FoxMandal
Solicitors & Advocates

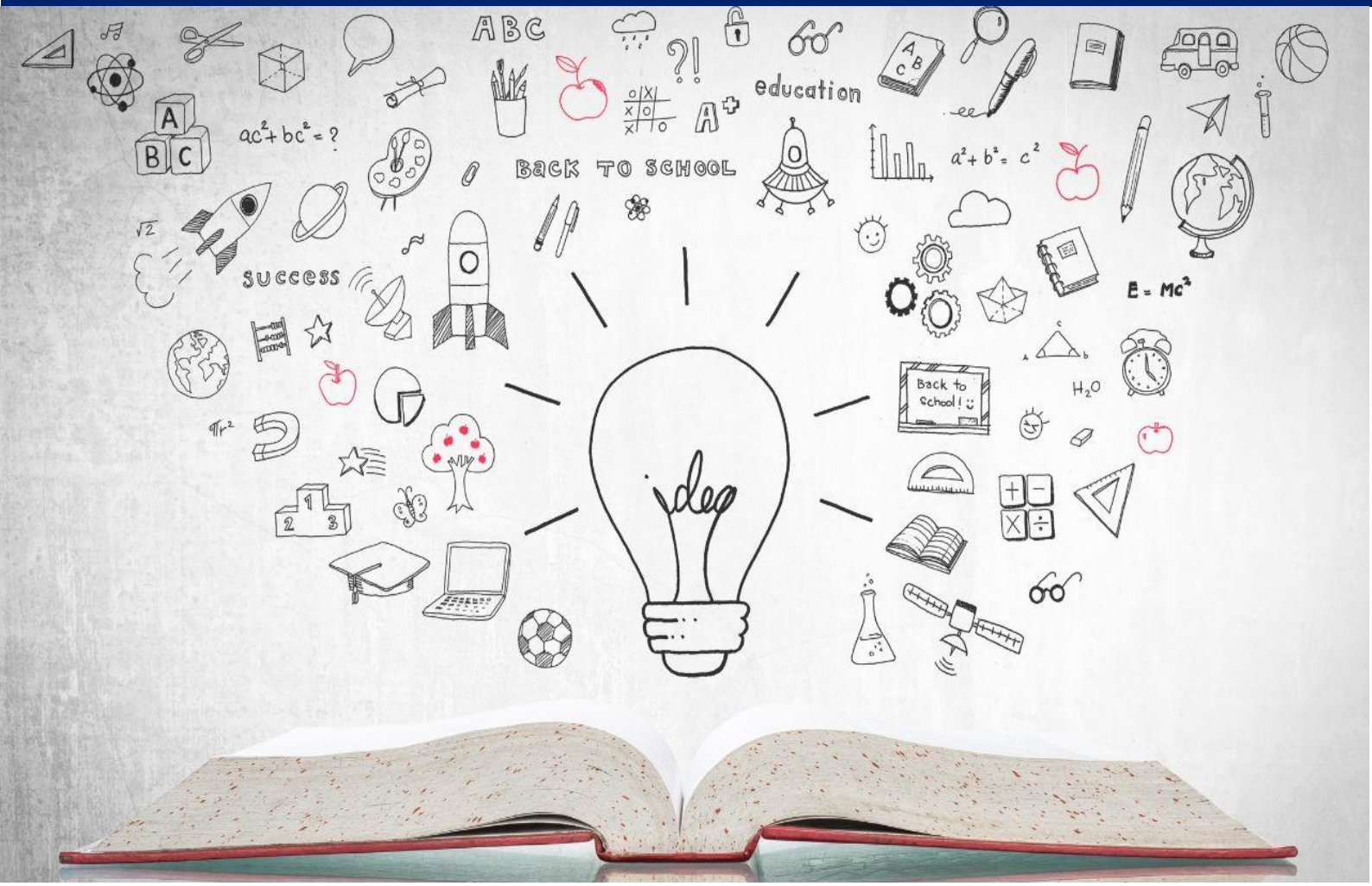
2022

# The Year in Intellectual Property Law (Volume 2)

A Fox Mandal publication for private circulation only.

January 2023

www.foxmandal.in | info@foxmandal.in



# Contents

3 Copyright
5 Trademark
8 Patent

# *Introduction*

The judgments pronounced by learned judges in the field of Intellectual Property not only affect the parties involved but also help guide the stakeholders in interpreting the IP laws to gain a better understanding thereof. While precedents proved beneficial to IP attorneys in strengthening their cases, the Court orders provide an invaluable insight into the essence or the fundamentals of the legislation or provision in issue.

Here are some of the important IP cases of 2022: -

# *Copyright*

## Knit Pro International Vs. The State of NCT of Delhi & Anr. (Criminal Appeal No.807 of 2022)

The Supreme Court, in the present case, ruled that an offence under Section 63 of the Copyright Act, 1956 is a cognizable and non-bailable offence.

An FIR was registered against Anurag Sanghi, the second respondent, for violations of Section 420 of the Indian Penal Code, 1860, and Sections 51, 63, and 64 of the Copyright Act. The respondent made a Section 482 plea before the Delhi High Court, arguing that the offence was non-cognizable and bailable. The Delhi High Court granted the request and determined that the violation of Section 63 of the Copyright Act is non-cognizable.

The Plaintiff appealed to the Supreme Court, which ruled that because the prescribed punishment under Section 63 of the Copyright Act can only be less than three years, the offence is now cognizable and cannot be subject to bail. Only when the prescribed punishment is less than three years can it be non-cognizable and subject to bail. According to the Supreme Court, the High Court made a major mistake in concluding that a violation of Section 63 of the Copyright Act is not a crime that can be prosecuted.

The Supreme Court's decision has put a stop to the multiple divergent views of the judiciary regarding the applicability of Section 63 of the Copyright Act.

## Neetu Singh and Anr Vs. Telegram FZ LLC and Ors. [CS (COMM) 282/2020]

In a landmark judgment, the Delhi High Court clarified the jurisdiction of the intermediary liability. It stated that its jurisdiction could not be overruled on the basis that the servers of the infringing party are situated overseas.

Neetu Singh, a popular author, started conducting classroom sessions through her coaching institutions (M/S KD campus) on Telegram channels. The Plaintiff alleged that Telegram was hosting channels that were infringing her copyright. Despite taking down several infringing channels, the channels kept recurring; therefore, the Plaintiff filed the present suit at the Delhi High Court for the discovery of information from the persons running such channels.

The Delhi High Court observed that the infringement was primarily occurring in Delhi due to the distribution of copyrighted works being conducted there. Also, the contents featured preparation material for Indian competitive examinations, which were relevant to the Indian context. As a result, the Court's jurisdiction could not be overruled even though the channels were broadcasted on the Telegram app, whose servers were overseas.

Section 14 recognizes the exclusive rights granted to the copyright owner, such as electronic replication of the work and issuing versions of the copyrighted material, resulting from their position as legal works under the Act. Because of this, if it were distributed illegally, it would violate the rules described above and be considered an infringement under Section 2(m), making the plaintiffs eligible for civil and criminal penalties under the Act.

Telegram is mandated to remove or prevent access to illegal content per Section 79(3)(b) of the Information Technology (IT) Act 2000 without tainting the evidence. The Indian Copyright Act's Section 81, which adds to such rights, was even mentioned by the Court as relevant. As a result, Telegram was ordered to provide all pertinent information regarding the platforms and tools used in the unauthorized distribution of copyrighted content, which was provided by Telegram at a later date.

# *Trademark*

## Sun Pharmaceuticals Industries Vs. DWD Pharmaceuticals [CS (COMM) 328/2022]

The Plaintiff had adopted and created the term "FORZEST" in 2003 and filed a suit against the registration of the Defendant's mark "FOLZEST," since both parties were engaged in providing similar products and services. The Plaintiff further argued that since the products involved in the present matter were pharmaceutical, the public interest is vital; hence, the threshold of uncertainty should be low.

The Defendant claimed that Plaintiff had omitted crucial information about the case. Further, it claimed that it was a well-known manufacturer in the pharmaceutical field, owned the trademark "ZEST," and was also the registered proprietor of the 'ZEST' family of marks.

Even though the Court found that the Plaintiff had withheld relevant facts before seeking court intervention, the action was not dismissed since it involved pharmaceutical products. The Court ruled that the public interest must also be considered in addition to the rights of the individual litigants. As a result, there is a significant risk of confusion and deceit, which could have disastrous results. Therefore, considering that the Plaintiff had been using the mark "ZEST" before the Defendant and that both marks were deceptively similar, the Court awarded the Plaintiff an ad-interim relief. Ultimately, the Court recommended the parties take advantage of the Commercial Disputes Act for early dispute resolution.

## Renaissance Hotel Holdings Inc. Vs. B Vijaya Sai and Others (Civil Appeal No.404 of 2022)

Renaissance Hotel Holdings Inc. filed a suit in 2009 alleging trademark infringement against the use of the trademark "SAI RENAISSANCE," which is similar to the trademark "RENAISSANCE" owned by the plaintiffs. A permanent injunction was granted by the Trial Court in its ruling in 2012 to prevent the defendants from using the trademark "SAI RENAISSANCE" or any other similar trademark to that of the Plaintiff. The High Court overturned the Trial Court's decision in 2013 because the Plaintiff had failed to disclose the transnational reputation it had built to demonstrate that the defendants were abusing the trademark and that

the parties catered to different customer bases, among other things. The Plaintiff has therefore filed an appeal in the Supreme Court.

The Supreme Court referred to Sections 29 (1), (2), and (3) of the Trade Marks Act to analyze and understand the infringement caused. The Supreme Court further referred to Section 29(4)(c) to examine whether the present actions constitute passing off and also to understand the limitations on the effects of a registered trademark. The Supreme Court noted that there is a substantial possibility of confusion under section 29(3) of the Trade Marks Act because the impugned mark of the defendants and the plaintiffs' marks are identical and are used in connection with the same field of services.

The Court further noted that the High Court misapplied Section 29(4)(c) of the Act by failing to take into account its subclauses, which makes it apparent that Section 29(4) of the Trade Marks Act only applies where the opposing party's goods or services are distinct. The Supreme Court reaffirmed the fundamental principle of statutory interpretation, according to which all subclauses should be taken into account collectively rather than separately if they are separated by the word "and" rather than "or." The Supreme Court found that the High Court's interpretation of the standard established by S. 29(4) of the Act was incorrect. Therefore, the Court reversed the High Court's judgment and upheld the Trial Court's order.

## Pernod Ricard India Private Limited Vs. Frost Falcon Distilleries Limited [IA 2821/2021 in CS (COMM) 94/2021]

Pernod Richard India Pvt. Ltd. filed a trademark infringement suit against Frost Falcon Distilleries for utilizing the mark "CASINO PRIDE." The Plaintiff claimed that by using trademarks similar to "BLENDERS PRIDE" and "IMPERIAL BLUE," the Defendant attempted to disguise its product as that of the Plaintiff. The label, getup, packing, color scheme, and feature arrangement of the Defendant's product, according to the Plaintiff, were misleadingly similar to both of the Plaintiff's items. These two items belonged to the same category of foreign liquor made in India.

The Defendant claimed that because the mark was generic, the Plaintiff could not assert exclusivity unless the phrases took on a new meaning in the minds of consumers.

The Court held that the plaintiffs did not possess exclusive rights over the term "PRIDE" because it was a component of "BLENDERS PRIDE." There was, therefore, no infringement in this instant case. However, going into the details of infringement and passing off, the Court stated that "*Passing off is a product-specific tort, whereas infringement is a mark-specific tort. As a result, relief in an infringement action is geared at safeguarding the mark, but relief in a passing-off case is intended at protecting the product, goodwill, and reputation it commands. In*

*an infringement case, the comparison is therefore mark to mark, whereas in a case of passing off, the comparison is product to product*". Therefore, talking about the legalities of passing off and applying the same in the present case, the Court held that the defendants were passing off its goods as that of the Plaintiff and ordered the Defendant to cease manufacturing, marketing, or distributing products under the trademark 'CASINOS PRIDE'.

## Bunge India Pvt Ltd Vs. Hatsun Agro Product Limited (MANU/TM/0002/2022)

Rule 34 of the Trademarks Rules, 2017 (Rules), which govern the expedited review of trademark registrations, was construed by the TMR in the present case. Bunge India (Bunge) had applied for the registration of the trademark 'HUDSON', which Hatsun Agro opposed, and the pleading stage of the opposition proceeding had been completed. Thereafter, Bunge filed an expedited application under Rule 34, because the following application has been pending for more than 4.5 years and Bunge was keen on obtaining statutory rights in the application. The main issue was when the expedited application under this Rule could be filed.

The Deputy Registrar of Trademarks concluded that Rule 34 gives a trademark candidate an extra route whereby, following the filing of an application and payment of the necessary charges, the procedure of application would be swiftly handled according to any rules that may be issued under the Rules and are not limited to only the examination stage. This case comes as a great relief to the applicants whose applications have been pending with the Indian Trademark Registry due to the backlog.

# *Patent*

## Novartis AG Vs. Controller of Patents and Designs [CA (COMM IPD-PAT) 12/2022]

In 2007, an application was filed in the Indian Patent Office for various pharmaceutical preparations for compositions and methods of eye disorder treatments. The Controller of Patents and Design objected to the lack of unity invention in lieu of the multiple permutation and combination of the Markush Formula and difficulty comprehending the scope of actual invention. Following this objection, an application with the amended set of claims was filed with limited scope, and protection against three specific compounds was granted.

In 2014, Novartis AG filed a divisional application with the Patent office. The parent application and divisional application had been struck down due to the duplicity of claims related to a single invention, and the pharmaceutical compositions of the Markush Formula compounds have already been granted in the parent application. The dispute due to the refusal of the divisional application holding the same claims as the parent application formed part of the issues resolved in the matter.

The Court first ascertained the issue of whether the claims in the divisional application were in accordance with the Patents Act. The Court reinstated the judgment of *Boehringer Ingelheim International GMBH v. The Controller of Patents & Anr. [CA (COMM.IPD-PAT) 295/2022*] against the two-fold conditions to be followed under Section 16 of the Indian Patents Act for filing a divisional application which is:

- The application filed should relate to an invention disclosed and any claim in the provisional or complete specification of an earlier parent patent application; and
- The two applications should not entail any duplication of claims.

The Court established the similarity in the core structure of the parent application and the divisional application; however, it was clear to demarcate the difference between the two applications under the present circumstances as the parent application dealt with a claim under three specific compounds, which was granted. In contrast, the divisional application formed part of a larger nature of the claim. Thus, there existed no reason to refuse the

divisional application on the ground of duplicity of claim with the parent application. The Delhi High Court accepted the validity of the divisional application and sent the matter back to the Indian Patent Office for considering the divisional application. The Court further resolved the issue of inclusion of therapeutic efficacy under Section 3(d) of the Indian Patents Act and stated that the usage of therapeutic efficacy would arise only when the applications in question are independent.

## Sotefin SA Vs. Indraprastha Cancer Society and Research Center & Ors. [CS (COMM) 327/2021]

The Delhi High Court, in this case, had applied the doctrine of equivalence to arrive at the finding of a prima facie and had dismissed the exemption of parallel import as mentioned under section 107A(b) of the Patents Act 1970. The Court stated that the patents are territorial in nature and that any patent protected outside India will not be recognized and protected in India. It was further stated that if a product violates an Indian patent, it will not be allowed in India even though it is patented in another country.

The Plaintiff, Sotefin SA, had filed a suit against the infringement of 'silomat dolly', a registered patent against multiple defendants due to the stark resemblance between the plaintiff and defendant's dollies. The Plaintiff used his patent in the carriage of motor vehicles in automated car parking spaces. The term of the patent was from March 2002 till March 2022.

A team of court-appointed experts compared the parties' products to constitute infringement and concluded similarity in 17 elements from the total 19 elements. Based on the report, the Plaintiff alleged infringement; however, this claim was refuted by the defendants, who took shelter under the Bolar exemption as they were importing the dollies. Moreover, they contended that the present matter was not an infringement as the two elements were dissimilar. The Court struck this claim and laid down that there is no need for an exact copy of every element as this narrow approach would result in many cases of non-literal infringement, and infringement cannot be ruled out completely. The pith and marrow of an invention need to be focused on to constitute a case of infringement.

The Court expressly opined that the entire term of the patent would come under the protection and the Indian law does not increase or decrease protection based on a start of a term and the end of a protection term. The legal system will devolve equal, exclusive protection irrespective of the stage of the term of 20 years. The Plaintiff was granted an interim injunction, and the Defendant was restrained from producing, manufacturing, selling, exporting, or importing any dollies capable of causing infringement.

## Dr. Reddys Laboratories Limited & Anr Vs. The Controller of Patents & Ors. [CO (COMM IPD-PAT) 2/2021]; Thyssenkrupp Rothe Erde Germany Gmbh Vs. The Controller of Patents & Anr. [CO (COMM IPD-PAT) 1/2022]; Elta Systems Ltd Vs. The Controller of Patents & Anr. [CA (COMM IPD-PAT) 169/2022]

After the Tribunals Reforms Act of 2021 abolished the Intellectual Property Appellate Board (IPAB), the Delhi High Court issued an order grouping three cases together to resolve problems relating to the High Court(s) jurisdiction. The Delhi High Court ruled on the territorial jurisdiction of High Courts following the Tribunal Reforms Act in the three cases, which involved the revocation of patents (*Dr. Reddys Laboratories Limited & Anr V. The Controller of Patents & Ors; Thyssenkrupp Rothe Erde Germany Gmbh V. The Controller of Patents & Anr*); and an appeal under Section 117A (*Elta Systems Ltd. V. The Controller of Patents*).

### *Revocation petitions filed afresh:*

The Court determined that the high courts in areas where "the commercial interest" of the party concerned may be harmed will also have the authority to hear revocation applications, in addition to the locations where patents are granted and where infringement lawsuits are brought. This justification by the Court is based on the dynamic effect of a patent, which extends the exclusivity of a patent across the nation rather than just the region in which it was awarded.

### *Appeals under Section 117A against the orders passed by the Patent Office:*

Concerning the appeals under Section 117A against Patent Office orders, the Court decided that any challenge to such an order must be brought before the High Court in whose district the Patent Office is located.

For this, the Court drew support from the following factors in addition to the emphasis placed on the "appropriate office" by the Patent Act, Patent Manual, and Patent Rules. The following criteria must be met:

- The appeal is a continuation of the initial proceeding;
- Record of the complete patent application is easily accessible at the appropriate office;
- In accordance with the Rules, the applicant in question must be domiciled, conducting business, or ordinarily residing within the said territorial jurisdiction;
- The origin of the invention may arise from the said territory; and

- In the case of a foreign applicant, the address of service in India would be in the territory where the appropriate office is located.

## *Conclusion*

These judgments while having drastic implications in the present and future, considerably aid in deciphering the complex legal provisions pertaining to intellectual property and the rules framed thereunder. The courts have time and again upheld the right against infringement by viewing the cases holistically instead of merely applying the provisions to the facts of the case. This reflects the judiciary's constant efforts to adequately protect the inventors' rights and to promote and encourage inventions.

Connect with us:

The information provided herein is for general informational purposes and does not intend to constitute legal advice.

© 2022 Fox Mandal & Associates LLP | www.foxmandal.in