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INTELLECTUAL PROPERTY LAW

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I INTRODUCTION

ADEQUATE RECOGNITION and protection of intellectual property (IP) is *sine quo non* for fostering innovation and creativity. This survey presents judicial interventions in a mixed bag of IP cases selected from a diverse range of aligned subject matters dealing with copyright, patents, trademarks, confidential information and so forth. The judiciary in the survey year, both at the high court and apex level, have actively contributed to protect the rights of IP holders by ensuring that their intellectual assets are rightly protected against unauthorised usurpation. Many high courts have played active role in rendering creative interpretation of various IPR related concepts and doctrines expanding the IPR jurisprudence. The IPR litigation is on constant rise in district courts, commercial courts, high courts and designated IPR divisions. This survey captures the significant Indian judicial developments of 2022 in the realm of intellectual property rights (IPRs).

II COPYRIGHT

Copyright infringement - cognizable and a non-bailable offense

The Supreme Court of India in *Knit Pro International v. The State of NCT of Delhi*¹ held that an offense of copyright infringement under section 63 of the Copyright Act, 1957 is a cognizable and a non-bailable offense. Section 63 of the Copyright Act provides for the legal framework for penalties and actions against copyright infringement.² In the present case, an FIR was sought to be registered against the accused under section 63, which was denied by the High Court of Delhi assuming section 63 offence was non-cognizable. According to the high court, if the offense was punishable with imprisonment for three years and onwards but not more than seven years, then the offense was a cognizable offense and in case where the offense was punishable for imprisonment for three years and onwards but not more than seven years, then the offense was a cognizable. In

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1 2022 10 SCC 221.

2 Ss. 51, 63A, 63B and 65 are other relevant sections dealing with infringement, penalties and actions against copyright infringement.

appeal, the Supreme Court declared offences under section 63 as both cognizable and non-bailable, taking into consideration the first schedule of the CrPC and the imprisonment term of *up to* three years as stipulated in section 63. As the punishment prescribed under section 63 extends up to three years, it has to be treated as cognizable, and only if the prescribed punishment is *less than* three years, it becomes non-cognizable and bailable. The apex court could thus resolve the discrepancies in the previous judgments³ and the contentious issue of whether offences under section 63 of the Copyright Act are cognizable or non-cognizable. Subsequent to this judgement, the police can arrest without a warrant if any person knowingly infringes or abets infringement of a copyright.

Compulsory license to produce and publish translations

In a significant step, which can be described perhaps as the first instance in the country of granting license under section 32 (licence to produce and publish translations/compulsory licensing) of a literary work under the Indian Copyright Act, the High Court of Bombay in *Anil G. Karkhanis v. Kirloskar Press*⁴ directed the Registrar of Copyright to issue a notice in the copyright journal and newspapers regarding an application under section 32 of the Copyright Act to translate the work - *The Spirit's Pilgrimage* from English to Marathi. *The Spirit's Pilgrimage* is a memoir-cum-autobiography of a young English woman, Madeleine Slade, who renounced her heritage of privilege to become Mirabehn, a trusted disciple of Mahatma Gandhi. Section 32 of the Copyright Act empowers the court to grant a license when the author is found but denies permission/voluntary license to translate the work into another language; and the publication of notice is a mandatory statutory step before granting license under section 32. At the time of writing this survey (in March 2023), subsequent to its 2022 order, the first license in India to produce and publish a translation of a literary work under section 32 of the Copyright Act, 1957 read with rule 32 of the Copyrights Rule, 2013 has been granted after the statutory notice period. As India being one of the most linguistically diverse countries in the world, this landmark verdict undoubtedly settled a new precedent that in the larger public interest, in order to cater to the need of people who speak diverse set of languages, similar orders are instrumental to facilitate widespread reach of various literary works.

Navarasam v. Varaha Roopam- the Kantara music controversy

*Hombale Films LLP v. Thaikkudam Bridge*⁵ presents a unique controversy surrounding a blockbuster Kannada film Kantara, which was released in 2022. Soon after its release, two petitions were filed by two different plaintiffs on behalf of Kerala-based band music Thaikkudam Bridge in different district courts for

3 *Abdul Sathar v. Nodal Officer, Anti-Piracy Cell*, AIR 2007 Ker 212, *Jithendra Prasad Singh v. State of Assam*, 2003 (26) PTC 486 (Gau), *Piyush Subhashbhai Ranipa v. The State of Maharashtra* (2021), *Nathu Ram v. State of Rajasthan* (2021) and *ANI Technologies Pvt. Ltd. v. State of Karnataka* (2022) are instances of previous cases wherein s. 63 offences were considered as cognizable.

4 2023 SCC Online BOM 678.

5 MANU/KE/3313/2022.

copyright violations and plagiarism alleging that the film's song *Varaha Roopam* was a copy of the band's own song from their debut album *Navarasam* which was released in 2017. It was also alleged that the main line *Varaha Roopam* was sung to the same violin tune of *Navarasam*. Two separate interim injunctions were granted by these different courts on the basis of *prima facie* case for copyright infringement restraining the movie's release on OTT platform; restraining the respondents from streaming, telecasting or distributing the song and directing takedown of the allegedly infringing song. The defendants appealed against the ad interim ex- parte injunction orders before High Court of Kerala under article 227 which was rightly dismissed by the court as there being an appellate remedy to challenge the said orders, observing that "the exceptional power of superintendence under article 227 is not to be exercised at the drop of a hat at the ad-interim stage, particularly when the petitioner has an alternative and efficacious statutory remedy provided under the Code and the special statutes." Later, in a related suit, the Supreme Court while modifying one of the bail conditions imposed by High Court of Kerala stayed the condition of removal of the song from the movie. The High Court of Kerala pursuant to a subsequent development of private settlement between the parties quashed the matter.⁶ However, granting two separate injunctions to different plaintiffs by two different districts courts in the same cause of actions against the same defendant though at ad interim stage is a rare incident. The litigations at different forums from district level to the Supreme Court highlights the procedural complexities that can arise in copyright infringement litigations. It also underlines the music director's legal obligation to obtain permission from and give credit to the right owners while appropriating the latter's copyrighted works in film.

Foreign intermediaries' duty to disclose infringers' identity

In *Neetu Singh. v. Telegram FZ LLC*,⁷ the High Court of Delhi held that Indian courts can exercise jurisdiction over foreign intermediaries having servers outside India and foreign intermediaries having data servers outside India could be directed to disclose identities of infringers. According to the court, its jurisdiction cannot be ousted merely due to the servers of defendant being located abroad, as the plaintiffs were residing and carrying on business in Delhi and as the infringement was taking place in India. This judgement upholds that the duty as an intermediary is not simply to remove the infringing content upon receipt of a notice but also to protect the rights of copyright owners; the revealing of identity of infringers is crucial to enable the plaintiffs to recover damages from the other defendants. The court clarified that the disclosure of personal data of individuals who were circulating infringing material is not against their privacy rights as they were undertaking illegal activities. By citing the IT Guidelines - Information

6 See, "Varaharoopam' Song: Dispute Is Private In Nature & Settlement Can Be Accepted- Kerala HC Quashes Copyright Case Against 'Kantara' Movie", *available at*: <https://www.verdictum.in/court-updates/high-courts/kantara-movie-varaharoopam-song-copyright-kerala-hc-quashes-case-against-makers-1501768>, (last visited on July 7, 2023).

7 2022/DHC/3333; 2023 (93)PTC 515 (Del).

Technology Intermediary Guidelines and Digital Media Ethics, 2021 the court reminded that it is the duty of Telegram as a platform to take all effective steps required to protect IP rights, including rights of copyright owners.

Cinematographic films and social media

The plaintiff has to establish infringement beyond mere similarity in a copyright violation case. Mere inspiration from a previous work does not amount to copyright infringement. In *Five Star Films Pvt. Ltd. v. Sri Thenandal Films*⁸ the High Court of Madras while dismissing copyright infringement suit concerning film with cost to each defendant to the tune of Rs. 1,00,000/- observed thus:⁹

There is sufficient basis to conclude that there are similarities with regard to the central characters, and with regard to the central events in the two movies. Indeed, it may not be unreasonable to conclude that *Mersal* may have been inspired to an extent by *Moondru Mugam*. Whether drawing inspiration from a movie amounts to the act of piracy, which is actionable under copyright law, is a distinct matter. Although there are some similarities and reasonable basis to conclude that the makers of *Mersal* may have been inspired by *Moondru Mugam*, on the basis of the evidence on record, it cannot be concluded that a reasonable viewer of average intelligence who views the two movies would leave with the unmistakable impression that *Mersal* is a copy of *Moondru Mugam*.

In *Warner Bros. Entertainment Inc. v. Http://mp4moviez.io*¹⁰ the High Court of Delhi reiterated that blocking in the case of rogue websites strikes a balance between preserving the benefits of a free and open Internet and efforts to stop digital piracy crimes. The plaintiffs alleged illegal and unauthorised distribution, broadcasting, re-broadcasting, transmission and streaming of their content by the defendant through rogue websites. The court while granting the permanent injunction in favour of the plaintiffs, observed thus: “The real test for examining whether a website is a rogue website is a qualitative approach and not a quantitative one. While blocking is antithetical to efforts to preserve a free and open Internet, it does not mean that every website should be freely accessible. Even the most vocal supporters of Internet freedom recognize that it is legitimate to remove or limit access to some materials online, such as sites that facilitate child pornography and terrorism. Undoubtedly, there is a serious concern associated with blocking orders that it may prevent access to legitimate content. There is need for a balance in approach and policies to avoid unnecessary cost or impact on other interests and rights. Consequently, the onus is on the right holders to prove to the satisfaction of the Court that each website they want to block is primarily facilitating wide spread copyright infringement.”¹¹

8 2022 (91) PTC 406 (Mad); MANU/TN/4393/2022

9 Para 9, MANU/TN/4393/2022

10 2022 (92) PTC 377 (Del).

11 *Id.*, para 80.

In *T.V. Today Network Ltd. v. News Laundry Media Pvt. Ltd.*¹² wherein the plaintiff prayed for mandatory and permanent injunction with damages, the High Court of Delhi held that the existence of a few videos with use of words listed in the written submissions of the plaintiff or articles and posts which have been in circulation for a few years, do not constitute exceptional circumstances for the issuance of directions in the nature of mandatory injunction. The defendants succeed in defence when they prove that the harm caused to them would outweigh the loss caused to the plaintiff.

III PATENTS

Patent linkage in non-pharma sector

Patent linkage which generally refers to the communication between the marketing approval of the generic product and the patent status aims at resolving potential patent infringement issues before generic drugs are approved. In *Kanishk Sinha v. Union of India*,¹³ while dealing with the issue of patent linkage in a non-pharma sector the High Court of Calcutta held that a grant for patent linkages would be subject to an assessment by the courts and will be granted only when the patentee can demonstrate clearly that the remedies under Patents Act, 1970 fail to address the legal issues arising out of their case. The present writ petition was filed against the order declining the patentee's request for linkage of the VAHAN e-Module for registration of electric vehicles, by the Secretary, Ministry of Road Transport and Highways. According to the court, linkage to the patent in the present case would give the applicant a 'controlling handle' beyond the remedies available under the Patents Act, 1970. This case established that grant for patent linkages is subject to circumspection by the courts and patent linkage is not a routine practice which should be allowed only if a patentee can demonstrate the inadequacy of statutory remedies to address the legal issues arising out of their case.

Conversion of product-by-process claims to process claims

The High Court of Delhi in *Nippon A and L Inc. v. The Controller of Patents*¹⁴ allowed the conversion of product-by-process claims to process claims. The controller had earlier rejected the application on the grounds that the amendments would change the scope of the claims and, therefore, not allowable under section 59(1) of the Patent Act, 1970. However, in the opinion of the court, the amendments must not be restricted if the same does not broaden the scope of the originally filed claims and is disclosed in the specification. The court opined that the amendments to a patent specification or claims prior to grant ought to be construed more liberally than narrowly, and the only consideration should be the amended claims are not inconsistent with the earlier claims in the original specification. The court referred a foreign authority - *Konica/Sensitizing*¹⁵ patent matter decided by European Technical Board of Appeal under article 123 of European Patent Convention (EPC) allowing conversion and the change in category of product by

12 2022 (92) PTC 1 (Del).

13 (2009) SCC OnLine Del 246.

14 2022 SCC OnLine Del 1909.

process claims to process claims. However, it is to be noted that the language, scope and legislative mandate of the Indian patent law are different from that of EPC. While article 123 allows amendments to a patent application generally or broadly, section 59(1) permits amendments to description and claims.

Simplicity does not defeat grant of patent

The instant suit came before the court by way of an appeal against the patent refusal order of Controller General of Patents and Designs in respect of an invention titled 'Notched Fastener'. While dealing with a PCT application (Patent Cooperation Treaty application for international patent) in *Avery Dennison Corporation v. Controller of Patents and Designs*,¹⁶ the High Court of Delhi held that "a simple change resulted in unpredictable advantages which no one had thought of for a long time", will entail patentability for the invention. Inventive step or non-obviousness is a mandatory statutory criteria for patentability. A simple invention resulting in unpredictable advantages is non-obvious and thus patentable. While discussing different tests to determine the inventive step or lack of obviousness determining the pre-requisite of patents (such as obvious to try approach, problem/solution approach, could-would approach, teaching suggestion motivation -TSM test *etc.*), the court held that these tests cannot be applied in a straitjacket manner. The court emphasised the time gap between the prior art and the subject patent application to be considered while deciding on obviousness. If a long time has passed since the prior art was published and a simple change resulted in unpredictable advantages which no one had thought of for a long time, the invention can held to be non obvious. If the patent application discloses a technical advancement in comparison with the closest prior art and the features involved an inventive step which were not obvious to a 'person skilled in the art', the application satisfies the test of inventive step.

No limitation period for patent revocation

*ThyssenKrupp RotheErde Germany GmbH v. The Controller of Patents*¹⁷ decided by the High Court of Delhi pertained mainly to the meaning of 'any person interested'¹⁸ and the issue of period of limitation in patent revocation matters. With regard to the revocation of patent the court held that no limitation is prescribed under section 64 or under the Patents Rules for revocation and hence a limitation period cannot be read it into the provisions of revocation. Section 64 enables a 'person interested' to file a revocation petition. Considering the dynamic/broad definition, both legislative and judicial, of 'persons interested', filing of a revocation petition could be done at any point in time when such a person's interest either arises or continues during the life/term of the patent.

The court reiterated that "the term 'any person interested' is not static. The same person, may not be a 'person interested' when the grant of the concerned patent was published, and yet on account of his activities at a later point in time,

15 [1994] EPOR 142.

16 2022 SCC OnLine Del 3659.

he may assume such a character. The trigger for a person to file a revocation petition could arise in various circumstances including:

- i. If the person interested wishes to manufacture or sell the patented product or a product using the patented process.
- ii. If a suit for infringement is filed against the person interested.
- iii. If a person is 'interested' in the invention covered by the patent in any other manner whatsoever."

*Reddy's Laboratories Ltd v. The Controller of Patents*¹⁹ apart from revocation under section 64, also pertained to the appeal under section 117A of the Patent Act. With regard to appeals under section 117A, the court held that appeals challenging the order or direction of the Patent Office would lie before the high court having territorial jurisdiction over the appropriate office: "The appeal having originated from the patent application filed in the Mumbai Patent Office would lie before the Bombay High Court. Even though due to administrative exigencies, the examination was done by the Asst. Controller at the Delhi Patent Office who has passed the impugned order, the appeal would not be maintainable before the Delhi High Court".²⁰ judgment clarifies the jurisdiction of high courts in hearing appeals against the orders of the Indian Patent Office under section 117A and revocation petitions, in the wake of the Tribunal Reforms Act, 2021.

Process patents and doctrine of equivalents

The doctrine of equivalents is applicable where a product or process is not identical to the claim granted in a patent but its essential elements are sufficiently similar to the patented claim, so as to construe the product or process as infringing the patent. The doctrine ensures that that no one practices any fraud on a patent. It is a well settled principle that a finding of equivalence is a determination of fact. "What constitutes equivalency must be determined against the context of the patent, the prior art, and the particular circumstances of the case. Equivalence, in the patent law, is not the prisoner of a formula and is not an absolute to be considered in a vacuum. It does not require complete identity for every purpose and in every respect. In determining equivalents, things equal to the same thing may not be equal to each other and, by the same token, things for most purposes different may sometimes be equivalents. Consideration must be given to the purpose for which an ingredient is used in a patent, the qualities it has when combined with the other ingredients, and the function which it is intended to perform. An important factor is whether persons reasonably skilled in the art would have known of the interchangeability of an ingredient not contained in the patent with one that was."²¹

17 C.O.(COMM.IPD-PAT) 1/2022, decided on April 12, 2022.

18 S. 2 (1) (t) of the Patent Act, 1970 defines 'person interested as including "a person engaged in, or in promoting, research in the same field as that to which the invention relates."

19 MMANU/DE/4389/2022 .

20 *Id.*, para 110.

21 *Graver Tank and Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605 (1950).

In *FMC Corporation v. Natco Pharma Ltd.*,²² the High Court of Delhi held that the doctrine of equivalents must be applied to each element of the process. The essential elements of the process need to be identified, and the manner in which these elements interact with each other at each step needs to be observed. Only when the interaction of essential elements is similar in the competing methods, the claim of infringement will be sustained. While concurring with the decision of the single judge, the division bench held that use of a different reagent and a completely different sequence of reactions in the process cannot be termed as a minor or insubstantial variation, so as to accuse the defendant of infringement.

Divisional application and plurality of inventions

A patent application can only be divided, if it claims more than ‘one invention’.²³ A divisional application needs to be filed where there is ‘plurality of inventions’ in the parent patent application. In other words, the first essential requirement of divisional application is the fact of existence of plurality of invention in the parent application. In *Boehringer Ingelheim v. The Controller of Patents*,²⁴ the court clarified the concepts of single invention, single inventive concept, unity of the invention and plurality of the invention. The court by holding that divisional application under section 16 arises only from a parent application disclosing a plurality of inventions dismissed the suit with costs observing thus: “Under section 16 of the Act, the ‘plurality of inventions’ should clearly exist in the claims of the original parent application and within the scope of the specification of the parent application. Under section 16, the question of whether the claims of the complete specification relate to more than invention *i.e.*, a ‘plurality of inventions’ has to be seen from the claims of the parent application, the claims based on the disclosure in the specification. However, if the invention is not contained in the claims of the parent application, the divisional application cannot be permitted to be filed solely on the basis of disclosure made in the specification, in respect of alleged inventions. If applicants are permitted to file such divisional applications on the basis of disclosure in the complete specification, without such inventions being claimed in parent applications, it would defeat the fundamental rule of patent law *i.e.*, ‘what is not claim is disclaimed’.” By referring to *Nippon A&L Inc.*,²⁵ the court further reiterated that amendments beyond the scope of the specification and claims would not be permissible.

IV TRADEMARK

Deceptive similarity

The Supreme Court of India in *Renaissance Hotel Holdings Inc. v. B. Vijaya Sai*²⁶ held that in trademark infringement cases, the courts should not inquire as to

22 FAO(OS) (COMM) 301/2022.

23 *ESCO Corporation v. Controller of Patents and Designs* [OA/66/2020/PT/DEL, decided on Oct.27, 2020].

24 2022 SCC OnLine Del 3777.

25 2022 SCC OnLine Del 1909.

26 2022 SCC OnLine SC 61: AIR 2022 SC 44.

whether the infringement was likely to mislead or create confusion once it is established that the respondent's trade mark is identical to the appellant's registered trade mark in the same or similar class of goods and services. The apex court while examining sections 29 (1), (2), (3) and (4) of the Trade Marks Act, 1999 in the context of infringement caused where a mark identical to a registered trademark was used; criticised the high court in miscalculating this aspect in its interpretation of the test set forth under section 29(4) of the Act. Section 30 was also examined for exploring the limits on the effect of a registered trade mark. The court rejected the respondent's contention that the term 'Renaissance' was a generic word and held that they have copied the style, signage, and the word 'Renaissance.'

While upholding the well-reasoned decision of the trial court and reversing the High Court of Karnataka's decision, the Supreme Court held that the phrases 'Renaissance' and 'Sai Renaissance' are both visually and phonologically similar. The apex court criticised the high court in failing to consider that "in order to avail the benefit of section 30 of the Trademark Act, apart from establishing that the use of the impugned trade mark was not such as to take unfair advantage of or is detrimental to the distinctive character or repute of the trade mark, it is also necessary to establish that such a use is in accordance with the honest practices in industrial or commercial matters." The court has adopted the 'first in the market' test. The court also observed that "while interpreting the provisions of a statute, it is necessary that the textual interpretation should be matched with the contextual one. The Act must be looked at as a whole and it must be discovered what each section, each clause, each phrase and each word is meant and designed to say as to fit into the scheme of the entire Act. No part of a statute and no word of a statute can be construed in isolation. Statutes have to be construed so that every word has a place and everything is in its place. As already discussed hereinabove, the said Act has been enacted by the legislature taking into consideration the increased globalization of trade and industry, the need to encourage investment flows and transfer of technology, and the need for simplification and harmonization of trade mark management systems."

While engaging into a detailed analysis of the legislative scheme of the Trademark Act concerning the requirement 'to prove likelihood of confusion' or 'the presumption of the likelihood of confusion' in situations *inter alia* when the trademark is identical and goods/services are similar, when the trademark is similar and goods/service are identical and when the trademark is identical and goods/services are also identical; the court held thus:²⁷

The legislative scheme is clear that when the mark of the defendant is identical with the registered trade mark of the plaintiff and the goods or services covered are similar to the ones covered by such registered trade mark, it may be necessary to prove that it is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark. Similarly, when the

27 *Id.*, para 43, available at: <https://indiankanoon.org/doc/143185473/>

trade mark of the plaintiff is similar to the registered trade mark of the defendant and the goods or services covered by such registered trade mark are identical or similar to the goods or services covered by such registered trade mark, it may again be necessary to establish that it is likely to cause confusion on the part of the public. However, when the trade mark of the defendant is identical with the registered trade mark of the plaintiff and that the goods or services of the defendant are identical with the goods or services covered by registered trade mark, the Court shall presume that it is likely to cause confusion on the part of the public.

Presumption of confusion to the public

The plaintiff, in *Moonshine Technology Pvt. Ltd. v. Tictok Skill Games Pvt. Ltd.*,²⁸ a part of the Baazi Group of Companies offered gaming products and experiences to its customers under various registered trademarks such as Baazi, Baazi Games, Poker Baazi, Rummybaazi, Ballebaazi, Baazi Mobile Gaming, etc. The plaintiffs alleged that because of the success of the plaintiff's venture, the defendant added the plaintiff's trademark 'Baazi' to his registered trademark 'Winzo' making it 'WinzoBaazi' and dishonestly started using the same as a competitor of the plaintiff. The case thus revolved around section 29(3) of the Trade Marks Act concerning the presumption of confusion to the public and within the trade circle surrounding identical services. The dispute revolves around the descriptiveness of the word 'Baazi' for games. According to the court, confusion would occur amongst the public, and an injunction was required accordingly. By rejecting the defences under sections 30 and 35, the court said that the defendants failed to satisfy that the use of the word 'Baazi' by them was honestly in commercial matters or as a descriptive word. Upholding the plaintiff's exclusive right to use the registered trademark of 'Baazi and its variations', the court also observed that there was no record to suggest that 'Baazi' as a common word and thus in the opinion of the court it is a word with a secondary meaning.

The plaintiffs were the registered proprietors of the mark 'No Turn' from 2008 in *Peps Industries Pvt. Ltd. v. Kurlon Ltd.*,²⁹ which they used continuously, consistently and uninterruptedly since then. In 2018, they came to know about the use of similar mark by the defendant who took the defence of prior user since 2007, even before the registration of the plaintiff's trademark. However, it was found that the use of the mark by the defendant was intermittent and not voluminous so as to establish the defence under section 34 of the Trade Marks Act. Hence, by setting aside the impugned order of the single judge, the division bench observed thus: "if the same mark is allowed to be used for the same product, it is bound to lead to confusion in the minds of consumers. Even if a mark which is descriptive in nature can acquire distinctiveness by virtue of being in use for a long period of time. Once the judge had come to the conclusion that there was no merit in the

28 MANU/DE/0308/2022.

29 FAO(OS) (COMM) 94/2022.

defence raised by the defendant that he is entitled to use the mark, being a prior user in terms of section 34 the statutory right in respect of the registered mark was liable to be protected and the interim injunction should have followed.”

Stitching patterns as trademark

The main issue in *Levi Strauss and Co. v. Imperial Online Services Pvt. Ltd.*,³⁰ was whether stitching patterns qualify for trademark protection. Since 1873, Levi Strauss and Co. has developed and adopted ‘articulate stitching design’ mark (the back pocket of jeans connecting arches that meets in the centre of the pocket) with United States registration from 1943 and Indian registration since 1979 in classes 9,14,18 and 25. Levi Strauss alleged that an Indian company, Imperial Online Services Private Limited (IOSPL), incorporated in the year 2012 involved in the continued sell of the denim jeans identical to articulate stitching design mark through e-commerce platforms like Flipkart, Amazon, Myntra, Snapdeal, Nykaa Fashion, LimeRoad, Paytm Mall, www.urbonofashion.com in contravention of an order to cease and desist dated February 16, 2021, calling for disposal of its stock in favor of Levi’s. The court found that the curved stitching design on the pocket of the jeans manufactured by the defendant was confusingly similar to the arcuate stitching design mark registered in favour of the plaintiff within the meaning of section 29(1) of the Trademarks Act. After a careful examination, the High Court of Delhi held that stitching pattern can serve as trademark as it allows consumers to identify the plaintiff’s product/jeans as coming from the plaintiff even in the lack of a corresponding name or emblem.

Anti-dissection test *vis - a - vis* plain glance test

As per the facts in *Pernod Ricard India Pvt. Ltd. v. Frost Falcon Distilleries Ltd.*,³¹ the plaintiff has been using the trademark ‘Blenders Pride’ since 1995 and the trademark ‘Imperial Blue’ since 1997. The defendant started using the trademark ‘Casinos Pride’ since 2017, which the plaintiff claimed to be confusingly similar to marks. The defendant had also applied for registration of the ‘Casinos Pride’ under class 33, which was opposed by the plaintiff. It was also contended that both the products are from the same market sector - Indian Manufactured Foreign Liquor (IMFL) and are sold in the same locations.

On the question of infringement, the court held that the word ‘pride’ did not constitute a dominant portion of the ‘Blenders Pride’ and the plaintiff has no exclusive right to that word ‘pride’ as a component of ‘Blenders Pride’ using the plain glance test. Referring to section 17 of the Trademark Act and the anti-dissection rule the court held that ‘Blenders Pride’ must be taken into account as a whole, as the consumer would not break it up into parts. The names are distinct, the labels could be seen, and there was no noticeable deceptive similarity. The individual elements in the plaintiff’s mark were not separately registered, as such they did not acquire any secondary meaning, and hence no case of infringement could be made out. On the question of passing off, which is more of a comparison

30 2022 SCC OnLine Del 986.

31 FAO(OS) (COMM) 61/2022.

between the products, the High Court of Delhi by injunctioning the defendants, held that the defendant was passing off the plaintiff's marks.

Well known trademarks

DHL v. DLH: In *DHL International GmbH v. DLH Express Services Pvt. Ltd.*,³² a permanent injunction was granted in favour of DHL International GmbH, the two trademarks being identical and dealt in similar services, with direction to DLH Express Services Pvt. Ltd. to withdraw its trademark application for the trade mark DLH Express Services (P) Ltd. The Trademarks Registry was directed to pass an abandonment order in relation to the opposition within four weeks of the court's order. The IP Division of the High Court of Delhi while restraining the use of deceptively similar mark and logo by DLH Express Services Pvt. Ltd., also declared DHL to be a well-known mark worthy of highest protection. The mark DHL, being derived from the initials of DHL's founders, was held to be arbitrary or inventive in nature. Although the courts have power to determine and declare a trademark as well known, as the Trademark rules and practice, for any trademark to be included in the list of well-known marks, an application must be filed on appropriate form together with the official fee of Rs100,000/-.

ITC Ltd v. Central Park Estate Pvt. Ltd.,³³ revolved around the dispute between ITC Ltd. and Central Park Estates over the unauthorized use by the latter of the former's trademark 'Bukhara' for restaurant. ITC Ltd. alleged that Central Park Estates infringed upon its trademark, logo and overall theme of their establishment. While recognizing and upholding the well-established national and international reputation of ITC's Bukhara mark, the court declared it a well-known trademark under Indian law drawing a discussion on the principle of territoriality and famous marks doctrine under United States trademark law.

Shape marks and acquired distinctiveness

The legal position on shape marks was delineated in *Knitpro International v. Examiner of Trade Marks through Registrars of Trademark*.³⁴ Noting that for a shape mark, the standard of distinctiveness required to be acquired would be quite high, the High Court of Delhi held thus: "In order for a shape trademark to be registered, it has to be shown that the said shape is not the generic shape of the product. It has to be a distinctive shape that associates the mark with the source by itself without anything further like a name or logo appended on it. The shape must have lost its inherent or generic meaning and ought to have acquired a secondary connotation." With the requirement of mandatory secondary meaning/acquired distinctiveness over and above the legislative mandate, the regressive judgment would disallow the registrability of shape mark on proposed to be used basis.

32 CS (COMM) 94/2021.

33 2022 LiveLaw (Del) 1132.

34 [2022] SCC OnLine Del 2096.

Advertising campaign and its colorable imitation

Bright Lifecare Pvt. Ltd. v. Vini Cosmetics Pvt. Ltd.,³⁵ presented a peculiar issue to the High Court of Delhi, can an advertising campaign and its various elements be protected under IP law, and If so, in what manner? The plaintiffs started an advertising campaign in March, 2018 in the form of videos titled ‘Ziddi Hoon Main’ on various online platforms including YouTube which attracted more than 1-2 crore views. Ziddi marks and slogans used by the plaintiff were Ziddis Don’t Wait, Ziddi Hoon Main, Zidd Wars, Naam Hai Ziddi, Phir Se Zidd Kar. The trademark Zidd and slogans consisting of the mark Ziddi, in various variants and marks associated therewith are also registered in various classes. According to the plaintiff, in January, 2022, they came across the defendant’s advertisements of a deodorant product named Realman which were conceptually and visually similar to the plaintiff’s advertisements. After a detailed analysis, the court found the two impugned commercials of the defendant were evocative of and very similar to plaintiff’s campaign - theme, expression, and various distinctive element have been imitated by the defendant. The court observed thus: “While the idea of working out, cannot be monopolised, the portrayal of various scenes ought to have been different and the expression from the plaintiff’s advertisement campaign ought not to have been copied. In this case, in both the commercials, this court is of the view that the creative expression of the plaintiff’s commercials has been imitated. In such cases, the court has to see not merely the individual elements that have been alleged to be copied and whether they can be monopolised or not but the overall effect of defendants commercial on an ordinary viewer. The impact of defendant’s commercial on a viewer is in a fleeting moment and not after a detailed microscopic analysis.” The defendants were ordered to pull down the two impugned commercials from social media platforms. However, the defendant was allowed to use the expression Zidd or Ziddi in a manner so as to describe long lasting nature of the perfume but in a manner which is not similar or identical to that of the plaintiff’s trademark. The plaintiff cannot claim any monopoly on the use of the word Zidd or Ziddi as the same has been used in earlier campaigns and films.

Position of trademark in liquidation

In *The Official Liquidator of Ideal Jawa (India) Ltd. (In Liquidation) v. Registrar of Trade Marks*³⁶ the High Court of Karnataka while determining the ownership of the mark ‘Yezdi’ held that cessation of business does not destroy the goodwill established by the mark. The mark became poplar and later, the proprietor filed a winding-up petition and an official liquidator was appointed. In 2007, the mark was removed from the trademark register owing to non-payment of the renewal fees. In 2013 - 2014, the respondents applied for registration of Yezdi word and device marks. The court held that even post the winding up of the company the trademark would belong to the company and it cannot be registered by a third

35 MANU/DE/2352/2022.

36 Decided on Dec. 16, 2022.

party till the company abandons it. The removal of the mark from the register of marks owing to its non-renewal was held to be non-effective since no notice was issued by the registrar of trademarks prior to such removal and the valuer did not acknowledge the mark as an asset of the company in the valuation report. The decision has clarified the position of trademark of company during liquidation process. The registration in favour of the respondent was held to be null and void as once the property becomes *custodia legis* (in the custody of the court), no person can deal with the properties of the company in liquidation.

V INDUSTRIAL DESIGNS

Test for design piracy

In *Diageo Brands B.V. v. Alcobrew Distilleries India Pvt. Ltd.*,³⁷ the plaintiff complained infringement of its Scotch Hipster design of the bottle/flask by the defendant by their manufacture and sale of Golfer's shot design. While refusing to grant an interlocutory injunction, the court established that the test to determine infringement in trademark cases *vis-a-vis* design cases are different and the application of the appropriate test. "The aspect of design piracy has to be examined from the point of view of the instructed eye of a person who is instructed with prior art, reasonably discriminatory and able to appreciate enough detail. The test of the average consumer, who sees the bottles on a shelf from a distance, would not be the appropriate test to apply." The instructed eye test in the instant suit showed no infringement on part of the defendant. The court, in its detailed order opined that the distinguishing features of the suit design *vis-a-vis* prior art, on the basis of which the plaintiffs claimed novelty and originality of the suit design, prima facie, apply equally to differentiate the suit design from the impugned design. In order to constitute piracy, there should be "near identity between the suit design and the infringing design. While questions of the meaning of a design and of the fact of its infringement are matters to be judged of by the eye, it is necessary with regard to the question of infringement, and still more with regard to the question of novelty or originality, that the eye should be that of an instructed person, who should know what was common trade knowledge and usage in the class of articles to which the design applies. Design piracy, under section 22, arises only where the allegedly infringing design is an obvious or a fraudulent imitation of the suit design."

Observing that the very purpose of Commercial Courts Act is to expedite the disposal of suits, and commercial suits are to be treated differently, forming a distinct class, the High Court of Delhi in *Eicore Technologies Pvt. Ltd. v. Eexpedise Technologies Pvt. Ltd.*³⁸ refused to accept additional documents in a later stage. While doing so the court noted that the plaintiffs had access to these documents during the institution of the suit and the documents were discovered from their own laptop which was in their own possession. According to the court, it would be antithetical to the legislative mandate of the Act if the plaintiffs were permitted

37 2022 SCC OnLine Del 2350 and 2022/DHC/005661.

38 296 (2023) DLT 433.

to bring on record the documents when they could not make out a case that the documents were discovered post the filing of the suit.

VI CONFIDENTIAL INFORMATION

Call for a re-look at section 27 of Indian Contract Act

In *Sudipta Banerjee v. L.S. Davar and Company*,³⁹ the High Court of Calcutta while modifying the injunction order passed by the trial court and restraining the appellants from disclosing, divulging or sharing confidential information gathered during course of their employment in any manner held thus: Determining whether information is confidential is dependent upon several factors. Referring to *Saltman Engineering Co. v. Campbell Engineering Co. Ltd.*,⁴⁰ the court observed that the “confidential information must not be something which is public property and public knowledge. On the other hand, it is perfectly possible to have a confidential document, be it a formula, a plan, a sketch, or something of that kind, which is the result of work done by the maker on materials which may be available for the use of anybody; but what makes it confidential is the fact that the maker of the document has used his brain and thus produced a result which can only be produced by somebody who goes through the same process.”

The court further observed:⁴¹ “There is no specific legislation in India to protect trade secrets and confidential information. Indian Courts have upheld trade secret protection on basis of principles of equity, and at times, upon a common law action of breach of confidence, which in effect amounts to a breach of contractual obligation. The remedies available to the owner of trade secrets is to obtain an injunction preventing the licensee from disclosing the trade secret, return of all confidential and proprietary information, and compensation for any losses suffered due to disclosure of such trade secrets. In India, a person can be contractually bound not to disclose any information that is revealed to him/her in confidence. The Indian courts have upheld a restrictive clause in a technology transfer agreement, which imposes negative covenants on the licensee to not disclose or use the information received under the agreement for any purpose other than that agreed to in the said agreement.”

The court also took note of the interplay between protection of confidential information and section 27 of the Contract Act which upholds freedom of trade. In the opinion of the court, “any restrictive clause prohibiting the respondents to carry on business same or similar in nature would be void and hit by section 27 of the Indian Contract Act as our law has not advanced as much as the English common law over the years. Since times have changed and there is a necessity to impose some restrictions and recognize negative covenants in service contracts especially where it involves specialized knowledge as it must live up to the present needs. While freedom of contract and trade need to be upheld, they must also be balanced. No one should be allowed to take advantage of the trade secrets and

39 AIR 2022 Cal 261: MANU/WB/0653/2022.

40 1963 (3) All ER 413.

41 *Supra* note 39, paras 16 and 17.

confidential information developed by an individual and uses it for their own gain and when confronted, take the shelter of this section. Confidential information and trade secrets are required to be protected by law.”

Commercial suit

The suit *Sterlite Technologies Limited v. Anupam Singh*⁴² sought permanent, mandatory injunction and damages against breach of confidence and misappropriation of confidential information and trade secrets against the defendants. One of the issues to be addressed by the court was to clarify the nature of the suit. The High Court of Delhi examined the definition of ‘commercial dispute’ under section 2(c) of the Commercial Courts Act, 2015 which reads: “Intellectual property rights relating to registered and unregistered trademarks, copyright, patent, design, domain names, geographical indications and semiconductor integrated circuits.” The court hence held that disputes relating to IP as also disputes relating to breach of confidential information, trade secrecy research and development, subject-matter of patents or pending patent applications etc. The definition of intellectual property under section 2(c)(xvii) ought to be read broadly to include the broader subject matter related to IP and not restricted to the specific species of IPRs specified therein. The definition is not restrictive in nature and hence the present suit to be treated as commercial suit.

VII ADR AND IPR

Pre-institution mediation

In *Patil Automation Pvt. Ltd. v. Rakheja Industries Private Ltd.*,⁴³ the Supreme Court has upheld the mandatory nature of statutory pre-mediation under section 12A of the Commercial Courts Act, 2015⁴⁴ obliging parties to firstly restore to the alternate form of dispute resolution before directly approaching the courts. The court declared thus: “Section 12A of the Act is mandatory and hold that any suit instituted violating the mandate of section 12A must be visited with rejection of the plaint under order VII rule 11. This power can be exercised even *suo moto* by the court.⁴⁵ The apex court clarified the position regarding plaints which are pending or are already rejected: (i) “In case plaints have been already rejected and no steps have been taken within the period of limitation, the matter cannot be reopened on the basis of this declaration. (ii) If the order of rejection of the plaint has been acted upon by filing a fresh suit, the declaration of prospective effect cannot be availed of by the plaintiff. (iii) If the plaint is filed violating section 12A after the jurisdictional high court has declared section 12A mandatory, the plaintiff will not

42 2022/DHC/3583.

43 (2022) 10 SCC 1; 2022 SCC OnLine SC 1028.

44 S. 12-A. Pre-institution mediation and settlement: (1) A suit, which does not contemplate any urgent interim relief under this Act, shall not be instituted unless the plaintiff exhausts the remedy of pre-institution mediation in accordance with such manner and procedure as may be prescribed by rules made by the Central Government. (2) The Central Government may, by notification, authorise the authorities constituted under the Legal Services Authorities Act, 1987, for the purposes of pre-institution mediation.

45 *Id.*, para 84.

be entitled to the relief". The judgment itself sum-up the reasoning as follows: "The object of the Act and the Amending Act of 2018, unerringly point to at least partly foisting compulsory mediation on a plaintiff who does not contemplate urgent interim relief. The provision has been contemplated only with reference to plaintiffs who do not contemplate urgent interim relief. The legislature has taken care to expressly exclude the period undergone during mediation for reckoning limitation under the Limitation Act, 1963. The language used in section 12A, which includes the word 'shall', certainly, go a long way to assist the court to hold that the provision is mandatory. Any reluctance on the part of the court to give section 12A, a mandatory interpretation, would result in defeating the object and intention of the Parliament. The fact that the mediation can become a non-starter, cannot be a reason to hold the provision not mandatory. Apparently, the value judgement of the law-giver is to give the provision, a modicum of voluntariness for the defendant, whereas, the plaintiff, who approaches the court, must, necessarily, resort to it. Section 12A elevates the settlement under the Act and the Rules to an award within the meaning of section 30(4) of the Arbitration Act, giving it meaningful enforceability.

VIII MISCELLANEOUS

Valuation of IPR suit and the appropriate forum

*Vishal Pipe Ltd. v. Bhavya Pipe Industry*⁴⁶ dealt with the question of the complex issue of valuation of IPR suit and the appropriate forum to list the dispute. While addressing the question whether IPR suits filed before district courts, valued below Rs. 3 lakhs, ought to be listed before and adjudicated upon by the district judges (commercial) under the provisions of the Commercial Courts Act or by district judges (non-commercial), as normal civil suits, the court clarified the following:

- i. With respect to Delhi, since IPR suits have to be instituted in the district courts having jurisdiction, for the territory of Delhi, it is held that the district judges notified as commercial courts which have subject matter jurisdiction under the Commercial Courts Act would be the district courts having jurisdiction.
- ii. The commercial court is not expected to value the specific IP on the basis of any mathematical formulae but to broadly take into consideration whether the said IP would be worth more than Rs. 3 lakhs, which is the threshold for the commercial court to exercise jurisdiction.
- iii. Usually, in all IPR cases, the valuation ought to be Rs.3 lakhs and above and proper court fee would have to be paid accordingly.
- iv. All IPR suits to be instituted before district courts, would therefore, first be instituted before the district judge (commercial).
- v. In case of any IPR suits valued below Rs. 3 lakhs, the commercial court shall examine the specified value and suit valuation to ensure it is not arbitrary or unreasonable and the suit is not undervalued.

46 2022 SCC Online Del 1730.

- vi. Upon such examination, the concerned commercial court would pass appropriate orders in accordance with law either directing the plaintiff to amend the plaint and pay the requisite court fee or to proceed with the suit as a non-commercial suit.
- vii. In order to however maintain consistency and clarity in adjudication, even such suits which may be valued below Rs.3 lakhs and continue as non-commercial suits, shall also continue to be listed before the district judge (commercial), but may not be subjected to the provisions of the Commercial Courts Act.
- viii. All pending IPR suits before the different district judges (non-commercial) in Delhi shall be placed before the concerned district judges (commercial) for following the procedure specified above. plaintiffs who wish to amend the plaint would be permitted to do so in accordance with law.

Rectification

The High Court of Delhi in *Jumeirah Beach Resort Llc v. Designarch Infrastructure Pvt. Ltd.*,⁴⁷ directed the Trademark Registry to transfer five rectification applications, though the Trademarks Act does not confer any such power on the court. The court justified its move on the ground the Act authorizes the Registrar of the Trademark to refer such matter to the court at any stage under section 125 (2) and hence, the court can direct such a transfer when the connecting matters are already pending before it. “If the Registrar of Trademarks could refer the matter to this Court, there is no reason why this Court could not direct transfer of the matter to itself, especially where all other connected petitions, including petitions for passing off and cancellation/removal/rectification petitions, which are pending before the IPAB, already stand transferred to this Court.” Later, the court allowed settlement between the parties over the use of ‘burj’ trademark in their projects.

In *Babuji Rawji Shah v. S. Hussain Zaidi*⁴⁸ which sought to restrain the release of the film *Gangubai Kathiawadi* one day before its release, the Supreme Court held that the contention of the petitioner is vague and devoid of material particulars. “Whether the story is true or incorrect would have to be decided by the court upon examination of the evidence. The film certificate issued by the CBFC prima facie shows that the film is not defamatory. Prima facie, it appears that the movie is an artistic expression within the parameters of law.” The court further added that: “For maintaining an action in tort of defamation, the applicant for interim relief would have to satisfy the Court, that (i) the applicant was a member of the family or a near relative of the person defamed; (ii) what was stated about the deceased family member/relatives was untrue; and (iii) what was stated would lower the character and reputation of the deceased. Mere hurting of sensibility is not defamation, if the person said to be defamed is not lowered in character or credit in the eyes of others.

47 C.O. (COMM.IPD-TM) 124/2022, decided on Nov. 28, 2022.

48 2022 (2) ICC 510: MANU/SC/0774/2022.

The infringement intellectual property right was alleged by the plaintiff in *Copenhagen Hospitality and Retails v. A.R. Impex*⁴⁹ *inter alia* in use of similar layout, colour combination and graphics on menu cards and serving same sizes of pizzas. The plaintiffs' action *qua* the claimed marks were based on passing off. The plaintiffs could not prove the classical trinity test.⁵⁰ It was also argued that the plaintiffs' registration for pizza names such as English Retreat, Spring Bling, Lovers Bite and Burn to Heck are invalid registrations granted during pandemic in violation of section 9 of the Trade Marks Act, 1999 and in violation of orders of the Supreme Court regarding limitation to file opposition. Upon perusal of the menu cards, the court could not find any deceptive similarity or likelihood of confusion between the two in the eyes of the public and thus refused granting of any injunction.

In *T. Takano v. Securities and Exchange Board of India*⁵¹ regarding the duty of SEBI to disclose investigation report, the Supreme Court held that while the Board is duty bound to provide copies of report which concern the specific allegations which have been levelled against the appellant in the notice to show cause; this does not entitle the appellant to receive sensitive information regarding third parties and unrelated transactions that may form part of the investigation report. The court referred precedents such as *Krishna Chandra Tandon v. Union of India*,⁵² and *Chandrama Tewari v. Union of India*⁵³ and restated that the "investigations conducted by SEBI are highly sensitive given the volatile nature of the market. Disclosure of such information may adversely affect the market. Under section 8 of the Right to Information Act 2005, information including commercial confidence, trade secrets or intellectual property, the disclosure of which would harm the competitive position of a third party; information available in fiduciary relationship; and information which would impede the process of investigation" are exempted from such disclosure.

IX CONCLUSION

The judgements analysed above have great impact on commerce, trade, industry and innovation ecosystem when the country strives to improve its innovation index. As the IPR litigations are on rise, only notable decisions from various courts have been analysed to trace the judicial trend, interpretation and development of IPR jurisprudence. The survey year witnessed many significant and landmark decisions: *Neetu Singh v. Telegram FZ LLC*,⁵⁴ clarifies the ambiguities surrounding intermediary liability in the field of copyright infringement when

49 2022/DHC/1023.

50 *Perry v. Truefitt*, (1842) 6 Beav 66 and *Reckitt and Colman Products Ltd. v. Bordan Incorporation*, [1990] 1 All ER 873: in order to prove passing off, the plaintiff must prove: (i) goodwill or reputation attached to his goods or service; (ii) existence of misrepresentation by defendant to the public which is likely to lead the public to believe that the goods and services offered by defendant are that of the plaintiff; and (iii) existence of loss or the likelihood of damage to plaintiff's goodwill.

51 (2022) 8 SCC 162.

52 AIR 1974 SC 1589.

53 (1988) 1 SCR 1102.

54 *Supra* note 7.

their data server is located outside India. *Avery Dennison Corporation v. Controller of Patents and Designs*⁵⁵ while establishing inventive step assessment steps, clarifies that mere simplicity in the invention will not deter it from patent protection. *Levi Strauss and Co. v. Imperial Online Services Pvt. Ltd.*,⁵⁶ added a new jurisprudence to the realm of unconventional trademark qualifying stitching patterns as trademark. The rulings in *DHL International GmbH* and *ITC Ltd.*,⁵⁷ underscore the significance of well-known trademarks and demonstrates the active role of judiciary in safeguarding the same. expanding the trademark jurisprudence and what can be considered as a trademark. Advertising campaign if it signifies source and becomes distinctive of one enterprise was held to be protectable as trademark in *Bright Lifecare Pvt. Ltd.*⁵⁸ **It has to be ensured that after holding** copyright infringement as cognizable and a non-bailable offense in *Knit Pro International v. The State of NCT of Delhi*,⁵⁹ no industries weaponizing the copyright infringement against permitted purposes under fair dealing provisions. *Anil G Karkhanis v. Kirloskar Press*⁶⁰ is a landmark judgement highlighting the power of court to grant license to translate the work when author/publisher denies to do so by upholding the need of such judicial interventions in a multilingual country like India. *Patil Automation Pvt. Ltd. v. Rakheja Industries Private Ltd.*,⁶¹ brought a crystal clear clarity as to the mandatory nature of pre-litigation mediation in IPR matters under CCA.

55 *Supra* note 16.

56 *Supra* note 30.

57 *Supra* note 32.

58 *Supra* note 35.

59 *Supra* note 1.

60 *Supra* note 4.

61 *Supra* note 43.