marks Act, 1999 enable the plaintiff to enjoy the convenience of filing the suit at the place where he resides or carries on business.

The lack of territorial jurisdiction was the subject matter of controversy in an appeal before the Jammu & Kashmir High Court.⁶⁷ It reiterated that the cause of action was a bundle of facts, which taken with the law applicable to them, gives the plaintiff a right to claim relief against the defendant.⁶⁸ While dealing with the jurisdiction, the arguments contained in the plaint alone were to be looked into and not the defence taken in the written statement by the defendant.

66 2010 (44) PTC 520 (Del.) (DB).

67 *Escorts Construction Equipment Ltd. v. Gautam Engineering Equipment Ltd.*, 2010 (44) PTC 636 (J & K).

68 See *South East Asia Shipping Co. Ltd. v. Nav Bharat Enterprises Pvt. Ltd.* (1996) 3 SCC 443; *Mayar (H.K.) Ltd. v. Owner, Vessel M.V. Fortune Express* (2006) 3 SCC 100.