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INTELLECTUAL PROPERTY LAW

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I INTRODUCTION

IN TODAY'S knowledge economy the most significant possession of a person, whether natural or juristic, is the intellectual property (IP). IP contributes enormously to national economy, plays a lead role in scientific and technological advancement of a country and drives competitiveness in the global market. These benefits are subject to the adequate protection and enforcement of various intellectual property rights (IPRs). Judiciary is the guardian of all rights including rights in IP. The large number of cases surveyed below from the apex court and the high court shows that there is a steady increase in the number of IPR disputes as more people engage in creative and inventive activities giving rise to acquisition of more IPRs and consequently more occasions for judicial interventions at every stages of IPR process – registration, acquisition and maintenance.

II TRADE MARK

Trade mark law primarily protects trade and service marks to guarantee the source of product/service, maintain continuous flow of quality products and ensure consumer protection against deception. All marks are not registrable as trade mark. Section 9 of the Trade Marks Act, 1999 (hereinafter TM Act) absolutely bars certain trade marks from registration. One such absolute ground of refusal is under section 9 (2) which provides that a mark shall not be registered as trade mark if it contains or comprises of any matter likely to hurt the religious susceptibilities. In *Lal Babu Priyadarshi v. Amritpal Singh*,¹ the question for the court was whether any person can claim the name of a holy or religious book as a trade mark for his goods or services marketed by him. By saying a clear no to the said question, the court held that no person can claim the name of a holy or religious book as a trade mark for his goods or services marketed by him and hence the applicant cannot encash popularity of 'Ramayan' a name of Holy Scripture of Hindus.

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¹ AIR 2016 SC 461.

In the present case, the appellant had applied for registration of the word 'Ramayan' as a trade mark with the device of crown in class 3 in respect of incense sticks and perfumeries *etc.* After adding 'OM's' to the word 'Ramayan' at the top and in between Om and 'Ramayan', the sentence, 'Three Top Class Aromatic Fragrance' was also written. In addition, three main characters of the epic, namely, Rama, Sita and Lakshman, were also incorporated in the mark. Registration was opposed by the trade mark registry *inter alia* on the ground that mark was a religious word and lacked distinctiveness.

The court also held that the appellant has 'no prior user right' as he could not establish that the word Ramayan for which he has applied the trade mark had acquired a reputation of user in the market. Moreover, it has also come on record that the word Ramayan is being used as a mark for the similar products by more than 20 traders in Patna and in different parts of the country, and therefore, it has become *public juris* and common to the trade. Any symbol relating to religious gods, goddesses, places of worship should not ordinarily be registered as a trade mark.²

Jurisdiction

Whether claim regarding territorial jurisdiction of court on basis of plaintiff carrying on business in Delhi by selling its services in Delhi via the internet could be allowed was the issue before the court in *Bigtree Entertainment Pvt. Ltd. v. Saturday Sunday Media Internet*.³ It was observed that if civil suit was filed not on ground of residence, *i.e.*, carrying on of business of plaintiff company at a particular place but on grounds of activities of defendants which were taking place in that city were part of cause of action arising there then court in that city could have territorial jurisdiction.⁴ The court held thus:⁵

2 *Registrar of Trade Marks v. Ashok Chandra Rakhi*, AIR 1955 SC 558 also held that all religious names or symbols are prohibited from being registered as trade mark. The Eighth Report on the Trademarks Bill, 1993 also says that any symbol relating to religious gods, goddesses, places of worship should not be trademarked.

3 2016 (66) PTC 329 (Del).

4 The court also clarified that if the subject suit or any other civil suit is filed not on the ground of residence, *i.e.*, carrying on of business of the plaintiff company at a particular place such as Delhi where the present suit is filed, but on the different ground that it is the impugned activities of the defendants which are taking place at Delhi and therefore part of cause of action arises at Delhi, then, in such a case Delhi could have territorial jurisdiction. The plaintiff placed reliance upon the ratio of the judgment in *World Wrestling Entertainment*, 2014 (60) PTC 452 (Del) with respect to arising of cause of action qua internet transactions qua the plaintiff carrying on business (not impugned activities of the defendants). Hence, in the opinion of the court, the judgment in the case of *World Wrestling Entertainment* does not apply since it does not deal with the issue as to Delhi having jurisdiction although the plaintiff is a company and such a plaintiff/company neither has a principal office nor a head office nor a registered office nor a branch office at Delhi.

5 *Id.*, para 9.

Law entitles a plaintiff to file a suit where a cause of action arises in whole or in part in Delhi and even if neither the plaintiff nor the defendant resides or carries on business at Delhi, however, I find it very peculiar for the plaintiff/Company in the present suit which has its office at Mumbai i.e. not at Delhi, that such a plaintiff/Company is suing defendants not by filing a suit in Mumbai and that it is suing defendants who are residing and/or carrying on business not at Delhi but at Bengaluru in Karnataka or Gurgaon in Haryana. Putting it in other words, there is lack of convenience as regards the place of suing, both to the plaintiff and the defendants. In fact, Sections 22 and 23 of CPC deal with the situations which emerge in cases such as the present where in spite of a court having territorial jurisdiction where a suit is instituted, yet, if the court where the suit is filed finds that the suit can be well tried more conveniently at other place which also has the territorial jurisdiction, then in such cases the appropriate High Court is entitled to transfer the suit to other convenient place which otherwise has jurisdiction and where the suit would be more appropriately tried i.e. the principle of forum convenience so far as the parties to the suit are concerned.

In *Parul Homoeo Laboratory Pvt. Ltd. v. Royal Group*,⁶ the court held that in a suit for passing off territorial jurisdiction is to be governed by section 20 of the Code of Civil Procedure, 1908 (CPC). Sections 20(a) and 20(b) are not attracted in when the defendant does not actually and voluntarily reside or carries on business or personally work for gain within the territorial jurisdiction of the court. The defendant therein is having its office at Karachi, Pakistan and has entered into a manufacturing agreement with a company at Mumbai and is exporting its products from Mumbai. Accordingly, as the court, the plaintiff can place reliance only on clause (c) of the CPC, which envisages that plaintiff can institute a suit in a court within the local limits of whose jurisdiction the cause of action, wholly or in part, arises. In this case, since, the plaintiff has not disclosed any cause of action within the territory of Delhi. Accordingly, section 20 of CPC is not applicable to attract the jurisdiction of courts at Delhi.

It may also be noted that the plaintiff was not the registered proprietor of trade mark Haemoforte. Hence, the case can only be considered for passing off. By distinguishing between infringement and passing off the court held thus: A perusal of sub-section 2 of section 134 of the TM Act clearly shows that only cases with regard to the infringement of a registered trade mark or relating to any right in a registered trade mark can be instituted in the court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually

6 CS(OS) 1065/2015 decided on Aug. 14, 2015.

and voluntarily resides or carries on business or personally works for gain. Benefit of sub-section 2 of section 134 thus not available to the plaintiff, in respect of the action for passing off.

Though provisions of section 134(2) of TM Act and section 62(2) of Copyright Act, 1957 were meant to give convenience to plaintiff to file suit where it was having an office and carrying on business, but, by that no right was intended to be created in favour of the plaintiff to file suit at place where cause of action had not arisen, and although the plaintiff was carrying on business or had a branch office or head office etc at place where cause of action, wholly or in part, had arisen. In *Ultra Home Construction Pvt. Ltd. v. Purushottam Kumar Chaubey*,⁷ the High Court of Delhi further clarified that though the Supreme Court in *Indian Performing Rights Society Ltd. v. Sanjay Dalia*,⁸ had clarified that the object of section 134(2) of Act, 1999 and section 62(2) of Act, 1957 was to give convenience to plaintiff, however, these provisions had to be read in such a manner that, it should not lead to harassment of defendants.

Deceptive similarity

Retail Royalty Company v. Pantaloon Fashion and Retail Ltd.,⁹ the court held that the marks American Eagle and Urban Eagle are not similar. There was no identity or deceptive similarity between these marks but there was sufficient distinction between the two, more so keeping in mind that the plaintiff itself claimed exclusivity of mark not on account of use of word Eagle but because of use of word American along with word Eagle. The plaintiff's representation was a swooping eagle where as the defendants' representation was of a taking off or a flying eagle. To establish infringement, there would have to be either identity of trade mark or deceptive similarity of trade mark and hence it was held that device of eagle as used by defendants was completely different from device of plaintiff.

Trans-border reputation

The plaintiff's group of companies in *Banyan Tree Holdings (P) Ltd. v. Jamshyad Sethna*,¹⁰ was one of the world's most famous and well known hotel and resort chain group using the trademark Banyan Tree and its device. The plaintiff has registered or has sought to register the mark Banyan Tree and its device in more than 30 countries of the world. Hence they argued that being prior in the adoption and use of the mark Banyan Tree and its device, is its proprietor and thus, entitled to the use of these marks under common law rights, to the exclusion of all others. Apart from having common law rights in the mark Banyan Tree and its device, the plaintiff also has statutory right due to its registration. It was the case of the plaintiff that the defendant

7 2015 (64) PTC 119 (Del).

8 (2015) 10 SCC 161.

9 2015 (64) PTC 292 (Del).

10 2015 (64) PTC 612 (Del).

had adopted the mark Banyan and its device deceptively similar to the mark Banyan Tree and its device of the plaintiff. According to the plaintiff, the adoption by the defendants of the mark Banyan and its device has no logical source of adoption other than imitation and malafide intention to ride upon the reputation and goodwill of the plaintiff.

By analysing various cases the court observed that the reputation of a person can transcend boundaries by virtue of its advertisement in the newspapers, media circulation, expatriate reputation due to cultural akinness and all other relevant factors which connect one countries business with that of another. It held thus:¹¹

This concept of goodwill and the insistence of localized business has been traditional concept of passing off which sometimes is called as classic case of passing off. The concept of passing off has undergone changes due to advent of technology and modernization. The Courts entertaining the case of passing off can discount the localized existence of goodwill and the business in the territory specific if the substantial nature of reputation has been proved which has some kind of nexus in the territory where the protection is sought and the said concept in the modern language is called trans-border reputation whereas the goodwill is always local in character, the concept of reputation is dynamic and is all encompassing.

The high court also reiterated by referring to *N.R. Dongre v. Whirlpool Corporation*,¹² that a product and its trade name transcend the physical boundaries of a geographical region and acquire a transborder or overseas or extraterritorial reputation not only through import of goods but also by its advertisement. The knowledge and the awareness of the goods of a foreign trade and its trade mark can be available at a place where goods are not being marketed and consequently not being used. The manner in which or the source from which the knowledge has been acquired is immaterial. It was also noted by the court that in a trade mark matter each infringing sale gives a fresh cause of action.

In *Hamdard National Foundation (India) v. Abdul Jalil*,¹³ it was claimed by plaintiff that they have over a hundred year association with the trademark/ trade name/ house mark Hamdard and have also expended vast amounts of resources in the form of money, time and effort in promoting and advertising the trademarks Hamdard. The said mark has been conspicuously and pervasively used in respect of the entire range of the goods and services offered by the Hamdard group, as a result of which the trademark Hamdard has come about to be recognized as the house mark of the Hamdard group. The plaintiffs in October 2000 came across an advertisement of the defendants' trademark application for registration of the trademark Hamdard Brand

11 *Id.*, para 16.

12 AIR 1995 Del 300.

13 CS (OS) 1240/ 2004 decided on Nov.16, 2015.

Dehradooni Basmati Rice in the trademarks journal in respect of rice for sale in India and also for export against which they filed opposition. By allowing the opposition of the plaintiff, the assistant registrar of trademarks refused registration to the defendants' application for the trademark Hamdard Brand Dehradooni Basmati Rice and device. The tribunal held that the defendants' adoption and use of the trade name and marks Hamdard and Hamdard and eye device is clearly dishonest and *malafide*.

The high court by endorsing the tribunal's finding added thus: ¹⁴

The defendants adopted the mark with an ulterior motive to misappropriate and trade upon the plaintiffs' reputation and goodwill in the said trademarks and to pass off their goods and business as that of the plaintiffs. Such an intention of the defendants was bad as they have not only adopted the plaintiffs' registered trademark/house mark HAMDARD but have also copied the Eye Device that has been designed, created and used by the plaintiffs for the past several decades... The use of the word/mark HAMDARD by the defendants is bound to confuse the purchasing public who would be misled to believe that the defendants' goods originate from the plaintiffs or have some connection, association, endorsement or approval with or by the plaintiffs and also confirm with the same high level of quality and customer satisfaction as the plaintiffs' products. The defendants are guilty of misrepresentation as regards the trade origin and quality of their products that amounts to passing off... The illegal trade activities of the defendants are bound to cause incalculable harm and injury to the business, goodwill and reputation of the plaintiffs. All profits earned by the defendants in pursuance of its illegal activities are the plaintiffs' losses and amount to unjust enrichment to the defendants.

'First in the market' test

In *Neon Laboratories Ltd v. Medical Technologies Ltd*,¹⁵ the court reiterated that a proprietor of a trade mark did not have right to prevent use by another party of an identical or similar mark where that user commenced prior to user or date of registration of proprietor. This 'prior user or first user' rule is a seminal part of the TM Act. The respondents therein had already been using their trade mark (Profol) well before attempted user of an identical or closely similar trademark (Rofol) by the appellant, former would be entitled to a temporary injunction, in light of 'first in the market' test. All the three factors to grant an interim injunction: (i) prima facie case, (ii) the balance of convenience and (iii) an irreparable loss, were in favour of respondents.

¹⁴ *Id.*, para 30-35.

¹⁵ 2015 (64) PTC 225 (SC).

Rights of prior user

The basic aim of trademark law is to protect the interest of consumers from public deception. In *S.Syed Mohideen v. P. Sulochna Bai*,¹⁶ an interesting question came as to the rights of the “prior user.” Section 34 of the TM Act protects rights of prior users by providing that nothing in the Act shall entitle the registered proprietor or registered user to interfere with the rights of prior user. Where rights of prior user are recognized, it is superior to that of the registration and even the registered proprietor cannot disturb or interfere with the rights of prior user: Passing off rights are considered to be superior to that of registration rights. The use of the mark confers the rights in favour of the person and generates goodwill in the market. The latter user of the mark cannot misrepresent his business as that of business of the prior right holder. That is the reason why essentially the prior user is considered to be superior to that of any other rights.

The respondent in this case registered her trademark ‘Iruttukadai Halwa’ in 2007 though her family has started selling halwa in the aforesaid name in the year 1900. The appellant, however, got the trademark ‘Tirunelveli Iruttukadai Halwa’ registered in 2008. The respondent had thus earlier filed suit for declaration, permanent injunction and other reliefs on the ground that the appellant had adopted deceptively similar trade mark to confuse the consumers. The trial court and the high court gave concurrent verdicts:¹⁷

When the Plaintiff has earned the reputation and goodwill in the business in the name and style of ‘Iruttukadai Halwa’, the Defendant cannot simply add the word ‘Tirunelveli Iruttukadai Halwa’, as the same has been used prior in point of time by the Plaintiff. Therefore, the Court is of the considered opinion that allowing the Defendant to use the trade mark ‘Tirunelveli Iruttukadai Halwa’ will amount to deceiving the public, hence, no one can be permitted to encroach upon the goodwill and reputation of other party, particularly when a specific mark, though may be a descriptive word, has acquired a subsidiary meaning and is fully admitted by the particular company and when a party who cannot be termed as a honest current user of the mark on the reputation and goodwill of the company, it will constitute invasion of the proprietary right, hence, the same cannot be permitted any longer. In a situation like this, it is the bounden duty and obligation of the Court not only to protect the goodwill and reputation of the prior user, but also to protect the interest of the consumers.

Against this order the present appeal was filed before the Supreme Court. The court noted that the halwa sold by the respondent’s shop as ‘Truttukadai Halwa’

16 (2016) 2 SCC 683.

17 *Id.* at 693.

is not only famous with the consumers living in Tirunelveli, but is also famous with the consumers living in other parts of India and outside. The business of the respondent in that name is carried on by her family. It has become a household name which is associated with the respondent and her family. By dismissing the appeal with cost the court held thus:¹⁸

The rights in common law can be acquired by way of use and the registration rights were introduced later which made the rights granted under the law equivalent to the public user of such mark. Thus we hold that registration is merely a recognition of the rights pre-existing in common law and in case of conflict between the two registered proprietors, the evaluation of the better rights in common law is essential as the common law rights would enable the court to determine whose rights between the two registered proprietors are better and superior in common law which have been recognized in the form of the registration by the Act.

Under the principle of passing off no person is entitled to represent his or her business as business of other person.

Disclaimer

In *Shree Nath Heritage Liquor Pvt. Ltd. v. Allied Blender and Distillers Pvt. Ltd.*¹⁹ wherein *inter alia* violation of trade mark 'Officer's Choice' was alleged, the court explained what amounts to confusion and deception. When a person knows that the mark in question does not originate from the senior user but the senior user is called to mind, then it's a step before confusion. If on the other hand, the consumer is in a state of wonderment if there is a connection, this is confusion. Further, if this consumer then purchases the junior users product, this is then deception. In two trade mark applications, the word 'Choice' has been disclaimed though the respondent has several trade mark registrations, albeit some of which are labels, for alcoholic beverages and a host of other goods, for 'Officer's Choice' without any disclaimer. In the opinion of the court, a disclaimer in a trademark does not travel to the market place. Hence, for the purpose of comparison of two marks, the disclaimed portion can also be considered. Therefore, the marks in the two registrations of the respondent with a disclaimer can be considered as a whole even for infringement. Concerning the rules of anti-dissection and comparing dominant part, it is possible for both parts of a composite trademark to be dominant. In the instant case, while the first part of the respondent's trademark (Officer's) is dominant, there is no need to consider the nature of the second part of the respondent's mark (Choice) since the second part is identical in the appellant's mark – Collector's Choice. Furthermore, even in the label

¹⁸ *Id.* at 702.

¹⁹ 2015 (63) PTC 551 (Del).

registrations of the respondent, at least the word mark 'Officer's Choice' is an essential feature of the labels as consumers would refer to the respondent's product by the word mark.

Even if, the words 'Officer' and 'Collector' are phonetically different, the court can apply the test of similarity in the idea, *i.e.*, semantic similarity, of two marks in deciding the question of deceptive similarity between them. The similarity in idea conveyed by the word marks, through hyponymy or synonymy, can only be said to occur when the hyponymy or synonymy exists in a given context. In the facts of the instant case, as per the court, Collector and Officer, may be considered hyponyms of the hypernym 'persons holding office' or the word Collector may be considered a hyponym of the word Officer or both Collector and Officer may be synonymous to each other: 'persons holding office'. The court held that 'Collector' and 'Officer' may also be seen as relative synonyms of the phrase/idea 'person holding an office of authority'.

In the opinion of the court when a consumer has to make a decision regarding a purchase, and is confronted with the product of the appellant with the mark 'Collector's Choice', the word 'Collector' shall bring to his mind the cue 'Person holding an office of authority' which is related to the word 'Officer' since both trademarks in the present case are used in the same context for whisky. As discussed above, this cue may guide the consumer in confusing the appellant's whisky with that of the respondent or may generate a false memory that will lead to confusion. The high court approved the single judge's finding that the use of the mark 'Collector's Choice' by the appellant for whisky is likely to cause confusion with the respondent's whisky sold under the mark 'Officer's Choice'. The words 'Officer' and 'Collector' are phonetically different. However, courts have applied the test of similarity in the idea, *i.e.*, semantic similarity, of two marks in deciding the question of deceptive similarity between them. The court also held that the appellant's mark and label for 'Officer's Special' are deceptively similar to the respondent's mark and labels - 'Officer's Choice' and are likely to cause confusion among consumers.

Dilution and blurring

Trade mark dilution doctrine aims to provide for a greater protection to well-known trade marks. The primary consideration of trademark dilution is that the labour and financial investment of the owner in building the goodwill through use of a distinctive trade mark is protected. In India the statutory recognition of the doctrine of dilution by way of section 29(4) took place in the year 1999 when TM Act came into being. The jurisprudence on this doctrine is in its nascent stage as not many cases have arrived for judicial decision. In *Motorola Inc. v. Motorola Auto India Pvt. Ltd.*²⁰ it was held that the use of the plaintiffs' mark Motorola by the defendants as its trade name has infringed the plaintiffs' mark under section 29(5) of the Act. The use of the

word Motorola by the defendants as part of their corporate name and trading style was held to be dishonest and fraudulent. By holding the use of mark amounts to dilution of the famous mark of the plaintiff the court held thus:²¹

The adoption and use of the impugned mark by the defendants is without due cause and the same has been adopted by the defendants to take unfair advantage. The use of the impugned mark by the defendants is detrimental to the distinctive character and worldwide reputation of the plaintiffs' mark. Even if the defendants' contention is accepted for the sake of arguments that they are not in the same line of business, even then since there is an undoubted similarity between the rival marks and the fact that the plaintiffs' mark has a reputation in India, the impugned use of the mark by the defendants would constitute infringement under Section 29(4) of the Act, as the adoption and use of the impugned mark is unfair and detrimental to the distinctive character and world-wide reputation enjoyed by the plaintiffs' mark Motorola... the blatant and unrestricted use of identical trademark by the defendants in relation to its goods, will inevitably lead to dilution and erosion of the uniqueness and exclusivity associated with the plaintiffs' trademark/name MOTOROLA by reducing their capacity to identify and distinguish the goods and services of the plaintiffs as originating from a particular source, regardless of the presence or absence of likelihood of confusion, mistake or deception. In other words, the unauthorized and indiscriminate use by the defendants of the impugned trade mark/trade name upon illegal goods and services is bound to result in the whittling away of the selling power, distinctive quality and value of the established trade mark of the plaintiffs. In the event that the defendants' activities are not curbed, they will succeed in prompting others to imitate the plaintiff's well-known trade mark thereby leading to further dilution.

In *L' Oreal v. Sigma Enterprises*,²² it was alleged that the impugned trademarks L'Oreal along with Paris and Elvive have been adopted and being used by the defendants in relation to their impugned goods and business is identical with and deceptively similar to the plaintiff's said trademark/trade name L'Oreal in each and every respect including phonetically, visually, structurally, in its basic idea and in its essential features. The defendants have also copied the artistic features involved in the plaintiff's trade mark and thus, infringing the plaintiff's copyrights involved in its said trade mark. Their use was dishonest, fraudulent and out of positive greed with a view to take advantage and to trade upon the established goodwill, reputation and

21 *Id.*, para 34.

22 CS (OS) No. 1551/2008 decided on Nov. 6, 2015.

proprietary rights of the plaintiff in the plaintiff's trade mark/trade name. It was found that by the defendants' impugned adoption and use, deception and confusion in the market is ensuing or is likely to so ensue. The plaintiff's trade mark/trade names are being diluted and eclipsed thereby. Any person not knowing clearly the relationship between the parties to this action is bound to be confused by the defendants' impugned adoption and use and might as well do business with the defendants thinking that he is dealing with the plaintiff or that some strong, vital and subtle links exist between the plaintiff and the defendants. Permanent injunction issued against the defendant with cost.

The plaintiffs in yet another case, *i.e.*, in *DLF Limited v. Sohumi Shoppe Ltd.*²³ owned the trade mark Emporio which has acquired huge goodwill and reputation amongst the consumers, traders, and the public at large. The plaintiff has received various awards and recognition for its luxurious mall under the trade mark Emporio. The defendants who were engaged in the business of multi-brand outlet under the trade mark Sohumi Shoppe launched a multi-brand mall under the trademark Sohumi Emporio. It is alleged that the trade mark used by the defendants, namely, Emporio with the prefix Sohumi is deceptively similar to the plaintiff's reputed trademark Emporio and the same cannot be a matter of coincidence but evidently dishonest, mala fide and fraudulent in nature. The impugned use of the trade mark Sohumiemporio by the defendants not only constitutes acts of misrepresentation, but also leads to misappropriation of the goodwill and reputation that vest in the plaintiff's trade mark Emporio. The court observed thus:²⁴

The use of the impugned trade mark Emporio with the prefix Sohumi by the defendants results in blurring. The theory of 'dilution by blurring' is that if one small user can blur the sharp focus of a famous mark to uniquely signify one source, then another will do so. There will come a point when significant injury is caused by the cumulative effect, not just by one user. If the customers or prospective customers seek the trademark Emporio with the prefix Sohumi having no connection with the plaintiff, a situation would arise where the unique and distinctive significance of the trade mark EMPORIO to identify and distinguish the plaintiff's merchandise will be diluted and weakened. Thus, the use by the defendants of the trademark Sohumiemporio is absolutely illegal and is detrimental to the rights of the plaintiff. The trademark Emporio is exclusively associated with the plaintiff and the use thereof by the defendants and their colourable imitation would result in diminution and whittling away of the value of the plaintiff's trademark Emporio. The public is also likely to make a connection between the

23 CS (OS) No. 1236/2012 decided on Sep. 28, 2015.

24 *Id.*, para 15.

goods and business of the defendants and that of the plaintiff. This would result in “dilution by blurring” causing irreparable prejudice, damage and injury to the plaintiff.

The court also added that, “the test of comparison of the marks side by side is not a sound one since a purchaser will seldom have the two marks actually before him when he makes his purchase. The eye is not an accurate recorder of visual detail and that marks are remembered rather by general impression or by some significant detail than by any photographic recollection of the whole. While judging the question as to whether the defendant has infringed the trademark by colourable imitation of the mark or not, the Court has to consider the overall impression of the mark in the minds of general public and not by merely comparing the dissimilarities in the two marks.”

In *Honeywell International Inc. v. Pravin Thorat*,²⁵ by decreeing the suit of the plaintiff for permanent injunction the court held thus:²⁶

Mark Honeywell solely and exclusively denoted goods and services of Plaintiff alone. It was an arbitrary trade mark and Defendants had no justification for adopting Honeywell in relation to its products and services. Defendant’s adoption and use of a deceptively similar trade mark without any authorization from Plaintiff was a clear attempt on part of Defendant to encash upon reputation and goodwill of Plaintiff’s trade mark Honeywell. Continuous and unrestricted use by Defendant of an identical trade mark as well as a trading name was bound to lead to gradual whittling away of exclusivity and uniqueness of goods and services that were associated with Plaintiff’s trade mark Honeywell. Dilution of the Plaintiff’s trade mark was bound to be further aggravated on account of fact that, Defendants had established outlets in geographic vicinity of Plaintiff’s branches in city of Pune.

Personality rights

Trade mark law today extends to cover the Internet and domain names deserve protection just like trademark and that personal names forming apart thereof constitute no exception. The same is necessary in order to prevent cybersquatting or trafficking or trading in domain names or marks, involving well-known trademarks or personal names. The case *Tata Sons Limited v. Aniket Singh*,²⁷ was filed for permanent injunction restraining *inter alia* infringement of right to privacy and right to publicity. The plaintiff no. 2 was Cyrus P Mistry. The plaintiff is one of India’s most trusted business houses and Tata with a value of over \$15 billion has been named as the top and the most valuable Indian brand for the year 2015 by Brand Finance. The defendant was the owner/registrant of the impugned domain names such as *www.cyrusmistry.co.uk*; and

25 2015 (64) PTC 95 (Del).

26 *Id.*, para 24-28.

www.cyrusmistry.co. The court found that the defendant has registered the impugned domain names with the *mala-fide* and ulterior motive of holding the plaintiffs to ransom and thereafter with the evil intention of extorting huge amounts of money from the plaintiffs. As the defendant was using the well-known personal name of the plaintiff no. 2 as part of the impugned domain names with the mala-fide and ulterior motive to induces the consumer and members of trade to falsely believe that he has a direct nexus or affiliation with the plaintiff or the house of Tata or he has been granted a license to use the well-known personal name of the plaintiff no. 2 or the business of the defendant has been endorsed by the plaintiffs. Such acts of the defendant amounted to invasion of the right to publicity and privacy rights of Mistry, as well as passing off in right to protect his name, persona or anything emanating out of these as enshrined in article 21 of the Indian Constitution.

While dealing with personality right the court observed that “India has finally begun to address the multi-dimensional concept of Personality Rights. The increase in the number of high-value endorsement deals being signed by famous personalities signifies that tremendous value is attached to such endorsements. It is therefore evident that if such commercial value in a personality is appropriated by persons like the defendant who are not authorized to do so, then the said personality should be granted the right to sue for such embezzlement”. Further according to the court, the name Cyrus P. Mistry falls within the category of personal names that besides being a personal name has attained a distinctive indicia, connotation, character or identity of their own. Therefore, the said name due to its peculiar nature and distinctive name coupled with it gaining popularity in several fields, has become a ‘well-known personal name’, enabling plaintiff no.2 to restrain others from using his name unjustifiably, in addition to his personal right to sue them for the misuse of his name. The defendant has been found by the court blatantly and illegally capitalizing on the strength of use of the well-known personal name of Cyrus P. Mistry for the purposes of making illegal profit and gain. By directing the defendants to transfer the impugned websites *www.cyrusmistry.co.uk* and *www.cyrusmistry.co* the court also awarded punitive compensation for a sum of Rs. 5 lakhs against the defendants.

Infringement

As per the facts in *Superflo Pvt. Ltd. v. Sandhyamani Associates (P) Ltd.*,²⁸ the plaintiffs were the renowned sanitary ware manufacturers such as Hindware, Cera Sanitary ware, Parry Roca, HR Johnson, Neycer India Ltd. and Jaquar bearing the mark SUPERFLO (which is coined by the plaintiff) in their products. The SUPERFLO marks and the trade name of the plaintiff is not confined to limited geographical locations or regional marketplaces but have transcended national boundaries and have acquired a strong global presence and good reputation which is reflected in their growing sales globally over the past decade. The defendant no. 1 company

27 2016 (65) PTC 337 (Del).

28 IA No. 20568/2014 in CS (OS) 3210/2014 decided on Dec. 17, 2015.

Sandhyamani Associates Pvt. Ltd. (earlier known as Siddi Niddi Associates Pvt. Ltd.) had adopted and used the same trademark in relation to the identical or allied and cognate goods. The plaintiffs have received complaints from various customers and dealers with respect to damaged or defective sanitary ware products, being sold by the defendants under the deceptively similar and identical trademark Superflo. The defendant also registered the domain name *superflo.co.in*.

It was found that the defendants had dishonestly adopted similar mark as plaintiff in relation to same products with an intention to en cash in well-known reputation of the plaintiff. It was held that if a party has adopted and used the mark prior in time, the other party, who is the subsequent adopter and user, cannot allege that it is entitled to use the mark on the basis of domain name obtained by it prior to the domain name of the owner who had used famous trade mark prior to the use of domain name by any third party.

The plaintiff in *Info Edge (India) Ltd. v. Rakesh Kalia*,²⁹ was a leading internet company incorporated in year 1995 that run job portal, *Naukri.com*, owner of a number of domain names which contain word Naukri as a prominent feature and registered proprietor of word mark, Naukri. The defendants were using marks such as *Naukrinews.com*, *naukrinews.co.in*, *naukrinews.in etc.* The suit was filed for permanent injunction and declaration. The plaintiff prayed *inter alia* for appointment of local commissioners to visit the premises of the defendant to seize the computer systems and other evidence of infringement. The plaintiff had submitted that the use of word, Naukri in relation to domain names which had no connection with plaintiff was an infringement of the plaintiff's well known and registered trademark, Naukri and amounted to passing of the defendant's services as that of the plaintiff, thus, resulting in confusion in market. An *ex parte ad interim* injunction was granted by the court.

*Senge Himalayan Ceramics v. Shri Ram and Company*³⁰ was another infringement suit for confusion and deception wherein the court held that party appropriating mark deliberately cannot claim benefit of concurrent user as governing principle of concurrent user lies on account of honesty. The plaintiff has extremely high goodwill and reputation within the trade and community in respect of the business of tours and travels. The defendant has also failed to explain his nexus with the infringed mark. The court also reiterated that the principles which apply to trademark are applicable to trade name as well. further, though trademark laws encompasses principles such as prior use and concurrent use, it is a well settled law that where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently.³¹ The defendant was aware of the plaintiff's rights, goodwill, reputations, benefits and users *etc.* in his trademark SENGE with device of fearless lion at time of its impugned adoption and use of trademark. Party who had stolen mark could not claim benefit of concurrent as it lacks honesty.

29 2016 (1) MIPR 243.

30 I.A. No. 13443/2015 in CS (OS) 1929/2015, decided on Dec. 7, 2015.

In *Lalit Kumar Arya v. Prabhat Zarda Factory International (Noida)*,³² that plaintiff no. 1 was absolute owner of trademarks, Ratna and Ratnachhap and numeral 300 and Prabhat Zafrani Patti as well as the colour scheme, lay out and other features, unregistered trading style, goodwill and copyright in all artistic work and was permitting use of trademarks by the defendant by means of license agreement. It was held that the defendant urging existence of joint family business under HUF on inheritance of business by the plaintiff must adduce evidence to substantiate such claim and cannot rely on pleadings alone

Delhi Public School Society v. DPS Firozabad,³³ the plaintiff filed the suit under sections 134 and 135 of the Trademarks Act, 1999 and under section 51 of Copyright Act, 1957 for permanent injunction against the defendants and its agents from offering for service, advertising, offering for sale, adopting or using the mark 'DPS', the words 'Delhi Public School' or in any manner representing that the defendant is managed by DPS managing committee, under the aegis of the DPS trust. By awarding Rs. 2 lakhs punitive damage the court held thus:³⁴

The defendant was running a school using the well-known and reputed brand name of 'Delhi Public School'. By awarding the defendants' use of the name 'Delhi Public School', the word mark 'DPS' and the logo of the plaintiff is dishonest, actuated by greed to en cash upon the brand equity which these names enjoy amongst the parents of school going children in the country. Delhi Public Schools being quite well-known, parents would ordinarily leave no stone unturned to admit their wards in these schools. On account of dishonest use of the trademark and logo of the plaintiff by the defendant, some innocent and gullible parents may admit their wards in the schools being run by the defendants under a mistaken belief that their child is studying in one of the schools being run by the plaintiff and consequently pay high fees and other charges, which they would otherwise not pay for admission in some obscure school. It is, therefore, necessary to award appropriate punitive damages to the plaintiff so that such dishonest propensities may be curbed and innocent parents are not trapped into admitting their wards in schools such as the school being run by the defendant. Furthermore, the brand value of the trademark and copyright would be adversely affected if a wannabe school is set-up under the said trademark without meeting the plaintiff's standards of basic facilities and infrastructure and requisites of trained, qualified and experienced teachers with the ethos of DPS chain of schools for the grant of a license to a prospective applicant.

31 *Laxmikant V. Patel v. Chetanbhat Shah*, AIR 2002 SC 275.

32 2015 (64) PTC 300 (Del).

33 CS(OS) 1092/2012 decided on Sep 11, 2015.

34 *Id.*, para 16.

The trade marks India Gate and Church Gate were the contentious marks in *KRBL Ltd. v. Lal Mahal Ltd.*,³⁵ the plaintiffs were exporting rice to foreign countries since 1993 under the device mark with the device of India Gate. The word or devise India Gate *per se* is not registrable under section 9 of the TM Act which provides for absolute grounds of refusal. No single person can have exclusive rights of the device India Gate which is a monument and nobody can have any claim over a monument of such a nature. However, this impediment may be overcome if the mark is used with a device mark *etc.* through acquired distinctiveness. The defendants argued that they were selling Basmati rice under its brand name Church Gate since 2005. In the suit, the court found that the plaintiff has not disclosed (active concealment) the fact that their two applications seeking registration of the trademark India Gate had been refused by trademark registry. Hence, the court refused to grant injunction and instead a commissioner for finding evidence.

Some other cases where the court decreed the suit for injunction either for infringement or passing off or both include *Glossy Color and Paints Pvt. Ltd. v. Mona Aggarwal*,³⁶ the defendant intentionally tried to copy design on commercial article by adopting similar numeral 'and colour combination of the plaintiff's marks; *Larsen and Toubro Ltd. (L&T) v. Lachmi Narain Trades*,³⁷ wherein the defendants were using the name/abbreviation LNT or ELENTE as a brand name for their electrical goods including electrical distribution systems like miniature circuit breakers *etc.*; *Louis Vuitton Malletier v. Manoj Khurana*,³⁸ wherein the defendant infringed the word mark Louis Vuitton, the LV logo and the LV Damier pattern; *Ozone Spa Private Ltd. v. Pure Fitness*,³⁹ in which the defendants who were also licensee/franchisee of Ozone brand promoted his own brand Hair Master Salon by riding upon goodwill and reputation of Ozone brand of the plaintiff – the conduct of the defendant in a clandestine and surreptitious manner trying to filch the plaintiff's business and tarnish the plaintiff's goodwill by diverting his business was also held as breach of confidentiality and contracts also tantamount to unfair competition; *Mother Dairy Fruit and Vegetable Pvt. Ltd. v. Sri Vinayaka Milk Products*,⁴⁰ (permanent injunction restraining the defendant from infringement of trademark, copyright, passing off the plaintiff's trademark Mother Dairy); *Choice Hotels International Inc. v. M. Sanjay Kumar*,⁴¹

35 CS(OS) 427/2014 decided on Feb. 23, 2015.

36 2015 (64) PTC 316 (Del). The plaintiffs were the trade mark proprietors of marks such as '1001', Zinc Paint, 1001 Acrylic Emulsion, 1001 Rakshak, Weathergold, Tuff Wood, Home Care Luxury Sheen Emulsion, 1001 Acrylic Washable Distemper, 100 Clear Varnish, Weatherite Acrylic Exterior Paint, 1001 Exterior Enamel, 1001 Epoxy Paint *etc.*

37 2015 (64) PTC 386 (Del).

38 2015 (64) PTC 559 (Del).

39 2015 (63) PTC 505 (Del).

40 2015 (2) MIPR 373.

41 2015 (62) PTC 269 (Del).

(protecting the trademark Comfort Inn); *Lancome Parfums Et Beaute and CIE v. Navin* (against defendants restraining them from using trademark Lancome); *World Wrestling Entertainment, Inc. v. Savio Fernandes*⁴² (wherein HTML source code of the defendants' websites were embedded with not only the plaintiffs' registered trademark WWE but also names of various WWE talents without any authorisation from the plaintiff. The defendants were also selling counterfeit goods in a dishonest and malafide manner to derive unfair advantage by creating impression that goods as being sold by the defendants through their websites www.wrestlezone.co.in and www.wrestlezoneindia.com);⁴³ *Times Internet Ltd. v. Time Broadband Services Pvt. Ltd.*⁴⁴ (against the registration of domain name timebroadbandindia.com by the defendant); *Pfizer Products Inc. v. Seeko Biotics*,⁴⁵ (permanent injunction against the defendants from using the plaintiff's registered trademark Dolonex on pharmaceutical products); *Hero Reality Ltd. v. Brajesh Nagar*⁴⁶ (suit for permanent injunction to prevent the defendant from infringing trademark Hero); *Glaxo Group Ltd. v. S.D. Garg*,⁴⁷ (holding that the defendants mark Gentac infringes the plaintiff's marks Zantac and Zinetac by negating the defendant's argument that since medicinal products can be procured only through valid prescription there was no likelihood of confusion in mind of buyer. It was also held that degree of caution in medicinal and surgical products is greater so as to avoid causing any harm to unsuspecting consumer); *IACM Smart Learn Limited v. Global Think Computer*,⁴⁸ (decreeing against the defendants from infringing IACM trademark) etc.

III COPYRIGHT

In *Indian Performing Rights Society Ltd. v. Sanjay Dalia*,⁴⁹ the question arose for consideration was as to the interpretation of section 62 of the Copyright Act, 1957 (hereinafter Copyright Act) and section 134(2) of the TM Act with regard to the place where a suit can be instituted by the plaintiff. The words used in section 62 of the Copyright Act and section 134 of the TM Act – 'notwithstanding anything contained in CPC or any other law for the time being in force' - emphasise that the requirement of section 20 of the CPC would not have to be complied with by the plaintiff if he resides or carries on business in the local limits of the court where he has filed the suit. To put it differently, a suit can be filed by the plaintiff at a place where he is residing or carrying on business or personally works for gain. He need not

42 2015 (62) PTC 573 (Del).

43 2015 (61) PTC 507 (Del).

44 CS(OS) 2004/2006 & IA Nos.2620/2007, decided on Jan. 29, 2015.

45 CS (OS) No. 1471/2011 decided on July 17, 2015.

46 C.S. (OS) No. 2140/2013 decided on July 13, 2015.

47 MIPR 2015 (2) 186.

48 MIPR 2015 (2) 192.

49 (2015) 10 SCC 161.

travel to file a suit to a place where defendant is residing or cause of action wholly or in part arises. However, as per the court, these provisions have to be interpreted in the purposive manner; if the plaintiff is residing or carrying on business etc. at a place where cause of action, wholly or in part, has also arisen, he has to file a suit at that place. The provision providing for an additional forum, cannot be interpreted in the manner that it has authorised the plaintiff to institute a suit at a different place other than the place where he is ordinarily residing or having principal office and incidentally where the cause of action wholly or in part has also arisen. The court observed thus:⁵⁰

The provisions of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act have removed the embargo of suing at place of accrual of cause of action wholly or in part, with regard to a place where the Plaintiff or any of them ordinarily resides, carries on business or personally works for gain. We agree to the aforesaid extent the impediment imposed Under Section 20 of the Code of Civil Procedure to a Plaintiff to institute a suit in a court where the Defendant resides or carries on business or where the cause of action wholly or in part arises, has been removed. But the right is subject to the rider in case Plaintiff resides or has its principal place of business/carries on business or personally works for gain at a place where cause of action has also arisen, suit should be filed at that place not at other places where Plaintiff is having branch offices etc... There is no question of giving disadvantage to the Plaintiff *vis-a-vis* the Defendant but both will stand to gain by proper interpretation.

It is settled proposition of law that the interpretation of the provisions has to be such which prevents mischief.

Copyrightability of titles

The copyright law has well established principles as to what should and what should not be copyrighted. Copyright subsists only in the statutorily recognised subject matters. In India, copyright is a statutory right recognized and protected by the Copyright Act. In *Krishika Lulla v. Shyam Vithalrao*⁵¹ the main issue that arises for determination was whether the respondent has copyright in the title *Desi Boys* which he has given to the synopsis of a story. Section 13 of the Copyright Act deals with the 'subject matter' of copyright. Copyright subsists in *inter alia* an original literary work. However, whether title of a work would qualify as a literary work? According to the court, a title does not qualify for being described as 'work'. It is incomplete in itself and refers to the work that follows. The combination of the two words *Desi* and *Boys* cannot be said to have anything original in it. They are extremely common place

⁵⁰ *Id.* at 178.

⁵¹ (2016) 2 SCC 521.

words in India. The title *Desi Boys* has nothing original in it in the sense that its origin cannot be attributed to the respondent and in fact these words do not even qualify for being described as 'literary work'. The apex court has referred to several judgements to uphold that adaption of title gives rise to no copyright infringement since title is not a copyrightable work.⁵² It can be noted the doctrine of *de minimis* has an important impact on copyright law world over. The law does not concern itself with trifles - *de minimis non curat le*. To establish infringement, one has to delve into the originality of it and substantial copying by the defendant.

Distinctively delineation test

In *Sholay Media and Entertainment Pvt. Ltd. v. Parag Sanghavi*,⁵³ the plaintiffs were the copyright owners who administered all intellectual property in respect of 32 cinematograph films, including the iconic and eternal hit film SHOLAY. The suit was filed for permanent injunction restraining infringement of registered trademarks, infringement of copyright, passing off, rendition of accounts, damages and delivery up etc against the defendants. All characters in a film or drama do not automatically entitle for copyright protection. The character must be well delineated. There are various approaches and tests such as 'especially distinctive test' and the 'story being told test' to determine whether a *character* is well *delineated*. The High Court of Delhi held in *Sholay Media* that various characters in the film, namely, Gabbar Singh, Jai, Veeru, Basanti, Radha, Thakur, Dhanno and Sambha are extremely well developed, unique and distinctive making them sufficiently delineated, with widely identifiable traits, thus meriting copyright protection. These characters are so central to the entire plot and hence that they constitute the story being told and thus merit copyright protection.

The plaintiffs have also obtained registration of the marks Gabbar and Gabbar Singh with a view to protect the name and prevent its misappropriation by unscrupulous infringers. Apart from the trademark applications in India, the plaintiffs also applied for the trademark Sholay in other countries. It was also held that apart from the statutory rights, the trademarks SHOLA, 'Gabbar and Gabbar Sing, due to continuous and extensive use over a long period of time spanning a wide geographical area, coupled with vast promotion and publicity enjoy an unparalleled reputation and goodwill, so much so that they are identifiable with the plaintiffs companies and have acquired the trappings of a well known trademark. While passing a permanent injunction against the defendants, the court also held that any derogation, violation, unauthorized or unlicensed use, as mandated by section 14 read with section 51 of the Copyright Act of the cinematographic film Sholay or its constituent elements without the express written authorisation of plaintiff would amount to an infringement of Copyright Act and thus be subjected to the civil and criminal remedies.

52 *Hogg v. Maxwell* (1866-67) LR 2 Ch. App. 307; *E.M. Forster v. A.N. Parasuran*, AIR 1964 Mad 331; *Kanungo Media (P) Ltd. v. RGV Film Factory* (2007) ILR 1 Del 1122.

53 2015 (64) PTC 546 (Del).

Infringement

In *Microsoft Corporation v. Sujan Kumar*,⁵⁴ where the issue related to violation of copyrights of Microsoft Corporation's software by five independent defendants companies, the High Court of Delhi observed that there is no requirement of law for making any director or employee *etc.* of such a company as necessary party/defendant in the suit, once a company is a separate legal entity, because there is no violation of copyright by such an individual.

The plaintiffs have filed the suit in *Microsoft Corporation v. Susheel Kumar*,⁵⁵ for permanent injunction restraining infringement of copyrights, delivery up, rendition of accounts of profits, damages *etc.* against the defendants. Violation of copyright in computer programmes developed by Microsoft Corporation was in question. While granting permanent injunction against defendant restraining them, their principal officers, directors, agents, franchisees, servants and all others acting for and on their behalf, from directly or indirectly reproducing/storing/installing and/or using pirated/unlicensed software programs of the plaintiff; the court also awarded punitive damages. The same decision has been followed in *Microsoft Corporation v. Ajel Technologies Pvt. Ltd.*⁵⁶

Microsoft Corporation v. Amritbir Singh,⁵⁷ also shows the same facts and decisions. In a similar suit in *Microsoft Corporation v. Deepak*,⁵⁸ the court awarded the delivery of the impugned (finished and unfinished) material lying with the defendants which is violative of the copyright of the plaintiff. In *Taxmann Allied Services Pvt. Ltd. v. Casansaar Web Solution Pvt. Ltd.*,⁵⁹ the defendant, a private limited company which owns the website *www.casansaar.com* has completely copied editorial comments and head notes of the plaintiff. The plaintiff sought a permanent injunction restraining infringement of copyright and unfair competition. The High Court of Delhi while granting interim injunction directed the defendants to remove the existing infringing material from its website *www.casanaar.com*.

As per the facts of *Interlude Technologies v. Popular Entertainment Network Ltd.*⁶⁰ the plaintiff is engaged in the manufacturing and publishing of animated cinematographical films and their licensing and distribution. Plaintiff pleads that plaintiff has created the animated feature film 'Ramayana' of which he/it has the original source code. The defendant has stolen the copyright material of the plaintiff and gave it to other defendant companies which telecast the movies. While decreeing the suit filed by the plaintiff, The High Court of Delhi restrained the defendants from

54 226 (2016) DLT 349.

55 CS (OS) No. 2435/2009 decided on Sep. 23, 2015.

56 CS (OS) No. 426/2012 decided on Oct. 28, 2015.

57 CS(OS) 732/2010 and I.A. 4983/2010 decided on Feb. 18, 2015.

58 CS(OS) 314/2012 decided on Feb. 23, 2015.

59 2016 (65) PTC 127 (Del).

60 CS (OS) No. 2339/2007 decided on Nov.23, 2015.

in any manner violating the copyright of the plaintiff in the animated film 'Ramayana' or any other copyright work which is identical or nearly identical to the work of the plaintiff or which will result in violation of the copyright of the plaintiff in the feature film 'Ramayana'.

Software piracy is rampant in the present time. Software or computer programme is a literary work under the copyright law which can be copyrighted both in source code and object code. In *SAP Aktiengesellschaft v. Appson Consulting India (P) Ltd.*⁶¹ the High Court of Delhi found that the defendants have illegally obtained the plaintiffs' software titles and made an unauthorised reproduction of the same. The plaintiffs' ERP software has assumed extreme importance with present worldwide emphasis across industries being drastic cost cutting and the most efficient utilization of available resources. The court awarded to the plaintiff punitive damages and costs of the suit along with the relief of permanent injunction.

In *Super Cassettes Industries Ltd. v. Maury Diginet Pvt. Ltd.*,⁶² the plaintiff company was owner of a large repertoire of copyright works comprising of cinematographic films, sound recordings and underlying musical and literary works. The defendant broadcasted these works without obtaining a prior license from it. It was alleged by the plaintiff that the defendant has been using the plaintiff's works for the purposes of generating revenue from its cable television subscribers. Even though actual damages had not been proved by the plaintiff, the court awarded the plaintiff punitive damages as well as cost of suit.

In *E-Procurement Technologies Pvt. Ltd. v. C-1, India Pvt. Ltd.*,⁶³ appeal was filed against ex-parte interim injunction and the issue was whether e-tendering software of the respondent was identical or similar to e-tendering software of the appellant company. It was held that there may be differences in cover pages of original book and alleged infringed copy but, if contents were same it could, *prima facie*, be established that there was a case of infringement. However, before any person can claim infringement of a copyright, it must be shown that the defendant has material, which is identical or similar to the material of the plaintiff.

Jurisdiction

In the *Foundry Visionmongers Ltd. v. Satyanarayana Reddy S.*,⁶⁴ it was held that territorial jurisdiction of a court in matters relating to copyright dispute exists in a case either by virtue of section 20 of CPC or on account of section 62 of the Copyright Act. Merely because goods of a company were sold at a particular place would not mean that, company carried on business at such place. Therefore, once plaintiff had no registered office or principal office or a subordinate office in Delhi, Delhi courts would have no territorial jurisdiction merely because goods of plaintiff were sold in

61 2015 (151) DRJ 679.

62 CS (OS) No. 2449/2012 decided on July 15, 2015.

63 (2015) 178 PLR7.

64 2015 (64) PTC 108 (Del).

Delhi through its exclusive reseller and plaintiff had no ownership right of profit/loss in business of exclusive reseller.

Section 62 of the Copyright Act allows a plaintiff to file a suit where the plaintiff was carrying on business. However, in *Dhodha House v. S.K. Maingi*⁶⁵ it had been explained what is meant by “carrying on a business.” Even though the plaintiff could file a suit where it carried on business in infringement cases under Copyright Act, however, when a plaintiff was a company, carrying on business by a company could only be where the plaintiff company had an office and it was only through office being principal office or sole office or registered office or subordinate office that, company could be said to carry on business, *i.e.*, a company’s carrying of business was not seen independently of existence of an office and merely selling of goods by a company without office at place where goods were sold would not mean that, company was said to be ‘carrying on business’ simply because of selling of goods.

IV PATENTS

In *Novartis A.G. v. CIPLA Ltd.*,⁶⁶ the plaintiffs have filed the present suit for permanent injunction restraining infringement of patent no. 222346 as well as for rendition of accounts/damages, delivery-up *etc.* In the Official Gazette on October 23, 2015, the President has promulgated the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Ordinance, 2015. Section 1(3) provides that the ordinance comes into force at once. As per the ordinance, commercial disputes as mentioned in section 2(1)(c) of the ordinance shall be adjudicated as per the provisions of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Ordinance, 2015. Section 2(1)(c) of the ordinance defines commercial dispute and sub-section (xvii) provides that a commercial dispute means a dispute arising out of intellectual property rights relating to registered and unregistered trademarks, copyright, patents, design, domain names, geographical indications and semiconductor integrated circuits. The term specified value as occurring in the ordinance is defined as per section 2(1) (i) of the ordinance in relation to a commercial dispute as “...the value of the subject matter in respect of a suit as determined in accordance with section 12 which shall not be less than one crore rupees or such higher value, as may be notified by the Central Government”. The proviso to section 3(1) of the ordinance prohibits constitution of any commercial court at the district level in the territory over which the high court has ordinary original civil jurisdiction. In terms of section 4(1) of the ordinance, in all high courts having original civil jurisdiction the chief justice may constitute commercial division comprising single judges for the purposes of exercising jurisdiction and powers conferred upon such commercial division by the ordinance. In terms of section 5(1) of the ordinance, such high courts are required to constitute commercial appellate

65 AIR 2006 SC 730.

66 2015 (64) PTC 488 (Del).

divisions which would be division benches for the purposes of exercising jurisdiction and powers conferred by virtue of the ordinance. Section 7 of the ordinance provides that all suits and applications relating to commercial disputes of a specified value filed in a high court having ordinary original civil jurisdiction shall be heard and disposed of by the commercial division of that high court.

Further, in view of section 4 of the Delhi High Court (Amendment) Act, 2015 and the order passed on November 24, 2015, all suits or other proceedings the value of which exceeds rupees one crore but does not exceed rupees two crores, other than those relating to commercial disputes the specified value of which is not less than rupees one crore (as defined in the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Ordinance, 2015), pending in this court on the original side, excepting those cases in which final judgments have been reserved, be transferred to the jurisdictional subordinate courts. A plain reading of the second proviso of section 7 also mandates that all the suits in which the validity is challenged by the defendant under section 104 of the Patents Act, 1970 shall be heard and disposed of by the commercial division of the high court, in all the areas over which the high court exercises the ordinary original civil jurisdiction, it is an undisputed fact that the present high court exercises ordinary original civil jurisdiction. Before passing of the ordinance, the suit for infringement of patent and designs which were being filed before the district judge(s) of district courts have been transferred to the high court, once the patent is challenged in the written statement by the defendants as a defence or by filing of the counter-claim under the Patents Act, 1970 and under section 22(4) of the Designs Act, 2000. However, in the light of the new ordinance and Act, it was held that the present matter under consideration is not to be transferred to the district court, as the same is deemed to be heard and disposed of by the commercial division of the high court which has the ordinary original civil jurisdiction.

Groundless threat

Section 142 of the TM Act and section 106 of the Patents Act, 1970 provide remedy for groundless threats of infringement. These sections entitle the plaintiff to file the subject suit seeking injunction against groundless threats, and in this suit, onus is on the defendant to show that the defendant had a right in the trademark or patents which is being infringed by the plaintiff. In order to be successful to claim patent infringement, there must be granted patent to person who issued threat or legal notice that the plaintiff should not violate rights of the patentee. In the present petition in *Bata India Limited v. Vitaflex Mauch GMBH*,⁶⁷ the defendant led no evidence to show that it had valid patent with respect to so called five pressure points/reflex points in insoles of their shoes. Hence, the court held that the threats issued to the plaintiff by the defendant were groundless threats of taking any action against the plaintiff with respect to alleged infringement of patent.

67 222 (2015) DLT 498.

Revocation

The main questions in *F. Hoffmann-La Roche Ltd. v. Cipla Ltd.*⁶⁸ were whether patent can be revoked for non-compliance with section 8 of Patents Act, 1970?; and whether Cipla was right in claiming that impugned product was invalid under section 64(1)(f) of Patents Act, 1970 for lack of inventive steps and being obvious?

Section 8 casts an obligation upon the patentee to disclose particulars of application in foreign country of same or substantially the same invention to the controller and the same is a continuing obligation coupled with a duty to disclose. It is contended that section 8 is a mandatory provision, non-compliance whereof results in revocation of the patent under section 64 of the Patents Act, 1970 and thus the suit patent is liable to be revoked on this ground as well. While answering the former question in negative, the court added that though as a general rule if a consequence is provided then the rule has to be interpreted as mandatory, however, in the present case the consequence itself is not mandatory because of use of the word 'may' in section 64(1). Since section 64(1) is directory in nature and thus non-compliance of section 8 would not automatically result in revocation of the patent.

With regard to the latter question, it was observed that from a bare reading of section 64(1)(f) of Act, 1970 shows that obviousness and lack of inventive steps had to be seen *vis-a-vis* facts publically known or publically used in India or published in India or elsewhere before priority date. Whether an invention involves 'novelty' and an 'inventive step' or is 'obvious' is a mixed question of law and fact, depending on the facts and circumstances of each case. The court formulated the following steps from various cases to determine obviousness/lack of inventive steps:

- Step 1: To identify an ordinary person skilled in the art,
- Step 2: To identify the inventive concept embodied in the patent,
- Step 3: To impute to a normal skilled but unimaginative ordinary person skilled in the art what was common general knowledge in the art at the priority date.
- Step 4: To identify the differences, if any, between the matter cited and the alleged invention and ascertain whether the differences are ordinary application of law or involve various different steps requiring multiple, theoretical and practical applications,
- Step 5: To decide whether those differences, viewed in the knowledge of alleged invention, constituted steps which would have been obvious to the ordinary person skilled in the art and rule out a hide side approach.

The burden to prove is on the party which alleges however after the party which alleges makes out a *prima facie* case of invalidity on the ground of obviousness, the burden shifts on the inventor to disprove obviousness. Structural obviousness alone

is not sufficient to create a presumption of unpatentability; the properties are also material to show unpatentability of new chemical. Thus prior art disclosure should not merely be structurally similar compound but also at least to some degree demonstrate the same desired property which is relied on for the patentability of the new compound. The idea of new compounds is not separable from the properties that were sought by the inventor when making the compounds and structure and properties are essential compounds of the invention as a whole. It was held that obviousness is a question of law based on facts and burden to prove is on party alleging to make out prima facie case of invalidity.

The court has touched upon many aspects of patent laws and the important interpretations by the court are summarised as follows: If certain subject matter qualifies as a 'new' substance on account of the reasons elaborated in the preceding paragraphs, then it would be capable of being considered for the grant of a new patent; separate from the one existing for the known substance. Section 3(d) is a positive provision which recognizes incremental innovation while cautioning that the incremental steps may sometimes be so little that the resultant product is no different from the original. The inherent assumption in this is that an infringement of the resultant product would therefore be an infringement of the original, *i.e.*, the known substance and by no stretch of imagination can section 3(d) be interpreted as constituting a defence to infringement.

The High Court of Delhi noted that Cipla has raised a whole series of arguments on the distinction between product and substance in an attempt to argue that it is the commercial product alone for which a patent can be granted and therefore this was a case of early patenting as the polymorph version which was invented in the year 1999 was the only deserving candidate for a patent. However, this argument ignores the fundamental truth about breakthrough inventions, which at the time they are invented may not be commercially the most viable for immediate marketing. They are useful and are industrially applicable as without them there would be no stepping stone to achieve the next lot of improvements. The courts have in earlier cases distinguished commercial utility and patentable utility: The element of commercial pecuniary success has, as it appears to be, no relation to the question of utility in patent law generally, though, of course, where the question is of improvement by reason of cheaper production, such a consideration is of the very essence of the patent itself and the thing claimed has not really been invented unless that condition is fulfilled.⁶⁹ The court also summarised the principles of claim construction as below:

- (i) Claims define the territory or scope of protection (Section 10(4)(c) of the Patents Act, 1970).
- (ii) There is no limit to the number of claims except that after ten claims there is an additional fee per claim (1st Schedule of the Act).
- (iii) Claims can be independent or dependent.

69 *Badische Anilin and Soda Fabrik v. Levinstein* (1887) 4 RPC 449 at 462.

- (iv) The broad structure of set of claims is an inverted pyramid with the broadest at the top and the narrowest at the bottom (Manual of Patents Office - Practice and procedure).
- (v) Patent laws of various countries lay down rules for drafting of claims and these rules are used by Courts while interpreting claims.
- (vi) One rule is that claims are a single sentence defining an invention or an inventive concept.
- (vii) Different claims define different embodiments of same inventive concept.
- (viii) The first claim is a parent or mother claim while remaining claims are referred to as subsidiary claims.
- (ix) If subsidiary claims contain an independent inventive concept different from the main claim then the Patent office will insist on the filing of a divisional application.
- (x) Subject matter of claims can be product, substances, apparatus or articles; alternatively methods or process for producing said products etc. They may be formulations, mixtures of various substance including recipes. Dosage regimes or in some countries methods of use or treatment may also be claimed.
- (xi) Where claims are 'dependent' it incorporates by reference 'everything in the parent claim, and adds some further statement, limitations or restrictions'. (Landis on Mechanics of Patent Claim Drafting).
- (xii) Where claims are independent although relating to the same inventive concept this implies that the 'independent claim stands alone, includes all its necessary limitations, and is not dependent upon and does not include limitations from any other claim to make it complete.... An independent Claim can be the broadest scope claim. It has fewer limitations than any dependent claim which is dependent upon it'. (Landis on Mechanics of Patent Claim Drafting)
- (xiii) For someone wishing to invalidate a patent the said person must invalidate each claim separately and independently as it is quite likely that some claims may be valid even while some are invalid.
- (xiv) At the beginning of an infringement action the Courts in the United States conduct what is known as a Markman hearing to define the scope of the claims or to throw light on certain ambiguous terms used in the claims. Although this is not technically done in India but functionally most Judges will resort to a similar exercise in trying to understand the scope and meaning of the claims including its terms.

Infringement *vis-a-vis* public interest

The plaintiffs in *Novartis AG v. Cipla Ltd.*,⁷⁰ patented product Indacaterol Maleate which was quite useful and efficacious in curing COPD diseases. The plaintiffs

70 2015 (61) PTC 363 (Del).

have filed a suit for permanent injunction restraining infringement of patent. The defendant on the contrary relied on the same fact for revocation of the patent on public interest stating that COPD - chronic obstructive pulmonary disease - kills more than three million people every year in world. From affidavit it was shown that the medicine is not available in Meerut market and some other chemist shops. However, same at this stage could not be considered as the plaintiffs had got an opportunity to make their comments. Rather, there existed a contra material on record wherein the plaintiff was stated to have a surplus medicines available and agreed to further accelerate supplies if need be.

The defendant's argument mainly rested upon all the grounds available under section 83 of the Act as well as on the issue of public interest. While reading of section 83, the defendant has tried to interpret the said section along with the section 48 of the Act and submits that the monopoly rights granted under section 48 are subject to section 83 of the Act and in case there is no compliance of various conditions of section 83, normally no *prima facie* is made out by the patentee. Section 83 has to be considered while considering the issue of injunction. If patent is not worked and is being misused only by the patentee in order to enjoy the monopoly on importation and the exercise of patents rights 'impedes promotion of public health and nutrition' and are abused and if the exercise of patent rights 'prohibits the Central Government from taking measures to protect public health'. If the product is not made available 'at reasonably affordable price' to the public then no *prima facie* case is made out.

However, the court observed that an interim injunction may be granted if the defendant has applied for a compulsory licence but in the present case, he infringes the patent during a period when his application is still pending. On the contrary, law is settled as to granting injunction in respect of a single claim even though other claims in the specification is not *prima facie* valid. According to the court, the defendant cannot be permitted to infringe the patent unless the approval of the controller for seeking compulsory licence. There was no material on record suggesting demand of patented product outstripping supplies on basis of the public interest. Furthermore in present case, compulsory licence had not been granted by authority to defendant. Even its application for same was not pending. In such events, controller of patents is bound to consider rival versions of both parties and assess matter on basis of evidence and to see as to whether plea raised by defendant was correct or not before forming any opinion. There must be sufficient balance of rights of parties, it would not be disservice to public interest and would not compromise rights of patent right holder. Mere grounds and conditions stipulated under sections 83 and 84 of the Patent Act, 1970 do not absolve defendant to infringe registered patent.

In *Bristol-Myers Squibb Company v. J.D. Joshi*,⁷¹ the court made the following observations: the scheme of the patent Act allows the examination of the plea of public interests towards allowance of the compulsory licence under the distinct chapter

of the compulsory licensing and non working of the patent which is code in itself. The question of the public interests for the purposes of the infringement proceedings in the form of deciding the interim application has to be only seen from the *prima facie* view of the credibility in the defence of the defendants. One has to gather the meaning of infringement from the scope of the monopoly rights conferred on the patentee for infringement is the violation of those rights. Section 48 confers on the patentee, his agents and licensees the exclusive rights to make, use, exercise or distribute invention in India. It is not incumbent upon the plaintiff in case of infringement to show that the plaintiff has suffered commercial loss. The object of the injunction in patent matters is to protect the patentee against the injury by violation of right for which he could not be adequately compensated in damages recoverable in the action if ultimately a decree for damages is passed. There is no rule in the patent matters that a plaintiff must make out a *prima-facie* case. An interim injunction may be granted if the defendant has applied for a compulsory licence but he infringes the patent. The interim injunction may also be passed in respect of single claim which is valid even though other claims in the specific actions are not *prima facie* valid.

Amendment of plaint

Shogun Organics Ltd. v. Gaur Hari Guchhait,⁷² was an application filed by the plaintiff under order VI rule 17 read with section 151 CPC for amendment of the plaint. The plaintiff filed the suit for permanent injunction to restrain the infringement of patent as well as for rendition of accounts and damages. By permitting amendment, the court held it is also settled law that it is not a ground for refusing amendment that the amendment may take the suit out of the jurisdiction of that court.

Registration of assignment

It was held in *SERGI Transformer Explosion Prevention Technologies Private Ltd. v. CTR Manufacturing Industries Ltd.*,⁷³ that the court can refer to assignment deed at *prima facie* stage for it becomes valid at the moment of execution regardless of its registration. By nullifying the judgment of the single judge, who adjourned pending applications and suit *sine die*, the High Court of Delhi held thus:⁷⁴

Registration of Assignment the requirement of Section 68 is that the assignment should be in writing and should embody all the terms and conditions. It is not mandated that the assignment has to be registered for it to be valid. The assignment would be valid the moment the same is executed. Registration does not validate the assignment. The assignment would be effective from the date of its execution. The validity of the assignment would not be dependent on its registration.

72 2016 (65) PTC 124 (Del).

73 2015 (64) PTC 357 (Del).

74 *Id.*, para 24-27.

The only embargo under Section 69(5) is that the assignment would not be admitted as a document of title, unless the Controller/Court for reasons to be recorded, directs otherwise. This clearly shows that the registration of the assignment does not validate the same. The assignment is valid the moment it is executed and the non registration thereof does not invalidate the same. At the prima facie stage, the court can always refer to the assignment deed without formal proof thereof. At a prima facie stage, the Court has only to take a prima facie view of the matter and is not to form an opinion on the basis of proven documents.

The learned Single Judge has erred in holding that in the present case no order under section 69(5) had been passed and unless the document is registered or the court passes such order, the exclusive agreement is not to be considered in evidence by the court and the benefit of the document would accrue as and when the said document is registered in the office of the Controller. Since, the case is being considered at a prima facie stage, the learned single judge is empowered to take into consideration the said deed of assignment, even in the absence of its registration. If the learned single judge felt that there was an embargo in considering the assignment deed even at the prima facie stage in view of section 69(5), then the learned single judge should have taken a decision in terms of section 69(5) whether to admit the document as an evidence of title or not. He should not have adjourned all the pending applications and the suit sine die pending the decision of the controller of patents on the application of registration by the plaintiff.

Learned Single Judge has further erred in holding that the right in favour of the plaintiff under Section 69(5) as amended would accrue for the purposes of seeking relief in a case of infringement only in case the document is registered in the Patent Office in favour of the plaintiff. Section 69(5) empowers the Court, for reasons to be recorded, to take into consideration an unregistered assignment as a document of title. Learned Single Judge has erred in refusing to take into consideration the said document by stating that no Court had passed an order under Section 69(5). The learned single judge should have formed an opinion in terms of section 69(5) of the Act, whether to take the said document into account or not.

The learned Single Judge has further erred in adjourning the case sine-die to await the decision of the Controller on the application for registration filed by the plaintiff. Without forming an opinion in terms of section 69(5) of the Act, the suit could not have been adjourned sine-die, pending the decision of the said application for registration. If the learned single Judge forms an opinion to take the said unregistered

agreement into account in terms of section 69(5), he should proceed with the suit and only where he forms an opinion not to admit the said assignment as a document of title, he may have adjourned the suit sine die, if at all.

Request for examination

In *Ashim Ghosh v. The Controller of Patents*,⁷⁵ the court had to examine the consequence of error appeared on covering letter for examination of patents. The present petitioner impugned the action of the controller of patents in treating the petitioner's patent application as 'deemed to be withdrawn'. Section 11B (1) of the Patent Act, 1970 provides that no application would be examined unless a request is made in the prescribed manner within the prescribed period. Further, section 11B(4) provides that in case the applicant or any other interested person does not make a request for examination of the application for a patent within the specified period, the application shall be treated as withdrawn. The manner and the period within which a request for examination of the application is required to be made is specified under rule 24B (1) of the Patent Rules, 2003. The present case, the request for examination was made by the petitioner in the prescribed manner and in the prescribed period in form-18. There was no error in this form and the application number was correctly mentioned. In this view, in the considered opinion of the court, the consequences as indicated in section 11B (4) of the Act are not attracted. The provisions of section 11B (4) of the Act would be applicable only if request for examination of the application is not made within the time specified under sub-section (1) and/or sub-section (3) of section 11B of the Act. However, section 11B(1) does not specify any time period within which an examination of an application is to be made; it only specifies that the request ought to be made in the prescribed manner and within the prescribed period; the manner and period for making a request is prescribed under rule 24B of the patent rules. Rule 24B of the Patent Rules has been complied with as the petitioner had made the request in the manner and within the period prescribed therein. Thus, the necessary conditions for applying the deeming provisions of section 11B (4) of the Act are absent in this case. The respondent was, thus, clearly in error in ignoring the form-18 filed by the petitioner merely because of an apparent error in the covering letter.

Judicial review

The Delhi Network of Positive People v. Union of India,⁷⁶ reiterates the scope and limitations of judicial review. The petition has been filed under article 226 of the Constitution as a PIL to secure the rights of persons living with HIV/AIDS. The petitioners sought the following reliefs:⁷⁷

75 2015 (62) PTC 433 (Del).

76 W.P.(C) No. 2867/2014 decided on May 7, 2015.

77 *Id.*, para1.

i. A direction to the respondent no. 1 Ministry of Industry and Commerce to prevent abuse of process in filing of divisional patent applications, including by amending form-I of the Patents Act, to require a declaration from the patent applicant at the time of filing such divisional application that the parent application discloses multiple inventions not constituting one single inventive concept and that the claims of the divisional applications are not identical to that of the parent applications;

ii. A prohibition against the respondent no. 2 Controller General of Patents and respondent no. 3 Joint Controller of Patents & Designs from proceeding with examining and processing divisional patent applications on merits until the existence of jurisdictional fact and their maintainability as divisional patent applications are first determined;

iii. A direction to the respondent no. 2 Controller General of Patents to reject in *limine* all divisional applications with claims identical to that of the parent applications, without hearing the applicant on substantive issues of patentability;

iv. A direction to the respondent no. 2 Controller General of Patents to identify patent applicants who have abused the process and take action against them; and,

v. A direction to the respondent no. 2 Controller General of Patents and respondent no. 3 Joint Controller of Patents and Designs to ensure that in every patent application there is an undertaking that there is no other application filed in respect of the same inventive concept and in the event of the divisional applications to decide without issuing notice whether claim is related to same inventive concept and if so, to reject such an application.

It is to be noted that the petition did not challenge any provision of the Act or the rules made thereunder but admitted that the procedure being followed, though abused by the errant patent applicants, is in accordance with the Act and the rules. The petitioner wanted the court to prevent the abuse. However, that would be possible only by amending the rules or by issuing directions by the court to the respondents to, while dealing with the patent applications, act in a manner not provided for or contrary to the rules, which is of course beyond the jurisdiction of any court.

In exercise of its power of judicial review, cannot legislate or even give direction to legislate. The Patent Act, 1970 *vide* section 159 thereof empowers the Central Government, to by notification in official gazette, make rules for carrying out the purpose of the Act, particularly to provide the form and manner in which any application for patent may be filed in the patent office and the details to be furnished by the applicant to the controller *etc.* Though, section 158 empowers the high courts also to make rules but only as to the conduct and procedure in respect of proceedings

before it under the Act; and not in respect of proceedings before the patent office. It is well settled position of law that the court can neither legislate nor issue a direction to the legislature to enact in a particular manner. No directions to the statutory authorities under the Act, to, in exercise of their functions under the Act, act contrary to or not in consonance of the procedure laid down in the Act and the rules, can be given.⁷⁸

Further, the petitioner has sought the relief in vacuum, without reference to any particular divisional application filed in abuse of section 16 of the Act. The court cannot be approached in vacuum, without a cause of action. Though the court appreciated considerable merit in the grievance urged by the petitioner as well as in the suggestions made to allay the same, but the court found its hands to be tied and accordingly disposed of this petition with a direction to the respondents to, within a period of six months, treating this writ petition as a representation, take a decision whether any further amendment in the patents rules is necessary to address the malady if any and if so, to take appropriate steps therefore.

Miscellaneous

*Gilead Pharmasset, LLC v. Union of India*⁷⁹ was a writ petition challenged the rejection of patent application by the controller of patents without issuing proper notice to the applicant in the pre-grant opposition proceedings under section 25 of the Patent Act, 1970. By setting aside the impugned order, the court held that there was breach of principles of natural justice and therefore, the authorities were required to hear the matter afresh.

Other cases which came before the high courts include *Merck Sharp and Dohme Corporation v. Glenmark Pharmaceuticals Ltd.*⁸⁰ (which held that merely because the defendant, who was manufacturing generic version, was selling a tablet at a lower price than that of the plaintiffs could not be made a ground to decline injunction against the defendant, who had been found to have been infringing invention of the plaintiffs as its competitor); *Shilpa Medicare Ltd v. Bristol-Myers Squibb Company*⁸¹ (which reiterated that plaint must be read as a whole to find out if it discloses cause of action. What is a cause of action is a question of fact, which has to be decided on the basis of averments made in the plaint in its entirety, taking them as correct. It is also settled that the court cannot exercise the power to return, or reject the plaint where the averments made in plaint do disclose cause of action); *Symed Labs Ltd. v. Glenmark Pharmaceuticals Ltd.*⁸² (which noted that protection to patent processes ought to be granted to inventors who spend a lot of time and money in inventing a

78 *Intellectual Property Attorneys Association v. Union of India*, (W.P. (c) No. 3679/2014 and CM No. 7455/2014 decided on Oct. 9, 2014) also held that held that the Controller General of Patents, Designs and Trademarks cannot direct the registrar of trademarks to exercise his statutory powers under the TM Act, 1999 in a particular manner contrary to or inconsistent with the Act and the rules.

79 2015 (62) PTC 405 (Del).

80 2015 (64) PTC 417 (Del).

81 FAO (OS) 96/2014 decided on July 30, 2015.

82 2015 (63) PTC 188 (Del).

product or a process) *United Phosphorus Limited v. Ajay Garg*⁸³ (in which the court returned the plaint to be filed in the appropriate court of jurisdiction since no part of cause of action has arisen within the territorial jurisdiction of the High Court of Delhi and the defendants do not carry out their business or work for gain within the territorial jurisdiction of the court) *etc.*

V INDUSTRIAL DESIGNS

In *Amit Jain v. Ayurveda Herbal*,⁸⁴ the designs in question were not novel and were prior-published. From the comparison of the products already available in the market and earlier design registration obtained prior to the date of registration by the plaintiff it was found that all the designs claimed by the plaintiff are either prior publish or trade variant. If an improvement made in the design known before should be more than a mere workshop improvement by combining of old known part of the design with new integers which have no novelty, it does not qualify the new design under the eyes of the Act as the same would not involve the exercise of novel and new design. There must be novelty in the design over what is old.

In the matter of novelty the eye is to be the ultimate test and the determination has to be on the normal ocular impression. In order to know its newness or originality it is necessary that a design identical with or even materially similar to the relevant design should not have been published or registered previously. A slight trivial or infinitesimal variation, from a pre-existing design will not qualify it for registration. Taking into account the nature of the article involved, the change introduced should be substantial. It is not necessary to justify registration that the whole of the design should be new, the newness may be confined to only a part of it but that part must be a significant one and it should be potent enough to impart to the whole design a distinct identity, unless registration is sought for the said part alone.

The alleged design, as per the court, otherwise also not protectable now, as it is not new, under section 30 of the Industrial Designs Act, 2000. Moreover plaintiffs name has not been entered in register after assignment. Therefore, on date of filing of suit by the plaintiff for infringement of same very designs was not maintainable. Further, question of passing off did not arise in this case, once it was noticed by court that goodwill and reputation does not attach with design which was also not new or original, colour combination was different and both products were sold under different brand name. Hence, there was no *prima facie* case of infringement of design or passing off.

VI PLANT VARIETIES AND FARMERS' RIGHTS

The present petitioners in *Maharashtra Hybrid Seed Co v. Union of India*,⁸⁵ challenged an order passed by the Registrar, Protection of Plant Varieties and Farmers'

83 CS (OS) 2405/2013Decided on May 28, 2015.

84 2015 (63) PTC 121 (Del).

85 217 (2015) DLT 175.

Rights Authority holding that parent lines of known hybrid varieties, could not be registered as new plant varieties under the Protection of Plant Varieties and Farmers' Rights Act, 2001. It was held that if the hybrid falls under the category of extant variety about which there is common knowledge then its parental lines cannot be treated as novel. The principal question thus was whether the parent lines of extant hybrid varieties can be considered as novel plant varieties for the purposes of registration under the Act.

In order to qualify as a new variety registerable under section 15(1) of the Act, the plant variety must conform to the criteria of novelty, distinctness, uniformity and stability. By virtue of section 15(2) of the Act, an extant variety may also be registered even though the plant variety does not conform to the criteria of novelty. In other words, a plant variety is registered as a new variety if it is novel in addition to being distinct, uniform and stable (DUS) and as an extant variety if the plant variety is not novel but meets the DUS criteria. In terms of section 15(3) of the Act, a new plant variety would be deemed to be novel if the propagating or harvested material of such variety has not been sold or otherwise disposed of by or with consent of its breeder or his successor for the purposes of exploitation of such variety in India earlier than one year or in case it is disposed of outside India, earlier than four years from the date of application. The court had to answer in this matter, whether sale or disposal of hybrid seeds would amount to sale or otherwise disposal of the propagating or harvested material of the parent lines and consequently destroy their novelty. The court held thus by answering this question:⁸⁶

A plain reading of section 15(3) of the Act would indicate that if the seeds of parent lines have been commercially sold, the breeders cannot claim the parent lines to be novel. As I see it, even if one was to consider that language of section 15(3) of the Act was ambiguous on the issue, the same would have to be resolved against the petitioners. This is so because it is well settled that in case of ambiguity in the language of a statute, a purposive interpretation that furthers the intention of the Legislature must be adopted. The legislative intent of the Act is to protect the rights of the farmers' and plant breeders. India had ratified the TRIPS agreement and, therefore, was obliged to protect the intellectual property rights in certain plant varieties. The protection envisaged under the Act is to provide certain exclusive rights for a specified period of time. By virtue of section 24(6) of the Act, the registration certificate issued in respect of a plant variety could be extended for a period up to 18 years from the date of registration in case of trees and vines and 15 years from the date of registration in other cases. In the case of extant varieties the validity of the registration certificate can be extended up to 15 years from the notification of that variety under Section 5 of the Seeds Act, 1966. In other words, the

⁸⁶ *Id.*, para 34.

parliament in its legislative wisdom considered that providing exclusivity as specified under section 24(6) of the Act was sufficient protection to the plant breeders. If the provisions of section 15(3) of the Act are read in a manner as suggested by the petitioners, the effect would be to extend that period of protection many times over. In the first instance, a breeder would get protection in respect of the hybrid variety and assuming that there are two parent lines, the breeder could just before the expiry of the Registration Certificate in respect of a hybrid variety, register one of the parent variety and, thus, extend its period of exclusivity for a further period of 15/18 years because protection of even one parent line would practically ensure exclusive rights in relation to the hybrid variety. In the same manner, before expiry of the registration period of that parent line, the breeder could register the other parent line as a new variety. In this manner a breeder could extend the protection for a period up to maximum 45/54 years instead of 15/18 years as contemplated under the Act. Clearly, this is not the legislative intent of the Parliament.

VII INTERFACE BETWEEN VARIOUS IPRS

Midas Hygiene Industries Pvt. Ltd. v. Sudhir Bhatia,⁸⁷ is a case establishing the overlap between three intellectual property rights, viz., copyright, trademark and design. Copyright protection is to the original expression of an idea; trademark law protects marks used in the course of trade or service and design law protects original industrial designs applied in the finished articles. Intellectual property law through various statutes makes clear distinction between the original artistic work and the design derived from it, and the copyright in an original artistic work under the Copyright Act, and a copyright in a design under the Designs Act. A work of art may answer to the description of subject matter, capable of both design and copyright protection. However, copyright in such a work of art can only subsist if it has (i) not been registered as a design or (ii) while answering to the description of a registerable design, it has not been registered as such and not been applied to article which has been reproduced more than fifty times by an industrial process by the owner, licensee, or any other person. As per section 15 of the Copyright Act, copyright does not subsist in a registered design. By virtue of subsection (2) of section 15 where the design, which is capable of being registered under the Designs Act, 2000 is not so registered, that copyright in such a design shall cease as soon as any article to which the design has been applied has been reproduced more than 50 times by an industrial process by the owner of the copyright or with his licence, by any other person. Hence, once that limit is crossed, it would lose its copyright protection under the Copyright Act. Once the design is created and got registered under the Designs Act, 2000 whether or not the design is eventually applied to an article by an industrial process, the design loses its protection

87 2015 (64) PTC 366 (Del).

as an artistic work under the Copyright Act. The rationale for this is that someone's choice of design registration is a conscious decision to use the underlying work, for mass production.

The present appeal to the high court has been filed against an order whereby copyright board expunged registration. In the present case, the subject work was a 'label' which according to the respondent is an artistic work. The statutory definition of designs under section 2(d) of the Designs Act, 2000 excludes 'artistic work' and labels used as trademarks. While referring the matter to the board for fresh hearing, the court summarised its finding as follows: ⁸⁸

- i. The definition of 'artistic work' has a very wide connotation as it is not circumscribed by any limitation of the work possessing any artistic quality. Even an abstract work, such as a few lines or curves arbitrarily drawn would qualify as an artistic work. It may be two dimensional or three dimensional. The artistic work may or may not have visual appeal.
- ii. The rights to which a holder of an original artistic work is entitled are enumerated in section 14(c) of the Copyright act.
- iii. It is the exclusive right of the holder of a copyright in an original artistic work to reproduce the work in any material form. For example, a drawing of an imaginary futuristic automobile, which is an original artistic work, may be reproduced in the three-dimensional material form using an element, such as a metal sheet.
- iv. The design protection in case of registered works under the Designs Act cannot be extended to include the copyright protection to the works which were industrially produced.
- v. A perusal of the Copyright Act and the Designs Act and indeed the Preamble and the Statement of Objects and Reasons of the Designs Act makes it clear that the legislative intent was to grant a higher protection to pure original artistic works such as paintings, sculptures etc and lesser protection to design activity which is commercial in nature. The legislative intent is, thus, clear that the protection accorded to a work which is commercial in nature is lesser than and not to be equated with the protection granted to a work of pure art.
- vi. The original paintings/artistic works which may be used to industrially produce the designed article would continue to fall within the meaning of the artistic work defined under section 2(c) of the Copyright Act, 1957 and would be entitled to the full period of copyright protection as evident from the definition of the design under section 2(d) of the Designs Act. However, the intention of producing the artistic work is not relevant.
- vii. This is precisely why the legislature not only limited the protection by mandating that the copyright shall cease under the Copyright Act in

88 *Id.*, para 46.

a registered design but in addition, also deprived copyright protection to designs capable of being registered under the Designs Act but not so registered, as soon as the concerned design had been applied more than 50 times by industrial process by the owner of the copyright or his licensee,

viii. In the original work of art, copyright would exist and the author/holder would continue enjoying the longer protection granted under the Copyright Act in respect of the original artistic work per se.

ix. If the design is registered under the Designs Act the design would lose its copyright protection under the Copyright Act. If it is a design registrable under the Designs Act but has not so been registered, the design would continue to enjoy copyright protection under the Act so long as the threshold limit of its application on an article by an industrial process for more than 50 times is reached. But once that limit is crossed, it would lose its copyright protection under the Copyright Act. This interpretation would harmonize the copyright and the designs laws in accordance with the legislative intent.

VIII MISCELLANEOUS

In *KRCD Private Ltd. v. Commissioner of Central Excise, Mumbai*⁸⁹ it was held that for the purpose of central excise duty, royalty charges payable by distributors and copyright owners to artists and production houses could not be included in the assessable value of compact discs (CDs) which had been duplicated by workers using master CDs supplied to them.

In *Sartaj Singh Pannu v. Gurbani Media Pvt. Ltd.*,⁹⁰ the court *inter alia* discussed the nature and extent of the rights of a director of a cinematograph film under the Copyright Act. Section 16 of the Act makes it explicit that there shall be no person entitled to copyright otherwise than under and in accordance with the provisions of this Act. As regards a cinematograph film and its sound recording, section 2(d) (v) acknowledges only the producer of the film as the author. It does seem anomalous that a director of a film, who is usually the moving force behind the creative work that goes into its making, would not be statutorily acknowledged as an author or even as joint author. Since the moral rights flowing from section 57 of the copyright Act also presuppose authorship, it would appear that in relation to a cinematograph film, a director would not be able to assert any moral rights either. The court also considered can a director waive his right to be credited as such if for any reason he does not want his name to be associated with the film? According to the court, as long as the waiver is voluntary, it cannot be said to be opposed to public policy. However, the mandatory declaration of the name of the director in the application for a censor certificate is sufficient to satisfy the requirement of the right of the public to know who the director is.

89 2015 (4) TMI 856 (SC).

90 2015 (63) PTC 590 (Del).

Amendment of plaint

The plaintiffs in *Vijay Jain v. Vineet Taneja*,⁹¹ have filed the suit for permanent injunction restraining the infringement of copyright of the plaintiffs in the application Mad (m-Ad Call App Branded as 'Mad'), passing off, misrepresentation, fraud, breach of trust, conspiracy, hacking, tampering, dilution, damages/rendition of accounts, delivery-up *etc.* against the defendants. The plaintiff sought to amend the plaint in order to revise the quantum of damages claimed by it in the suit. By allowing the amendment of plaint the court held so:⁹²

Value for purposes of court fee can be different in view of Rule 9 of the Suits Valuation Act. The suit under no circumstances can be said to have been undervalued and the plaint cannot be rejected if the tentative value of unsettled accounts is filed for the purpose of pecuniary jurisdiction. The application for amendment of the plaint cannot be disallowed if the suit was to be transferred in view of the reason of enhancement of valuation.

The High Court of Delhi, allowed amendment of plaint in a suit for permanent and mandatory injunction restraining the infringement of trademark, copyright, passing off *etc.* to enhance the quantum of damages in *Eicher Motors Limited v. Saurabh Katar*.⁹³ The amendment to the plaint sought does not alter the substance or nature of the suit and the same is also not time barred. Here, the plaintiff was the owner of certain registered and unregistered trademarks such as Royal Enfield, Bullet, Bullet 350, Bullet 500, Enfield, Made Like a Gun, Thunderbird, Royal Enfield Continental GT *etc.* and the defendants engaged in unauthorized display, offer for sale and sale of certain counterfeit products including fuel tanks, seats, key chains, wallets, number plates, side bags, mudguard, plates, *etc.* carrying the plaintiff's trademarks and logo.

IX CONCLUSION

The post TRIPS regime of the Indian IPR legislations witnesses stringent IPR laws in consistent with international obligations and standard, however, the benefits of IPR can be derived only with proper enforcement of the rights. For proper enforcement, there must be joint efforts of the three wings of the government, *viz.*, legislative, executive and judiciary. The judicial decisions surveyed above reveal that the courts in India are highly sensitive to the protection of IPRs, however, without compromising the public interest at large. The success of any IPR system largely depends on its ability to balance the competing private and public interests. *The Delhi Network of Positive People* case⁹⁴ is worth considering in this context to understand that judiciary can address the issues such as public health and affordability of medicines at reasonable rates only if there is a statutory back up.

91 CS(OS) No. 1831/2015 decided on Sep. 21, 2015.

92 *Id.*, para 12.

93 2016 (65) PTC 102 (Del).

94 *Supra* note 76.