

21

INTELLECTUAL PROPERTY LAW

*Lisa P Lukose**

I INTRODUCTION

THIS WORK presents a critical analysis of judicial pronouncements delivered by the apex court and high courts in the year 2016 with respect to matters pertaining to intellectual property rights (IPRs). The survey year assumes importance in the Indian IPRs jurisprudence due to pronouncement of landmark judgments such as *The University of Oxford v. Rameshwari Photocopy Service*,¹ *South Indian Music Companies v. Union of India*,² etc. It is worth noting that in the same year the union cabinet has approved National Intellectual Property Rights Policy which is in compliance with WTO's TRIPS Agreement with an aim to sustain entrepreneurship and encourage 'Make in India' schemes.

II TRADE MARK

Trans-border reputation

Law on trans-border reputation requires two facts to be established: Firstly, reputation of a trade mark in foreign jurisdictions and secondly, public's knowledge of trade mark due to its reputation abroad in a domestic jurisdiction. During the pre-internet era, if the product is not sold in India but information relating thereto is available in the print media and especially magazines purchased by consumers having an interest in the particular category of goods, it would be good evidence of trans-border reputation having entered in the municipal jurisdiction of India. In the post-internet era, the law of trans-border reputation expanded because the internet virtually broke down the domestic walls in areas of trade and business. On the internet, through search engines one can access information put on the website, be it by the manufacturer of the goods or in e-journals and e-magazines.

* Associate Professor, University School of Law and Legal Studies, GGSIP University, Delhi.

1 (2016) 235 DLT 409 (DB).

2 W.P. No. 6604 of 2015 decided on 30.03.2016.

Prius Auto Industries Ltd. v. Toyota Jidosha Kabushiki Kaisha,³ the appellants adopted word 'Prius' which was *publici juris* in year 2001. They were selling auto parts under the said trade mark since April, 2001 to December 2009; till the time they were sued by the defendants. The defendants - Toyota - sold for first time its Prius car in year 2010. Hence, the main issue was whether Toyota has established trans-border reputation for the trade mark Prius in India when the suit was instituted in the year 2009.

The court endorsed the view that if a word is *publici juris* and a person gives good justification as to how he appropriated a word as a trade mark (relating to the state of mind of the person, unless the testimony of the person is discredited), a court would have no option but to accept the statement made on oath - because the fact is of a kind which a person can prove by stating the truthfulness thereof on oath.

As per this decision, though 'Prius' is well known outside India, it does not mean that it enjoys a reputation in India as well. There must be local goodwill, which has to be independently established. This judgement holds that an international brand should establish goodwill and reputation within Indian jurisdiction to sustain an action for trade mark infringement.

Trade mark vis -a- vis trade name

In *Delhi Public School Society v. DPS World Foundation*,⁴ the court examined whether the plaintiff made out a *prima facie* case and whether balance of convenience was in its favour for grant of interim relief restraining the defendants from using trade mark/name 'DPS' prefixed to words 'World Foundation' and 'World School'. Answering both the questions in affirmative, it was held that in order to constitute infringement under provisions of section 29 of the Trade Mark Act, it would be necessary to show that impugned trade mark was identical or deceptively similar to registered trade mark. Once the plaintiff establishes that impugned mark was identical or deceptively similar to his registered mark, then, it would be irrelevant whether the defendant was using impugned mark in respect of goods and services which were not similar in nature. By referring to *Laxmikant V. Patel v. Chetanbhat Shah*,⁵ it was also held that the principles which applied to trade mark were applicable to trade name as well.

Concurrent use of trade mark and rights of heirs

In *Shri Ram Education Trust v. SRF Foundation*,⁶ the division bench of the High Court of Delhi reiterated that the goodwill and reputation of the trade mark should pass on to the benefit of all heirs. In the dispute between two brothers, the court found that the plaintiffs have not been able to *prima facie* show that they were

3 2017 (69) PTC 45 (Del).

4 2016 (67) PTC 185 (Del).

5 AIR 2002 SC 275.

6 FAO(OS) 280/2015 & CM Nos.9540/2015, 9542/2015 decided on 25.01.2016.

entitled to use the family name to the exclusion of the defendant. However, in order to avoid public confusion, the court obliged the defendant to use disclaimer in its signboard and all stationary material that they have no connection or relation with the plaintiffs. As per the court, the goodwill and reputation in the trademark adopted by the grandfather shall enure to the benefit of all the heirs, unless something to the contrary is shown so as to exclude the other heirs. One member of the family cannot, without something more being shown to the contrary, claim exclusive ownership of the mark. All the heirs of the person who first adopted a mark and put the same to use and earned goodwill and reputation shall, *prima facie*, have equal rights to adopt and use the same. Something more than mere prior adoption by one of the heirs would have to be shown so as to extinguish the rights of the other heirs. Thus, the judgement considers the concurrent use of a trademark which takes into consideration the equal rights of all heirs.

Place of sue

Ultra Home Construction Pvt. Ltd. v. Purushottam Kumar Chaubey,⁷ challenged the use of the defendant's trademark 'Ambapali Green' as infringement of plaintiff's trademark 'Amrapali'. On the question of place of sue, the court held that as per the provisions of section 20 of CPC, the defendant could be sued *inter alia* where the defendant carried on business. If the defendant was a corporation/ a company, by virtue of the explanation after clause (c), it would be deemed to carry on business:-

- (1) if it had a sole office in India then at the place of the sole office;
- (2) if it had a principal office at one place as well as a subordinate office at another place then:-
 - (i) in case the cause of action arose at the place of the subordinate place, at that place; or
 - (ii) in case no part of the cause of action arose at the place of the subordinate office, at the place of the principal office.

It was held in *Apex Laboratories Limited v. India Pharmaceuticals*⁸ a special right is conferred on the properties of the registered trade mark to institute a suit for infringement of any trade mark or copyright in the district within whose jurisdiction he resides or carries on business.

Infringement

In *M/S Az Tech (India) v. M/S Intex Technologies (India)*⁹ by granting interim injunction against the defendants, the Delhi High Court held that the plaintiffs could

7 FAO (OS) 494/2015 & CM 17816/2015 decided on 20.01.2016.

8 2017 (69) PTC 295 (Mad).

9 2016 SCC OnLine Del 6464.

prima facie establish prior use and goodwill in the mark 'Aqua' pertaining to mobile phones. The court also endorsed the following trademark principles:

1. As to the question, whether the mark 'Aqua' is entitled to trademark protection when applied to mobile phones and their accessories, the court answered that 'Aqua' being a arbitrary mark in its application to mobile phones requires no proof of secondary meaning; mere filing of a search report without cogent and clear evidence of user cannot establish that the mark is common to trade; and as the defendants have themselves applied for registration of Aqua, they cannot be permitted to argue that the same is descriptive or not capable of distinguishing the goods of the plaintiffs at this juncture.
2. As to the question, whether the added material in the mark can be said to be sufficient to dispel the likelihood of the confusion in the minds of the public the court held that the usage of the word 'Intex' (defendants have further marketed mobile phones under the mark 'Intex Aqua' which are deceptively similar not only in looks but also in features) may not be sufficient to dispel the likelihood of confusion especially when 'Aqua' is being marketed as a separate sub-brand. This may even create an impression upon the public that the plaintiffs business has been acquired by the defendants and consequently, is not sufficient to disentitle the defendants from an interim injunction.
3. The sales and advertisement expenditure of the defendants, however impressive, cannot entitle them to seize the property of another.
4. It is not essential for the plaintiff to prove long user to establish reputation in a passing off action. It would depend upon the volume of sales and extent of advertisement.

In *Datamatics Global Services v. Royal Datamatics Pvt. Ltd.*,¹⁰ an infringement suit was filed by the plaintiff in respect of its registered trade mark 'Datamatics'. The defendants have been using 'Datamatics' as part of its trading name for more than 19 years. They also have filed an application for registration of its trademark 'Royal Datamatics Pvt. Ltd' but for class that is different from that of plaintiff. By denying injunction as sought by the plaintiff, the Bombay High Court held that the honesty and concurrence of user claimed by the defendant is sufficient to enable them to resist a temporary injunction pending trial of the suit.

While decreeing the suit *Singer Company v. Mohammed Fayaz*¹¹ in favour of the plaintiffs, the court held that the defendant's use of the trade mark 'Merritt Star' amounted to infringement of the registered trade marks of the plaintiff - 'Merrit' as

10 AIR Bom R 514.

11 2017 (69) PTC 573 (Del).

well as tort of passing off. The court held that the defendant cannot merely add the word 'star' after the registered trade mark of the plaintiffs and claim that there is no longer any similarity in the marks. The first word of the marks of both the parties is identical. Even the suffix chosen, *i.e.*, *star*, has been cleverly chosen as the same may create an impression upon the minds of the public that it is a superior line of the products of the plaintiffs.

Precaution on medicinal preparations

The plaintiff owned the registered trade mark 'Metosartan' in the case *Sun Pharma Laboratories Ltd. v. Madras Pharmaceuticals*.¹² The defendants were marketing and manufacture a rival pharmaceutical preparation under the name 'Metosan'. By quoting *Medley Laboratories (P) Ltd., Mumbai v. Alkem Laboratories Ltd.*,¹³ it was observed in the present suit that a stricter approach should be adopted while applying the test to judge the possibility of confusion of one medicinal product for another by a consumer. Confusion in the case of non-medicinal product may only cause economic loss to the consumer. Confusion between two medicinal products may have disastrous effect on health, and in some cases, on life. Hence, in medicinal preparations, much more care should be taken and the court must be circumspect in dealing with the matters and in making appropriate orders.

Punitive damages

Punitive damages serve mainly two purposes: It punishes the defendant for outrageous misconduct and rewards IP owners through monetary gains. In *Cartier International AG v. Gaurav Bhatia*¹⁴ the plaintiff sought a permanent injunction restraining passing-off and trade mark infringement by the defendant. The trade mark 'Cartier' is recognized as a well known mark in India under section 2(zg) of the Trade marks Act, 1999. The defendants were operating an e-commerce website by offering counterfeit products bearing the trade marks and logos of various luxury brands, including those of the plaintiffs, for sale. The defendants were found in custody of thousands and thousands of counterfeit products bearing the suit trade marks. The defendants were selling their counterfeit products at relatively exorbitant prices. The Delhi High Court granted punitive damages of Rs.1 crore along with permanent injunction against the defendants. While awarding the order *ex parte*, the court observed that "it is well settled that ...a defendant, who chooses to stay away from the proceedings of the Court, should not be permitted to enjoy the benefits of evasion of court proceedings. A party who chooses not to participate in court proceedings and stay away must, thus, suffer the consequences of damages. Cheating can never be condoned by the Court unless the accused is punished."

12 2016 (68) PTC 543 (Bom).

13 2002 (25) PTC 592 (Bom).

14 2016 (65) PTC 168 DEL.

Domain names and blurring

*Raymond Limited v. Raymond Pharmaceuticals*¹⁵ which exhibits the intricacies of section 29 of the Trade Marks Act, 1999 challenged infringement for the use of 'Raymond' as part of a corporate name for dissimilar goods. By refusing to grant an injunction to the plaintiffs, the court differentiated between infringement suits that were in relation to (a) goods or services which were identical or similar or dissimilar to those in question; and (b) those that were in relation to a corporate or trade name. As per the court, when sub-sections (1), (2) and (4) of section 29 would apply to the first scenario, sub-section (5) applies to the second.

Although the trade mark 'Raymond' is well-known trade mark and is associated with the plaintiffs, the court ordered the plaintiff to share its well-known trade mark with a pharmaceutical company - Raymond Pharmaceuticals. As per the court, for attracting section 29(2), the goods of the defendant should be identical or similar, while in case of section 29(4), the goods may be dissimilar. Sub-sections 1, 2, 4 and 5 of section 29 deal with different types of infringements of registered trade mark. Under section 29(5), if the defendant uses the registered trade mark as a part of his trade-name, but he does not deal in the same goods in respect of which the mark is registered, then it does not amount to infringement for the purpose of Trade Marks Act.

Further, while the plaintiff is the registered user of the domain name 'www.raymond.in', the defendant has obtained registration for 'www.raymond pharma.com'. As per the court, the domain name of the defendants incorporates part of its corporate name and it is not a case of cybersquatting; the defendant is merely using its corporate name to identify its own domain space which does not appear to be in bad faith.

On the issue of blurring, the court opined that, there is no evidence of blurring or tarnishment in the present case: Plaintiffs are not even in the business of manufacturing, sale or distribution of products or services which the defendants deal in. It is not therefore apparent that the defendants have caused the blurring or tarnishment of the plaintiff's mark since only one person or entity can register and hold the domain name.

*People Interactive (India) Pvt. Ltd. v. Vivek Pahwa*¹⁶ deals with passing off dispute between *shaadi.com* and *secondshaadi.com* claiming that the defendants were passing off the plaintiff's website. By refusing to restrain the defendants from using the domain name *secondshaadi.com* the Bombay High Court ruled that the word 'shaadi' is generic and commonly descriptive as it meant matrimony or marriage. It was also observed that the plaintiffs have not acquired a secondary meaning in its mark - acquiring a secondary meaning implies that the word has transcended its original connotation and references exclusively in the public mind that the particular holder of the trade mark/domain name. In the opinion of the court, even if people associate

15 2017 (69) PTC 79 (Bom).

16 2016 (68) PTC 509 (Bom).

shaadi.com with the plaintiff, the same is not true for the word ‘*shaadi*.’ Both *shaadi.com* and *secondshaadi.com* were held to be descriptive marks, which commonly describe the nature of their services. With reference to the claim of acquiescence, the court said that the trade mark holder who sits idle when infringement takes place as the use of rival mark insignificant and minimal cannot later claim exclusivity if he feels threatened by his rivals. This case establishes that generic domain names are not protectable.

Deceptive similarity

Apex Laboratories Ltd. v. India Pharmaceuticals,¹⁷ involves both copyright and trade mark issues. The suit has been filed by the plaintiff *inter alia* for granting a permanent injunction restraining the defendants from passing off their goods for the well known and reputed goods of the plaintiff by using the Bical label for pharmaceutical and/or medicinal preparations or like goods or any other label work or representation which is in any manner deceptively or confusingly similar to the plaintiff’s well known and reputed ‘ZINCOVIT’ label. The suit also complained of infringement of copyright with regard to the artistic work in the label for ‘Zincovit’ vitamin syrup and drops. The court answered all the issue in favour of the plaintiff. On the question of infringement, the court applied the test of comparing infringing marks – ‘the plaintiff’s label should be seen first, that should be taken away from the sweep of one’s eye, thereafter the defendant’s label should be seen and the question as to whether a man of ordinary identity/imperfect recollection will be lulled into belief that what he is seeing now is what he saw earlier should be answered’. The marks of the defendants were absolutely identical with that of the plaintiff’s.

Copycat products

Colgate, India’s largest oral care brand had approached the court in *Colgate Palmolive Company v. Arun Vasant*¹⁸ seeking to stop the defendant from selling its toothbrush under the brand ‘Coolest Smart Flexi’. Though the defendant was not using the trade mark ‘Colgate’ in any manner, the court held that the defendant has adopted an identical design and artistic work and deliberately adopted a deceptively confusing mark. The differences, if any, are so minor as to be utterly meaningless. The manner in which the defendant uses the work ‘Coolest’ is clearly, deceptively and confusingly similar to the plaintiff’s registered trade mark ‘Colgate’ which is a *prima facie* case of both trade mark infringement and passing off. The court’s observation that merely not using a deceptive name cannot be an excuse for making and selling identical goods is important when companies often have similar designs and copycat products.

¹⁷ *Supra* note 8.

¹⁸ Notice of Motion (L) No. 141 of 2016, Commercial Suit (L) No. 198 of 2016.

Dilution

The suit *Dole Food Company v. Dole Foods Private Ltd.*¹⁹ has been filed for permanent injunction against the infringement of trade marks, passing off, trade mark dilution *etc.* The plaintiffs alleged that the adoption of an identical mark by the defendants with respect to their companies name, such as 'Dole Foods Private Limited, Dole Logistics, Dole Rehab, Dole Traders, Dole Infra and Dole Finserve', is nothing but a deliberate attempt to free ride over the goodwill and reputation of the plaintiffs. The defendants have not only adopted the colour scheme as that of the plaintiff but also the sun design. Despite service, the defendants failed to enter appearance within the prescribed period and even did not file their written statement within the prescribed period. By passing order in favour of the plaintiff, it was reaffirmed that if the court is clearly of the view that the defendant's approach is clearly a dilatory tactic to delay the passing of a decree, it would be justified in appropriate cases to pass even an uncontested decree.²⁰

Interplay between sections 29(4) and 29(5)

Clauses (4) and (5) of section 29 of the Trade Mark Act dealing with infringement of registered trade marks read as under:

- (4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which—
 - (a) is identical with or similar to the registered trade mark; and
 - (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and
 - (c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.
- (5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

Section 29(4)(b) requires that the infringement be in respect of dissimilar goods whereas section 29(5) speaks of the mark being used as a trade mark while dealing in goods or services in respect of which the mark is registered. The full bench of the Bombay High Court examined the interplay between these sections in *Cipla Limited*

19 CS (Comm.) 79/2015 decided on 05.10.2016.

20 Quoting *C.N Ramappa Gowda v. C.C. Chandregowda* (2012) 5 SCC 265.

v. *M/s Cipla Industries Pvt. Ltd.*²¹ and reiterated that section 29(4) of the Act would apply only when a mark is used in the course of trade in relation to goods or services which are not similar to those for which the trade mark is registered. The plaintiffs in the above mentioned case are the registered owners of Cipla Manufacture Pharmaceutical Products, the defendants are involved in the business of household articles with registered the trade mark 'Cipla Plast'. The plaintiffs contented trade mark infringement and passing off by the defendants by using 'Cipla' as part of their corporate or trade name. The court observed the following:

- (a) There exists no cause of action for infringement when a registered trade mark is used as a corporate or trading name in respect of dissimilar goods.
- (b) That such use is excluded from the purview of sections 29(1), 29(2) and 29(4), and these Sections are restricted to the use of a trade mark 'as a trade mark', *i.e.*, in the 'trade mark' sense.
- (c) That sections 29(4) and 29(5) operate in separate and mutually exclusive spheres.

As per the court, the literal plain language used in sub-sections (4) and (5) of section 29 answers the interplay. It was noted that section 29(4) uses the words "*in the course of trade*" and "*in relation to goods and services*" which were absent in section 29(5). The expression, "*as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern*" is absent in section 29(4). Hence, sections 29(4) and 29(5) operate in separate and mutually exclusive spheres.

Anti dissection rule *vis-a-vis* theory of a dominant part

In *M/S P K Overseas Pvt. Ltd. v. M/S Bhagwati Lecto Vegetarians*,²² the division bench of the Delhi High court examined *inter alia* the anti dissection rule which states that in infringement cases the trade mark has to be considered as a whole and has not to be dissected. The rationale of the anti- dissection rule is based upon the assumption that an average purchaser does not retain all the details of a mark but rather the mental impression of the mark creates in its totality. It has been held to be a violation of the anti dissection rule to focus upon the 'prominent' feature of a mark and decide likely confusion solely upon that feature, ignoring all other elements of the mark. Similarly, it is improper to find that one portion of a composite mark has no trade mark significance, leading to a direct comparison between only that which remains. On the contrary, the theory of a dominant part of a trade mark essentially requires a court to look at the trade mark compositely but identify if any part thereof is the dominant part. Accordingly, by confirming *ex-parte* ad-interim injunction granted

21 2016 (67) PTC 509 (Bom).

22 FAO (OS) (COMM) 67/2016, decided on 03. 10. 2016.

by the single judge the court observed in the instant case that the plaintiffs' trade mark 'India Salaam' would have both words 'India' and 'Salaam' as dominant parts thereof and use by the appellants of the trade mark 'Al Salaam' would be a *prima facie* case of infringement.

Rectification

According to the facts of *Jagatjit Industries Ltd. v. The Intellectual Property Appellate Board*,²³ Austin Nichols (respondent No.4) a corporation incorporated under the laws of the United States of America has coined and adopted the trade mark 'Blenders Pride' and has been using the mark in India since 1995 through its licensee Seagram India Pvt. Ltd. According to Austin Nichols, on account of extensive sales and marketing worldwide, the trade mark 'Blenders Pride' has come to acquire a tremendous reputation in various countries including India. The appellant's application for registration of an identical trade mark 'Blenders Pride' was advertised in the Trade marks Journal. Austin Nichols had filed an application for extension of time to file opposition against the appellant's application. Thereafter, notice of opposition was filed within the statutory time period. Pending the opposition the application of Jagatjit Industries Limited got registered. As soon as the mark got registered the appellants filed suit for infringement against the respondents.

The Supreme Court held that the registrar's powers regarding extension of one month's time for filing its notice of opposition as ministerial, and no hearing is required for the same relying upon section 157 of the Trade marks Act, 1999. The Supreme Court also examined section 57 and concluded that there is no conflict in jurisdiction between different assistant registrars of trade mark since there is only one registrar of trade marks. The Supreme Court further held that section 125 is only applicable to applications for rectification, and not to *suo moto* actions of the registrar. The court therefore, concluded that the appellant's trade mark was registered in error and should be removed from the register.

III INDUSTRIAL DESIGN

Ownership of designer work

Under the Designs Act, a copyright has a different connotation from a copyright under the Copyright Act. Under the Designs Act, copyright means the exclusive right to apply the design to any article in any class in which the design is registered. In *Ritika Private Ltd. v. Biba Apparels Private Ltd.*²⁴ the plaintiff has filed the suit claiming copyright in various drawings and sketches which were created by the plaintiff for dresses being sold under the trade name/brand 'Ritu Kumar'. The court categorically answered that once a drawing, a sketch or a design was used for creation of dresses, then, once dresses cross 50 numbers, no copyright could subsist in drawing and sketches

23 CIVIL APPEAL NO. 430 OF 2016.

24 230 (2016) DLT 109.

under the Act because of language of section 15(2) of the Act. It has already been established in *Microfibres Inc. v. Girdhar and Co.*,²⁵ that if design was not registered under the Designs Act, then design would lose its copyright protection under the Act and copyright would subsist only till the threshold limit of application of a copyright to an article by an industrial process, *i.e.*, upto 50 times in number. Once that limit was crossed, design lost protection as a copyrighted work under the Act.

It was also clarified that there exists a clear distinction between an original artistic work, and the design derived from it for industrial application on an article. It is clear from the use of the expression 'only' before the words 'the features of shape, configuration, pattern, ornament or composition of lines or colours' in the definition of 'design' in section 2 (d) the Designs Act. Therefore, the original artistic work, which may have inspired the creation of a design, is not merely the feature of shape, configuration, pattern, ornament or composition of lines or colours which are created to apply to an article by an industrial process. The original artistic work is something different from the design and the definition of 'design' expressly excludes, *inter alia*, any artistic work defined in section 2(c) of the Copyright Act, 1957.

It was also observed that - if the facts were that from the copyrighted works of the plaintiff prints were created and such prints which have protection under the copyright work are as it is lifted and printed upon the dresses of the defendant, may be in such a case an issue of violation of the copyright of the work of the plaintiff under Indian Copyright Act may have arisen. However, in the facts of the present case the defendant is creating dresses or creating articles by an industrial means and process by application of the design or drawing or sketch and the defendant is not as it is affixing a print taken from the copyrighted work of the plaintiff as a print on a dress created by the defendant. The issue in the present case, therefore, is not be a violation of a copyright of the plaintiff under the Indian Copyright Act.

Action in deceit

In *M/S. Selvel Industries v. M/S. Om Plast* the Bombay High court by holding that the defendant has violated the rights of plaintiffs in his novel design observed that an action in passing off is an action in deceit and it makes no difference whether this is under the Designs Act, 2000 or Trade Marks Act, 1999. The tests are the same. The only enquiry is whether a person who purchases the defendants product is likely to be misled into believing that he was purchasing the plaintiffs' product.

IV COPYRIGHT

Copyright in judgments

In *Relx India Pvt. Ltd. v. Eastern Book Company*,²⁶ the apex court examined whether the Lucknow bench of Allahabad High Court was correct in restraining Reed Elsevier India Pvt. Ltd. from reproducing judgments reported in Supreme Court Cases

25 2009 (40) PTC 519 (Del).

26 Decided on November 23, 2016.

published by Eastern Book Company. By reiterating the decision in *Eastern Book Company v. D.B. Modak*²⁷ the court held that there was no copyright over judgments uploaded on the judgment section of the Supreme Court's website and all are free to use it as a raw source. According to the court, Reed Elsevier is at liberty to publish, sell and distribute 'raw judgments' of the Supreme Court of India and other courts irrespective of the source from which they are obtained. This judgment would stop the monopoly of few case reporters operating in the industry.

Copyrights of lyricists and composers

In *International Confederation of Societies of Authors and Composers (ICSAC) v. Aditya Pandey*²⁸ the Supreme Court by upholding the judgement of the high court said that even though the rights provided under section 14 of the Copyright Act were independent of each other, the producer of the sound recording - who also is author by virtue of section 2(d)(v) - would still have the right to communicate his work to the public. Though each of seven sub-clauses of clause (a) of section 14 relating to literary, dramatic or musical work, are independent of one another, but reading these sub-clauses independently cannot be interpreted to mean that, right of producer of sound recording - who also comes under the definition of author under section 2(d)(v) of Copyrights Act has a right to communicate his work to public under section 14(e)(iii) of the Act.

Section 19(10) of the Copyright Act as inserted by way of 2002 amendment now reads that the assignment of the copyright in any work to make a sound recording which does not form part of any cinematograph film, shall not affect the right of the author of the work to claim an equal share of royalties or/and consideration payable for utilization of such work in any form by the plaintiff/respondent. However, since the present suit was filed in the trial court before the said amendment the section shall not be applicable to the rights existing prior to that date.

Fair dealing and making of course pack

The High Court of Delhi while dismissing the suit in *The Chancellor, Masters & Scholars of The University of Oxford v. Rameshwari Photocopy Services*,²⁹ held that 'making of course pack as suggested reading by photocopying of sections of various prescribed reference books for the use of students does not violate the copyright of the publishers'. The court considered this question as a question of law requiring no trial.³⁰ The judgement also held that there is no copyright except as prescribed in

27 (2008) 1 SCC 1.

28 2016 (68) PTC 472 (SC).

29 Decided on 16th September, 2016 (CS(OS) 2439/2012, I.As. No. 14632/2012 (of the plaintiffs u/O 39 R-1&2 CPC), 430/2013 (of D-2 u/O 39 R-4 CPC) & 3455/2013 (of D-3 u/O 39 R-4 CPC); (2016) 235 Oct 409 (OB).

30 Para 2.

the Act and section 16³¹ converts copyright from a natural or common law right to a statutory right.³²

The court also took note of the difference in the language in the statute – between sections 52(1)(i) and 52(1)(j); while section 52(1)(i) using the words teacher and pupil, section 52(1)(j) uses the words staff and students of educational institution. In the opinion of the court, the scope and ambit of section 52(1)(i) cannot be so restricted. The court could not find reason to interpret section 52(1)(i) as providing for an individual teacher and an individual pupil.³³ The court took note of the fact that in section 32(6) explanation (d), The phrase purposes of teaching, research or scholarship (though for the purpose of that Section only), has been defined as including instructional activity at all levels in educational institutions, including Schools, Colleges, Universities and tutorial institutions and all other types of organized educational activity. As per the court, ‘instruction ‘is not confined to educational institutions or establishments but it embraces any form of instruction wheresoever and not necessarily in educational institutions.’³⁴ The court, by marking the difference between the clauses (i) and (h) of section 52 (1) held thus:³⁵

The use of the word publication[‘] in Section 52(1)(h) as distinct from the word reproduction[‘] in Section 52(1)(i) further brings out the difference between the two words. While the word publication[‘] used in Section 52(1)(h) connotes making available to the public for the first time[‘] or by way of further editions[‘] or e-print[‘] i.e. the activity in which plaintiffs are involved, the word reproduction[‘] used in Section 52(1)(i) entails ‘for copying’ for limited use, i.e., for an individual or for a class of students being taught together by a teacher.

While answering the question when does the imparting of instruction begin and when does it end, it was held that it begins prior to the classroom and ends much after the classroom interface between the teacher and pupil has ended. Hence,

31 S. 16: No copyright except as provided in this Act:- No person shall be entitled to copyright or any similar right in any work, whether published or unpublished, otherwise than under and in accordance with the provisions of this Act or of any other law for the time being in force, but nothing in this section shall be construed as abrogating any right or jurisdiction to restrain a breach of trust or confidence.

32 Para 28.

33 The court relied on *S.P. Gupta v. President of India*, 1981 Supp (1) SCC 87 and *The State of Maharashtra v. Dr. Praful B. Desai* (2003) 4 SCC 601 wherein it was held that interpretation of every statutory provision must keep pace with the changing concepts and it must, to the extent to which its language permits, or rather does not prohibit, suffer adjustments so as to accord with the requirements of fast growing society.

34 Para 56.

35 Para 57.

... the words in the course of instruction within the meaning of Section 52(1)(i) supra would include reproduction of any work while the process of imparting instruction by the teacher and receiving instruction by the pupil continues i.e. during the entire academic session for which the pupil is under the tutelage of the teacher and that imparting and receiving of instruction is not limited to personal interface between teacher and pupil but is a process commencing from the teacher readying herself/himself for imparting instruction, setting syllabus, prescribing text books, readings and ensuring, whether by interface in classroom/tutorials or otherwise by holding tests from time to time or clarifying doubts of students, that the pupil stands instructed in what he/she has approached the teacher to learn. Similarly the words "in the course of instruction, even if the word "instruction" have to be given the same meaning as "lecture", have to include within their ambit the prescription of syllabus the preparation of which both the teacher and the pupil are required to do before the lecture and the studies which the pupils are to do post lecture and so that the teachers can reproduce the work as part of the question and the pupils can answer the questions by reproducing the work, in an examination. Resultantly, reproduction of any copyrighted work by the teacher for the purpose of imparting instruction to the pupil as prescribed in the syllabus during the academic year would be within the meaning of Section 52 (1)(i) of the Act.³⁶

Though, the act of making of photocopies is reproduction of copyrighted work, it will not constitute infringement if the same is by a teacher or a pupil in the course of instruction. The judgment also qualify as fair dealing, if the students click photographs of each page of the portions of the book required to be studied by him and to thereafter by connecting the phone to the printer take print of the said photographs or to read directly from the cell phone..."

While no appeal is pending before the apex court from this judgement, the question remains unanswered is that does section 52 in its spirit and letter guarantee the right of reproduction of the whole material?

Copyright board

It is discernible from reading of sections 6, 11, 12, 72(1) etc. of the Copyright Act that the functions of the copyright board are predominantly judicial in nature. *South Indian Music Companies v. Union of India*³⁷ challenged the provisions contained in sections 11, 12, 31 and 31-D of the Copyright Act, 1957, rule 3 of the Copyright Rules, 2013, Copyright Board Salaries and Allowances and other Terms and Conditions

³⁶ Para 72.

³⁷ W.P. No. 6604 of 2015 decided on 30.03.2016.

of Service of the Chairman and other Members Rules, 2014 *etc.*, being violative of articles 14, 19(1)(g), 21, 50, 245 and 300-A of the Constitution of India with a specific emphasis of the basic structure enunciated therein. Though the Madras High Court rejected the pleading that the legal framework on appointment of the copyright board members fails to preserve the board's adjudicatory competence, it mandated appointment of at least one judicial member on the copyright board who meets the criteria set out in rule 3(2)(ii) of the Copyright Rules, 2013. The court held thus:

- (i) The provision contained in Section 11, 12, 31 and 31D of the Copyright Act, 1957 and Rule 3 of the Copyright Rules, 2013 are declared as constitutionally valid;
- (ii) The Copyright Board Salaries and Allowances and other terms and conditions of service of the Chairman and other members Rules, 2014 is declared as constitutionally valid;
- (iii) The Copyright Board shall consists of at least one Member having the qualification under Rule 3(2)(ii)(a), (b) and (d) of the Copyright Rules, 2013, out of the two. In case it consists of Chairman and two others, one of the two members will have to be one having qualification aforesaid.;
- (iv) The Constitution of Search - cum-selection Committee for making recommendations for appointment of members of the Board is declared as unconstitutional; and
- (v) The 1st respondent is directed to re-constitute the Board in the light of the observations made in paragraph No.29 of this order.

Information Technology Act *vis a-vis* Copyright Act

By giving relief for internet intermediaries in India, the Delhi High Court in *MySpace Inc. v. Super Cassettes Industries Ltd.*,³⁸ restored safe harbor immunity to intermediaries even in the case of copyright claims. The court examined whether MySpace could be said to have knowledge of infringement as to attract section 51(a)(ii) of the Copyright Act and consequent liability? This decision also nullifies the 2012 verdict in *Super Cassettes Industries Limited v. My Space*. The overruled judgment was poorly reasoned holding that the immunity provided to intermediaries under section 79 of the Information Technology Act applies to secondary liability for copyright infringement as well. The overruling judgment by balancing free speech and censorship relieves intermediaries from pre screening user uploaded content. It was also held that both under Copyright Act and Information Technology Act, 'actual' knowledge and not just suspicion is essential to fasten liability. Proviso to section 81 of Information Technology Act does not preclude affirmative defence of safe harbor for an intermediary in case of copyright actions. Section 51(a)(ii) of Act, in case of internet intermediaries contemplates actual knowledge and not general awareness. Further, to impose liability on an intermediary, conditions under section 79 of IT Act, have to be fulfilled.

38 FAO (OS) 540/2011, C.M. Appl. 20174/2011, 13919 and 17996/2015, decided on 23.12.2016.

V INDUSTRIAL DESIGNS AND COPYRIGHT

Overlapping between Copyright Act and Design Act

The interface and overlapping between Copyright Act and Design Act is evidenced in *Dart Industries Inc. v Technoplast*.³⁹ The plaintiffs claimed that ownership to the know-how, IPRs and trade secrets in its designs used for the manufacture of 'Tupperware' products. The defendants were proprietor of the mark 'Signoware'. By resolving the copyright-design conundrum, the High Court of Delhi held that the plaintiff could not establish *prima facie* case for its design protection, copyright infringement and passing off. The designs of the plaintiff were in public domain and hence lacked and thus could not be protected by the Designs Act despite registration. The findings of the court can be summarised as follows:

- a. 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.
- b. 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.
- c. 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.
- d. 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.
- e. This is precisely why the legislature not only limited the protection by mandating that the copyright shall cease under the Copyright Act in 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.

39 2016 (7) TMI 1190.

- e. 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*.
- f. 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 Act and the Designs Act in accordance with the legislative intent.

The court also considered the issue if the design is no more protected under the Designs Act and is now in public domain, whether passing off action would be maintainable. What is essential for that is not merely the existence of the remedy of infringement or the remedy against passing off, but the proof of essential elements that are necessary. The plaintiff must prove the distinctiveness of the mark: Whilst in the case of trade dress in the form of label or mark, distinctiveness is easily discernable, in the case of shape based trade dress, the plaintiff has to necessarily show that the get up of the product or article has an integral association only with it. Unless this requirement is pleaded and established every product with a commonplace shape would 'ride' on the reputation of an exclusive trade mark, based on a distinctive name, label or color combination of the packaging or label, *etc*.

Harmonious construction of sections 2(c), 14 and 15 of Copyright Act, 1957

Whether the plaintiff without obtaining registration as a design with respect to any of toys being manufactured by it was entitled to injunct the defendants at interim stage from copying design of its toys was the main issue in *OK Play India Limited v. Mayank Aggarwal*.⁴⁰ The High Court of Delhi while resolving the issue held that drawing in which the plaintiff claimed a copyright did not constitute a design within meaning of section 2(d) of Designs Act and was thus not capable of being registered under Designs Act. Art work in which the plaintiff was claiming copyright was a step in manufacture of an article as per design conceived and could not stand independently from design. Provisions of sections 2(c), 14 and 15 of Copyright Act have to be read harmoniously with section 2(d) of Designs Act. Articles of toys which indisputably have been manufactured more than 50 times by an industrial process and in which the plaintiff was claiming a bundle of IPRs were registrable under the Designs Act. The plaintiff having not done so could not injunct the defendants from manufacturing, selling and marketing identical toys at interim stage. Protection of a design which can be acquired by registration is for a maximum period of 15 years. According to the

40 2016 (67) PTC 665 (Del).

court, no protection on basis of copyright could be given to the plaintiff as copyright if any of the plaintiff in drawings prepared in course of manufacture of toys by an industrial process was in design of toys and which ceased as soon as toys as per said design were manufactured more than 50 times by an industrial process.

VIPATENTS

Bio-similar approvals

In *Roche Products (India) Pvt. Ltd. v. Drugs Controller General of India*,⁴¹ the High Court of Delhi by an order dated 25 April 2016 imposed restrictions on the sale and marketing on bio-similar drugs. While the judgement was in favour of Roche to hold marketing approvals, Indian biopharmaceutical company Biocon and its partner Mylan Pharmaceuticals were allowed to continue manufacturing, marketing and advertising their products provided the 'bio-similar tag' was removed and the INN name -trastuzumab - was not used on a stand alone basis. On the issue of data exclusivity, the single judge observed that unless the government of India frames a policy to declare as to whether after expiry of a patent, the data in the public domain can be used as pathways or not, the regulatory authority can neither disclose nor rely upon the first applicant's data at the time of granting marketing approval to the subsequent applicants. Biocon has appealed against the interim order and subsequently the order was stayed by the division bench.

Confidential information

*Inphase Power Technologies Pvt. Ltd. v. ABB India Ltd.*⁴² involved the misappropriation of confidential information, patent infringement and trade mark infringement. It was alleged by the respondent 'ABB India' that the appellant company was formed by their former employees and they had used and misappropriated confidential information that they had been entrusted with while in the service of the respondent company. The high court upheld the order of the lower court restraining the appellants from infringing ABB's patent, misappropriating their confidential information and infringing their trade mark.

Patents Act vis-à-vis Competition Act

In *Ericsson v. CCI*, a writ petition filed by Ericsson challenging an order of the CCI directing the Director-General to investigate complaints filed by Micromax Informatics Ltd. and Intex Technologies Ltd. regarding abuse of dominant position by Ericsson, the Delhi High Court refused to stay investigation by the Competition Commission of India (CCI) into alleged anti-competitive practices by Ericsson. The court upheld the jurisdiction of the CCI to entertain the complaints of Micromax and

41 2016 (66) PTC 349 (Del).

42 Civil Appeal Nos. 2989-3008 of 2016 decided on 05.04.2016.

Intex under the Competition Act. According to the decision, the patents Act, 1970 is a special Act *vis-à-vis* the Competition Act, 2002. However, since there is no irreconcilable repugnancy or conflict between the two legislations, the jurisdiction of CCI to entertain complaints for abuse of dominance in respect of patent rights cannot be ousted. Also, there is no law to prevent a party from challenging the validity of a patent or apply for a compulsory license under the Patents Act, 1970 and simultaneously instituting a complaint in CCI against the patent holder alleging anti-competitive behaviour.

Execution of foreign orders

In *M/S Alcon Electronics Pvt. Ltd . v. C Elem*,⁴³ the respondents filed a suit against the appellant before the English Court for infringement of patent vested in the respondents besides other reliefs. The English Court by its order dated 19 October, 2006 dismissed the claim of the appellant and further directed it to pay the costs of application to the respondents original claimants. Thereafter, it appears that the appellant agreed to pay the costs and sought for some time. When the respondents filed a petition for execution in India, the appellant opposed it in an application on the ground that the order of English Court is not executable. The executing court dismissed the petition which was also confirmed by the high court. On appeal, the apex court observed that it is to the reciprocal advantage of the courts of all nations to enforce foreign rights as far as practicable. It was held that the execution of the order passed by the English Court is maintainable under the relevant provisions in India.

VII PROTECTION OF PLANT VARIETIES AND FARMERS' RIGHTS

In *Prabhat Agri Biotech Ltd v. Registrar of Plant Varieties*,⁴⁴ the High Court of Delhi examined the validity of section 24(5) of Protection of Plant Varieties and Farmers' Rights Act, 2000. The major question before the court was whether section 24(5) of Act is unreasonable and void as it confers arbitrary powers to the registrar while scrutinizing applications for interim relief? The court declared section 24(5) of the Plant Varieties Act unconstitutional as it violates article 14 of the Indian Constitution by giving unbridled power to the registrar. As per the court, unguided nature of power is destructive of rule of law and contrary to article 14 of the Constitution. Lack of guidance clothes any executive authority with arbitrary power. The court observed that even while the Parliament painstakingly spelt out rights and obligations of applicants, qualifications that are to be fulfilled and conditions that are to be made, as well as various steps to grant or refuse an application, no endeavor was made to specify who can hold office of registrar. He is also not required to be from a legal back ground or have legal expertise. Hence, there can be abuse of discretionary powers.

43 CIVIL APPEAL NO. 10106 OF 2016.

44 MIPR 2017 (1) 349.

VIII MISCELLANEOUS

The Karnataka High Court confirmed in *M/s. Avighna Coffee Private Ltd. v. M/s. Cothas Coffee Co.*⁴⁵ the trial court's findings that the trade marks 'Cothas Coffee' and 'Cotha giri' are phonetically and visually similar. The court lifted the corporate veil of the appellant-defendant and noted that a court of appeal should be slow in interfering with the discretionary orders passed by the trial court even if a contrary view is possible by an appellate court. In *Chitra Jagjit Singh v. IPRS*,⁴⁶ the High Court of Delhi observed that the IPRS was not competent to grant licenses as it was not a registered copyright society.

Arbitration

*Eros International Media Limited v. Telemax Links India Pvt. Ltd.*⁴⁷ the High Court of Bombay approved arbitration of IP disputes arising out of licensing and other commercial transactions dealing with IPRs. By clarifying this, the court observed that, the Arbitration Act is not one that should constantly try to short-circuit in matter after matter. Unless specifically barred, what a civil court can do, an arbitrator can do. Where there are matters of commercial disputes and parties have consciously decided to refer these disputes arising from that contract to a private forum, no question arises of those disputes being non-arbitrable. Such actions are always actions in *personam*, one party seeking a specific particularized relief against a particular defined party, not against the world at large. No law requires that the written document of IP assignment should have an arbitration clause; any such interpretation would do a very great violence not only to the language but to the purpose and ambit of the Arbitration Act.

IX CONCLUSION

One can find significant IPR developments through judicial intervention during the survey year. *MySpace v. Super Cassettes*⁴⁸ strengthens the safe harbor immunity enjoyed by internet intermediaries in India. *Eros International Media Ltd. v. Telemax Links India Pvt. Ltd.*⁴⁹ opens doors of arbitration in India in IP matters. The trend exhibited by Bombay High Court by issuing a series of John Doe orders in cases such as *Balaji Motion Pictures Ltd. v. Bharat Sanchar Nigam Ltd.*,⁵⁰ blocking internet sites containing pirated copies of movies is appreciable as such orders protect the rights of copyright holders who invest considerably in the creation of copyrighted works.

45 Miscellaneous First Appeal No. 2170/2016 (IPR) and M.F.A. Crob. No. 64/2016, decided on: 14.09.2016.

46 CS (Comm.) 193/2016, decided on: 14.03.2016.

47 Notice of Motion No. 886 of 2013 in Suit No. 331 of 2013, decided on 12.04.2016.

48 *Supra* note 38.

49 *Supra* note 47.

50 Suit (L) No.694 of 2016 decided on 04.07.2016.