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INTELLECTUAL PROPERTY LAW

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I INTRODUCTION

INTELLECTUAL PROPERTY has emerged as the key item in the international trade and global innovation policy. The acquisition of intellectual property at national and international level is on the rise. As a corollary to this, the infringement and the ensuing litigations are also correspondingly increasing. The survey year depicts hundreds of cases from various high courts and apex court ranging from issues on registration of intellectual property to anti- competitive practices. The present survey examines the important cases from Supreme Court and four high courts where IPR disputes are majorly arising in the country – High courts of Delhi, Bombay, Madras and Calcutta.

II COPYRIGHT

Re-transmission of live feeds of cricket matches

The Supreme Court of India, in *Union of India v. BCCI*¹ examined the interplay between the Sports Act, 2007 and the Cable Act, 1995. The apex court analysed the scope of section 3 of the Sports Act, 2007 read with section 8 of the Cable Act, 1995.

The BCCI generally grants broadcasting rights through exclusive media sharing arrangements for airing cricket matches. The central government notified in 2017 cricket matches to be ‘sporting events of national importance’ under section 3 of Sports Act, 2007. Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007 is enacted with a view to enable the largest possible number of listeners and viewers in India to have free access to *sporting events of national importance*. The central government’s notification forced the Star India and ESPN to send Prasar Bharti live broadcast signals for transmission on its terrestrial and DTH networks. DD1 (National) being a notified channel under section 8 of the Cable Act, 1995 could simultaneously grant their viewers access to cricket matches which resulted in revenue

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1 (2018) 11 SCC 700.

loss to Star India, ESPN's and BCCI. The BCCI challenged the retransmission by Prasar Bharti to private cable operators under section 3 of the Sports Act, 2007 read with section 8 of the Cable Act, 1995. It also challenged the constitutional validity of section 3 of the Sports Act, 2007 thereby arguing for striking down of section 3 and notifications there under.

While interpreting the impugned sections, the court adopted rules of strict interpretation in favour of the BCCI's private rights. The Sports Act, 2007 was treated as *expropriatory legislation* requiring very strict construction. Thus the court held that in the absence of any specific legislative intent evident in the language of the provision, section 3 of the Sports Act, 2007 restricted Prasar Bharti's right to retransmit to its *own* terrestrial and DTH networks. Hence, Prasar Bharti cannot permit retransmission to private cable operators carrying Doordarshan channels under section 8 of the Cable Act, 1995.

This is a rare judicial occasion wherein intellectual property legislation was given *expropriatory status even when private right and public right confronted*. The BCCI and Star Sports also argued that cricket matches are '*cinematographic films*' under section 2(f) and not a 'broadcast' under section 37 Copyright Act, 1957. If cricket matches are construed to be *cinematographic films*, then the BCCI would be regarded as the '*author*' of cricket matches under section 2 (d). Of course, this might not have been the legislative intent. Section 37 is a special provision dealing with neighbouring rights. However, the court did not answer this issue.

Movie title, copyright and passing off

Though the Supreme Court has held in *Krishika Lulla v. Shyam Vithalrao*² that there cannot be copyright in a movie title, there are instances of granting trademark protection on such titles. If the classical trinity elements of reputation, misrepresentation and damage are proved by the plaintiff, passing off claims are always entertainable. Consumer recognition and secondary meaning are the two main significant factors in deciding passing off of a movie title. The general principle in passing off with reference to movie title is that it would be difficult for passing off claims to succeed for common place titles, especially those of singular works. 'The Godfather', 'Rocky', 'Die Hard', 'Mission Impossible', 'The Matrix', 'Jurassic Park', 'Hera Pheri – Phir Hera Pheri', 'Dhoom – Dhoom II' and 'Munna Bhai MBBS – Lage Raho Munna Bhai' are examples of registered trademark titles of films. "Sholay" is example of a protected title of single work on secondary meaning and acquired consumer recognition.

Even if the work has not been released, a sufficient amount of pre-release publicity of the title may cause a title to acquire recognition sufficient for protection. Consumer recognition can be evidenced for an unreleased work as well, but only if proved substantially. The length and continuity of use; the extent of advertising and promotion and the amount of money spent; the sales figures on purchases or admissions and the number of people who bought or viewed plaintiff's work; and the closeness of the geographical and product markets of plaintiff and defendant *etc.* are the possible relevant factors that a court should examine before granting injunction.

In the present case - *Anil Kapoor Film Co. Pvt. Ltd v. Make My Day Entertainment*³ the plaintiffs had registered his script titled “Veere Di Wedding” with the Film Writers’ Association (FWA) and its title with Indian Film and Television Producers’ Council (IFTPC) in 2015. It was duly renewed after one year. Their movie was under production. They wanted protection for the title of their forthcoming film. They also promoted film through several newspapers. Subsequently the plaintiffs came to know about the title “Veere Ki Wedding” of the defendant. The Bombay High Court refused to grant an injunction stating that movie title cannot be protected by copyright. The plaintiff has no right to restrain the defendants from using the title, unless he can show that it has become associated in the minds of the public with his film and nobody else’s. According to the court, the fact that the title is unique is not in itself sufficient to establish reputation. In showing reputation, a plaintiff must show that his work with that name is associated in the public mind only with that film or book, one that exists. When the film is yet to be made, it is difficult to conceive of reputation attaching to a title alone, of a thing not in existence, divorced entirely from content.⁴

In *Dashrath B. Rathod v. Fox Star Studios India Pvt. Ltd.*⁵ a last minute injunction was sought for infringement of movie titled ‘*Phillauri*’. The court observed that such last minute injunctions are unfair and they cause pressure on the court as well as the defendant; the plaintiff also could not establish *prima facie* case; hence the court ordered a fine about Rs 5 Lakhs.

The rights of the producer qua the author of the script regarding dubbing of a film

In *Thiagarajan Kumararajan v. M/S Capital Film Works*,⁶ the script writer of a movie alleged copyright infringement in dubbing the movie into other languages by the producer. It was held by the Madras High Court that the producer being the author (section 2 (d)) as well as the owner (section 14) of the work has every right over the movie including dubbing under the phrase ‘communication’. The producer of a film enjoys the right to dub that film in any other language, subject to any agreement to the contrary. However, as there is no copyright in an idea, the remake or another version of the subject cinematograph film, which is based substantially on the script would, certainly, infringe the appellant’s copyright in the works of which he is the author. This decision fills in the void in the copyright jurisprudence relating to the interface between the rights of the producer of a cinematographic film and that of the authors of underlying works.

2 (2016) 2 SCC 521.

3 2017 SCC OnLine Bom 8119.

4 *Id.* at para 20.

5 2017 (3) Bom CR 664.

6 Original Side Appeal No.22 of 2017 decided on 20.11.2017.

Work created during employment

In *Neetu Singh v. Rajiv Saumitra*,⁷ the Delhi High Court clarified issues surrounding the term ‘employment’ under section 17 of the Copyright Act, 1957. As per section 17(c)⁸ if a work was made by an author *in the course of employment* under a *contract of service or apprenticeship*, the employer shall be the owner of copyright, in the absence of any agreement to the contrary.

The complaint of the plaintiff was that the defendant was illegally publishing books authored by her. Some of the infringed copies did not mention the plaintiff’s name as author as well. The infringed books were verbatim copy of the plaintiff’s original book with identical title and illustrations. The defendant argued that the original book by the plaintiff was authored during the period between 2012 to 2014 when the plaintiff was working as a director of the defendant’s company. However, the defendant had failed to prove that the literary work was authored as part of her duties and obligations as a director. It was held that when the ownership of copyright is disputed between an employer and an employee – it is the terms of employment of the employee that have to be looked into. The court also observed thus:⁹

The director of a company may as well be an employee and where he is so employed the relationship between him as the managing director and the company may be similar to a person who is employed as a servant or an agent for the term ‘employed’ as facile enough to cover in all these relationships. The nature of employment may be determined by the articles of association of a company and/or the agreement, if any, under which a contractual relationship between the director and the company has been brought about, where under the director is constituted an employee of the company. In the present case the defendant has not placed on record any document to show that the plaintiff was acting as an employee of defendant No.2 when the literary works were created rather the copyright registration in favour of the plaintiff was granted while the plaintiff, to the knowledge of defendant No.1, was a director of defendant No.2 from the year 2012-2014.

Copyright vis a vis designs

It is clear from section 15 of Copyright Act, 1957 that no copyright exists in any drawing or design once the production has been done more than 50 times by an industrial process using such drawing or design. The Delhi High Court in *Holland Company L.P. v. S.P. Industries*¹⁰ held that no copyright lies with any work registrable

7 CS(COMM) 935/2016 decided on 4/8/2017.

8 S. 17(c): In the case of a work made in the course of the author’s employment under a contract of service or apprenticeship, to which clause (a) or clause (b) does not apply, the employer shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein.

9 *Supra* note 7 at para 13.

10 2017 SCC OnLine Del 9370.

under the Designs Act. The petitioner has sought injunction against the defendant from manufacturing or selling automatic twist lock and spare parts and reproducing the spare parts in 3-D form from the 2-D artistic work of the plaintiffs in the form of the industrial drawings.

In this case, the court found that the plaintiffs have reproduced the design in more than 50 articles. Hence the court held thus:¹¹

A conjoint reading of section 2(d) of Designs Act, 2000, section 14(c) and 15(2) of the Copyright Act, 1957, makes it amply clear that where a design of an article is prepared for the industrial production of an article, it is a design registrable under Designs Act and under section 14(c), the author of such design can claim copyright, however, since such a design is registrable under the Designs Act, and if such design has been used for production of articles by an industrial process for more than 50 times by the owner of the copyright, or, by any other person with his permission, then such person ceases to have copyright in such design.

Copyright license and territorial jurisdiction

Saregama India Ltd v. Eros Digital FZ LLC,¹² is a case pertaining to copyright infringement in musical work. The plaintiff alleged violation of copyright non-exclusive license by the defendant which was granted by the plaintiff only to exploit the copyrighted works of the plaintiff through the defendants' website, *www.erosnow.com* and their mobile application *Eros Now*. The defendants were authorised, as per the terms and conditions of the licence, to use the plaintiff's content of streaming and online caching wherein the defendants had permitted the end users to access the temporary copies of the plaintiff's works in cache memory of internet enabled devices. The court found that as per the license agreement, the courts in Calcutta alone has jurisdiction. Once the parties to the copyright license agreement bound themselves as such, it is not open for them to choose a different jurisdiction without altering the terms and conditions by mutual consent. Hence, the Delhi High Court had no territorial jurisdiction to entertain the suit and grant relief as claimed; the plaintiffs were advised to approach the court of competent jurisdiction in Calcutta.

Concept note and production bible of reality TV shows

It is established in India through *Anil Gupta v. Kunal Gupta* that concept note is copyrightable.¹³ In another case involving concept note, the Bombay High Court refused to grant relief to the plaintiffs Zee Entertainment Enterprises Ltd. In *Zee Entertainment Enterprises Ltd. v. Sony Pictures Networks India Pvt. Ltd.*,¹⁴ the plaintiff

11 *Id.* at para 22.

12 2017 SCC OnLine Del 10996.

13 97 (2002) DLT 257.

14 AIR 2017 Bom 221.

alleged copyright infringement in the concept note¹⁵ and production bible¹⁶ and illicit copying of Zee's popular show *India's Best Dramebaaz*, a televised talent hunt for child actors.

The court held that selecting child actors through reality shows is merely an idea which cannot be copyrighted. By referring to the doctrine of idea-expression dichotomy¹⁷ the court held that if copyright is granted to the idea of selecting children, it would amount to granting monopoly on the idea of selecting children with acting talent. Granting protection to expression is not possible, if granting copyright over the expression will effectively confer the owner with a monopoly over the idea itself.¹⁸ Hence, the defendant's programme is not a copyright infringement of the plaintiff's programme. The facts of this case are undoubtedly different from that of *Anil Gupta*.

In *Super Cassettes Industries Pvt. Ltd. v. Trimurti Films Pvt. Ltd.*¹⁹ the Bombay High Court restrained the appellant from releasing the film *Baadshaho* with the infringed song. The film had a remixed version of the song 'Keh Doon Tumhe' which was an infringement of the respondent's film *Deewar* (1974). The court found that the appellants had only the sound recording rights as per the agreement and not literary and musical rights.

In *Super Cassettes Industries Ltd. v. TG Angles Pvt. Ltd.*,²⁰ the court granted permanent injunction and damages to the tune of Rs. 21 Lakhs against the television broadcasters for making unlicensed use of music in its broadcasts without paying royalties to the creators.

III PATENTS

Working of patents through imports

After the TRIPS Agreement, 1994 the well settled position in patent law with reference to the requirement of 'working of patents' is that imports can be considered as working of a patent in India. In *Cipla Limited v. Novartis AG*,²¹ the Delhi High Court reiterated that patent could be worked in India even through imports. The court restricted Cipla from selling pharmaceutical products containing any form of Indacaterol, a respiratory drug in which Novartis held a patent. Novartis did not manufacture Indacaterol in India, but imported into India through Lupin Pharma Company. Hence, Cipla contended that it should be allowed to sell Indacaterol as

15 A document depicting the thematic structure, unique elements *etc.* in a show.

16 A master document detailing various aspects of a production.

17 It is the manifestation of an idea which is to be protected rather than the idea itself.

18 A court has to refuse copyright, as per the merger doctrine, if the expression of an idea, if the idea can be expressed only in one or limited manner. In such situation, the idea and expression are deemed to be merged.

19 (2018) 1 Bom CR 156.

20 2017 SCC OnLine Del 7995.

21 (2017) 239 DLT 41 (DB).

Novartis was not manufacturing and working the patent in India. Negating the contentions of Cipla, the court held that the fact no manufacturing in India did not mean that the patent was not being worked in India. Import of sufficient quantities of the patented product qualifies the requirement of ‘working of patents’ to meet the local demand.

Monsanto’s BT. cotton and section 3(j)

In *Monsanto Technology LLC v. Nuziveedu Seeds Ltd.*²² the Monsanto has claimed patent for ‘Methods for transforming plants to express bacillus thuringiensis deltaendotoxins’. In the suit, the issue before the division bench of the Delhi High Court was that whether the claimed patent was valid under the Indian patent scheme in light of section 3(j) of the Patents Act, 1970 which prohibits granting of patents for plants and essentially biological material. Section 3 bars patents for any plants, plant varieties, seeds or any part thereof.²³ The court declared Monsanto’s patent invalid as contravening section 3 (j) but three months’ time was granted to Monsanto to seek protection for its claimed invention under the Plant Variety Protection and Farmer’s Rights Act, 2002.²⁴

Standard essential patents and FRAND royalty

Ericsson is one of the largest ‘standard essential patent’ (SEP) holder company in the mobile industry. SEPs are those patents which form part of a technical standard that must exist in a product as a part of the common design of such products. In *Telefonaktiebolaget LM Ericsson (PUBL) v. Xiaomi Technology*,²⁵ Ericsson contended that though the licenses on the SEPs were offered to be granted to these companies on fair, reasonable and non-discriminatory (FRAND) terms, the defendants have refused to obtain such licenses. As such they were unauthorizedly using these SEPs thereby infringing Ericsson’s patents. The court after finding *prima facie* case against the defenders granted injunction.

The Indian courts especially the High Court of Delhi often called to decide issues on SEP and FRAND dispute. These cases involve complex legal issues since all these cases have interplay between intellectual property and competition laws as the big companies generally abuse their dominant position to demand for exorbitant royalties. The ongoing legal battles have made companies like Micromax to seek global patent licenses from Ericsson.

22 (2017) 239 DLT 599.

23 As per this section, no patent can be granted on plants and animals in whole or any part thereof other than micro-organisms but including seeds, varieties and species and essentially biological processes for production or propagation of plants and animals.

24 However, very recently the apex court had reversed the order of the division bench of the Delhi High Court which held invalid Monsanto’s patent. It held that ‘*the suit involved complicated mixed questions of law and facts with regard to patentability and exclusion of patent, which could be examined in the suit on basis of evidence*’. The matter was thus remanded back for trial by the single judge of the Delhi High Court.

25 2017 SCC OnLine Del 11069.

Injunction against apprehended launch

In *Merck Sharp & Dohme Corporation v. Aprica Pharmaceuticals Pvt. Ltd.*²⁶ the Delhi High Court granted permanent injunction in a summary suit against the defendant in view of apprehended infringement by launch of 'Ecoglipt'- a generic version of the plaintiff's protected drugs 'Sitagliptin'.

Bolar exemptions

In *Bayer Corporation v. Union of India*²⁷ the Delhi High court held that export of a patented invention for 'experimental purpose for development of information or clinical studies and trials' is covered under section 107A of the Patents Act, 1970. Section 107A of the Patents Act, 1970 is regarded as the Indian Bolar exemption, which is an exception to the patentee's exclusive rights under section 48 and thus a limitation on patentee's rights. Section 107A is thus an exception to patent infringement. Allowing Natco to export Bayer's patented drug 'Sorafenib Tosylate' for which Natco has already obtained a compulsory license the court held that such export is not a violation of the terms of the compulsory license as the language of section 107 A permits exports from India of a patented invention solely for uses reasonably related to the development and submission of information required under any law for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product. The judgment establishes that section 107A allows export of product *per se* for the *purpose of obtaining regulatory approvals* which is exempted under section 107A and it is not limited to information or data.

IV INDUSTRIAL DESIGNS

Substantial copying of design

Cello Household Products sued Modware India for copying the design and packaging of its bottle PURO in *Cello Household Products v. Modware India*.²⁸ Cello obtained a design registration in 2016 for its distinguished bottle design. Its unique features were two-tone colour scheme, flip top and unique surface pattern in a distinctive packaging. Cello came to know in 2017 about Modware's bottle under the name KUDOZ which was a copy of PURO in every single respect. When seeing side by side, both the products were incapable of being distinguished. Cello alleged piracy of their registered design, and passing off.

The plaintiffs argued that their design possessed originality and novelty; its overall shape, configuration and surface pattern made the design aesthetically appealing and attractive; and its surface ornamentation and various other unique features are a novel combination. The defendants, on the other hand, argued that 'bottle is a bottle'

26 2017 SCC OnLine Del 11695.

27 W.P.(C) 1971/2014, dated 8th March 2017.

28 AIR 2017 Bom 162.

and all bottles are vertical and cylindrical and as such there was no uniqueness or novelty in the plaintiff's design; rather it is a mosaic of earlier prior arts in bottle designs. Hence, the design is not protectable as a result of a combination of earlier known designs by virtue of section 4(c) read with section 22(2) of the Designs Act, 2000.

While granting injunction, the Bombay High Court held that the adoption by the defendants of the same colour scheme and packaging of the plaintiff's design is infringement. Each component of a design need not be tested for finding originality. It is overall appearances and the way it is made appealing to the eye of the customer is what matters. If the essential elements of a design which makes the design distinguishable and appealing are copied substantially, it would become infringement even if there is no identical or exact copying.

Copyright in the technical drawings of designs

It is an established fact that there is a clear distinction between an original artistic work and the design derived from it for an industrial application on an article.²⁹ The original artistic work is something different from the design. The definition of design under section 2(d) of the Designs Act expressly excludes, *inter alia*, any artistic work defined in section 2(c) of the Copyright Act, 1957. However, 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. In *J.C. Bamford Excavators Limited v. Bull Machines Pvt Ltd.*,³⁰ the Delhi High Court further held that merely because the parts of the product have been manufactured by an industrial process more than fifty times would not necessarily lead to the conclusion that the copyright in the technical drawings of the said parts has ceased.³¹ A reading together of sections 15(2) of the Copyright Act and section 2(c) of the Designs Act explains that a person would lose the exclusive right to apply a design (which is capable of being registered under the Designs Act but has not been so registered) to an article to which the design has been applied if the article is produced more than fifty times by an industrial process. This does not imply that the copyright in an artistic work on the basis of which design are created and applied to an article also ceases.

Speaking orders or reasoned decisions

*Krishna Plastic Industries v. Controller of Patents and Designs*³² and *Anuradha Doval v. The Controller of Patents and Designs*³³ are two cases in which the High Court of Calcutta *inter alia* emphasised the need of speaking orders and also held that in order to claim novelty, there has to be a significant change or difference in the

29 *Microfibres Inc. v. Girdhar and Co.*, 2009 (40) PTC 519 (Del).

30 2017 SCC OnLine Del 12700.

31 *Id.* at para 38.

32 AID 5 of 2013 decided on 23/2/2017.

33 AID No.1 of 2015 decided on 13/4/2017.

design, although, it may have a common source. A mere trade variant without significant and substantial noticeable features would destroy novelty. A drawing or publication of a design in any form must suggest explicitly or implicitly by context that the pattern or picture should be applied to an article. It also required the Deputy Controller to make a reasoned decision on the question whether the surface pattern constitutes a shape, configuration, pattern or ornament? This case thus establishes that a controller should pass reasoned order as non-speaking order is contrary to the principles of administrative law.

V TRADE MARK

The survey year has more than hundred cases in the realm of trade mark alone decided by the Supreme Court and high courts. The analysis of all these cases cannot be done as part of this survey for which a separate volume would be required. The surveyor has hence analysed only important cases depicting the jurisprudential development and judicial trend.

Secondary meaning of descriptive marks and human interactions test

In Sunil Mittal v. Darzi on Call,³⁴ the dispute was between the plaintiff's trade mark 'The Darzi: The Suit People, 1981' and the defendant's mark 'Darzi on Call'. The plaintiff was engaged in the services of tailoring and draping as well as relating to the trade and business of selling and marketing of all kind of clothing and wearing apparels. The defendant was also carrying on the same business. However, the plaintiff is the prior user. In the petition of passing off, the court found dishonesty on part of the defendants since they ventured to ride on the goodwill of the plaintiff's mark and market. The court made interesting observations on several trade mark concepts such as (i) deceptive words being used as trademark on acquiring distinctiveness through secondary meaning, (ii) translated trademarks (iii) human interaction test *etc.*

By holding that that innovation to use a descriptive word as a mark deserves trademark protection, the court said thus: "A distinction has to be carved between use of a word as descriptive of services provided under a trade name/trade mark and use of that word as trade name/trade mark in itself. A person who for the first time starts using as a trade name/trade mark, a word which in the past has always been used as descriptive of the services, cannot, in my opinion, be denied the protection as available to other proprietors of trademark, on the ground of the word being descriptive of the trade. Protection afforded to intellectual property, to which genre trade names and trademarks belong, in the ultimate analysis, is protection of a novel idea/concept/ thought. If none else has in the past thought of adopting as a trade name/trademark, a word which till then has been used as descriptive of services, then the person who has this novel thought/idea deserves protection".

Negating the argument of the defendant that that the word 'Darzi' could not qualify for trademark protection as it was generic and *publici juris* of tailoring services, the Delhi High Court held that while Darzi was used in the spoken language as descriptive of the vocation of a tailor, it was not used to designate the service of tailoring. *T.V. Venugopal v. Ushodaya Enterprises Ltd.*³⁵ was relied on wherein it was held that the Telegu word 'Eenadu' as a translation for 'today', has been given trademark protection due to the reputation and goodwill it had built up in the State.

As to the question "whether translations of already generic terms in English qualify for trade mark protection", the court observed that if a product is marketed in a particular area under a descriptive name and has thus gained a reputation *that name which distinguished it from competing products will be protected against descriptive use*. After concluding 'Darzi', being the essential feature/element in both the marks, the court observed that when the similarity between the two marks is being judged, the similarity has to be looked at from the angle of human interactions in a particular society. It should not be an abstract test. In such situations the test to be applied must be of human beings impression in a particular place/society and not a test as laid down in the law books in relation to a different society.

Rectification

The pertinent question in *Patel Field Marshal Agencies Ltd. v. PM Diesels Ltd.*³⁶ was in a situation where a suit for infringement is pending wherein issue of validity of registration of trade mark in question has been raised by any of the parties and no issue on said question of validity has been framed in suit or if framed has not been pursued by concerned party in suit by filing an application to high court for rectification under section 111 read with section 107 of old Trade and Merchandise Act, 1958 whether recourse to remedy of rectification under sections 46 and 56 of 1958 Act³⁷ would still be available to contest validity of registration of trade mark? The trade mark in question was Marshal. As per the scheme of the Trade Marks Act, the rectification proceedings may be initiated before the statutory authority - IPAB or it may arise as a counter claim in a suit for infringement.

The Supreme Court of India after resorting to a harmonious and purposive construction of 1958 and 1999 Acts held that where issue of invalidity is raised or arises independent of a suit, the prescribed statutory authority will be sole authority to deal with matter.³⁸ However, in a situation where a suit is pending (whether instituted

35 (2011) 4 SCC 85.

36 AIR 2017 SC 5619.

37 The 1958 Act continues to be a live issue in view of the *pari materia* provisions contained in the Trade Marks Act, 1999 such as ss. 47, 57, 124 and 125 of the Trade Marks Act, 1999.

38 In *Data Infosys Ltd. v. Infosys Technologies Ltd.*, 2016 (65) PTC 209 Delhi FB it was held by the Delhi High Court that the statutory body empowered by the Trade Marks Act to decide the validity of registration is the only authority, *i.e.*, IPAB, that has jurisdiction to do so. The civil court thus cannot prevent a litigant from approaching IPAB in order to challenge validity of registration of a mark.

before or after filing of a rectification application) exercise of jurisdiction by prescribed statutory authority is contingent on a finding of civil court as regards *prima facie* tenability of plea of invalidity. Thus, right to raise issue of invalidity is lost forever if requisite action to move high court/or PAB is not initiated within the statutorily prescribed time frame. The relevant observations of the court as follows:³⁹

That all questions with regard to the validity of a Trade Mark is required to be decided by the Registrar or the High Court under the 1958 Act or by the Registrar or the IPAB under the 1999 Act and not by the Civil Court. The Civil Court, in fact, is not empowered by the Act to decide the said question. Furthermore, the Act mandates that the decisions rendered by the prescribed statutory authority [Registrar/High Court (now IPAB)] will bind the Civil Court. At the same time, the Act (both old and new) goes on to provide a different procedure to govern the exercise of the same jurisdiction in two different situations. In a case where the issue of invalidity is raised or arises independent of a suit, the prescribed statutory authority will be the sole authority to deal with the matter. However, in a situation where a suit is pending (whether instituted before or after the filing of a rectification application) the exercise of jurisdiction by the prescribed statutory authority is contingent on a finding of the Civil Court as regards the *prima facie* tenability of the plea of invalidity. Conversely, in a situation where the Civil Court does not find a triable issue on the plea of invalidity the remedy of an aggrieved party would not be to move under sections 46/56 of the 1958 Act but to challenge the order of the Civil Court in appeal. This would be necessary to avoid multiple proceedings on the same issue and resultant conflict of decisions.

The 1958 Act clearly visualizes that though in both situations i.e. where no suit for infringement is pending at the time of filing of the application for rectification or such a suit has come to be instituted subsequent to the application for rectification, it is the Registrar or the High Court which constitutes the Tribunal to determine the question of invalidity, the procedure contemplated by the Statute to govern the exercise of jurisdiction to rectify is, however, different in the two situations enumerated. Such difference has already been noted. The intention of the legislature is clear. All issues relating to and connected with the validity of registration has to be dealt with by the Tribunal and not by the civil court. In cases where the parties have not approached the civil court, sections 46 and 56 provide an independent statutory right to an aggrieved party to seek rectification of a trade mark. However, in the

39 Paras 27-31.

event the Civil Court is approached, *inter alia*, raising the issue of invalidity of the trade mark such plea will be decided not by the civil court but by the Tribunal under the 1958 Act. The Tribunal will however come into the matter only if the Civil Court is satisfied that an issue with regard to invalidity ought to be framed in the suit. Once an issue to the said effect is framed, the matter will have to go to the Tribunal and the decision of the Tribunal will thereafter bind the Civil Court. If despite the order of the civil court the parties do not approach the Tribunal for rectification, the plea with regard to rectification will no longer survive.

The legislature while providing consequences for non-compliance with timelines for doing of any act must be understood to have intended such consequences to be mandatory in nature, thereby, also affecting the substantive rights of the parties. This is how section 111(3) of the 1958 Act has to be understood. That apart, it is very much within the legislative domain to create legal fictions by incorporating a deeming clause and the court will have to understand such statutory fictions as bringing about a real state of affairs between the parties and ushering in legal consequences affecting the parties unless, of course, there is any other contrary provision in the statute. None exists in the 1958 Act to understand the provisions of section 111(3) in any other manner except that the right to raise the issue of invalidity is lost forever if the requisite action to move the High Court/IPAB (now) is not initiated within the statutorily prescribed time frame.

Through this landmark verdict, the apex court thus settled conflicting decisions of the various high courts on trade mark rectification.

Territorial jurisdiction and *quia timet* action

In *Black Ticket Films v. Walter Philip*,⁴⁰ the High Court of Bombay examined the issue whether the material part of the cause of action in the suit had arisen within the territorial jurisdiction of a court, whether leave under clause XII of the Letters Patent was rightly granted by the court to the plaintiff to file the suit in that court? The court observed that when the plaintiff has proved beyond reasonable doubt that substantial part of cause of action in the action for *quia timet* has arisen within the territorial jurisdiction of a court based on the apprehension of the plaintiff the court has jurisdiction to entertain, try and dispose of the suit. Thus the court had rightly granted leave under clause XII of the Letters Patent on the application filed the plaintiff. With reference to the injunctive relief in *quia timet* action, the court also noted that when the goodwill is proved, the plaintiff is not required to wait till the actual damage is actually caused; the likelihood of tangible damage is sufficient in such cases.

40 2017 (71) PTC 488 (Bom).

Passing off and infringement

In *Godfrey Phillips India Limited v. P.T.I Private Ltd.*,⁴¹ the word mark used by the defendants as trademark (FUN GOLD the expression SUPER LEAF) was totally different from the word mark used by the plaintiff as trademark (CAVANDERS' with the expression GOLD LEAF). However, in the suit of passing off the question was whether the simple colour combination of two colour shades of green and gold can be at all distinctive of the plaintiff's packaging/getup? And whether use of shades of green and golden colour by the plaintiff has made this combination of two colours so exclusive and distinctive that the same can only be associated with the plaintiff so that user by defendants of such colour combination will result in passing off? While answering these questions in negative, the court observed that on any and every averment a legal cause of action is not made out in commercial suits so as to entitle plaintiffs to throttle competing businesses. The law of passing off is essentially the law of business morality: the defendants cannot use the trademarks or trade dress or getup or other aspects similar to that used by the plaintiff.⁴² However, on the other hand, the principle of business morality is equally applicable to a plaintiff which requires freedom of trade and not filing of misconceived and baseless cases against competitors so that plaintiff enjoy 'monopoly like situations' for their business to make ever increasing profits. No intellectual property including trade mark can create a monopoly and unfair competitive practices.

Disparaging and comparative advertisements

The apex court's verdict way back in 1995, in *Tata Press Ltd. v. Mahanagar Telephone Nigam Ltd.*⁴³ has established that any commercial speech which is misleading, false or deceptive can be restrained by the state and such advertisement can be regulated and prohibited by the state and would be hit by article 19(2) of the Constitution. Whether the advertisements of the defendant caused disparagement of the product of the plaintiff was the main issue in *Procter and Gamble Home Products Private Ltd. v. Hindustan Unilever Ltd.*⁴⁴ These suits concerned the Clinic Plus and Dove brands of HUL and Head & Shoulders Anti-dandruff Shampoo (brand of P&G). The Delhi High Court also examined the issue whether the weightage given by the ordinary man, *qua* whom the test of defamation has to be applied is insignificant to comparative advertising. It was observed that the weightage given by the ordinary man, *qua* whom the test of defamation has to be applied, is very little if not insignificant to comparative advertising.

The court noted that the public are used to advertisers claiming the good points of a product and ignoring others and public is reasonably used to comparisons and this aspect is important in considering what the ordinary meaning of advertising may

41 2018 (73) PTC 178 (Del); 2017 SCC OnLine Del 12509.

42 See, *Laxmikant v. Patel* (2002) 3 SCC 65.

43 1995 SCC (5) 139.

44 MANU/DE/0389/2017.

be, *i.e.*, whether a reasonable man would take the claim being made as one made seriously. It was also observed that the same words may be understood by one man in a different meaning from that in which they are understood by another and both meanings may be different from that which the author of the words intended to convey. In the opinion of the court, the result of a laboratory test, relied on in the advertisements to claim own products to be superior, are not treated by the ordinary man/consumer as authoritative. The significant observations of the court are as follows:⁴⁵

a. All the advertisements fall in the genre of comparative advertising which permits comparing own product with that of competitor's and calling own superior/better than competitor's.

b. Manufacturer or marketer of goods which are but one of the several choices available to the consumer is necessarily required to approach the consumers, whether directly or through the TVCs or through any other modes available, to demonstrate why the consumer, instead of several other choices available, should avail of his goods. To hold that he is not, would curb competition and put fetters on the fundamental right to commercial speech without authority of law. The Central Government authorized by section 22 of the CTN Act to draw up an Advertising Code has in the Advertising Code contained in rule 7 of the CTN Rules not put any such fetters. The Advertising Code of ASCI incorporated therein permits comparative advertising in the interest of vigorous competition and public enlightenment. The only fetters which are placed therein are that there should be no likelihood of the consumer being misled as a result of the comparison and the advertisement does not unfairly denigrate attack or discredit other products directly or by implication. However, while assessing the said factors, the law of defamation would apply.

c. Applying the dual test of (i) balancing the fundamental right of advertiser under article 19(1)(a), with the Constitutional right of the competitor under article 21 to reputation of his goods; and (ii) the test of proportionality, the advertisement/s in neither of the three suits is found to be defamatory or having the impact of changing the opinion of the ordinary man/consumer to the prejudice of the plaintiff in the suit.

d. The advertisements inform the citizenry how different brands of shampoo can have different impact on hair fall/hair breakage and on dandruff, leading to a informed citizenry capable of making a meaningful choice and resulting in consumer interest and welfare.

e. Disparagement claimed is with respect to shampoo sold in sachets. Each sachet is for one head wash. The consumer of shampoo in a sachet is thus not burdened with use of the same shampoo, wash after wash. A consumer of shampoo in sachet is more likely to experiment than a consumer of shampoo in bottles/containers. Such a consumer who can change the shampoo with every head wash, even if after viewing the advertisement and being swayed thereby opts for the other brand, if does not find the benefit claimed in the advertisement, would revert to the earlier. The market forces would prevail in the long run.

45 *Id.* at para 52.

f. To prevent a manufacturer/marketer of such goods from enlightening the consumer of these factors/considerations and if indeed has an edge over competitor's product, from publicly claiming the same for the reason of the competitor suffering there from, would amount to curbing competition and would be an unreasonable fetter on the fundamental right to commercial speech.

g. The right to protect own reputation, which is the genesis of the law of defamation, is not to be misunderstood as right to be not spoken against or right to be not criticized for own shortcomings.

h. A product in the market is like a public persona who from the mere fact of being in the public glare opens himself to discussion and views and just like such a person cannot prevent the members of public or other public figures, against whom his interest may be pitted, from expressing their views of him, so is the case of such a product in the market.

i. The claims in the impugned advertisements of, *mazbooti de behtar* or of, from use of other *baal zyada tutte hain* or of, the other shampoo *dandruff nahi nikalta, ek, do, teen washes mein bhi nahin* or of, own shampoo *zyada dandruff hataye* or of, *anti-dandruff shampoo can damage your hair* are mere statements of opinions or statements of experience attributes of paid protagonist in the advertisements and not statements of fact and which as aforesaid are statements of puffery. Such statements are immeasurable, unquantifiable and unverifiable and are by their very nature subjective and on which the consumers, as aforesaid, do not rely.

j. The claims in the impugned advertisements are search attributes which though may lead the consumer to search for qualities claimed in the advertisement in another product but ultimately, after the consumer has used/consumed the other product, the experience attributes of the consumer himself would prevail.

In the present matter, the plaintiff in each of the suits has filed the suit gauging its own understanding of the advertisements impugned and not the impact thereof on the ordinary consumer. None of the advertisements, applying the aforesaid principles, are found by the court to be lowering the esteem in which the product of the defendant, in each suit, is held by the ordinary consumer. The court further mentioned that when we have vigilant consumer in the contemporary world, who is aware of his rights and who, armed with the laws for his protection from false claims in advertising, the producers and manufacturers also should be cautious in making the same. In the face of such consumer law developments, reliefs for disparaging advertising have to be restricted to gross cases. The concluding observations of the court are interesting:⁴⁶

Whether the Courts, on detailed enquiry/trial, are to issue a certificate to one shampoo, certifying it as giving *zyada mazbooti to baal* or to another as causing *zyada tootna of baal* or to one of *causing damage*

46 *Id.* at para 56.

to hair and another of dandruff nahi nikalta. That is the enquiry to which the Court would be put to, if carries their suits to trial. In my opinion, neither are the Courts equipped there for nor is that the role of the Courts. If the Court is to commence investigating the correctness of the reports of the experts relied upon by the rival competitors in support of their claim of superiority of own goods, the Courts would be converted into laboratories determining the comparative merits of rival products.

VI MISCELLANEOUS

Intellectual property and information technology rules

In *Kent RO Systems Ltd. v. Amit Kotak*,⁴⁷ the Delhi High Court clarified that the Information Technology Rules obliges the intermediary to remove or disable the information hosted on the portal only on receipt of complaint. The IT Rules, do not oblige the intermediary to, of its own, screen all information being hosted on its portal for infringement of the rights of all those persons who have at any point of time complained to the intermediary.⁴⁸ Merely because intermediary has been obliged under the IT Rules to remove the infringing content on receipt of complaint cannot be read as vesting in the intermediary *suo motu* powers to detect and refuse hosting of infringing contents.⁴⁹

Patent *vis a vis* Competition Act

In *Biocon Ltd. & Mylan Pharmaceuticals Pvt. Ltd. v. F. Hoffmann-La Roche AG*, the Competition Commission of India ordered a detailed investigation against Roche with respect to its cancer drug, Trastuzumab on a positive prima facie determination on contravention of section 4(2)(c) of the Competition Act, 2002. While observing that Roche had abused its dominance in the relevant market for biological drugs, the CCI noted that when seen collectively the practices adopted by Roche Group to create an impression about the propriety of the approvals granted, the safety and efficacy of biosimilars, the risk associated and the outcome of the on-going court proceedings in the medical fraternity, including doctors, hospitals, tender authorities, institutes *etc.* adversely affect the penetration of biosimilars in the relevant market.

VII CONCLUSION

The survey year demonstrates how vibrant and progressive is the Indian judiciary with respect to intellectual property judgments. The judiciary has been approached by litigants with various matters, issues and questions relating to various kinds of

47 CS(COMM) 1655/2016 & IA No.15914/201 decided on 18/1/2017.

48 *Id.* at para 31.

49 *Id.* at para 35.

IPR. The courts gave harmonious construction to the Merchandise Act, 1958 and Trade Mark Act, 1999 to settle the issue of rectification in *Patel Field Marshal Agencies Ltd. v. PM Diesels Ltd.*⁵⁰ In *Krishna Plastic Industries v. Controller of Patents and Designs*⁵¹ the court reinforced and reiterated the need of reasoned decisions from the IPR registries and administrative authorities. It was also declared that producer of a film, as part of his right to communication, enjoys the right to dub that film in any other language.⁵² With the increased awareness on IPR, more judicial interventions might be sought in the coming years for enforcing IPPR rights of creators and inventors.

50 *Supra* note 36.

51 *Supra* note 32.

52 *Supra* note 6.