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# INTELLECTUAL PROPERTY LAWS

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## I INTRODUCTION

THE SCENARIO of intellectual property (IP) litigation is undergoing a transformation. The businessmen and the corporate houses are taking their IP seriously and resorting to litigation to safeguard and protect their rights. The courts have always been burdened with the litigation on rights under trademarks law but the last five years have witnessed a dramatic jump in the field of litigation pertaining to copyrights, patents and designs also. The number of cases dealing with ‘deceptive similarity’ of trademarks leading to infringement or passing off still outweigh the copyright and patent litigation. From the judgments it can be inferred that the judges, as legislators, are trying to balance the personal and private rights of the creators with that of the public interest.

## II COPYRIGHT

### **Compilation and creativity**

The High Court of Delhi in *Tech Plus Media Pvt. Ltd. v. Jyotijanda*<sup>1</sup> admonished the practice evolved by employers of filing suits as the present one against an employee quitting employment using copyright infringement as a tool of harassment. In this case plaintiff was running a print media publication and an online news portal in the field of information technology. The plaintiff had collected a database of customers and their contact details, details of comments made by visitors, including IP address *etc.* The plaintiff claimed that it had copyright in such a data. The court held that the plaintiff is a juristic person and is incapable of being the author of any work in which copyright may exist. However, the plaintiff can be the owner of a copyright under an agreement with the author of the said work. The court after hearing the parties took the view that there were no specific pleadings on existence of copyright in database. The database of plaintiff is nothing but a collection of the e-mail addresses of the visitors to the website/news portal of the plaintiff.” The court cited *Eastern Book Company v. D.B. Modak*<sup>2</sup> and

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1 2014 (60) PTC 121 (Del).

2 2008 (36) PTC SC.

*University of Cambridge*<sup>3</sup> case wherein the requirement of skill and judgment of the author along with the minimal standard of creativity was held essential to establish a copyright.

#### **Jurisdiction**

In *Dandi Salt Pvt. Ltd. v. UOI*,<sup>4</sup> the High Court of Delhi held that an application to copyright board can only be decided by the said board and not by the registrar. The registrar has the power to decide whether the application is complete and in correct form but the merits cannot be adjudicated by the registrar. The court further reiterated that in absence of an express power of review, the tribunal would not have a power to review its own decisions. However, if there is a procedural infirmity which goes to the root of the proceedings, then the tribunal would have an inherent power to review the same.

#### **Is threat to infringement of copyright punishable?**

In *Indian Heritage Society v. Meher Malhotra*,<sup>5</sup> Jayant J of the High Court of Delhi has gone beyond the mandate provided by the Copyright Act, 1957 (hereinafter the Copyright Act) to the judges. In this case the Indian Heritage Society organized an annual day event. They wanted to publish a book consisting of photographs depicting different Asanas of Iyengar Yoga and their improvisation by use of props *etc.* Defendant no. 2 was assisting the plaintiff in publishing of the book. Defendant no. 1 took photographs during practice session from the beginning leading upto the actual performance on the annual day, under complete guidance and instructions of the plaintiff. There was an agreement between the plaintiff and defendant no. 1 that he will not deliver any of the said photographs to anyone else. However, defendant no. 1 passed on the photos to defendant no. 2 in complete disregard and in breach of agreement of defendant no. 2 with the plaintiff. The defendant no. 2 illegally and wrongly demanded that she be allowed to join the teacher's training programme at the yoga centre with a remuneration of at least Rs. 1,00,000/- for her to obtain work permit. The court held that plaintiff was the owner of the copyright by virtue of section 17 of the Copyright Act and there was a clear threat to the right of the plaintiff.

Copyright Act has a very specific section<sup>6</sup> which makes copyright a statutory right. The section clearly shows that the "rights" and consequent "infringement of rights" has to be in accordance with the provisions of the Copyright Act. It is not

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3 *Syndicate of Press of the University of Cambridge on behalf of the Chancellor Masters and School v. B.D. Bhandari*, 2011 (185) DLT 346.

4 2014(59) PTC 501 (Del).

5 2014 (59) 501 (Del).

6 Copyright Act, 1957, s.16 reads: No copyright except as provided in this Act.-No person shall be entitled to copyright or any similar right in any work, whether published or unpublished, otherwise than under and in accordance with the provisions of this Act or any other law for the time being in force, but nothing in this section shall be constructed as abrogating any right or jurisdiction to restrain a breach of trust or confidence.

clear from the judgment as to which right of the plaintiff provided under section 14 would be violated if defendant no. 1 gives photos to defendant no. 2. Moreover, the Copyright Act does not make “threat to violation of copyright” punishable specially when the court has not even specified which specific right of the plaintiff is under threat from defendant no. 2. The author feels that the judge in their zeal to craft copyright jurisprudence should not go beyond the powers conferred on them by the legislature. This view has been explained very well by Rajiv Sahai Endlaw J of High Court of Delhi in *Tekla Corporation v. Survo Ghosh*.<sup>7</sup>

The question involved in *Tekla's*<sup>8</sup> case was whether in a suit for permanent injunction restraining the defendant from infringing the copyright of the plaintiff, a defense of “copyright misuse” is available to the defendants?

The court held that in our legal frame work, the defence of ‘misuse of copyright’ by the holder thereof is not available, neither to an action for infringement of copyright nor to an action for damages for infringement of copyright. Our law of copyright is codified in the form of the Copyright Act, preamble whereof describes the same as an Act to amend and ‘consolidate’ the law relating to copyright. The statement of objects and reasons of the said law also describes the same as “an independent self contained law on the subject of copyright.” The position is made further clear by section 16 of the Act which provides that no person shall be entitled to copyright or any similar right in any work otherwise than under and in accordance with the provisions of the said Act.

Section 14 of the Copyright Act defines copyright as the exclusive right to do or authorize doing of the acts mentioned therein in respect of a ‘work’. ‘Work’ is defined in section 2 (y) thereof as a literary, dramatic, musical or artistic work or a cinematograph film or a sound recording. Section 14 while defining the exclusive right of a copyright owner does not place any restriction/condition on the owner. It does not say that the owner will have such exclusive rights only if it does not misuse the copyright. Similarly section 51, while describing what constitutes infringement of copyright does not carve out any exception in the event in misuse by the owner of the copyright.<sup>9</sup> Yet further, section 52, while describing in detail, the acts which shall not constitute infringement, does not provide that misuse of copyright by the owner thereof would not constitute infringement, even if any within the meaning of section 52.

To entertain a defence of “copyright misuse” as has been contended to be entertained as aforesaid would, tantamount to making copyright a conditional right *i.e.*, A right subject to being not misused and/or a right enforcement whereof can be suspended upon the right being found to be misused and which is not as per its definition in section 14 and would further tantamount to adding to /subtracting

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7 2014 (59) PTC 323 (Del).

8 *Ibid.*

9 Copyright Act, 1957, s.13(3) reads as: Copyright shall not subsist—(a) in any cinematograph film if a substantial part of the film is an infringement of the copyright in any other work; (b) in any sound recording made in respect of literary, dramatic, or musical work, if in making the sound recording, copyright in such work has been infringed.

from the definition in section 51 and 52 of what constitutes and what does not constitute infringement. The same in the light of section 16 *supra* is impermissible as it would amount to entitling/disentitling a person to copyright otherwise than in accordance with the provisions of the said Act.

It is however not as if the Copyright Act does not deal with the said aspect as clauses (a) to (zc) of sub-section (1) of section 52 describe in detail the act which shall not constitute an infringement of copyright. Section 52 in the light of section 16 is exhaustive and inflexible and does not permit that an action of the defendant, though falling in confines of section 51 as infringement and not saved by section 52, can still be held to be not amounting to infringement. Allowing a defence of copyright misuse would tantamount to the court adding to the clauses of section 52 and constituting an act, otherwise of infringement of copyright as not infringement of copyright for the reason of the holder of copyright being in misuse thereof.

### III DESIGN

#### **Piracy of designs**

In *Whirlpool of India Ltd. v. Videocon Industries Ltd.*,<sup>10</sup> the plaintiff obtained two design registrations in respect of washing machines. The defendants Videocon manufactured and marketed washing machine with virtually the same/similar design and features of shapes and configuration as the plaintiff's products. The defendants sought to highlight differences between their design and that of the plaintiff in a tabular form. The court found them to be trivial and not sufficient to avoid finding of piracy. The court held that if such minor differences were held to be sufficient enough to avoid a finding of infringement then it will be impossible for any plaintiff to succeed, since a skillful defendant will knowingly make some cosmetic and minor changes in its products. The court found that the offending designs were devised with the intention of copying the plaintiff's design.

#### **Design and artistic works**

The overlap between design and artistic works was discussed in *Photo Quip India Ltd. v. Delhi Photo Store*<sup>11</sup> the court summarized the findings as follows:

- (a) The definition of 'artistic work' has a very wide connotation as it is not circumscribed by any limitation of the work possessing any artistic quality. Even an abstract work, such as a few lines or curves arbitrarily drawn would qualify as an artistic work. It may be two dimensional or three dimensional. The artistic work may or may not have visual appeal.
- (b) The right to which a holder of an original artistic work is entitled are enumerated in Section 14(c) of the Copyright Act.

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10 2014 (60) PTC 155 C (Bom).

11 2014 (60) PTC 563 (Bom).

- (c) It is the exclusive right of the holder of a Copyright in an original artistic work to reproduce the work in any material form. For example, a drawing of an imaginary futuristic automobile, which is an original artistic work, may be reproduced in the three-dimensional material form using an element, such as a metal sheet.
- (d) The design protection in case of registered works under the Designs Act cannot be extended to include the copyright protection to the works which were industrially produced.
- (e) A perusal of the Copyright Act and the Designs Act and indeed the Preamble and the Statement of Objects and Reasons of the Designs Act makes it clear that the legislative intent was to grant a higher protection to pure original artistic works such as paintings, sculptures etc and lesser protection to design activity which is commercial in nature. The legislative intent is, thus, clear that the protection accorded to a work which is commercial in nature is lesser than and not to be equated with the protection granted to a work of pure art.
- (f) The original paintings/artistic works which may be used to industrially produce the designed article would continue to fall within the meaning of the artistic work defined under Section 2(c) of the Copyright Act, 1957 and would be entitled to the full period of copyright protection as evident from the definition of the design under Section 2(d) of the Designs Act. However, the intention of producing the artistic work is not relevant.
- (g) This is precisely why the legislature not only limited the protection by mandating that the copyright shall cease under the Copyright Act in a registered design but in addition, also deprived copyright protection to designs capable of being registered under the Designs Act, but not so registered, as soon as the concerned design had been applied more than 50 times by industrial process by the owner of the copyright or his licensee.
- (h) In the original work of art, copyright would exist and the author/holder would continue enjoying the longer protection granted under the Copyright Act in respect of the original artistic work *per se*.
- (i) If the design is registered under the Designs Act, the design would lose its copyright protection under the Copyright Act. If it is a design registerable under the Designs Act but has not so been registered, the Design would continue to enjoy copyright protection under the At so long as the threshold limit of its application on an article by an industrial process for more than 50 times is reached. But once that limit is crossed, it would lose

its copyright protection under the Copyright Act. This interpretation would harmonize the Copyright and the Designs Act in accordance with the legislative intent.

#### IV PATENTS

##### **Admixture – No patentable invention**

In *Law Renon Health Care Ltd. v. Kibow Biotech Inc.*<sup>12</sup> the applicant was a competitor of the respondent and hence, a person interested to file a suit for revocation of patent granted to the respondent. The court held that a mere admixture does not involve an inventive step, therefore, cannot be patented. The pharmaceutical composition containing five integers was neither a new product nor did the mixing of the integers advance any technical effect over the existing prior art. For a new or innovative patent there must be the exercise of intellectual activity which had not occurred to anyone before working of patent in India.

##### **Compulsory licensing**

In *Bayer Corporation v. Union of India*<sup>13</sup> the petitioner was incorporated under the laws of USA. It invented and developed drug 'Nexaver', used in the treatment of patients suffering from Kidney and Liver Cancer. It got the drug patented in over 45 countries including India. Natco- a drug manufacturer in India approached the petitioner for grant of voluntary licence for the purpose of manufacturing and selling the patented drug in India. Natco could manufacture and sell the drug at a price less than Rs. 10,000/- per month of therapy as against the price of Rs. 2,80,428/- charged by the petitioner. In the application for voluntary licence, Natco also stated the fact that the petitioner had not with regard to the patented drug neither met the reasonable requirement of public welfare nor was it reasonably priced in the territory of India. Petitioner rejected Natco's application.

Natco applied to the controller for grant of compulsory licence under section 84(1) of the Act. In its application, Natco pointed out that in respect of the patented drug belonging to the petitioner all the three conditions for the grant of compulsory license were fulfilled /satisfied. It was also pointed out in the application that they proposed to sell the patented drug under its brand name at Rs. 8800/- per month of therapy. Controller granted and directed it to pay to the petitioner royalty at 6% of its net sales of the patented drug under its brand name which was allowed to be sold the grant of compulsory licence to Natco was nonexclusive, non-assignable and for the balance term of the patent. Being aggrieved by the above order the petitioner preferred an appeal to the tribunal and also sought a stay of the order dated March 9, 2012 till the disposal of its appeal. The tribunal rejected the petitioner's application. The tribunal after hearing the parties upheld the order of the controller granting the compulsory licence to Natco while increasing the royalty payable by Natco to the petitioner from 6 to 7% of the sales of the patented drug under its brand name. However, the tribunal did not agree with the view of the

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12 2014 (59) PTC 546 (IPAB).

13 2014 (60) PTC 277 (Bom) [DB].

controller that working in India in terms of section 84(1) (c) of the Act would only be satisfied if the patented drug is manufactured in India. The tribunal in its order took a view that the requirement of working of the patented drug in India could also be satisfied by importing the patented drug on the patent holder satisfying the authorities under the Act that the manufacture of the patented drug was not possible in India. Therefore, it held that manufacture in India was not necessary in every case for satisfaction of section 84(1) (c) of the Act. It held that the working in India would have to be decided on a case to case basis and there can be no general rule that when the products are imported into India and not manufactured, it follows that patented drugs is not being worked in the territory of India. The aforesaid impugned order of the tribunal was challenged before the high court upheld the order of the tribunal.

#### **Expert opinion/scientific advisor**

The High Court of Delhi in *Vringo Infrastructure Inc. v. Indiamart Intermesh Ltd.*<sup>14</sup> observed:<sup>15</sup>

It may also be noticed that the legislature in its wisdom was cognizant of the fact that the patent law may deal with very intricate inventions in science, technology, communication, pharmaceutical apart from various other fields which the court may not be very familiar with where a suit for infringement is brought about, that is why a provision for appointment of scientific advisor has been made under Section 115 of the Patents Act, 1970 to seek their expert assistance. A perusal of Rule 103 of the Patents Rules, 2003 would show that before a person is qualified to be claimed as a scientific advisor, he must fall in all the three categories which are as under:

- (a) He holds a degree in science, engineering or technology or equivalent;
- (b) He has at least fifteen years practical or research experience; and
- (c) He holds or has held a responsible post in a scientific or technical department of the Central or State Government or in any organization.

The court felt that the parameters laid down by the legislature and the Rules has to be strictly adhered to. Scientific Advisor is nothing but essentially an expert in his own field in terms of section 45 of the Evidence Act, 1872.

#### **Validity of patent and grant of injunction**

In *3M Innovative Properties Col. v. Venus Safety and Health Pvt. Ltd.*<sup>16</sup>, the court held that there can be no presumption of validity of a patent under the Patents

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14 2014 (60) PTC 437 (Del).

15 *Id.* at 444.

16 2014 (59) PTC 370 (Del).

Act as it does not have a provision similar to section 31 of the Trades mark Act, 1999. In fact section 13 (4) of the Patents Act provides that the validity of a patent is not guaranteed by the grant of patent. The court further held that the principles of grant of injunction in the cases relating to infringement of patent are no different from that of the ordinary civil cases, which are normally, prima facie case, balance of convenience and irreparable loss.

#### **Working of patent in India**

In *Sandeep Jaidka v. Mukesh Mittal*<sup>17</sup> the plaintiff invented a novel system i.e. device which produces heating, cooling and aromatic effects corresponding to the scene appearing in a movie. Such effects are commonly termed as '4D' effects. He was granted a patent on this invention. The plaintiff contended that the defendant was using the patented system and device in his 4D theatre and thus infringed the claims of the plaintiff. One of the important facts in this case was that the patent in question was not utilized by the patentee directly or indirectly in the commercial market. The court relied on the earlier decision of Division Bench of Delhi High Court<sup>18</sup> where the court held, "It is now well settled that if patent has not been sufficiently exploited in India and there is no user of the said patent in commercially viable form in India, the court may tilt the discretion in the interim stage in favour of the defendant. If a plaintiff has a patent in India but has not used it in India then he cannot in equity seek temporary injunction against the respondent."

#### **Postgrant opposition and revocation of patents**

The Supreme Court in *Aloys Wobben v. Yogesh Mehra*<sup>19</sup> observed that, On a question of locus, section 25 (2) dealing with post grant opposition and section 64(1) dealing with revocation of patents are alike, inasmuch as, the locus to raise a challenge to a patent granted, lies with "any person interested" in both of these provisions. A challenge to grant of a patent can also be raised by the defendant in a "patent infringement suit" by filing a "counter claim."

The court held that the provisions contained in section 64 are subservient to all the other provisions contained in the Patents Act, 1970 (hereinafter Patents Act). Thus, if there is any provision under the Patents Act, which is in conflict with the mandate contained in section 64; section 64 will stand eclipsed, and the other provisions would govern the field. The Supreme Court held:<sup>20</sup>

First, If "any person interested" has filed proceedings under Section 25(2) of the Patents Act, the same would eclipse all similar rights available to the very same person under Section 64(1) of the Patents Act. This would include the right to file a "revocation petition" in the capacity of "any person interested" (under Section 64 (1) of the

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17 2014 (59) PTC 234 (Del).

18 *Franz Xaver Huema v. Yash Engineers*, AIR 1997 Del. 79 (DB) at 82 para 12.

19 2014 (59) PTC 1 (SC).

20 *Id.* at 18.



Patents Act), as also, the right to seek the revocation of a patent in the capacity of a defendant through a “counter-claim” (also under Section 64(1) of the Patents Act).

Second, if a “revocation petition” is filed by “any person interested” in exercise of the liberty vested in him under Section 64(1) of the Patents Act, prior to the institution of an “infringement suit” against him, he would be disentitled in law from seeking the revocation of the patent (on the basis whereof an “infringement suit” has been filed against him) through a “counter-claim”.

Thirdly, where in response to an “infringement suit”, the defendant has already sought the revocation of a patent (on the basis whereof the “infringement suit” has been filed) through a “counter-claim”, the defendant cannot thereafter, in his capacity as “any person interested” assail the concerned patent, by way of a “revocation petition”.

In this case the revocation petition was filed post the filing of infringement suit. The decision does not with clarity say as to what will happen in a situation where the revocation petition is filed earlier. Would the infringement suit continue in such a case? If the answer is in affirmative then can it proceed before the issue of validity of patent is decided?

*In La Renon Health Care Pvt. Ltd. v. Kibow Biotech Inc.*,<sup>21</sup> the applicant filed an application for revocation of patent granted to the respondent. The Intellectual Property Appellate Board (IPAB) agreed with the post grant opposition made by the applicant. It was found that the patent application suffered from insufficient disclosures in the specification. IPAB further found that there was no inventive step as the impugned patent consisted of all that was known from the prior art documents. IPAB dealt with the prior art citations one by one and came to the conclusion that the invention claimed was obvious and no technical advancement was achieved by the patentee. It was held that the pharmaceutical composition containing five integers was not a new product, nor did the mixing of products advance any technical effect over the existing prior art. It thus, made the invention obvious to a person skilled in the art. Thus, patent granted was revoked on ground of lack of novelty and non obviousness.

#### **Patent – Infringement**

In *Shogun Organizes Ltd. v. Union of India*,<sup>22</sup> the appellant obtained patent of the process of manufacture of the chemical composition “D-trans allethrin” and “Transflerthrin” for a term of 20 years. Respondent no. 4, a company filed applications to CIBRC, an authority empowered to grant permission for manufacture of insecticides under the Insecticides Act. The respondent no. 4 had

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21 2014 (59) PTC 546 (IPAB).

22 2014 (59) PTC 83 (Ker) [DB].

to use the patented process of manufacture. The appellant had sent detailed representations to the government objecting to the grant of registration.

The division bench of the High Court of Kerala upheld the order of the single judge who reasoned that the statutory authority under the Insecticides Act, 1968 is not bound to consider the question relating to compliance or violation of the Patents Act for the purposes of granting or refusing of registration. The two distinct statutes deal with two separate rights.

It is highly surprising that the division bench of Kerala High Court ignored section 2 of the Insecticide Act, 1968 which clearly states that the provisions of the Act shall be in addition to and not in derogation of any other law for the time being in force. The court has also ignored the rule of harmonious interpretation and thus became party to infringement of the rights of the patentee/appellants.

## V TRADE MARKS

### **Jurisdiction in a composite suit**

In *Paragon Rubber industries v. Praga the Rubber Mills*,<sup>23</sup> The Supreme Court explained that section 62(2) of the Copyright Act permits the filing of the suit at the place where the plaintiff resides. It was specifically designed to confer an extra benefit upon the parties who were not in a position to initiate court proceedings in two different courts. It prescribes an additional ground for attracting the jurisdiction of the court over and above the 'normal grounds' as laid down in section 20 of Code of Civil Procedure, 1908.

The Supreme Court further held that for the purposes of involving the jurisdiction of the court in a composite suit, both the causes of action must arise within the jurisdiction of the court which otherwise had necessary jurisdiction to decide all the issues. However, the jurisdiction cannot be conferred by joining two causes of action in the same suit when the court has jurisdiction to try the suit only in respect of one cause of action and not the other.

### **Comparative advertising**

A new trend is developing in the advertising campaigns of fast moving commercial goods whereby the theme of the advertisement is not simple puffing but serious comparison of particular qualities /deficiencies between the products of the plaintiff and defendant.

The division bench of the Delhi High Court in *Colgate Proactive Company v. Hindustan Uniliever Ltd.*,<sup>24</sup> considered a dispute whereby Pepsodent claimed by a voice over in the advertisement, "Naya Pepsodent Germi check Colgate ke

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23 *Dhoda House v. S.K. Maingi* (2006) 9 SCC 41; 2006 (32) PTC 1 (SC). The Trade Marks Act, 1999 enforced w.e.f. 15.9.2003 has a similar provision. S. 134 (2) like s. 62 (2) of the Copyright Act, 1957. The Trade Marks and Merchandise marks Act, 1958 did not have such a provision. Jurisdiction under the 1958 Act was decide in accordance with s. 20 of CPC whereby jurisdiction lies where the defendant resides and not where the plaintiff resides.

24 2014 (57) PTC 47(Del) (DB).

Mukable 130 pratishat Germ Attack power” (freely translated means “in comparison; to colgate new epsodent germi check has 130% germ Attack power”). The plaintiff, colgate contended that the advertisement of defendant was disparaging the good will and reputation of the plaintiffs and their goods sold under the trademark “COLGATE”.

The court observed that the story line of the impugned advertisement, the intent of the advertiser and the message that it leaves with the consumer/prospective consumer should all be seen to determine whether there is disparagement. In the instant case there was a serious representation of fact which could affect the reputation of the plaintiff’s products. The court held that truth fullness of the essential message should be strictly tested and proved that it is not misleading or inaccurate. It further directed that the voice over in the advertisement should be deleted or modified as it conveys that colgate is ineffective and lacks requisite quality to combat tooth decay.

In *Hindustan Unilever Ltd. v. Reckit Benkiser (India) Ltd.*<sup>25</sup> four advertisements were in dispute. In all the four a serious comparisons between the plaintiff’s and defendant’s products were made by the defendant. For example, one of the advertisements proclaimed “Dettol Healthy Kitchen Gel Kills 100x more germs” in comparison to ‘VIM’ whereby no germs are killed or removed. The court cited a number of cases and differentiated between an advertisement merely puffing its goods and another making a serious comparison with rival goods. It held that a trader should not be permitted to advertise facts, data, figures, deficiencies etc. of products of another, especially a rival, directly or indirectly by an innuendo. This is so because; one can presume a constant bias in the mind of such a trader towards his rival. If it is done then it would amount to disparagement and hence infringement of trade marks of plaintiff.

#### **Infringement and passing off**

In the year 2014 some of the cases reported on infringement and passing off were as follows:

In *S.oliver Bernd Frier GmbH & Co. v. Rasul Exports*,<sup>26</sup> the court found that the plaintiff’s mark s.OLIVER for readymade garments and fashion accessory products was a well known trademark within the meaning of section 2 (1) (zg). It was used in India and many other countries of the world. The mark ‘OLIVE’ of defendants for similar goods was held to be deceptively similar with the mark of the plaintiff. Defendants were restrained from using the mark OLIVE. Manmohan J. has very explicitly elaborated upon the different requirements of clauses (1) to (5) of Section 29.

In *Charak Pharma Pvt. Ltd. v. Glenmark Pharmaceuticals*,<sup>27</sup> the High Court of Bombay applied the test of disastrous consequence to determine whether the trade mark “ECONOVA” of defendants was deceptively similar to “EVANOVA”

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25 2014 (57) PTC 78 (Cal).

26 2014 (57) PTC 475 (Del).

27 2014 (57) PTC 538 (Bom).

of plaintiffs. The court reiterated the principles that when drugs have marked differences in their compositions with completely different side affect, the test of deceptive similarity should be applied strictly as the possibility of harm resulting from any kind of confusion by the consumer can have unpleasant if not disastrous consequences. Plaintiff's EVANOVA was an ayurvedic capsule for treatment of menopause while defendant's ECONOVA was for the treatment of a condition which disturbs the Natural Vaginal Ecosystem. Held, the two trade marks were deceptively similar.

In *Steifel Laboratories v. Ajanta Pharma Ltd.*,<sup>28</sup> the High Court of Delhi held that the trademarks CLINOXID /CLINOXIDE/CLINOXIDEA of the defendant were deceptively similar to CLINDOXYL of plaintiff. The court reiterated that it has to be very cautious in dealing with medicinal products. If rival deceptively similar marks are permitted to stay in the market in respect of pharmaceutical products, there is a likelihood of grave injury to the public. Where greater public interest is involved, the commercial rights of parties are to become subservient. If there is any likelihood of confusion in the two competing marks that have been applied to pharmaceutical products, the deceptively similar mark that had entered the market later in time has to go.

In *Allied Blenders & Distillers Pvt. Ltd. v. Shree Nath Heritage Liquor Pvt. Ltd.*,<sup>29</sup> the plaintiff using the registered trademark "Officer's Choice" for Indian Made Foreign Liquor (IMFL) filed a suit for permanent injunction restraining the defendant from selling, distributing, advertising or dealing in alcoholic beverages especially IMFL under the trademark "Collector's choice". It was held, "it is well settled law that test is not of photogenic or perfect memory but of imperfect memory/recollection. The judge has quoted a number of articles and after a detailed research came to the conclusion that the customer's/consumer's memory is likely to mix "Officer" with "Collector". To reason out the decision the court went into the hierarchy of officialdom and observed that the customer can be easily fooled into association between "officer" and 'collector'. The court took into consideration the fact that advertising in all forms, of alcoholic products in this country is banned, therefore, there is no way in which the manufacturers can make the consumers remember the brands or assist in recall thereof.

It is very interesting to note that the High Court of Delhi has applied stricter tests for alcohol than even in the case of medicines and has left no stone unturned to show that there is a *prima facie* case in favour of the plaintiff. The ability of the alcohol drinkers to differentiate between brands has also been undermined by the court. The court has not gone into price of the products which could have been a deciding factor to determine deceptive similarity as in case of high priced goods consumers are more wary to differentiate between brands than when the commodity is low priced.

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28 2014 (59) PTC 24 (Del).

29 2014 (59) PTC 42 (Del).

In *Enterprise Holiday Inc. v. Enterprise Auto Rentals*<sup>30</sup> the plaintiff, was a US company. It was the largest car service provider in the world measured by revenue, employees and fleet. Its trade mark, 'ENTERPRISE' was used in many countries and was also registered in India. The defendants before forming a partnership firm were earlier working for AVIS, which is a direct rival of the plaintiff. They were thus fully aware of plaintiff's trademark and its reputation before commencing its services using the trademark ENTERPRISE/ENTERPRIZE. The court held it to be a case of infringement and passing off.

In *Mex Switch Gears Pvt. Ltd. v. Max Switchgears Pvt Ltd.*,<sup>31</sup> the plaintiff was the first adopter and user of the trade mark MEX in 1960 for electric switchgears, switches etc. The word MEX was an integral part of its corporate name. The defendant company was incorporated in the year 2011 with a similar name as the plaintiff and the trademark MAX. The court held that in view of the good will, reputation, huge sales and, advertisements the plaintiff's trademark MEX had acquired a unique name in the market and it comes within the meaning of section 29(4). Held, that the use of the trademark MAX by defendants in relation to same/similar goods as well as dominant part of its corporate name amounts to infringement of trademark of the plaintiff vide section 29(4) and 29(5). The plaintiff was also able to establish a *prima facie* case for passing off.

In *Crayons Advertising Ltd. v. Crayon Advertising*,<sup>32</sup> the plaintiff filed a suit seeking a permanent injunction against defendant from using the name "CRAYON ADVERTISING" and the domain name "www.cayonadv.com". The plaintiff's company name was "CRAYONS ADVERTISING LTD." and had a registered domain name "www.crayonad.com". The plaintiff was the first and prior adopter and user of the said trade and domain name. The domain name of the defendant as adopted closely resembled the domain name of the plaintiff and so there was real likelihood of confusion or deception of the public and consequent damage to the plaintiff. The injunction was granted.

In *Triumphant Institute of Management Education (T.I.M.E) v. Time Coaching/Education*,<sup>33</sup> the plaintiff was a renowned owner of comprehensive chain of coaching institutes and training centers running all over India under the name and style T. I. M. E. which is an acronym of the company name. It was a registered owner and lawful proprietor of the trade mark and logo – T. I. M. E. T.I.M.E in 116 towns and cities across India. Plaintiff established that by long and continuous use it had acquired the status of a well known trademark under section 11(6) and 11(7) of the Trademark Act, 1999. Defendants were engaged in the same line of business under the impugned name "TIME". Held that the use of T.I.M.E by defendants is nothing less than a blatant attempt on their part to ride on the hard earned good will and reputation of the plaintiff that has been acquired by the latter

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30 2014 (58) PTC 111 (Del).

31 2014 (58) PTC 136 (Del).

32 2014 (57) PTC 446 (Del).

33 2014 (59) PTC 529 (Del).

over a period of years by providing quality education, coaching to students. Furthermore, adoption of domain name 'www.timeforedu.com', by the defendants, to provide online education services is completely *mala fide*, dishonest and illegal as the same is phonetically and visually deceptively similar to the domain name of plaintiff i.e., "time4education.com".

#### **Limits on effect of registered trade mark**

In *Zari v. Zari Silk India Pvt. Ltd.*<sup>34</sup> the appellant defendant was enjoined from using the word Zari by the additional district judge as the respondent plaintiff was the registered holder of a label with the word Zari. The court observed that the additional district judge should have taken note of the fact that the word Zari was generic in nature and public jurisdiction. It was a word which was commonly used in trade by those manufacturing and selling clothes embroidered with intricate designs made with silver and gold thread.

The prior user per se of a generic word as a trade mark or part of a trademark cannot entail by itself grant of injunction against the defendant unless there is clinching evidence on record before the trial court that the generic word in terms of section 32 of the Trade Marks Act, 1999 has acquired a distinctive or secondary meaning. Moreover, the registration was of a label and not of the word mark Zari. Section 30(1) provides that nothing in section 28 can prevent the use of a registered trademark by any person for the purpose of identifying goods or services of a proprietor provided, however the use is in accordance with honest practices in industrial and commercial matters. According to section 30(2), a registered trade mark is not infringed where the use in relation to goods and services and indicative inter alia of kind or other characteristics of goods sold or services rendered.

#### **Common phrases are not private property**

In *Techlegal Solutions Pvt. Ltd. v. Genelia Ritesh Deshmukh*<sup>35</sup> the plaintiff sought to restrain defendant from releasing a Marathi film under the title "Lai Bhaari" as it was the prior user and registered trade mark holder of the said phrase. The plaintiff had registered "Laibhaari.com" registered for services in class 38. The defendants did not propose a rival website or service using that expression but produced a Marathi language motion picture using this common colloquial phrase in the title. The court held that the registration of the domain name does not give the plaintiff a proprietary right in a common Marathi expression across all classes, products and range of activities. Trademark infringement claims cannot be allowed to still the tongue of an entire populace even in the slightest. There has to be a balance between the private and personal rights claimed against a larger public interest.

It is a welcome judgment as the court has very vehemently taken the view that common phrases of any language cannot be monopolized for commercial use. The mandate of the IP laws is to balance the private interest with that of the public.

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34 2014 (59) PTC 62 (Raj).

35 2014 (59) PTC 24 (Del).