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INTELLECTUAL PROPERTY LAW

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I INTRODUCTION

ALTHOUGH COVID-19 has presented an array of aleatoric struggles, unanticipated challenges and diverse uncertainties for judicial system, the survey year 2020 uncovers that IPR litigations are on steady rise in India. The Indian courts and attorneys were well equipped to handle the Intellectual Property Rights (IPR) disputes and litigations despite the challenges posed by COVID -19. Year 2020 saw diverse decisions especially in the realm of patent and copyright.

The Tribunals Reforms Act, 2021 has dissolved the Intellectual Property Appellate Board (IPAB) which functioned for over 15 years as IPR appellate body. The powers of IPAB are now vested with the high court. The present survey contains few cases involving IPAB as the dissolution of it happened subsequent to the survey year.

II COPYRIGHT

No monopoly over ideas

In *Shivani Tibrewala v. Rajat Mukherjee*¹ the court reiterated that while the underlying idea behind the scripts of the plaintiff and the defendant was same, and they both dealt with unethical clinical trials, the stories were narrated through completely different scenarios. The scripts, treatment, presentation, storyline and plot of two stories were very distinct and different. The characters of the two films were completely different. The defendants' film was much further away from the plaintiff's play and the expression of the idea was completely different in the plaintiff's play and the defendants' film, though the common theme of unethical drug testing remained. Moreover, on reading scripts and watching play and film, one would not walk away with an impression that defendant's film is substantially and materially a copy of plaintiff's film. While dismissing the plaintiff's plea of infringement, the court held that there could be no monopoly of copyright in the idea or subject or theme such as clinical trial or unethical drug testing which are part of the public domain.

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¹ MANU/MH/0060/2020.

Idea-expression dichotomy

In *Shamoil Ahmad Khan v. Falguni Shah*,² the High Court of Madras clarified that irrespective of some dissimilarities between the two works, if the defendant's work seems to have similarities of a fundamental or substantial nature in respect of mode of expression adopted in the copyrighted work of the plaintiff, then the *prima facie* case of copyright infringement can be made out. Further, the copy in defendant's work was held to be a substantial and material one. The court reiterated that when a spectator or viewer of the later work (i.e. the defendant's web series), having read the plaintiff's story, is likely to be of an opinion and an unmistakable impression, that the later work (i.e., the defendant's work) appears to be a copy of the original work of the plaintiff, then defendant's work cannot be termed original.

On the other hand, in *Vinay Vats v. Fox Star Studios India Pvt. Ltd.*,³ the High Court of Delhi was of the opinion that as appellant-plaintiff's script of play is all the more different from respondent-defendant's film as the treatment and presentation and storyline and plot of two stories are very distinct and different. The mere fact that certain plot points, between the plaintiff's script and the story of the upcoming film 'Lootcase' may be common, cannot be the basis to lay a claim to copyright. Hence the court arrived at the decision that the respondent-defendants have *prima facie* proved that their work is original and has been independently arrived at and appellant-plaintiff has failed to make out *prima facie* case of infringement of copyright.

Both the cases reiterated the ratio of *R.G. Anand v. Delux Films*⁴ and held that, there can be no copyright in an idea, subject matter, themes, plots or historical or legendary facts and violation of the copyright in such cases is confined to the form, manner and arrangement and expression of the idea by the author of the copyrighted work. Where two writers write on the same subject, similarities are bound to occur because the central idea of both are the same but the similarities or coincidences by themselves cannot lead to an irresistible inference of plagiarism. Indeed, if on a perusal of the copyrighted work the defendant's work appears to be a transparent rephrasing or a copy of a substantial and material part of the original, the charge of plagiarism must stand proved.

Internet rights

In *Raj Television Network Ltd. v. Kavithalaya Productions Pvt. Ltd.*, the first defendant - *Kavithalaya Productions Pvt. Ltd.*,⁵ was the producer and first owner of the entire copyright with respect to 34 movies and these rights were assigned and transferred to the plaintiff by an agreement dated February 6, 2001 for a consideration of Rs. 65,00,000/- for a period of 99 years. The plaintiff had been exploiting the movies in DVD marketing and through satellite televisions and OTT platforms. The third defendant, Amazon (Prime Video) distributed two of the films - *Annamalai* and *Duet*.

2 MANU/MH/0590/2020.

3 MANU/DE/1488/2020.

4 MANU/SC/0256/1978.

They contended that the plaintiff does not have any internet rights and the defendant have acquired rights in three films namely Annamalai, Roja and Duet.

In the agreement, it was stated that multimedia rights, portal rights, personal video server rights, web rights and internet rights were not assigned to the plaintiff and if at all they were to be assigned to any third party, the plaintiff would be consulted on the same. It was alleged that the first and second defendants had entered into an agreement on January 29, 2016, whereby, the second defendant was assigned with internet rights and web rights with respect to the movies. Clause 13 of the agreement has been disputed which read thus:⁶

The Lessors hereby confirm that prior to the execution of this agreement, they have not assigned the rights assigned under this agreement of the above pictures to any other party and also agrees not to assign the Multi Media Rights, Portal Rights, Personal Video Server Rights, Web Rights and Internet Rights without consulting the Lessees.

The plaintiff asserted that they have internet rights over the movies and the first defendant asserted that they have not granted internet rights to the plaintiff. The plaintiff argued that by grant of video on demand rights and wire and wireless diffusion for communication to the public without restriction of geographical area, it automatically meant that internet rights have also been granted to the plaintiff. The court by denying to grant any injunction to the plaintiff noted that the issue whether video on demand would also include internet rights, is an issue to be decided on the basis of the evidence.

Copyright in an unpublished work

In *Super Cassettes Industries Pvt. Ltd. v. Nandi Chinni Kumar*,⁷ the High Court of Telangana by upholding the injunction reiterated that in the case of violation of copyright in an unpublished work of the plaintiff, which is sought to be made into a cinematograph film, if the defendants were permitted to exhibit and distribute their film, whatever novelty is there in the plaintiff's screenplay and script, it would be lost altogether; and it is difficult in such a case to work out the damages suffered by the plaintiffs. Such damages would be irretrievable and not capable of being compensated in money and the only remedy for the plaintiff is to secure an interim injunction restraining the defendants from releasing the offending film. It was also observed that when there is *prima-facie* material to show that the film being made by the defendants 3, 5 and 7 had a character of the first defendant (who is a celebrity sportsman) and the role was substantial, it was the duty of the defendants to dispel the said view and place material before the trial court to prove their plea that the film being made by them had no role of first defendant.

The defendants 3, 5, 6 and 7 contended that it is possible to make a movie only on the coach the second defendant, without having the character of the first defendant,

5 MANU/TN/5681/2020.

6 *Id.*, para 25.

7 MANU/TL/0307/2020.

the alleged don turned footballer who captained the Indian Slum Soccer Team in the Slum Soccer World Cup. But, the court observed thus: “There is undoubtedly a theoretical possibility of such a thing being done, but the probability’ of the doing it is low because the marketability of a movie about a celebrity sportsperson is far higher than the marketability of a movie about his coach without the celebrity pupil/sportsperson; and being a commercial venture, the risk of the film only about the coach without the celebrity pupil ending in a flop, is much more. Prudent businessmen spending lot of money are unlikely to take such risks.” The court also noted that it is the duty of the party to lead the best evidence in his possession, which could throw light on the issue in controversy and in case such material evidence is withheld, the court may draw adverse inference.

Rogue websites

In *Star India Pvt. Ltd. v. moviestrunk.com*⁸ too the defendants were indulging in committing and facilitating copyright infringement on a large scale of the plaintiff’s copyright. The plaintiff’s copyrighted content were available on the websites of defendant nos. 1 to 67. The defendant-websites has categorized the content according to language, genre and popularity of film to enable convenient dissemination. The contact details of registrant of website was masked/untraceable. Hence the court came to the conclusion that defendant nos. 1 to 67-websites fall within following parameters laid down in *UTV Software*⁹ for determining whether the website complained of is a FIOL/rogue website:

- a. Whether the primary purpose of the website is to commit or facilitate copyright infringement
- b. The flagrancy of the infringement, or the flagrancy of the facilitation of the infringement
- c. Whether the detail of the registrant is masked and no personal or traceable detail is available either of the Registrant or of the user?
- d. Whether there is silence or inaction by such website after receipt of take down notices pertaining to copyright infringement?
- e. Whether the online location makes available or contains directories, indexes or categories of the means to infringe, or facilitate an infringement of, copyright?
- f. Whether the owner or operator of the online location demonstrates a disregard for copyright generally?
- g. Whether access to the online location has been disabled by orders from any court of another country or territory on the ground of or related to copyright infringement?
- h. Whether the website contains guides or instructions to circumvent

8 MANU/DE/0585/2020.

9 *UTV Software Communication Ltd. v. 1337X*, MANU/DE/1244/2019.

measures, or any order of any court, that disables access to the website on the ground of or related to copyright infringement; and

- i) The volume of traffic at or frequency of access to the website.

Rogue websites and internet service providers

In *Disney Enterprises, Inc. v. Kimcartoon.to*¹⁰ the plaintiffs' allegation was that certain 118 rogue websites are enabling the down-streaming of their copyrighted creative work which includes films and other entertainment programmes, *albeit*, without requisite licenses. The High Court of Delhi having found that if the plaintiffs are not protected irreparable damage would be caused to their commercial and statutory interest, restrained the defendants from hosting, streamlining, reproducing, distributing, making available to the public and/or communicating to the public or facilitating the plaintiffs' work on their websites through the internet in any manner whatsoever, any cinematograph work, content, programme and show in which the plaintiffs have copyright. The Internet service providers (ISPs) were directed to block access to the websites of the defendants. The injunction was extended in respect of the mirror/redirect/alphanumeric websites. The court ordered the Department of Telecommunications (DoT) and the Ministry of Electronics and Information Technology (MEITY) to issue necessary directions and notifications to various ISPs to block access to the defendants' websites.

Software piracy

In *Microsoft Corporation v. Satveer Gaur*¹¹ the High Court of Delhi while granting a permanent injunction held the suit maintainable though the plaintiffs are situated in United States, the plaintiff no. 2 has principal place of office and registered office in Delhi. The plaintiffs' Business Software Alliance (BSA - a non-profit association to fight software piracy) website reported the usage of unlicensed/pirated software programs by the defendants on their computers. Microsoft and Adobe software programs were being used widely by the defendant to give services to their clients. The local commissioner had confiscated and sealed the computers being used by the defendants with unauthorized/unlicensed versions of the plaintiff's software.

Fair use doctrine

Fair dealing as an exception to copyright infringement has been used as a defense, in India like many other countries in a good number of legal battles. Section 52 of the Indian Copyright Act, 1957 gives an exhaustive list of the fair dealing exceptions in a copyright infringement suit. The Delhi High Court in *Ge Power India Ltd. v. NHPC Ltd.*¹² rejected the plea of the defendant of fair dealing under section 52(1)(a) of the Copyright Act as misconceived for the reason fair dealing is only applicable to private or personal use including research and does not apply to commercial activity.

Section 52(1)(x) of the Copyright Act applies only to architectural drawings or plans that are used for reconstruction of a building or structures 'originally constructed' and, therefore, stipulates that the building or structure with the said drawings was

10 MANU/DE/1457/2020.

11 MANU/DE/1103/2020.

12 MANU/DE/1305/2020.

made with the consent or license of the owner of the copyright in such drawings and plans. There is no exception prescribed under section 52 of the Copyright Act which permits completion of an unfinished project via the use of the plaintiff's copyright drawings to be used by a third party without a license issued by the plaintiff. Further section 52 of the Copyright Act also does not create an exception for the using party to be State.

E- newspapers and intermediary liability

In *Jagran Prakashan Limited v. Telegram FZ LLC*,¹³ the defendant No. 1 granted access and permission to the users of his application to create various channels while not disclosing the identity of such users. In these channels, the e-papers of the plaintiff are being uploaded in PDF format on daily basis permitting availability of current editions of the e-paper and all the previous editions of the e-paper published in the past, which is otherwise available to a user only if he subscribes the e-paper subscription while visiting the website of the plaintiff. While granting ad-interim injunction the court directed to take down/block the telegram channels with Ids: t.me/dainikjagran, t.me/dainikjagranhindi, t.me/dainikjagran_jnm, t.me/dainikjagranpdf, t.me/dainik_jagran, t.me/dainikjagran, t.me/DJagran, t.me/Dainik_Jagran_pdf, t.me/Fainik_Jagran_News, t.me/dainikja or any other similar channels infringing the rights of the plaintiff within 48 hours. The defendant No. 1 was also directed to disclose the basic subscriber information/identity of the users/owners of the alleged channels.

III PATENTS

Pre- grant opposition

The Patent Act, 1970 provides for pre-grant as well as post grant opposition proceedings. In *Dhaval Diyora v. Union of India*,¹⁴ the High Court of Bombay answered the issue whether a pre-grant representation can be filed while the decision of the controller of patents (CGPDTM) to reject a patent application is on appeal before the IPAB (this case was decided before the dismantling of IPAB). It was held that pre-grant representation cannot be filed while the decision of the controller is on appeal because the time limit to file the same comes to an end once the decision on a patent application is made by the controller. While referring to *UCB Farchim Sa v. Cipla Ltd.*,¹⁵ the court reiterated the objective of the pre-grant opposition inserted by 2005 Patent Amendment Act which is to assist the controller in deciding the patent applications. Once the controller decides the proceedings, the procedure ends as far as pre-grant opposition is concerned.

While section 25(1) permits 'any person' to file opposition before granting of the patent, section 25(2) allows only 'persons interested'¹⁶ to file post grant opposition. The legislative intent to widen the *locus standi* to 'any person' under the amended section 25(1) is not to create individual right as such but to provide access to any

13 MANU/DE/1190/2020.

14 MANU/MH/1879/2020.

15 MANU/DE/0297/2010.

16 S. 2 (1) (t) of the Patent Act defines, 'person interested' as a person engaged in, or in promoting, research in the same field as that to which the invention relates.

person to assist the controller in taking a correct decision. The pre-grant representation as such must be decided simultaneously with examination. Once a decision to grant or refuse the patent is made, the act of sealing the patent under section 43 is merely a ministerial act and does not have any bearing on the timeline for filing pre-grant representations. While noticing that the petitioner in the present suit is a ‘habitual frontman put up by those who intend to only delay grant of patents,’ the court has come down heavily on such benami opposers of patents and imposed a fine of Rs: 25000/- against the opponent (petitioner) in the case.

Standard essential patents (SEPs)

Prior to the present suit, in a SEP royalty rate-setting suit which essentially sought fixation of FRAND-compliant royalty rates in order to enable the defendants to utilise the plaintiff’s patented SEP technology, a Wuhan Court had granted an anti-suit injunction in favour of Xiaomi prohibiting Interdigital from proceeding with patent infringement suits pertaining to the SEPs. The instant case under consideration, *i.e.*, *Interdigital Technology v. Xiaomi Corporation*¹⁷ is related to SEPs pertaining to 3G and 4G technologies wherein the High Court of Delhi granted an ad interim injunction against the said order of the Wuhan Court by holding that the Wuhan Court’s order cannot interfere with the enforcement of patent rights pertaining to Indian patents. The jurisdiction for such matters is enjoyed by the Indian courts and the Wuhan Court does not have the jurisdiction to proscribe infringement suits in India. While answering the question, whether Wuhan Court erred in negating jurisdiction of Indian courts, it was also held by the High Court of Delhi that by conditioning continuance of prosecution by plaintiffs of proceedings before the Indian courts, the Wuhan Court rendered it impossible for plaintiff to continue to prosecute these proceedings, hence, the order of the Wuhan Court directly negates the jurisdiction of the Indian courts thereby infringing the authority of the Indian courts to exercise jurisdiction in accordance with laws of the land. It is not open to any court to pass an order prohibiting courts in another country to exercise jurisdiction lawfully vested in them. Any such decision would amount to negation of jurisdiction, which cannot be countenanced.

Confidentiality clubs

The High Court of Delhi rejected a proposal to constitute ‘two-tier’ confidentiality club¹⁸ for sharing confidential documents to assess whether the licensing terms being offered by InterDigital were on FRAND basis in *Interdigital Tech Corp v. Xiaomi Corp.*¹⁹ The proposal suggested to exclude any representatives of parties, “other than “non-in-house” advocates and the experts appointed by them”, from accessing documents like “confidential, comparable patent license agreements on FRAND terms, as executed by the parties in the suit”. This would restrict access to certain confidential

17 MANU/DE/1846/2020.

18 The confidentiality club regime is standard protocol worldwide, especially while dealing with litigations involving allegation of patent infringement in SEPs. When parties to a commercial suit wish to rely on documents/information that are commercially or otherwise confidential in nature, the court may constitute a confidentiality club so as to allow limited access to such documents/information.

19 I.A. 6441/2020 in CS(COMM) 295/2020, decided on Dec. 16, 2020.

information from the defendant's representatives. In the opinion of the court, such a proposal would be against fair play to the defendants and against the lawyer-client relationship. The court allowed the plaintiff only to constitute a single tier confidentiality club. This judgement assumes importance as it safeguards the interests of the licenses.

The conditions under which anti-suit injunction, of proceedings pending in a foreign court, can be granted by an Indian Court has been explained by the Supreme Court, in *Modi Entertainment Network v. W.S.G. Cricket PTE. Ltd.*²⁰ which has been further followed in *Dinesh Singh Thakur v. Sonal Thakur*.²¹ While observing that the comity principles pertaining to foreign judgments must yield to municipal law, public policy and justice, the court held thus: "The principle of comity of Courts, though hallowed and deserving of implicit adherence, cannot extend to allowing a defendant in a suit, being prosecuted in India, to employ the order of the Court, passed outside the territory of India, as a means to non-suit the plaintiff, who has instituted a plaint which, according to Indian Law, is capable of being maintained and prosecuted."

Interim injunctions

In *Astrazeneca AB v. Torrent Pharmaceuticals Ltd.*,²² the High Court of Delhi by denying interim injunction it was reiterated that the plaintiffs must make out a *prima facie* case for grant of interim injunction along with sufficient proof of 'balance of convenience and irreparable loss'. In *Astrazeneca AB v. Intas Pharmaceuticals Ltd.*,²³ the High Court of Delhi by rejecting a prayer for interlocutory injunction against the defendants from manufacturing and selling their drugs, held that the court has to be vigilant towards attempts of patentee that aims at evergreening invention which does not *inter alia* involve inventive step.

Patent publication within reasonable period

The case decided by High Court of Delhi in *Astrazeneca Ab v. Union of India*²⁴ challenged an order of the controller of patents to publish a patent after 11 years of its grant. The relevant portion of the impugned order read thus:

With respect to the contention of the representor wherein that there been no publication of the grant of patent u/s 43(2) in Office Journal dated 31/07/2009, I submit that there appears to be an inadvertent error wherein the grant of the said patent was not published. I hereby order that this may be rectified immediately. The concerned division in the Patent Office to publish the grant of the patent u/s 43(2) within 15 days from the date of this order. And all rights and contention of any party pursuant to grant and notification of grant will be governed under the law.

Interestingly, this order has been issued when revocation petition under section 64 of the Patents Act before the Intellectual Property Appellate Board (IPAB) against

20 (2003) 4 SCC 341.

21 (2018) 17 SCC 12.

22 MANU/DE/2064/2020.

23 MANU/DE/1939/2020.

24 W.P.(C) 4431/202, decided on July 23, 2020.

the petitioner's said patent was pending and the patent grant was updated on the patent office's website. On the grant of a patent, the controller is duty bound to publish the same with specifications and other documents leaving them open for public inspection. This is a mandatory provision. However, the statute does not specify the time within which publication has to be carried out. Under section 25(2), a post grant opposition can be filed only after the grant of a patent but before the expiry of a period of one year from the date of publication of the grant of the patent. But in the opinion of the court, the publication would necessarily have to be done within a 'reasonable time period' and not after 11 years. According to the court, the publication of patent after 11 years will open a floodgate of post-grant opposition under section 25(2) of the Patents Act thereby causing grave prejudice to the petitioner.

Doctrine of necessity

In *Natco Pharma Ltd v. Union of India*,²⁵ the court by invoking the doctrine of necessity held that IPAB may proceed with the hearing to ensure continuity of its functioning as observed in the *Mylan* case²⁶ which ruled that even if the post of technical member is lying vacant, IPAB can proceed to hear the urgent matters and the orders passed would not suffer invalidity on the ground of lack of coram. This case too has been decided before the dissolution of IPAB in 2021.

Infringement suit pending post-grant opposition

In *CDE Asia Ltd. v. Jaideep Shekhar*,²⁷ it was held that in view of subsistence of right of patentee, pending post-grant opposition, the patentee can bring permanent injunction suit; the patentee is not required to wait for one year period to sue for infringement. Hence, the suit cannot be held to be not maintainable and liable to be dismissed as premature.

On the issue of territorial jurisdiction, the court held that as the defendants are residing/having their offices and carrying on their business within territorial jurisdiction of the court, the court has territorial jurisdiction to entertain the suit. Additionally, the defendants are also offering sale of impugned products in Delhi which further gives territorial jurisdiction to the High Court of Delhi. The court also observed that the defendants do not have the option of pursuing opposition and counterclaim for revocation simultaneously as they are alternative remedies available to the defendants.

Patent Act vis-a-vis Specific Relief Act

In *Bristol-Myers Squibb Holdings Ireland Unlimited Company v. Natco Pharma*,²⁸ the High Court of Delhi explicated that the Patents Act, being a special statute is the sole repository of law relating to patents. There is no inherent or common law right with respect to patent, outside the statute. Hence, any rights relating to patents can be claimed only in accordance with the provisions of the Patents Act and not elsewhere. Reliefs concerning patents, lie before the court only in accordance with the provisions

25 W.P.(C) 3847/2020, decided on July1, 2020.

26 *Mylan Laboratories Ltd. v. Union of India*, 2019 (80) PTC 374 (Del).

27 MANU/DE/0584/2020.

28 MANU/DE/0185/2020.

of the Act and not outside the Act. While drawing a distinction between the reliefs under the Specific Relief Act which is a general law and the Patent Act which is a specific statute, the court clarified the importance of non-obstante clause at the beginning of section 105 of the Patent Act.²⁹ The court also clarified that a declaration of non-infringement of patent shall not be sought, either under section 105 of the Patents Act or under section 34 of the Specific Relief Act. It has to be sought only under the Patent Act considering the object of a special statute.

On the issue of power to issue certificate of validity under section 113 of the Patents Act, the High Court of Delhi further held that as the Patents Act permits a claim of invalidity of the patent to be made either (i) before the controller or (ii) in defence to a suit for infringement or (iii) in a counter-claim filed therein, no such certificate under section 113 can be issued by the city civil court, Hyderabad and it is incompetent to go into question of validity of junior patent.

With regard to section 10 of (CPC),³⁰ the court opined thus: “Section 10 is a rule of procedure and does not confer any substantive rights. The rule of procedure is in aid of avoiding multiplicity of litigations and if it were to be found that entertaining a suit, though instituted earlier in point of time, would lead to multiplicity of litigations and the latter suit would be a composite adjudication of all disputes and differences between the parties, Section 10 of CPC can always be disregarded as its application cannot be contrary to its objective.”

Inventive step principle

It is well settled that in case prior art document show a concept of teaching away from the inventive step, the said prior art document cannot be used to demonstrate that the invention is obvious and thus not liable to be patented. In *Bristol-Myers Squibb Holdings Ireland Unlimited Company v. BDR Pharmaceuticals International Pvt. Ltd.*,³¹ the High Court of Delhi summed up the points to examine whether an invention is obvious or not:

29 Code of Civil Procedure, 1908, s. 105(1) Stay of suit: Notwithstanding anything contained in section 34 of the Specific Relief Act, 1963 any person may institute a suit for a declaration that the use by him of any process, or the making, use or sale of any article by him does not, or would not, constitute an infringement of a claim of a patent against the patentee or the holder of an exclusive licence under the patent, notwithstanding that no assertion to the contrary has been made by the patentee or the licensee, if it is shown - (a) that the plaintiff has applied in writing to the patentee or exclusive licensee for written acknowledgements to the effect of the declaration claimed and has furnished him with full particulars in writing of the process or article in question; and (b) that the patentee or licensee has refused or neglected to give such an acknowledgement.

30 *Id.*, s. 10: Stay of Suit: No Court shall proceed with the trial of any suit in which the matter in issue is also directly and substantially in issue in a previously instituted suit between the same parties, or between parties under whom they or any of them claim litigating under the same title where such suit is pending in the same or any other Court in India having jurisdiction to grant the relief claimed, or in any Court beyond the limits of India established or continued by the Central Government and having like jurisdiction, or before the Supreme Court.

31 MANU/DE/0299/2020.

- (i) A hindsight reconstruction by using the patent in question as a guide through the maze of prior art references in the right way so as to achieve the result of the claim in the suit, is required to be avoided.
- (ii) The patent challenger must demonstrate the selection of a lead compound based on its promising useful properties and not a hindsight driven search for structurally similar compounds.
- (iii) There should be no teachings away from the patent in question in the prior art.
- (iv) Mere structural similarity cannot form the basis of selection of lead compound in a prior art and the structural similarity in the prior art document must give reason or motivation to make the claim composition.
- (v) Though mosaic of prior art documents may be done in order to claim obviousness, however, in doing so, the party claiming obviousness must be able to demonstrate not only the prior art exists but how the person of ordinary skill in the art would have been led to combine the relevant components from the mosaic of prior art.
- (vi) It has to be borne in mind, small changes in structures can have unpredictable pharmacological effects and thus, structural similarity alone is not sufficient to motivate to selection of the lead compound.
- (vii) Though it would be tempting to put together a combination of prior arts but this requires a significant degree of hindsight, both in selection of relevant disclosures from these documents and also in disregarding the irrelevant or unhelpful teachings in them.

Markush claim and anticipation

For qualifying as an anticipation by previous publication and by a prior claim under section 13 (1) (a) and (b) of the Patent Act, if the anticipation is on the date of filing of the applicant's complete specification, there is a prior art which has been published in India. Under section 13 (2), the examiner for the purpose of ascertaining whether the claim is anticipated by publications in India or elsewhere is required to investigate any document published prior to the date of filing of the complaint. In *Astrazeneca Ab v. Emcure Pharmaceuticals Ltd.*,³² the plaintiff argued that disclosure of the compound in the genus patent through markush claim precluded its patentability through the species patent in suit. By rejecting the contention, the court held that a markush claim in a patent does not make a subsequent patent claiming one of the markush compounds unpatentable. The compound in question here was launched after filing of the species patent in suit, hence, the genus patent does not affect its patentability. There cannot be any dichotomy between disclosure and coverage.

Patent vis- a -vis competition law

The High Court of Delhi has held in *Monsanto Holdings Pvt. Ltd. v. CCI*³³ that there is no conflict between the Patents Act and the Competition Act and by virtue of

32 MANU/DE/0085/2020.

33 MANU/DE/1078/2020.

section 140 of the Patent Act the jurisdiction of the CCI to entertain complaint is not excluded. The jurisdiction of the CCI to examine matters relating to certain rights granted under the Patents Act or to examine any alleged anticompetitive conduct of any enterprise including abuse of its dominant position, is not excluded by the Patent Act. The order passed by the CCI under section 26(1) of the Competition Act is an administrative order and hence unless found to be arbitrary, unreasonable and failing the wednesbury test, no interference would be warranted. The issue of overlap of jurisdiction under the Patents Act and the Competition Act in case of patent licensing terms may be anti-competitive. The court also observed that the patent is not an industry; the controller does not regulate, in a pervasive manner, the exercise of patent rights or the agreements that are entered into by patentees with third parties. The nature of the role performed by a controller, thus, cannot be equated to that as performed by the TRAI.

IV TRADEMARK

Well-known trade marks

In *International Society for Krishna Consciousness v. Iskcon Apparel Pvt. Ltd.*,³⁴ the High Court of Bombay has observed that plaintiff's trade mark ISKCON has come to enjoy a personality that is beyond the mere products/services rendered thereunder and the recognition, reputation and goodwill of the said trade mark ISKCON is today no longer restricted to any particular class of goods or services. The material on record was analyzed which made it evident that: (a) the plaintiff's trademark ISKCON has wide acceptability; (b) the popularity of the plaintiff's trademark ISKCON extends not only in India but in other countries as well; (c) the plaintiff is using its trade mark ISKCON openly, widely and continuously since the beginning; and (d) the plaintiff has taken several actions against various infringers in the past. The court thus held that plaintiff's trade mark ISKCON satisfies the requirements and tests of a well-known trade mark as contained in sections 11(6), 11(7) and other provisions of the Trade Marks Act, 1999. In view thereof, the plaintiff's trade mark ISKCON was declared to be a 'well-known' trade mark in India within the meaning provided in sections 2(1)(zg) of the Trade Marks Act, 1999.

Section 2(1)(zg) of the Trade Marks Act, 1999 defines 'well-known trade mark.' in relation to any goods or services, as a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.

Descriptive trade marks

The courts in India and around the world have time and again held that laudatory epithet cannot be given monopoly or trade mark protection. *ITC Limited v. Nestle India Ltd.*,³⁵ was filed to restraint defendant from passing of or enabling other to pass

34 MANU/MH/0829/2020.

35 MANU/TN/3708/2020.

off their products, *i.e.*, noodles as and for plaintiff's noodles by use of offending mark Magical Masala or any mark similar to plaintiff's mark Magic Masala. The issue was, "Whether there was passing-off of instant noodle by defendant by adopting expression Magical Masala for trading its 'Maggi Extra delicious Magical Masala Noodles'?"

The High Court of Madras held that the word Magic is laudatory and it is incapable of being appropriated by the plaintiff to the exclusion of other. As such no person can claim any monopoly over the said word Magic or Magical or their derivative as they are common words in Indian culinary and Indian food industry. Therefore, it is incapable of being monopolized by any trader. Further, as no visual or ocular similarity between two wrappers was proved, the court held there is no scope to infer passing-off from a ocular or visual comparison of the two labels.

Generic trade marks

Delhi High Court in *Delhivery Private Limited v. Treasure Vase Ventures Pvt. Ltd.*³⁶ has vacated the injunction against the defendant for using the impugned trademark DELIVER-E. The court declared DELHIVERY and DELIVER-E to be generic terms and incapable of trademark protection. The instant case was distinguished from *Bata India Limited v. Chawla Boot House*³⁷ where the court held POWER could at best be termed as a suggestive mark as the same is not immediately connectable to footwear, but a laudatory epithet and such suggestive marks are held to be inherently distinctive marks.

Whereas, in the case in hand, the mark DELHIVERY is immediately connectable to the delivery services and cannot be termed as a suggestive mark plaintiff and defendant had only added/substituted one alphabet each to their marks to contend that pronunciation is different. It was observed that the plaintiff added alphabet 'H' in word 'delivery' and defendant replaced alphabet 'Y' with 'E'. The mark which is phonetically similar to the English word 'delivery' do not require any imagination, thought and perception, more so for delivery services and declared DELHIVERY to be a phonetically generic word. Thus, the court held that no estoppel against law has been established, unless generic word is held to be distinctive, which in any case is matter of trial.

Limits on the effects of registered trade mark

Section 30 of the Trade Marks Act, 1999 elucidates the limits on the effect of registered trademark. Section 30(3) states: Where the goods bearing a registered trade mark are lawfully acquired by a person, the sale of the goods in the market or otherwise dealing in those goods by that person or by a person claiming under or through him is not infringement of a trade by reason only of—

- (a) the registered trade mark having been assigned by the registered proprietor to some other person, after the acquisition of those goods; or
- (b) the goods having been put on the market under the registered trade mark by the proprietor or with his consent.

36 MANU/DE/1862/2020.

37 MANU/DE/1368/2019.

The division bench of the High Court of Delhi has reversed the decision of single judge bench³⁸ in *Amazon Seller Services Pvt. Ltd. v. Amway India Enterprises Pvt. Ltd.*³⁹ the case pertained to offering by amazon in e-commerce platforms products for sale of Amway, Modicare and others without their consent. The court reiterated that India follows the principle of international exhaustion. It means that once a good is lawfully acquired, the rights over the said good vests in the buyer. Further selling it in any market, domestic or international, shall not amount to infringement. Section 30(3) of the Trade Marks Act, 1999 does not restrict the lawful acquisition and further sale to include an international market. The High Court of Delhi decided that the sale of Amway products by the direct sellers on the online platforms could not be deemed to be an infringement. Further, reliance cannot be placed on section 30(4) of the Act to oppose dealing of goods online as there was no concrete evidence that tampering of goods had taken place at the behest of or under the direction/control of appellants/ defendants Amazon and others.

Interim injunction for passing off

The action of interim injunction for passing off requires to pass a trinity test of establishing the reputation, similarity in services and anticipated injury. In *Plex, Inc v. Zee Entertainment Enterprises Ltd.*⁴⁰ the High Court of Bombay has refused to grant an interim injunction to the plaintiff, *i.e.*, Plex against ZEEPLEX, the defendants. The plaintiff has not been able to show any *prima facie* case in passing off. Plex had to establish its reputation at least within India, whatever may be its reputation, registrations and sales in other jurisdictions. In contract, there is the much greater reputation and standing of Zee amongst subscribers across the length and the breadth of the country with a large number of channels in various languages.

Plex is variously described as a 'media server' or as a 'famous TV tuner' which allows 'quick and easy access to your videos or images from anywhere'. Whereas, the defendant's service is a cinema-to-home pay-per view movie service and it has a list of movies. A subscriber selects the movie of choice and then must pay to view it. It was held that the two services appear to be fundamentally different. The other essential of injunction as sought by the plaintiff is anticipated injury, which it is unable to show. Its user base and domestic sales are not enough to show even *prima facie* that Zee is acting in deceit and trying to pass off its new channel as an association with, or a spin-off from, Plex. The grant of the injunction Plex seeks would, on the other, cause immense and immediate financial loss and harm to Zee as it has already spent more than Rs. 11 crores (rather more than Plex's combined India sales for the last five years) on this new channel.

Limits on rights of using one's own name

Section 35 of the Trade Marks Act, 1999 provides for saving for use of name, address or description of goods or services and states, thus:

38 *Amway India Enterprises Pvt. Ltd. v. IMG Technologies Pvt. Ltd.*, MANU/DE/2146/2019.

39 MANU/DE/0311/2020.

40 2020 SCC OnLine Bom 989.

Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services.

The High Court of Delhi in *Anil Rathi v. Shri Sharma Steeltech (India) Pvt. Ltd.*,⁴¹ held that section 35 of the Trade Marks Act cannot be invoked as it is limited to personal use and cannot be extended for granting licenses or used by any legal entity which can choose a separate/different name and also that section 35 cannot be invoked when the grant of licenses are *ex facie* illegal and in contravention of statutory rights of the plaintiff. Usage under said section is permissible only if it is a *bona fide* usage with honest intention. In view of section 35, what needs to be seen by the court is whether the usage of the name is in a *bona fide* nature so as to claim protection. In the given facts the mark RATHI is in existence since 1942, and regulated by the Trust Deed of 1995. The execution of the MoU/Trust Deed was clearly in order to safeguard the trade mark RATHI against outsiders as well as to lay down a scheme for the fair and transparent commercial use of the same for the collective benefit of the Family members. The defendant being a beneficiary to the MoU/Trust deed cannot plead ignorance of its terms. The act of defendant in granting licenses for usage in the same area of business is clearly not bona fide in nature and the plea of defendant that the mark is being used with a suffix is also without merit, as the mark is still being infringed and the attempt is to ride on the goodwill of the mark RATHI.

Domain names and trade marks

There has been a difference of opinion among the high courts on the question of technological capability of the registrar in blocking or suspending the domain names violating the trade marks. *Gujarat Cooperative Milk Marketing Federation Ltd. v. Amul Franchise.in*,⁴² concerned about fraudulent registration of multiple websites with the term “AMUL” as prefix/suffix. The High Court of Delhi directed the registrar of domain names to suspend/block domain names containing the term “Amul”. The court also restrained the registrar from the further offering for sale of such domain names so ordered to be blocked. The court rejected the registrar’s contention that due to lack of adequate technology it cannot ensure that these websites containing ‘AMUL’ therein would not be made available for sale and suggested that the registrar could utilize the same filter it employs to ensure that websites under obscene and/or words denoting illegality are not available for sale.

This decision of the High Court of Delhi can be seen to be in sheer contrast with the decision of the High Court of Bombay in *Hindustan Unilever Ltd. v. Endurance Domains Technology LLP*,⁴³ wherein it held that domain name registrars are neither

41 MANU/DE/1720/2020.

42 CS(Comm) 350/2020.

43 2020 SCC OnLine Bom 809.

equipped nor authorized to indefinitely suspend domain names once registered, since there is no human element involved to oversee the legitimacy of domain names. In this case, the plaintiff approached the High Court of Bombay seeking to suspend domain names with plaintiff's HUL trademarks which were registered under the authority of defendant, a domain name registrant. The High Court Bombay decided that domain name registrants were neither equipped nor authorized to indefinitely suspend domain names once registered, since there was no human element involved to oversee the legitimacy of domain names. The High Court of Bombay ruled that deciding what should or should not be suspended (or blocked) is a serious judicial function that could be arrived at only by assessing and balancing rival merits. Moreover, the court observed that anyone can use a VPN to bypass a proxy server or firewall and have access to such blocked websites by masking the originating country IP of the user, hence, such 'access blocking' only offers a hollow and faux sense of safety to the Registrant. Besides, holding the registrar liable if he is unable to effectively block access would expose the Registrar to the constant threat of contempt proceedings.

V INDUSTRIAL DESIGNS

The year 2020 does not present much judicial development on industrial design related matters. In *Fun World and Resorts (India) Pvt. Ltd. v. Nimil K.K.*,⁴⁴ the High Court of Kerala held that the registrability of the design had to be decided at trial, and at the interlocutory stage only a finding of a prima facie case is sufficient to grant an injunction. By referring to various literature and judicial decisions on industrial designs and copyright, the court also reiterated that (a) the sole purpose of the Designs Act, 2000 is protection of the IPR of the original design;(2) there is a clear distinction between an original artistic work and the design derived from it for industrial application on an article; (3) if the design is not entitled to copyright protection under the Copyright Act, on account of it not possessing 'originality' the design cannot be granted registration under the Designs Act for it to be entitled to protection under the Designs Act; (4) subject to whatever rights that are available under the Designs Act, the author of the design/registered design holder cannot claim protection or complain of copyright infringement in respect of the registered design under the Copyright Act.

VI TRADE SECRETS

Information claimed to be confidential can be protected as trade secret only if such information is not available in the public domain and is hence unknown to others. While trade secrets centres on the secrecy/confidentiality/non-disclosure, the patent centres around 'enabling disclosures' through specification. What is the interplay between trade secrets and patents? Can they co-exist? This interesting question was answered by the Delhi High Court in negative wherein the plaintiff's US based patent has expired. In *Claudio De Simone v. ActialFarmaceutica*,⁴⁵ the plaintiff contented that the aspects of the innovation that they sought to protect as a trade secret were separate from the aspects that formed subject matter of their patent. The court held that

44 MANU/KE/0081/2020.

45 MANU/DE/0841/2020: CS(OS) 576/2019, IA No.15741/2019, decided on Mar. 17, 2020.

once a patent has been applied for and expired, the innovation remains in the public domain and no trade secret protection can be claimed thereon. Any decision to the contrary, would amount to judicial creation of an extra-statutory monopoly for perpetuity in the invention, in contrast to the scheme of Patent Act, 1970 that seeks to bring an invention to public domain after the expiry of the term of the patent, and which is opposed to public interest as well as to judicial discipline.

VII MISCELLANEOUS

Trademark, copyright and domain name infringement

*HT Media Ltd. v. www.theworldnews.net*⁴⁶ presents the issues of both trademark and copyright infringement. The defendants were indulging in large scale infringement of plaintiffs' copyright and registered trademark 'Hindustan Times, and their registered domain name 'www.hindustantimes.com'. The plaintiffs could place on record several print outs from defendants' website, and corresponding articles published by plaintiffs which appeared on defendants' website. The defendants have categorized and indexed content according to country of origin, enabling users to access infringing content readily. The court decreed the suit in the plaintiff's favour with costs, court fees and counsel's fees since there was no effective assurance from the defendant against future infringement and have not appeared to defend the suit despite their knowledge of infringement proceedings.

Geographical indications (GI)

There is only one notable matter on geographical indication in the survey year, i.e., *State of Madhya Pradesh v. The Intellectual Property Appellate Board, Chennai*,⁴⁷ wherein the petitioners have raised oppositions on the ground that APEDA had failed to include 13 districts of the State of Madhya Pradesh in its GI application as Basmati growing areas. APEDA was directed to identify the actual cultivated area and refile the GI application. On appeal by APEDA, the then IPAB ordered that APEDA was entitled to get the GI registration for Basmati rice in respect of the areas and regions specified in the GI application. Subsequently, GI registry had granted GI status to APEDA in respect of 'Basmati' under class 30. In an order passed in February, 2020, the high court observed that the petitioners did not have any grievance relating to the over-inclusion of areas in the other States forming part of the GI application and permitted the petitioners to raise all grounds in the subsequently filed writ petitions. In a subsequent special leave petition, the apex court held that the high court had erred in not adjudicating the issue on over-inclusion of areas in the States in APEDA's GI application. The court remanded the matter back to the high court for fresh consideration. Later in *Madhya Kshetra Basmati Growers Association Samiti v. IPAB*,⁴⁸ the Supreme Court directed the high court to dispose of the petitions expeditiously.

46 MANU/DE/0563/2020.

47 MANU/TN/2311/2020.

48 No.8461/2020. Available at: <https://indiankanoon.org/doc/176371570/> (last visited on Mar. 29, 2022).

VIII CONCLUSION

*Claudio De Simone v. Actial Farmaceutica*⁴⁹ established that trade secrets and patents shall not co-exist. The High Court of Delhi in *CDE Asia Ltd. v. Jaideep Shekhar*,⁵⁰ held that the opposition proceeding and counterclaim for revocation cannot be persuaded simultaneously as they are alternative remedies available to the defendants. In *Astrazeneca Ab v. Emcure Pharmaceuticals Ltd.*,⁵¹ it was held that there cannot be any dichotomy between disclosure of patent and coverage. *Shamoil Ahmad Khan v. Falguni Shah*⁵² reiterates that the copyright law does not confer any monopoly over ideas.

The survey year witnessed good number of litigations in the realm of patents, copyright and trademark while relatively less number of judicial interventions in the realm of designs, geographical indications and plant variety protection.

49 MANU/DE/0841/2020: CS(OS) 576/2019, IA No.15741/2019, decided on Mar. 17, 2020.

50 MANU/DE/0584/2020.

51 MANU/DE/0085/2020.

52 MANU/MH/0590/2020.