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**INTELLECTUAL PROPERTY
LAW***Alka Chawla**

I INTRODUCTION

THE YEAR 2011 can be called the year of copyright law judgments. Detailed treatises have been authored by the judges explaining the provisions of the Copyright Act, 1957 (hereafter CA, 1957). The areas of discussion have been: The working of copyright societies, doctrine of fair dealing, rights of producers of films and sound recordings on one hand and the composers of music and lyricists on the other, the plight of authors *vis a vis* their publishers, etc. As far as trademarks are concerned maximum cases, as always, have been the *lis* between traders regarding the deceptive similarity between the competing trademarks especially in the area of medicines, counterfeiting and passing off of goods. Some provisions under the Trademark Act, 1999 (hereafter TMA, 1999) have created contradictions between the rationale behind the trademark law and the legislative intent. For example, in *N. Ranga Rao* case the Madras division bench after referring to a number of high court and Supreme Court judgments has held that the generic words or *publici juris* words cannot be exclusively used by the traders. The judgment is in consonance with the object of the trademark law but raises serious doubts about the legislative scheme followed by section 9 of the TMA, 1999. Section 9 (1) has three clauses whereby absolute grounds for refusal of registration of trademarks are given. The subsection has a proviso permitting use of prohibited trademarks if they acquire distinctiveness. The question is, can the generic words be allowed registration if they acquire distinctiveness? The cases under the Designs Act, 2000 and the Patents Act, 1970 were minimal.

II COPYRIGHT

Myriad of rights: Cinematograph films and sound recordings

Variety of authors are involved in making of a musical work embodied in a cinematograph film, namely, lyricist, the author of literary work; composer, the author of musical work; producer, the author of cinematograph film and producer, the author of sound recording. For administration of rights in musical

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works two societies are registered under the CA, 1957, namely, Indian Performing Rights Society (IPRS) and Phonographic Performance Limited (PPL).

In *Indian Performing Rights Society v. Aditya Pandey*,¹ two suits were simultaneously taken up by the Delhi High Court. The first suit was between IPRS as plaintiff and Synergy Media (a broadcaster) as defendant. The second suit was between IPRS and PPRS as plaintiffs and CRI Events (engaged in event management) as defendants. The case is dealt with in detail as it has very elaborately discussed the rights of different authors engaged directly or indirectly in making of a film and its public performance. The case is very significant as it might cause heavy economic burden on various authors.

In the first suit the IPRS claimed that it has exclusively authorized to licence the public performance rights underlying the musical and literary work created by its members. IPRS submitted that its rights to demonstrate copyright content is in respect of public performance rights which include the right of performing the work in public, right of enacting work to the public by making it available for visual or audio enjoyment indirectly or directly to the public, including by diffusion etc. and the right to authorize any of such uses. On the other hand, it submitted that Public Performance Rights Society's (hereafter PPRS) rights operate in a different field and extend to the exploitation of sound recordings. It, therefore, concluded the contention by submitting that even if a user secures licence from PPRS for the sound recording performance in the public, the IPRS would have the right to claim licence fee.

It is submitted that the logic of these separate rights was that, while sound recording rights would inhere in one set or body of persons, for the same work, the other rights would continue to vest with the authors and with the latter artists, composers, directors, lyricists etc. IPRS submitted that the latter body of copyright owners could not be expected to chase diverse users such as shops, aircraft, hostels, clubs, offices, bars, discos etc. IPRS also submitted that the enabling provision under section 62(2) of the CA, 1957 that entitles a plaintiff to institute legal proceedings against the alleged infringer of copyrighted material or content at a place where it (the plaintiff) is incorporated or carries-on business facilitates the enforcement of its members' rights.

IPRS further submitted that in terms of the scheme formulated by the rules, which are governed by the provisions of the CA, 1957, it could frame guidelines and tariffs for the structured collection of fees, having regard to the user organisation, the event or the nature of the public performance right in question. IPRS also said that under the rules, it could not collect more than 15% of the revenues derived from such royalties as administrative expenses, and the rest is distributed to its members. It also stated that tariffs were fixed on the basis or pre-determined formulae and guidelines after involving all the copyright owners.

The defendant, Synergy Media, a company involved in broadcasting business proposed to launch broadcasting services in various cities. It alleged that the composer of the musical work, or its author do not possess any rights

1 2011 (47) PTC 392 (Del).



in the works once those rights are assigned in favour of the producer of a cinematograph film and as a consequence, IPRS could not claim or legitimately secure any licence or authorization fee. Interestingly both the parties have relied on the same judgment of the Supreme Court² (hereafter *IMPA* case).

In the second suit, both IPRS and PPRS have joined together as plaintiffs. The first and the second defendants (collectively referred to as CRI Events) engaged themselves in event management, catering to premium brands such as Airtel, Vodafone, Alcatel and Cox & Kings etc. These defendants argued that the plaintiffs' societies, organize several events for their customers such as consumer promotion contests, dealer meets, exhibitions, fashion shows, theme parties, merchandising, product launches etc. but the plaintiffs have placed on the record copies of the defendant companies' websites indicating their business activities etc. The third defendant was a banquet hall located at Rajokri, Delhi, which hosted different events and functions in its premises for its customers, which included CRI Events. The plaintiff societies alleged that the third defendant permitted CRI Events to use its premises and organize an event where works comprising their (the plaintiff societies) repertoire were communicated to the public, which amounted to infringement of the copyrights. It was also alleged that the third defendant despite knowledge that licenses were required from the plaintiffs and that holding of unauthorized events involving the performance or communication of the plaintiffs' copyright works to the public amounts to an infringement, did so.

The court analysed various provisions of CA, 1957, compared them with law in USA and UK and discussed the provisions pre and post 1994 amendment to CA, 1957. In deciding the case the court heavily relied on first, the harmonious interpretation of sections 13(4); 14(a)(i),(iii), (iv); 14(d) and 14(e); second, the *IMPA* judgment of the Supreme Court; third, the parliamentary recognition by the 1994 amendment of the fact that sound recording is different from that of musical or literary work. It then held the following:

Once a license is obtained from the owner or someone authorized to give it, in respect of a sound recording, for communicating it to the public, including by broadcasting, a separate authorization or license is not necessary from the copyright owner or author of the musical and/or literary work. However, this would not mean that the musical and/or literary work can be otherwise "performed" in the public, (as opposed to communication of a sound recording to the public) without authorization. In such event, the author/owner's license or authorization is necessary. In other words, it is clarified that the other "bundle of rights" which authors or owners of musical or literary works are entitled to enforce, remain undistributed.

In case the performance is of the work without the sound recording, authorization of the IPRS is necessary. If both kinds of works are performed,

2 *Indian Performing Rights Society Ltd. v. Eastern Indian Motion Pictures Association* (1977) 2 SCC 820: PTC (Suppl.) (1) 877 (SC).



the licenses from both societies have to be obtained. In the case of CRI Events, no such authorization was obtained, or given to it.

The consequences are:

- i) In the Synergy suit Synergy Media is not required to take a licence from IPRS;
- ii) In the CRI suit (a) If the banquet wishes to perform sound recording in public (paid audience) licence from PPRS is essential (b) If the musical works are to be communicated or performed in public independently through an artist, the licence of IPRS is essential (c) In case banquet wishes to held an event involving performances or communication of work of both kinds to public, the licence of both IPRS and PPRS are necessary.

It is worth to take note of another judgment pronounced by Bombay High Court³ on similar lines, wherein S J Vazifdar J uphold the following propositions:⁴

- i. The Act recognizes only three classes of work, viz., (a) literary, dramatic, musical or artistic work (b) cinematograph films and (c) sound recordings. Each class is independent of the other. Each class of work gives a bundle of rights to the owner thereof, which are independent of the other works. The rights therein can be exploited by the owner of the work in each class without the interference by the owners of the works in other classes.
- ii. No class of work is inferior to the work in another class. Therefore, right of an owner of a sound recording, which is a derivative work is in no way inferior to that of right of an owner of copyright on original, literary or musical work.
- iii. In sound recording and cinematographic films, the literary and musical work gets incorporated therein and thereupon independent copyrightable works, viz., sound recording and cinematograph films come into existence and, therefore, rights under section 14 in respect of each sound recording and cinematograph film come into existence which can be exploited by the owner of the sound recording or cinematographic film without interference of the owners of copyright in the underlying literary or musical works therein.
- iv. The owner of a sound recording has, *inter-alia*, the exclusive right of communicating the sound recording to the public. Though the exercise of such right has the effect of communicating the underlying work viz. musical or literary to the public such communication of underlying works being a part of sound recording does not amount to infringement of the copyright of communicating to the public, the underlying works.

3 *Music Broadcast Pvt. Ltd. v. Indian Performing Rights Society Ltd.*, 2011(47) PTC 587 (Bom).

4 The court was in agreement with the submissions made by the plaintiff in this regard. See, *Id.* at 595-96.



- The owner of a sound recording has an exclusive right to communicate the sound recording in any form and such communication in exercise of right under section 14(1) (e) (iii) cannot amount to infringement of any underlying work in such sound recording.
- v. The owners of underlying works incorporated in a sound recording do not have the right of communicating the same to the public as a part of the sound recording.
 - vi. The owner of a copyright in the underlying works retains the bundle of copyrights therein otherwise than as a part of the sound recording.
 - vii. The right of public performance of an underlying work is different from the right to communicate the sound recording in which the musical or literary work is incorporated.
 - viii. The defendant, therefore, can claim licence fees only in respect of public performance of musical or literary works of its members or in respect of communication of such works otherwise than as a part of other copyright work, viz., sound recording or cinematographic film. In other words, the defendant cannot claim licence fees in respect of public broadcast or communicate to the public, musical or literary works as a part of a sound recording.

Once a sound recording is made, it is only the producer, as the owner thereof, who can exploit it exclusively in the manner provided in section 14(1)(e). However, those rights are confined to that particular sound recording and that sound recording alone. The owner of the sound recording can communicate the same to the public, *inter-alia*, by broadcasting it or playing it in public places. The owners of the underlying musical and literary work embodied in such sound recording cannot interfere with these rights of the owner of the sound recording *qua* that sound recording.

In this case it was held that the plaintiff, i.e., the FM Radio Broadcasting Station is not required to pay royalty/licence fee to IPRS which administers the rights of lyricists and composers. The plaintiff is legally bound to pay royalty only to PPL and not to IPRS.

IPRS will become poorer as a result of the above two decisions of the Delhi and Bombay High Courts. The decisions will, therefore, have an adverse impact on composer's booty.

Constitutional validity

In *Federation of Hotels & Restaurants Association of India v. Union of India*,⁵ the constitutional validity of sections 2(ff), 13, 33(3) of the CA, 1957 was challenged as being violative of articles 14 and 19(1) (g) of the Constitution. It was contended by the petitioners that section 34 is unconstitutional as it bestows uncontrolled, unregulated and unbridled powers on copyright societies with regard to issuance of licences to various bodies and organizations, collecting fees in pursuance of such licences and distributing such fees among owners of these rights. It was further contended that section 33 creates monopoly

5 2011 (46) PTC 169 (Del).



in favour of the societies, IPRS/PPL. Because of the monopoly such societies hold the consumers to ransom by charging exorbitant licence fees. Further, central government has permitted at least three societies to be registered in respect of same class of work.

The court held that the broadcast or dissemination of music to the public at large is neither a statutory responsibility nor a duty of public character. The copyright and performing societies IPRS/PPL are an amalgamation of conglomeration of individual/owners who are fully entitled to claim the highest premium for enjoyment of the fruit of their labour or intellect, subject to any statutory restraints imposed by the parliament.

The court held section 13 to be constitutional as the categorizations of works mentioned in the section were founded on intelligible differentia so far as music was concerned.

Copyright societies

A very good discussion regarding the incorporation, working and power of imposing tariffs of the copyright societies was undertaken in *Event and Entertainment Management v. Union of India*.⁶ The court while apprising statutory scheme (section 33-36) of the CA, 1957 held that copyright societies are controlled by and are accountable to the owners of the copyrights. Central government has supervisory control over them. The legislature requires the copyright society to fix tariffs subject to approval of the owners of rights. The statutory provisions are supplemented by rules. It followed the decision of division bench in *Federation of Hotels and Restaurant Association case*⁷ and held that the legislative provisions are constitutional and not suffering from the vice of excessive delegation.

Public exhibition of films

The question involved in *Super Cassettes Industries Ltd. v. Board of Film Certification*⁸ was whether the DVDs and VCDs labelled as “only for private viewing” which the petitioners sold in the market required certification by Central Board of Film Certification (CBFC). In this case police seized above DVDs and VCDs from shops and started prosecution against them under section 52A(2)(a) of CA, 1957. The argument of the petitioner was that the certificate of public exhibition issued by CBFC was required to be displayed only when the video film was publicly exhibited and not for VCDs and DVDs meant for “private viewing”.

The court analyzed the provisions of Cinematograph Act, 1952 (CGA, 1952) read with the CA, 1957 and came to following conclusions:

- (a) Once a film is made or produced in a DVD or VCD or any other format and is made available or distributed to the public or offered for sale to the public, it will amount to publication of such film within the meaning of section 52A(2)(a) of the CR Act.

6 2011 (46) PTC 405 (Del).

7 See *supra* note 1.

8 2011 (46) PTC 1 (Del).



- (b) In the context of the present petitions, at the point where a member of the public, to whom the Petitioners' films on DVD or VCD is made available, plays it on an equipment and views such film, whether in the confines of a private space or otherwise, prior certification of that film in terms of section 5-A CG Act, would become necessary, since for the purposes of section 52A(2) of the CR Act, the film is exhibited at that point.
- (c) The maker or the distributor of a film made available to the public by sale or otherwise is expected to anticipate the exhibition of such film by such member of the public subsequently and to ensure, therefore, that the film bears a certificate under section 5-A CG Act.
- (d) Whether such film, if it contains purely religious or devotional songs, should be exempted from the certification is a matter for the Government of India to take a decision in exercise of its powers under section 9 CG Act. However, in absence of such exemption under section 9 CG Act, it must be held that the films being produced and manufactured by the petitioners, even if they contain purely religious or devotional songs as claimed by them, would require prior certification by the CBFC under section 5-A CG Act. The absence of such certificate in the film itself when it is exhibited will attract the violation of section 52A(2)(a) CR Act.

There are, of course, consequences to this interpretation of the provisions of the CGA, 1952 and the CA, 1957. It will mean that the certification work of the CBFC will increase manifold. However, this by itself cannot mean that the requirement of obtaining certification is an unreasonable one for the purposes of article 19(1) (a) read with article 19(2) of the Constitution. The scope of these petitions did not involve examining the constitutional validity of any of the provisions of the CGA, 1952 or the CGA, 1957. The court had to interpret the provisions as it found them.

Communication to the public

In *NEO Sports Broadcast Pvt. Ltd. v. New Sanjay Cable Network*,⁹ the plaintiff was a broadcaster having copyright over broadcasting of live test matches between India and other countries pursuant to an agreement entered into between the plaintiff and BCCI.

The defendant was a hotel which made available the cricketing events broadcasted through Neo Sports & Neo Cricket to its clients. According to the court, this leads to unauthorized public performances as the hotel had not taken any permission or licence from the plaintiff channel. Therefore, placing a television set and making available the sports channel for viewing by its customers/clients infringed the copyright as it amounted to the communication to public.¹⁰

9 2011 (45) PTC 402 (Del).

10 See s.2 (ff) of CA, 1957.



In *K.S. Gita v. Vision Time India Pvt. Ltd.*,¹¹ the plaintiff alleged violation of her copyright in the literary work Thangam/Bangaram/Ganga by defendant telecasting the serial ‘Thangam’. She alleged that the defendant should be restrained from telecasting the serial and pay a sum of 10 lac per episode towards royalty to her. The court held that the violation of the copyright might be taken as proved if after seeing the serial the viewer gets a totality of impression that the serial was by and large a copy of the original script. Hence it would not be possible to make a comparison or find out whether there were any similarities, or whether the mega serial then being screened had emanated from the script of the plaintiff as alleged by her. It was admitted even by the plaintiff that the mega serial had crossed 100 episodes for the past one year. If it was restrained from being screened at this stage, neither of the parties would have the benefit out of the same.

From the decision of this case it is quite apparent that the serial maker stands in a far better position than the original writer/ author as the question of infringement will be determined only towards the end of the serial. By this time the author would have lost her royalty and also the right to restrain an infringer from continuing the infringing activity.

Fair dealing

Rajiv Shakhder J has authored a treatise on fair dealing in *Super Cassettes Industries v. Hamar Television Network Pvt. Ltd.*¹² He first gave a catena of decisions to elaborate on the tests evolved for reporting ‘current events’. He then summarized the broad principles of law which were enunciated in the judgments cited before him on the aspect of ‘fair dealing’.¹³ The judgment also laid down the principles for determining when a substantial part of the work is said to be reproduced by a defendant.¹⁴ In this case the plaintiff, who carries on business under T-Series brand of music cassettes sought an injunction against the defendant, a Bhojpuri channel restraining it from broadcasting copyrighted works of the plaintiff.

In *Syndicate of the Press*¹⁵ case the court further elaborated the doctrine of ‘Fair dealing/Fair use’ and ‘Public Domain’. It is held that the two concepts are distinct from each other and once a work comes within the ambit of ‘public domain’ then there is no question of involvement of the fair use doctrine because the term ‘public domain’ means that there is no copyright protection available to the concerned work.

The work can get into public domain by following three methods:

- i) Copyright law does not protect this kind of work as it does not fall under section 13;

11 2011 (45) PTC 393 (Mad) DB.

12 2011 (45) PTC 70 (Del).

13 *Id.* at 88.

14 *Id.* at 90.

15 *Syndicate of the Press of the University of Cambridge on behalf of the Chancellor v. B.D. Bhandari*, 2011 (47) PTC 244 (Del).



- ii) The owner of the work may deliberately relinquish his copyright vide section 21 of the Act, or
- iii) The term of copyright in the work has expired.

The court further held that the ownership of copyright in a book does not shift to university just because the book has been prescribed as a part of the syllabus. Section 52(1) (h)¹⁶ of CA, 1957 dealing with fair use is applicable as defence only to a teacher or a student who uses the work in the course of or as a part of the questions to be answered in an examination. It will not be available to a publisher who produces a 'Guide Book' on a commercial scale using the exercises given by the original book.

The division bench held that the textbooks/guide books by their very nature are 'derivative work' and the standard to protect derivative works, i.e., the test of originality in case of derivative or transformative work shall be higher than the 'sweat of the brow' principle. The test applicable in such cases would be 'modicum of creativity'. Division Bench followed the Supreme Court¹⁷ and reiterated that the work must be original in the sense that by virtue of selection, coordination or arrangement of pre existing data contained in a work, a work somewhat different in character is produced by the author. If a published work is prescribed as a text book, a 'guide' can be published provided it fulfils the test of a 'derivative work,' that is the guide book has to be materially different from the text book. Guide book should not be a verbatim reproduction of the text book. If a guide book is written in a different format, albeit, dealing with the purpose to help, assist and support the students, then it would be a work different from the original work.

This case is very interesting because both the plaintiff and the defendant were *ad idem* on the doctrine of fair use and referred to the same judgments but with a different perspective. It was, therefore, the duty of the court to ascertain as to who is correct.

Assignment

The Madras High Court got an occasion to discuss the purpose of assignment vide sections 18 and 19 of the CA, 1957 in *Gokulam Chit* case.¹⁸ The court held that an assignment serves two purposes: for the assignee, it confers the right of exploitation for a specified period in a specified territory and for the assignor, it confers the right to receive royalty. The rights conferred by an agreement of assignment on the assignee flow only one way. While after the expiry of the period of assignment, the copyright flows back to the assignor, the royalty paid to the assignor never gets repaid to the assignee. In this case there was an agreement in respect of a Malayalam film titled 'Body Guard' and its remake Tamil version 'Kavalan'. The Madras High Court held that an

16 The reproduction of a literary, dramatic, musical or artistic work (i) by a teacher or a pupil in the course of instructions (ii) as part of the questions to be answered in an examination; or (iii) in answers to such questions.

17 *Eastern Book Company v. D.B. Modak* (2008) 1 SCC 1.

18 *Sri Gokulam Chit and Finance Company (P) Ltd. v. Johnny Sagriga Cinema Square*, 2011 (46) PTC 513 (Mad).



agreement, the sole purpose of which was just to prevent others from exploiting the copyrights of the owner and to enable the assignee to get back the loan, cannot be an agreement of assignment.

Author / publisher – royalty disputes

Disputes between authors and publishers are not uncommon. Authors allege non payment or under payment of royalty by the publishers and the latter deny it and substantiate the denial by production of documents, bills and statistics regarding printing and reprinting of the author's books. It is an accepted fact that authors have no means of checking the statistics given by the publishers so the only alternative before them is either to have trust on the publisher who happens to be the big fish or turn into publishers themselves.

In *PHI Learning Private Ltd. v. Dr. (Mrs.) P. Meenakshi*¹⁹ the defendant/author had assigned the copyright in the books written by her in favour of the plaintiff/publisher for the entire term of copyright. During the subsistence of the assignment the author reassigned the rights to another publisher on the ground that the first publisher was not paying the right amount of royalty to her though the latter had produced all statements regarding print, reprint and sale of books before the court. The court passed a decree of permanent injunction restraining the defendant from assigning the copyright including the right to re-print, publish, sell and distribute the book to any person during subsistence of the agreement with the plaintiff.

Pirated software

In India, it is difficult to dispute that the use of pirated softwares of reputed companies such as Microsoft and Auto CAD are far more exceeding than the use of licensed software. In *Autodesk Inc. v. Prashant Deshmukh*,²⁰ the court imposed punitive damages on the defendant for using unlicensed/pirated software of the plaintiff companies which were registered in USA. The court invoked sections 14, 40 and 51 of the CA, 1957.

Rogue websites

In *Super Cassette Industries v. Myspace Inc.*,²¹ the plaintiff was the owner of copyright in repertoire of songs, cinematograph films and sound recordings. The defendant was a social networking and entertainment website which offered a variety of entertainment applications including sharing, viewing of music, images, cinematograph films having its base in USA. The website provided country specific content. The plaintiff alleged that free sharing of music and films provided by mspace.com affected the business of plaintiff and also resulted in the violation of their copyright as they had not taken licence to exhibit the infringing material on their website from the plaintiff. The plaintiff further contended that the acts of providing the space over the internet and thereafter continuously doing the same even after coming to know about the plaintiff's proprietary interests amounted to 'authorization'

19 2011 (47) PTC 548 (Del).

20 2011 (46) PTC 38 (Del).

21 2011 (48) PTC 49 (Del).



as the defendants were aware that the space was going to be used for infringement purposes.

The court held that the acts of the defendants of providing the space on internet or webspace for profit are *prima facie* infringing in nature. The provision of section 51(a) (i) and section 51(a) (ii) of the CA, 1957 were disjunctive in nature in as much as the word 'or' between the two makes it clear that even on satisfaction of one provision, there would be an infringement of copyright. The infringement by way of authorization would fall within section 51 (a) (i) read with section 14 of the CA, 1957 as against the act of permitting the place for profit which is separately provided under section 51(a) (ii) of CA, 1957.

The acts of the defendants whereby they were offering the space over the internet, getting the works uploaded through users, thereafter saving in their own database with the limited licence to add, amend, or delete the content and thereafter communicating the said work to the public by providing some advertisements alongside the work or in the alternative gaining advertisements or sponsorship on the said basis thereafter would *prima facie* tantamount to permitting the place for profit for infringement as envisaged under section 51 (a)(ii) of CA, 1957.

The said acts of the defendants were certainly falling within the realm of an infringement under section 51(a) (ii). This is due to the reason that the defendants are permitting the place (place at webspace) to the users at large. The said place is not for the profit of the users only but also for the private profits of gains of the defendants.

The court then made observations with respect to the probable effect of amendments under the Information Technology Act, 2000 (as amended in 2009 hereafter referred to as ITA) on the remedies prescribed under CA, 1957 as the defendant's contended that ITA is applicable to them and not the CA, 1957. Manmohan Singh J made a very lucid analysis of provisions under both the Act and specially sections 79 and 81 of the ITA, 2000 and thereafter held that:²²

There is no impact of provisions of section 79 of IT Act (as amended in 2009) on the copyright infringement relating to internet wrongs where intermediaries are involved and the said provision cannot curtail the rights of the copyright owner by operation of proviso of section 81 which carves out an exception for cases relating to copyright or patent infringement.

The other aspect taken up by the court was with regard to the impact of provisions of Digital Millennium Copyright Act of US (DMCA) and other English Law. The court very firmly stated that there is no corresponding law in India which is in *pari materia* to that of DMCA. Our existing law of copyright does not provide any safe harbors and in fact the later enactment ITA (as amended in 2009) speaks otherwise. The adoption and drawing from DMCA

22 *Id.* at 103.



would mean adding provisions into the statute when the existing law says otherwise. Further, the provisions of UK Acts of 1956 and Copyright, Designs and Patents Act, 1988 are also not the same as the CA, 1957. The court also held that India is not bound by article 8 of WIPO Copyright Treaty, 1996 as it has not been ratified by India.

Powers of copyright board

In *Music Broadcast Pvt. Ltd. v. Super Cassette Industries Ltd.*,²³ the question before the division bench of the Delhi High Court was whether the copyright board possesses power to pass interim orders in proceedings under section 31²⁴ of the CA, 1957. The court gave the answer in affirmative by quoting from the Supreme Court decision in *Entertainment Network (India) Ltd.*²⁵

III DESIGNS

Piracy

In *Veeplast Houseware Pvt. Ltd. v. Bonjour International*,²⁶ the plaintiff conceptualized and created a novel design to be used for water jugs and got it registered. It alleged that the design adopted by the defendant for its jug was identical to that of the plaintiff.

The court held that the test to determine whether the impugned design infringes another is not to keep the two side by side but to be examined from the point of view of customer with average knowledge and imperfect recollection. One has to see whether the broad features of shape, configuration, pattern etc. are same or nearly same or substantially same, then it will be a case of imitation of the design of one by the other.

IV PATENT

Non patentable invention

In *Narayan Chandra Das v. Jolly Guhathakurta*²⁷ an application was filed under section 64 of the Patent Act, 1970 for revocation of patent granted for “head scarf cum neck covering apparel” for women. The IPAB observed that the patented product was obtained by merely stitching a cap and a muffler or a scarf together. It was merely a juxtaposition of known components, i.e., cap and muffler working independently and such inventions are not patentable under section 3(f) as they lack novelty, non obviousness and inventive step.

Consolidation of proceedings

In *F. Hoffman – LA Roche Ltd. v. Dr. Reddy’s Laboratories Ltd.*,²⁸ the plaintiff filed a suit for permanent injunction restraining infringement of their

23 2011 (48) PTC 399 (Del).

24 S.31 provides for the grant of compulsory license in respect of the copyrighted works.

25 *Entertainment, Network (India) Ltd. v. Super Cassettes Industries Ltd.* (2008) 13 SCC 30.

26 2011 (46) PTC 479 (Del).

27 2011 (48) PTC 297 (PAB).

28 2011 (47) PTC 544 (Del).



patent, rendition of accounts, delivery up and damages. The plaintiff then filed an application for consolidation of another suit, namely, *F. Hoffman – LA Roche v. Natco Pharma Ltd.* with the present suit as it was in respect of the infringement of the same patent. The prayer was made by the plaintiff to avoid unnecessary duplication of evidence and to save time.

The court held that though CPC did not specifically speak of consolidation of suits but the same could be done under inherent powers of the court flowing from section 151 of CPC. Unless specifically prohibited, the civil court has inherent power to make such orders as may be necessary for the ends of justice or to prevent abuse of process of the court. Such an order prevents multiplicity of proceedings, delay and expenses.

Copyright and patents

In the twenty first century knowledge economy, it is very important to know one's rights under intellectual property rights (IPRs) laws. This is applicable to all the stakeholders namely, creators, competitors, government officials and consumers of IPR to prevent misuse of laws against oneself. In *Federation of Industries of India v. G. Kesavalu Naidu @ kesavan*,²⁹ the defendant having failed to get a patent with respect to manufacture of certain pipes got the drawings of the pipes registered as 'artistic work' under CA, 1957. The defendants then initiated criminal proceedings against some members of the plaintiff, threatened them and filed FIRs against them at different places for violation of their copyright. The members of the plaintiff had been using pipes of various diameters for various purposes since many decades. The plaintiffs filed the present suit against the groundless threats of defendants under section 60 of the CA, 1957.

The question was whether copyright subsisted in the defendant's drawings as copyrightable 'original artistic work' as required by section 13(1) (a)? The court was in agreement with the plaintiff that the defendants were in fact attempting to claim a monopoly over a particular technology which is not patentable simply by registering drawings of the same. Three dimensional geometrical shapes such as globes, balls, tubes, squares or cubes or cuboids cannot be protected by copyright since that would give the copyright owner a monopoly over a simple, public domain, three-dimensional shape.

It also reiterated the well settled principle that unless repugnant to the Indian statute, international agreements to which India is a party should be used in aid of interpreting the Indian statute. Article 9.2 of Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) states: "Copyright shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such". In this case the court held that no copyright vested in the defendant's drawings as they were not original because they had been appropriated from the public domain of a commonplace idea. On lack of novelty etc. a patent was also not granted to them. Thus, the defendants neither had patent in the steel tubes nor copyright in their drawings which they portrayed as original artistic work.

29 2011 (48) PTC 496 (Del).



Validity of patent

In *Tenxc Wireless Inc. v. Mobi Antenna Technologies (Shenzen) Co. Ltd.*,³⁰ the plaintiff company incorporated under the laws of Canada was the owner of a patent. The plaintiff sought interim injunctions against the defendants who in turn filed a counter claim for revocation of the patent. It contended that the patent was not validly granted as the examiner of patents had not complied with the statutory requirements under sections 13(1) and 13(2) for conducting an investigation regarding anticipation by prior publication. The plaintiff submitted that in case of Indian application based on PCT (Patent Cooperation Treaty) application the examiners need not comply with sections 13(1) and 13(2) and may instead rely on the results of international search report (ISR) and the international preliminary report on patentability (IPRP). The court held thus:

The findings of the ISR and IPRP are not binding on the Indian Patent Office, and cannot override the provision of the Act especially on issues of novelty and inventiveness. Reference to sections 13(1) and (2) of the Act indicate that the duties set out therein for the concerned Examiner are mandatory, in view of use of the term “shall” in both provisions. It is, therefore, inconceivable that the statutory duties of the concerned Examiner to conduct a prior art search can be set aside or circumvented by reliance on the findings of the ISR and IPSR. The Draft Manual of the Patent Practice and Procedure of Indian Patent Office cannot and is not intended to override statutory provisions.

The defendants had raised credible challenges to the validity of the patent, therefore, interim injunction was not granted to the plaintiff.

V TRADE MARKS

Deceptive similarity

Maximum cases reported under trademark law were on the question of deceptive similarity. Some important cases are discussed below:

In *Novartis AG v. Allenbury Biotech Pvt. Ltd.*,³¹ the Delhi High Court imposed punitive damages to the tune of Rs.2 lakhs on the defendant for using trademark ‘TRIAMINIC’ and ‘T-MINIC’ in respect of medicinal preparations. The two trade marks were identical to the plaintiff’s marks and were used in respect of same goods as those of the plaintiff. The defendants could not offer any arguments to justify their acts.

In *Consitex S.A. v. Kamini Jain*,³² the plaintiffs were owners of registered trademark ZEGNA in respect of readymade garments, shirts, trousers and similar goods. The Italian word ZEGNA was pronounced as ZEN-YAH and was registered in Hindi as JENYA. The court held that the trademark JENYA of the

30 2011 (48) PTC 426 (Del).

31 2011 (47) PTC 349 (Del).

32 2011 (47) PTC 337 (Del).



defendant for the same products and in the course of the same trade is likely to cause confusion and deception in the minds of the customers. The marks of the plaintiff and the defendant were found to be phonetically similar to each other.

In *Metro Tyres*,³³ the Delhi High Court imposed punitive damages on the defendants for using VELO as a trademark for cycle/rickshaw tyres produced by them in 1995. The plaintiff company had acquired the trademark VELO along with its goodwill from its predecessors who had been using the mark VELO since 1961.

The Andhra Pradesh High Court³⁴ held that 'ASWINI' for hair oil was deceptively similar to 'ASHWINI' for detergent cakes. The two trademarks were held to be phonetically and visually similar. The similarity in the trademarks would lead to confusion or deception as the hair oil and detergent cakes were sold from the same stationary shops.

In *Hindustan Unilever Ltd. v. Ashique Chemicals*,³⁵ the Bombay High Court applied the 'anti-dissection rule' and held that the marks must be considered as a whole and not in fragments. Whether a mark is infringed or not depends upon a number of factors such as number of words in the impugned mark, the placement of the mark said to be infringed and the prominence given to the mark said to be infringed in the impugned mark. Applying the above stated principles the court held that the defendant's mark "Sun Plus" is neither phonetically nor visually similar to SUNLIGHT or SUN of the plaintiff. Moreover, the plaintiff's mark SUN though registered in India was never used in relation to goods either by the proprietor or any of his assignees or licencees. The court considered this fact to be very important and observed that though the object of the Trademarks Act is to protect the proprietary right of a registered trademark holder but it would depend upon the facts and circumstances each case. The facts of the present case indicated that there was never an intention to use the mark in India thereby creating a monopoly in the word 'sun' which is not the object of the Act. Just as the right of customers of the goods are required to be protected so also the traders who are in business for a long period of time cannot be harassed by threat of litigation by registered proprietors, particularly when after registration, the plaintiff's have neither used nor intended to use the registered mark. The court held that section 18 of the TMA, 1999 dealing with the application for registration of a mark predicates either use or proposed use of the registered mark.

The Delhi High Court in *United Biotech*'s³⁶ case also applied the 'anti-dissection rule' to the trademarks and held ORZID to be deceptively similar to the registered trade mark FORZID. It observed that an average man with his usual imperfect recollection cannot remember that the two marks are distinct from each other. Such an imperfect memory can lead to disastrous consequences as both were schedule H drugs having different dosages. The court applied the

33 *Metro Tyres Ltd. v. A.S. Traders*, 2011 (47) PTC 62 (Del).

34 *Ashwini Chemical Work v. Aswini Homeo Pharmacy*, 2011 (47) PTC 35 (AP).

35 2011 (47) PTC 309 (Bom).

36 *United Biotech Pvt. Ltd. v. Orchid Chemicals and Pharmaceuticals Ltd.*, 2011 (47) PTC 22 (Del).



principles as laid down in the *Cadila* case³⁷ for comparison of trademarks of medicines.

The trademarks “Hb TONE”/“HBTONE” of the defendants were held deceptively similar to “ARBITONE”/“RBTONE” of the plaintiff. The defendant pleaded that the mark Hb TONE was honestly and independently adopted wherein the letters “Hb” are symbolic of and an abbreviation and chemical symbol of hemoglobin and the suffix “TONE” refers to increasing the tone/tonal quality of iron in the blood by consuming the said medicine.³⁸

The court held that whether the defendant adopted the mark honestly and independently would make no difference to the grant of injunction for infringement or passing off once it is held that the mark is deceptively similar to respondents mark. It also held that the test while determining similarity is one of possibility and not probability of confusion. However, it is submitted that the court has not taken into consideration the implications of section 12 dealing with registration in case of honest concurrent use and the defences available to the defendant under section 30 dealing with the limits on effect of registered trade mark.

In *Five Star Health Care*,³⁹ the plaintiff had used the trade name FIVE STAR as an essential part of the corporate name since 2005 and used the trade mark 5-STAR in relation to sale of its goods, i.e., shaving creams, soaps, lotion, face creams etc. since the year 2006. The defendant started using the trademark 6-STAR in relation to similar goods. The court held that:⁴⁰

If the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that there are additional features in the defendant’s mark, the same is immaterial if the essential features have been copied.

The court found ‘STAR’ to be the essential feature of the plaintiff’s trademark which has been copied by the defendant. The court held that the defendant was free to use the digit 6 with any other word which is not similar to the word ‘STAR’ of the plaintiff.

In *Shell Brands International AG v. Pradeep Jain Proprietors Shell Exports*,⁴¹ the plaintiff, a well known company incorporated under law of Switzerland, sought a decree for permanent injunction, alleging infringement and passing off of their trademarks, trade name, service mark and brand name, “SHELL”. The plaintiff was engaged in petroleum or allied business since 1907 and got registration for goods in class 24 with effect from 2003. However, the plaintiff has not produced any evidence to show that it is engaged in class 24 goods, i.e., textiles, bed and table covers. The defendants had started using the mark as a trade name since the year 2000, i.e., prior to registration by the plaintiff.

37 See *Cadila Health Care Ltd. v. Cadila Pharmaceutical Ltd.*, AIR 2001 SC 1952.

38 *Cadila Pharmaceuticals Ltd. v. Sami Khatib of Mumbai*, 2011 (47) PTC 69 (Bom).

39 *Five Star Health Care Pvt. Ltd. v. Tara Chand Jadwani*, 2011 (47) PTC 184 (Del).

40 *Id.* at 188.

41 2011 (47) PTC 175 (Del).



The court held that the use of SHELL as a corporate name by the defendants, notwithstanding the plaintiffs' registration of the word mark cannot *ipso facto* confer exclusivity. The plaintiff should use it in relation to specific goods, such as garment etc. then alone would there exist some justification in granting relief. Ravindra Bhat J very rightly held:⁴²

Trade mark law, it must be remembered, is not a mechanical application of abstract principles, after a ritualistic incantations of standard terms. It strives to protect businesses built up to match certain standards. If a trader or a manufacturer uses words that acquire some distinctiveness, he is undoubtedly entitled to protection, at least in respect of similar marks, in respect of the goods he deals in. However, merely because he acquires registration (of the mark) he does not become its exclusive owner. Plaintiffs were, therefore, not entitled to the reliefs of injunction and damages.

The message of the court is loud and clear that the trademark law does not allow the traders to become the exclusive owners of words or monopolise words used by them for trade, which is a very specific purpose.

The Madras High Court in a judgement has held "Sri Murugan Idli Shop" to be deceptively similar to the registered trade mark "Murugan Idli Shop" of the plaintiff. As the court observed, when a trade mark holder is pitted against a non trade mark holder in respect of the very same products then the court will lean in favour of the trade mark holder.⁴³

In another case, the plaintiff, a company under the laws of USA, possessed common law trademark rights and trademark registrations for a number of Disney devise marks like Minnie Mouse, Donald Duck, Goofy, Winnie the Pooh etc. Permanent injunction, under section 29 of TMA, 1999, restraining the defendants from manufacturing counterfeit school bags with devises of the plaintiff was issued by Delhi High Court.⁴⁴

In *Disney Enterprises INC v. Gurcharan Batra*, the plaintiff was a company registered in USA having trademark ZIPPO for lighters available at duty free shops, embassies, consulates and have been regularly brought into country by tourists. Permanent injunction restraining the defendants from using ZIPPO for their lighters and also the 3 dimensional shape identical or similar to plaintiff's lighters was issued.

Passing off

In another interesting case, the plaintiff, St. Stephens College,⁴⁵ was a society registered under the Societies Registration Act, 1860. It had sponsored a number of societies/clubs, including St. Stephen's College Alumni Association which had become associated with the plaintiff. The defendant formed St.

42 *Id.* at 184.

43 *Murugian IDLI Shep v. Murugan IDLI Shop*, 2011 (48) PTC 267 (Mad).

44 2011 (48) PTC 340 (Del).

45 *St. Stephen's College, Delhi v. St. Stephen's College Alumni Association*, 2011 (48) PTC 223 (Del).



Stephen's College Alumni Association and got it registered under the Societies Registration Act, 1860 on submission of an affidavit stating therein that there is no society with an identical or resembling name. They also created a website <http://ststephensalumni.co.in> and used the logo, college crest and motto of the college. It started collecting subscriptions, gifts, donations etc. using the name adopted by it. The court restrained the defendants from using the name St. Stephen's College Alumni Association, use of official crest, logo and motto of college and also the domain name. The court held that this results in passing off as the defendants were encashing upon the goodwill and reputation of the plaintiff society. However, the court permitted the defendants to use the name 'Association of old Stephanians' subject to the condition that it will display an appropriate disclaimer on its website that it is not the official/approved/recognized alumni association of St. Stephen's College.

Domain Name

Arun Jaitley a very senior leader of BJP could not get the domain www.arunjaitley.com registered through the website of Network Solutions Pvt. Ltd. as the said domain was already taken by someone else. On visiting the site he found that the said domain was 'pending deletion' as it had not been renewed by the previous owner. Arun Jaitley was asked either to wait for the domain to be deleted or make certified offer for purchasing the domain. Mr. Jaitley filed a suit⁴⁶ for permanent injunction restraining the defendants from misuse of his name and immediate transfer of the domain name www.arunjaitley.com to him.

The Delhi High Court held the following with respect to domain names:

- 1) Domain name is a word or a name which is capable of distinguishing the subject of trade or service made available to potential users of the internet.⁴⁷
- 2) Right to use one's own name is a personal right which stands on a higher footing than the entitlement to use a trade mark which is merely a commercial right. Section 35 of the TMA, 1999 provides right to use the personal name as a valid defence or an exception to the infringement of the mark. In the instant case, the name was not merely a personal name but was also distinctive due to its inherent distinctiveness and also by virtue of popularity of the person specific.⁴⁸
- 3) The conduct of the defendants clearly led to the conclusion that they were trafficking in domain names.⁴⁹

The defendants were asked to pay punitive damages to the tune of 5 lakhs to the plaintiff for causing hardship and harassment and mental torture in getting back the domain name.⁵⁰

46 *Arun Jaitley v. Network Solutions Pvt. Ltd.*, 2011 (47) PTC 1 (Del).

47 *Id.* at 12.

48 *Id.* at 14.

49 *Id.* at 21.

50 *Ibid.*



In yet another case the Delhi High Court⁵¹ imposed punitive damages on the defendants for using a domain name TATATAHIRE.com. The plaintiff had been using the trademark TATA for the last hundred years and it also figured in the list of well known trademarks issued by the trademark registry.

Shape marks

The shape of a bottle of vodka was the point of controversy in *Gurbatschow Wodka KG v. John Distilleries Ltd.*⁵² The plaintiff, a Russian company got inspiration from the architecture of the Russian Orthodox Church famous for its onion dome or bulbous structure with a diameter more than that of the tower upon which it is mounted for its bulbous shaped bottle of vodka. This shape of the bottle was registered in many countries. The application for registration was pending before the trademark registry in India when this suit was filed. The contention of the plaintiff was that the shape of the bottle had acquired a secondary meaning indicative of its brand and the launching of a deceptively similar shape by the defendant would lead a substantial portion of the purchasing public to assume that the product of the defendant had emanated from or had some connection with the plaintiff. The defendant incidentally had got the design of the bottle registered under the Designs Act, 2000.

The court held that the fact that the defendant had obtained registration under the Designs Act, 2000, did not impinge the right of the plaintiff to move an action for passing off. Section 27(2) of the TMA, 1999 is a statutory recognition of the principle that the remedy of passing off lies and is founded in common law. The important fact in this case was that the defendant had absolutely no plausible or bonafide explanation for adopting a shape which was so strikingly similar to that of the plaintiff's bottle. The plaintiff thus made a strong *prima facie* case for the grant of injunction. The balance of convenience was also found to be weighing in favour of the plaintiff who had an established reputation.

In *Ranbaxy Laboratories Ltd. v. Cipla Limited*, the Delhi High Court had held that since most of the medicines are round or oval in shape, there can be no exclusive right in such shapes for the medicines. The distinctiveness of the medicines is in the name and not in colour and shape. Even if there has been deliberate copying of similar colour and shape of plaintiff's tablets that would not amount to passing off since colour and shape are not associated with trade marks.

It is preposterous to believe that a person would go to the chemist and ask him to give tablets of such and such colour for such and such ailment.

Generic words

In *N. Ranga Rao v. Koya's Perfumery Works*,⁵³ the plaintiff filed a suit under TMA, 1999 and CA, 1957 and prayed for relief of permanent injunction restraining defendants from using the trademark "HEAVEN WOOD" which

51 *Tata Sons Limited v. D. Sharma*, 2011 (47) PTC 65 (Del).

52 2011 (4) ALL MR 374; 2011(4) Bom LR: 2011 (47) PTC 100 (Bom).

53 2011 (45) PTC 140 (Mad).



was deceptively similar to the plaintiff's "WOODS" in respect of *agarbatthis*. The court held that since most of the manufacturers were using wood for making *agarbatthis*, the word "WOOD" is *publici juris* or generic in nature. It is a settled principle of law that nobody can claim exclusive right to use any word, abbreviation or acronym which has become *publici juris*. The court has cited a number of judgments to prove this argument.⁵⁴ If this is the correct interpretation of the TMA, 1999 then proviso to section 9(1) providing for acquired distinctiveness will become redundant in some cases.

Doctrine of secondary significance (acquired distinctiveness)

The parties in *Bole Baba* case⁵⁵ have been locked in an intense battle over the exclusive right to use the name of one the reigning deities, Lord Krishna (associated with ghee, butter and milk products), not for any altruistic purpose but for pure commercial gains. The plaintiff is a registered trade mark holder in respect of 'KRISHNA'. He claims that the registered trade mark is "well known" within the meaning of section 2 (zg) of the TMA, 1999 and holds a valid registration for artistic work KRISHNA under the CA, 1957. The defendant on the other hand claimed that there was ubiquitous use of the word mark 'KRISHNA' which, the court found to be *prima facie* correct. The court further made a statement, "the sales alone does not necessarily transcend the mark attaining secondary distinctiveness of a degree which ought to give the owner of common name, in this case, a deity's name a right to monopolise its use to the exclusion of all others". According to the courts, the relevant factors for determining acquired distinctiveness, inter alia, are:

- (a) Does the mark remind the consumer, of the trade and origin;
- (b) Has the mark acquired sufficient distinctive character that the mark has become a trade mark.

It seems that the second factor given by the court is irrelevant in this case because the very fact that the mark is registered shows that it has passed the test of 'capable of distinctiveness' laid down by section 9 of TMA, 1999 under absolute grounds for refusal of registration.

Doctrine of dilution

The Delhi High Court in *Vardhman Properties Ltd. CA. v. Vardhman Developers & Infrastructures*,⁵⁶ with respect to doctrine of dilution made the following observations:⁵⁷

The concept of dilution had previously been evolved on case to case basis by the courts in India, as a result of which there was nebulousness and flexibility in its application. With the advent of Section 29, which

54 See *S.B.L. Ltd. v. Himalaya Drug Co.*, 1997 (17) PTC 540 (Del); *Nutriline Confectionery Co. Ltd. v. Ieon Household Products Pvt. Ltd.*, 2010 (42) PTC 41 (Mad) etc.

55 *Bhole Baba Milk Food Industries Ltd. v. Parul Food Specialties (P) Ltd.*, 2011 (45) PTC 217 (Del).

56 2011 (45) PTC 253 (Del).

57 *Id.* at 257.



articulates the right to registered trademark proprietor to sue for infringement, the statutory remedies are delineated with more clarity. Section 29(1) to (3) of the Act, deal with infringement of trademarks, by the use of similar or identical marks (by the alleged infringer), in relation to same or similar goods or services. Significantly, section 29(3) mandates the presumption (shall) in relation to such class of infringement. However, infringement arises in relation to dissimilar goods or services only if certain essential ingredients are proved i.e. (1) the senior mark being registered, (2) Identity or close similarity of the junior mark with the that of the registered senior mark; (3) the existence of a distinctive reputation of the registered proprietor's mark; (4) use of the mark by the junior mark or infringer in relation to dissimilar goods or services. (5) that such use being without due or reasonable cause and (6) the use by the infringer causing detriment to the registered proprietor.

Parody and trademark infringement

In *Tata sons Ltd. v. Greenpeace International*,⁵⁸ the plaintiff was the proprietor of the well known trade mark "TATA" and "T within a circle". The plaintiff entered into a joint venture with another company for construction of Dharma Port in Orissa. The defendants, a non profit organization raised concerns about the probable dangers to the nesting and breeding of Olive Ridley Turtles by the proposed port. To spread their concern they made an online game by the title "*Turtle v. TATA*" wherein they used the plaintiff's trade marks. The plaintiff alleged defamation and infringement of their trademark under section 29(4). The defendant argued that the online game was created to raise awareness about the danger that the project posed to the local marine life in the region.

The Delhi High Court held that the game sought to address an issue of public concern and in a democracy free speech can include forms such as caricature, lampoon, ... parody and other manifestations of wit. The court cannot sit in value judgment over the medium of expression chosen by the defendant and issue temporary injunction as that would lead to freezing the entire public debate.

With respect to infringement under section 29(4) the court held that a textual reading of TMA, 1999 makes it clear that a breach of section 29 (4) would take place when another commercial/entrepreneurial body is exploiting that same trademark. However, in this case the defendants were neither involved in any profit making endeavour nor engaged in competitive business with the plaintiff, therefore, section 29(4) would be of no help to the plaintiff.

In *Aman Resorts Ltd. v. Deepak Narula*,⁵⁹ the plaintiff was using the mark 'AMAN' for resorts and properties in various part of the world. The defendants used 'AMAN' for travel and ticketing services. It was held that no infringement

58 2011 (45) PTC 275 (Del).

59 2011 (45) PTC 329 (Del).



under section 29(5) took place as the plaintiff could not establish that it had such extra territorial reputation in respect of “AMAN” so as to *prima facie* secure an injunction against defendants from using the mark in respect of diverse or dissimilar activities, i.e., travel and ticketing.

Rectification proceedings

In *Himalaya Drug Co. v. Gufic Ltd.*,⁶⁰ rectification application was filed for removal of trademark SALLAKI as the word has been derived from Sanskrit word ‘SHALLAKI’ which describes the herb used in the product and thus could not be used as a trademark. It was contended that SALLAKI is a generic word or common word, therefore, the respondents could not have any exclusive right over it.

The board found that SALLAKI had several names and was not generic as ‘*tulsi*’ or ‘*neem*’ which are known as such in most of the languages. The respondent’s trade mark had acquired secondary meaning by virtue of extensive and continuous use for more than two decades. The mark was granted protection under section 31 of TMA, 1999 and, therefore, should remain on the register of trademark.

Well known trademarks

*Tata Sons Ltd. v. Manoj Dodia*⁶¹ is an elaborate judgment on the law of well-known trade marks. The court observed that brands are not build in a day, it takes years to establish a brand in the market.

The companies which invest heavily in brand building and back them up by quality products are bound to suffer not only in reputation but also in financial terms, on account of diminution in the value of the brand as well as sale of their products/services, if the brands are not given adequate protection by the courts, by awarding punitive damages against the infringers. Also, a soft or benevolent approach while dealing with such persons, is also likely to prejudicially affect the interests of the consumer, who may pay the price which a premium product commands in the market, but may get an inferior product on account of such unscrupulous persons using trademarks of others for their own commercial benefit, at the cost not only of the trade mark owner but also of the consumer who purchases their product. Another purpose behind awarding punitive damages is to deter those who may be waiting in the wings and may be tempted to imitate the trademark of others, in case those who are sued before the courts are not made to pay such damages as would really pinch them. Awarding token damages may, therefore, not serve the desired purpose.

Our country is now almost in the league of advanced countries. More and more foreign companies are entering our markets, with latest products. They would be discouraged to enter our country to introduce newer products and make substantial investments here, if the court does not grant adequate protection to their IPRs such as patents, trademarks and copyright. Most of the

60 2011 (46) PTC 432 (9PAB).

61 2011 (46) PTC 244 (Del).



products sold by these companies are branded products, the marks on them having trans-border reputation and enjoying tremendous brand equity. It is, therefore, becoming increasingly necessary to curb such trademark piracies lest they drive away the huge foreign investment our country is attracting. The courts should not give premium to dishonesty and unfair practices by those who have no compunctions in blatantly using the trademark of others for making unearned profits.

Trademark and cyber law

The arrival of the internet definitely has made the world contracted on a small screen and along with it has brought numerous impediments which might have baffled the judiciary quite often. The affected area is trademarks where the traders, big or small, tread in to meet the fast pacing world and its challenges especially posed by the technological boom and in particular, the internet. In *Consim Info system v. Google Inc.*,⁶² the appellant was the company rendering online matrimonial services, using internet as a vehicle/platform. Google Inc., the respondent were found to use the keywords of the appellant as their ad word or ad text, e.g., Tamilmatirmony, Punjabimatirmony etc. for their online matrimonial service shaadi.com. The Madras High Court has rightly rejected the respondents plea of rejecting the trademark of the appellants on the ground that it was within the clutches of absolute ground under section 9(1)(b). The court said that once the mark is registered that cannot be interfered even if descriptive of goods and services. The court, however, did not consider this case as infringement of trademark. The judgment is well reasoned with well cited cases, well researched materials including the logistics of the working of search engines and pragmatic. It, however, reflects the inability of the trademark law to deal with the situations coming in conflict with the internet issues, as to point the culprit out has almost become an impasse.

VI CONCLUSION

The decisions have certainly paved way for the development of laws in the field of IPR. However, the cases such as *Consim Info System*⁶³ reflects the lacunae in trademark law. The Indian IPR statutes are yet to be modified to address intricate internet issues.

62 2011 (45) PTC 575 (Mad).

63 *Ibid.*

