Fox Mandal
Solicitors & Advocates

2023 Recap

A Review of the Intellectual Property Landscape

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Introduction

In this annual publication, we present the key developments in the Indian IP domain from the previous year, including legislations, administrative decisions and judicial pronouncements which continue to empower creators and other stakeholders.

A. Legislative Developments

I. Cinematograph (Amendment) Act, 2023, Receives Presidential Assent

On August 4, 2023, 2023 the Cinematograph (Amendment) Act, 2023 received the President's assent just days after the Parliament passed it. The Amendment Act introduces significant modifications to the film certification process outlined in the 1952 Act. These changes aim to combat film piracy effectively and guarantee the provision of age-appropriate content.

Under the 1952 Act, the Board of Film Certification is responsible for certifying films for public exhibition. These certifications are categorised as 'U' (Unrestricted), 'UA' (Unrestricted with parental guidance), 'A' (Restricted to adults), and 'S' (Restricted to a specific profession or class). However, the Amendment Act replaces the 'UA' category with three distinct age-appropriate categories – UA 7+, UA 13+, and UA 16+. The age endorsement provided by the Board will guide parents or guardians, but it will not be enforceable by anyone other than them. Additionally, films with an 'A' or 'S' certificate will now require a separate certificate for exhibition on television or any other media platform authorised by the Central Government. The Board may direct filmmakers to make appropriate deletions or modifications for this separate certificate.

The Amendment Act strictly prohibits any unauthorised recording or exhibition of films and considers attempting such unauthorised recording as an offence. Here, an unauthorised recording refers to making or transmitting an infringing copy of a film at a licensed venue for a film exhibition without the owner's authorisation. An unauthorised exhibition involves publicly displaying an infringing copy of the film for profit at an unlicensed location or in a manner that violates copyright laws. To deter such offences, the Act prescribes punishments, including imprisonment ranging from three months to three years and fines ranging from three lakh rupees to 5% of the audited gross production cost.

As per the 1952 Act, the certificate issued by the Board has a 10-year validity, whereas the Amendment Act provides for the perpetual validity of film certificates.

The Amendment Act also takes away the Central Government's revisional powers over films that have been certified or are awaiting certification. The same is in line with the judgment of the Apex Court in the case of *KM Shankarappa v. Union of India*.

II. Changes to IP Statutes Made by Jan Vishwas (Amendment of Provisions) Act, 2023

The Jan Vishwas (Amendment of Provisions) Act, 2023*, was enacted in August 2023 to "amend certain enactments for decriminalising and rationalising offences to further enhance trust-based governance for ease of living and doing business*". The amendment makes significant changes to IP statutes. However, the amended provisions have not been brought into effect yet.

Certain minor offences have been decriminalised. For instance, the 2023 amendment, by omitting Section 68 of the Copyright, 1957, does away with the penalty imposable for making false statements for the purpose of deceiving or influencing any authority or officer. In certain other cases, the penalty in the form of imprisonment is replaced with fines or a portion of the sales, turnover or gross receipts.

Through changes to the Trade Marks Act of 1999, the Patents Act of 1970, and the Geographical Indications of Goods (Registration and Protection) Act of 1999, the amendment provides a mechanism for the conduct of inquiry and imposition of penalty by an adjudicating officer and for filing appeals before the appellate authority. Accordingly, the Central Government is empowered to make rules to prescribe the manner in which the adjudicating officer is to hold inquiry and impose penalty and the manner of preferring appeal before the appellate authority.

III. Regulation of Dark Patterns: Consumer Body Notifies Guidelines

In a significant development, the Guidelines for Prevention and Regulation of Dark Patterns, 2023, were notified by the Central Consumer Protection Authority (CCPA) on November 30, 2023.

Several changes have been made to the draft guidelines released in September 2023. The draft referred to 10 dark pattern practices: false urgency, basket sneaking, confirm shaming, forced action, subscription trap, interface interference, bait and switch, drip pricing, disguised advertisement, and nagging. The finalised guidelines lay specific emphasis on "commercial gains" when it comes to practices of confirm shaming and nagging.

Further, three more dark patterns have been added to the list, including trick questions, SaaS billing and rogue malware. Here, trick questions refer to the deliberate use of vague or confusing questions or double negatives to misdirect a user to take a specific response or action. For instance, consumers are provided with only two options, "Yes" and "Not Now," in response to questions asking them to opt for notifications.

Under the guidelines, SaaS (Software as a Service) billing refers to situations where payments are collected from consumers on a recurring basis in a SaaS business model, and there is a misuse of this process in order to obtain payments "*as surreptitiously as possible*". This practice can be observed when a free trial has been converted to a paid subscription without notifying the user.

The guidelines also prohibit engaging in the dark pattern practice of rogue malware where users are tricked into believing that there's a virus on their computers through the use of ransomware or scareware so that they pay for a tool to remove the malware, but such a tool actually ends up installing malware. The multiple advertisements with embedded malware that pop up when a user accesses content on pirated platforms are examples of this dark pattern practice.

IV. DPIIT Invites Comments on the Draft Patent (Amendment) Rules, 2023

The Central Government released the Draft Patents (Amendment) Rules, 2023, vide notification dated August 22, 2023, seeking public suggestions on the changes proposed to the 2003 rules. The period within which the stakeholders could share their suggestions on the draft amendment rules ended on September 21, 2023.

Some of the key changes proposed are as follows: -

- **Corresponding foreign applications -** As per the draft amendment rules, the applicant is required to keep the Controller informed about the details pertaining to applications filed in foreign countries within 2 months from the date of issuance of the first statement of objection.

- **Information accessible through public databases -** By amending Rule 12(3), the draft amendment rules require the Controller to use public databases to extract and consider information relating to the processing of foreign applications.

- **Voluntary filing of the divisional application-** Through the incorporation of a new provision in the 2003 rules, Rule 13(2A), the patent applicants would be able to file a divisional application pertaining to the invention disclosed in the provisional specification.

- **Removal of exceptions to the extension of deadlines: Rule 138 -** The exceptions to the grant of time extension under Rule 138 are proposed to be removed. Further, the draft amendment rules propose to increase the period of extension under the said rule from 1 month to 6 months.

- **Reduced timeline for filing of Request for Examination (RFE) under Rule 24B(1) -** The draft amendment rules provide that the Request for Examination (RFE) must be filed within 31 months from the date of priority of the application or the date of filing of the application.

- **Grace period -** The draft amendment rules have proposed to introduce Form 31 (by adding Rule 29A), through which one can apply to avail of the grace period under Section 31. For natural persons, startups, small entities, and educational institutions, the applicable fee for this form is Rs.11,200.00. However, the fee would be Rs.84,000.00 for other applicants.

- **Advance payment through e-filing under Rule 80(3) -** A 10% fee reduction would apply to advance payment of renewal fees through e-filing for at least 4 years.

- **Working statement -** The proposed rules provide relaxation by requiring the filing of the working statement in Form 27 once every three financial years compared to the existing rules, which mandate patentees and licensees to furnish such statements every financial year.[1]

- **Opposition process and timelines - The time (that the applicant has) for submitting a response to the pre-grant opposition notice would be reduced from 3 months to 2 months** (from the date of the notice).[2] It is sought to reduce the time within which the opposition board is required to submit its report under Rule 56(4) from 3 months to 2 months as well.[3]

- **Time for putting an application in order for a grant -** By incorporating a new provision [Rule 55(6)], the draft amendment rules seek to impose a time limit of 3 months for the Controller to make a decision regarding patent application after the completion of pre-grant opposition proceedings.

- **Revision of the fee -** The applications for patent of addition under Section 54 would be eligible for a 50% fee reduction.

  The fee applicable on filing a request for a time extension under Rule 138 would be increased from Rs. 1,600.00 to Rs. 10,000.00 for natural persons, startups, small

[1] Rule 131(2)
[2] Rule 55(4)
[3] Rule 56(4)

entities, and educational institutions and from Rs. 8,000.00 to Rs.50,000.00 for others.

A new criterion for calculation of the fee for filing both pre and post-grant opposition has been put forward; the fee would be an aggregate of the amounts actually paid towards filing the patent application, complete specification, early publication request, and requests for examination and expedited examination.

- **Qualifying examination for patent agents -** As per the changes proposed, the Designs Act, 2000 and Designs Rules, 2001 would be included along with provisions under patent laws (Patents Acts and Rules) in Paper I of the qualifying examination for patent agents.[4] Further, design specifications will also be incorporated in Paper II of the examination.

V. TN Govt Notifies Madras High Court Intellectual Property Rights Division Rules, 2022

On April 5, 2023, the Madras High Court Intellectual Property Rights Division Rules, 2022, were notified by the Tamil Nadu Government.

Based on the recommendations of the Intellectual Property Committee, the Madras High Court created the IPD to deal with IPR-related matters. Thereafter, the Court issued the present rules on March 23, for "*governing the matters listed before the IP Division with respect to practice and procedure for the exercise of its ordinary original, appellate, criminal and writ jurisdiction*".

As per the rules, IPR disputes refer to civil disputes pertaining to patents, copyrights, trademarks, passing off, protection of trade secrets, etc. It is expressly stated that the rules do not apply to criminal proceedings arising out of the penal provisions under IP statutes.

The rules lay down the procedure to be followed for suits, original petitions, appeals, writ petitions, and civil revision petitions. The fees applicable for proceedings under the 2022 rules are prescribed under Schedule I. For cases transferred from the erstwhile Intellectual Property Appellate Board (IPAB) to IPD, litigants would not be required to pay any fresh or additional court fee.

The Madras High Court's Intellectual Property Rights Division was inaugurated on April 12, 2023.

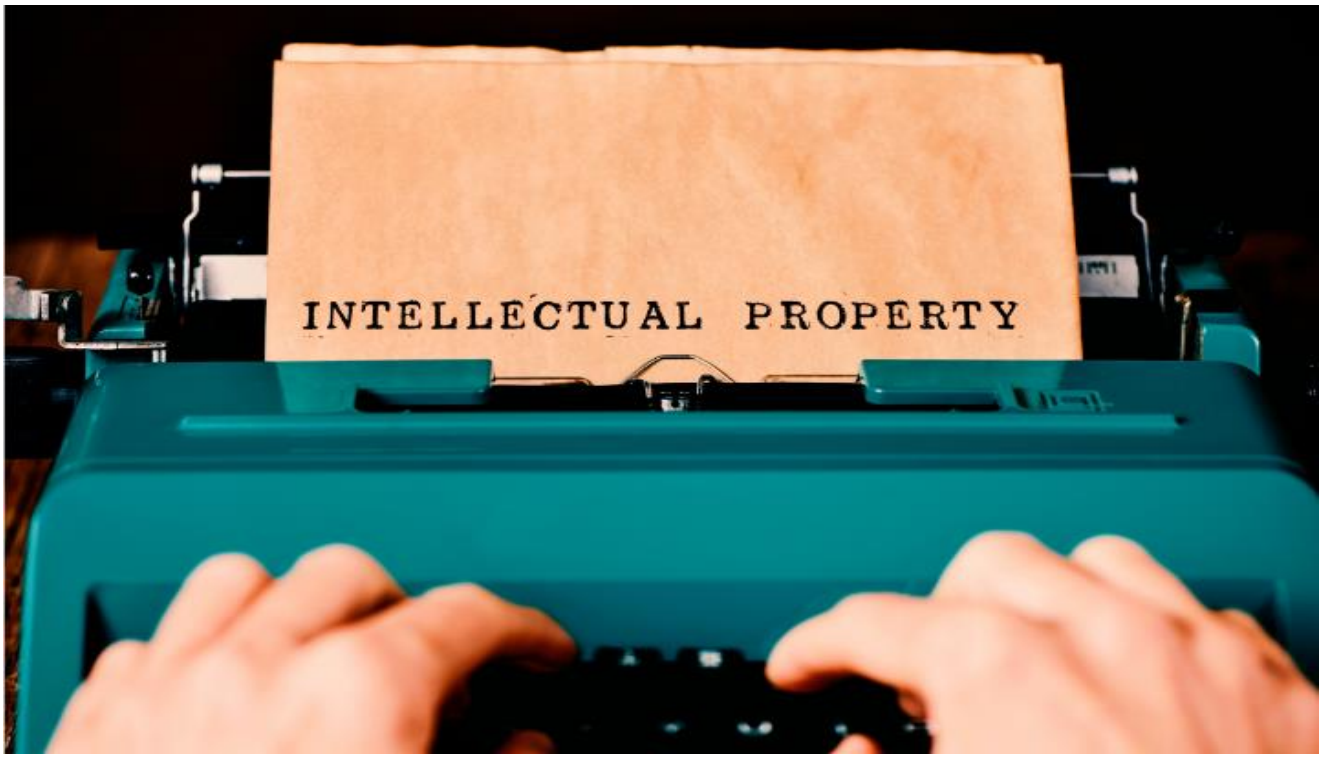
[4] Rule 110(2)

VI. Draft Intellectual Property Rights Rules of the High Court at Calcutta, 2023, Released for Comments

The Calcutta High Court released the draft Intellectual Property Rights Rules of the High Court at Calcutta, 2023, seeking comments from stakeholders by January 5, 2024.

The draft rules envisage the setting up of an Intellectual Property Rights Division (IPRD) with two or more Benches consisting of Single Judges and an Intellectual Property Rights Appellate Division (IPRAD) having one or more Benches comprising of two Judges. To manage the proceedings before the said divisions, an "Intellectual Property Rights Division Department" is proposed to be established.

Apart from providing the procedure to be followed for proceedings, the draft rules elaborate on provisions pertaining to pleadings, summons, recording of evidence, independent experts, summary judgments, fast-track hearings, translations, imposition of costs, etc. Further, the Court fee payable is specified under Schedule III.



B. Administrative Developments

I. Tackling Film Piracy: Ministry of I & B Appoints Nodal Officers

In a press release dated November 3, 2023, the Ministry of Information and Broadcasting (MIB) announced the appointment of nodal officers empowered to direct the takedown of pirated content from online platforms (Click here to read our article on the subject).

The original copyright holder or a person authorised by such holder can file a complaint with the nodal officers as per the proforma prescribed. The intermediaries would have to take down the pirated content from digital platforms within 48 hours of being directed by the nodal officers. The Ministry has also provided a model format for notifying the intermediaries vide an office order.[5] The said order states that the nodal officers have been nominated "*for the purpose of issuing notification(s) to the intermediaries in respect to unlawful information as per clause (ii) of sub-section (1B) of section 7 of the Cinematograph Act, 1952*".

Section 7(1B)(ii) of the 1952 Act, as introduced vide amendment last year, empowers the Government or its agencies to take suitable action against an intermediary for failure to remove or disable access to material that is used by third parties to commit unlawful acts, despite being notified by the Government or its agency, under Section 79(3) of the Information Technology Act, 2000.

The 2023 amendment also introduced Section 6AB, which prohibits public exhibition of infringing copies of films for profit if such exhibition is either done at a place of exhibition not licensed under the 1952 Act or rules made thereunder or is made in a manner that amounts to copyright infringement under the Copyright Act, 1957, or any other law for the time being in force. Any contravention of this provision is dealt with under Section 7(1A) of the Act.

II. Press Releases/ Public Notices

1. To assist entrepreneurs in the processing of IP applications, the Office of CGPDTM introduced "IP Mitra" for Startups in patents, trademarks, and designs under the Scheme for Facilitating Start-Ups Intellectual Property Protection (SIPP).[6]

2. The Office of CGPDTM issued a public notice to restore abandoned trademark applications to their original status pursuant to the Delhi High Court's decision dated April 13, 2023.[7]

[5] https://mib.gov.in/sites/default/files/Nomination%20of%20Nodal%20Officers%20under%20Section%2079%283%29%28b%29%20of%20the%20IT%20Act%202000%20-%20Accessible.pdf
[6] https://www.ipindia.gov.in/newsdetail.htm?871
[7] https://ipindia.gov.in/writereaddata/Portal/News/888_1_Public_Notice_dated_-21-04-2023.pdf

3. DPIIT (Copyright & Design Section) has directed copyright societies to refrain from collecting royalties for playing music or performing other copyrighted work at wedding functions or other religious ceremonies. [8]

4. Comments were invited for revision of existing manuals and guidelines or issuance of fresh manuals and guidelines with respect to patents, designs, trademarks, geographical indications, and copyrights.[9]

5. Nominations were invited from patentees related to cutting-edge technologies or offering solutions to SDG challenges for displaying and demonstrating such Indian inventions on momentous occasions in India and abroad.[10]

6. Scheme For Facilitating Start-Ups Intellectual Property Protection (SIPP) extended for a period of three years, up to March 31, 2026.[11]

7. Claims for payment of fees to the facilitator under the SIPP Scheme can be submitted online.[12]

8. *Open house sessions to address grievances on IP-related issues are to be held on a daily basis from 4:30 pm to 5:30 pm.* [13]

9. Unavailability of TM public search and E-register from 10 am to 4 pm on all working days from September 14, 2023.[14]

10. Objections were invited from the general public in respect of the application received from Phonographic Performance Ltd (PPL) for registration as a copyright society.[15]

11. Objections were invited from the general public with respect to the application received from the Indian Singers and Musicians Rights Association (ISAMRA) for registration as a performers society.[16]

[8] https://dpiit.gov.in/whats-new/public-notice-regarding-section-521-za-copyright-act-1957
[9] https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Public_Notice_Manual-Guidelines.pdf
[10] https://www.ipindia.gov.in/writereaddata/Portal/News/915_1_PUBLIC_NOTICE.pdf
[11] https://ipindia.gov.in/writereaddata/Portal/News/885_1_approved_SIPP_scheme.pdf
[12] https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Public_Notice_15_08_23.pdf
[13] https://ipindia.gov.in/newsdetail.htm?891
[14] https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Public_Notice_For_TMR_13092023.pdf
[15] https://copyright.gov.in/Documents/PPL/PPL_Notice.pdf
[16] https://copyright.gov.in/Documents/ISAMRA/Public_Notice.pdf

C. Case Laws

Copyright Law

I. Indian Performing Right Society Limited v. Rajasthan Patrika Pvt [IA(L) No.9452 of 2022 in Commercial IP Suit No.193 of 2022] and Indian Performing Right Society Limited v. Music Broadcast Limited [IA No.1213 of 2022 in Commercial IP Suit No.84 of 2022]

In a judgment dated April 28, 2023, the Bombay High Court held that the defendant FM radio stations were required to pay royalties to authors of original works used in sound recordings they broadcast (Click here to read our article on the subject).

The defendant companies entered into licence agreements with the Plaintiff, Indian Performing Right Society (IPRS) Limited, in 2001 and 2006, respectively, for utilisation of the Plaintiff's library of literary and musical works for broadcasting from the radio stations, 'Radio City FM' and 'Radio Tadka'. In the year 2010, a compulsory licence fee was set by the erstwhile Copyright Board of India to be paid by radio broadcasters, and the same expired nearly 10 years later.

Over the years, the parties have been engaged in legal proceedings regarding the rights of authors of original works when sound recordings that consist of these original works are communicated to the public.

The defendants contended that the 2012 amendment to the Copyright Act, 1957, as relied upon by the Plaintiff, was clarifying in nature and did not confer any substantive rights. Rejecting this view, the Court held that the amendment did "*have the effect of creating a substantive right in favour of authors of underlying literary and musical works*". Further, it was highlighted that the changes made have to be read against the backdrop of the statement of objects and reasons of the 2012 amendment, clause (ix) of which clarified that authors would have rights to receive royalties and benefits through copyright societies and clause (x) ensured that authors of the works, in particular, authors of songs included in cinematograph films or sound recordings, receive royalty for the commercial exploitation of such works.

It was held that though the defendants had the exclusive right to communicate sound recordings to the public under Section 14(e)(iii) of the 1957 Act, the same was subject to the other provisions of the Act. Accordingly, such a right was held to be dependent on the right of an author to receive royalties. The Court ruled that Plaintiff was entitled to royalties for the use of literary and musical works included in sound recordings and that the defendants were directed to pay royalties to Plaintiff. On failure to do so, the temporary injunctions prohibiting the broadcast of music were said to take effect.

II. RDB and Co. HUF v. HarperCollins Publishers India Private Limited [IA 9516/2021 in CS(COMM) 246/2021]

In an order dated May 23, 2023, the Delhi High Court dismissed the plaintiff producer's plea for a permanent injunction restraining the defendant from novelising the screenplay of the 1966 film, 'Nayak'.

The film's screenplay was converted into a novel by Bhaskar Chattopadhyay and was published by the defendant in 2018. Aggrieved by this, the plaintiff producer approached the Delhi High Court, alleging that the novelisation of the film's screenplay and the publication of the novel amounted to copyright infringement as per provisions of the Copyright Act, 1957.

In this case, the main issue was whether the copyright in the film's screenplay was owned by the film's producer or the author of the screenplay, Satyajit Ray.

At the outset, it was clarified that the copyright in the film's screenplay was not affected by the copyright in the cinematograph film, which vested in the plaintiff producer. Thereafter, the Court proceeded to interpret Section 17 of the Act, which states that the first owner of the copyright in the work is its author, subject to the provisions contained therein. The Court expressed that none of the provisos, including the ones contained in clauses (b) and (c), applied to the present case.

According to Section 17(b), the person at whose instance a photograph was taken, a painting or portrait was drawn, or an engraving or a cinematograph film was made for valuable consideration would be the first owner of the copyright in such work, in the absence of any agreement to the contrary. The Court remarked that this clause does not cover screenplays. However, the Plaintiff relied on the decision of the Supreme Court in the case of *Indian Performing Rights Society v. Eastern Indian Motion Pictures*[17] wherein it was held that the producer who commissions a composer to compose music or lyrics for a cinematograph film would be the first owner of the copyright therein unless there is a contract to the contrary. Rejecting this contention, the Court stated that such a right does not vest in the producer when it comes to the film's screenplay since the Apex Court judgement took into consideration the definition of cinematograph film under Section 2(f) of the Act, which included sound recordings.

The doctrine of noscitur a sociis was applied in the interpretation of Section 17(c), which states that the employer would be the first owner of the copyright in the work made during the course of the author's employment under a contract of service or apprenticeship. Accordingly, the word "service" was construed in the context of the word appearing after it, "apprenticeship". It was determined that the contract of service would be analogous to a contract of

[17] 1977 AIR 1443

apprenticeship, which was "*an employment contract between the master and the servant*". Drawing a distinction between a contract of service and a contract for service, the Single Judge Bench of Justice C Hari Shankar observed that the said clause did not apply "*to cases of a contract between equals in which one person contacts with another to render a service to him such as, in the present case, writing the screenplay for and directing a film. At the highest, such a contract would be only a contract for service and not a contract of service*".

Hence, the Court held that as the author of the screenplay, Satyajit Ray was the first owner of the copyright in the literary work as per Section 17 of the Act. The Court ruled that after the demise of the author, the copyright vested in his son, Sandip Ray, and the Society for Preservation of Satyajit Ray Archives (SPSRA) and the assignment of the right to novelise the screenplay by them in favour of the defendant was "*wholly in order and in accordance with the provisions of the Act*".



III. Universal City Studios LLC and Ors. v. DotMovies.Baby and Ors. [CS(COMM) 514/2023 and IA 14120/2023, 14122/2023]

In an order dated August 9, 2023, the Delhi High Court issued a "dynamic+ injunction" restraining the 16 rogue websites impleaded as defendants along with their redirect/ alphanumeric/ mirror websites from streaming, reproducing, distributing, or communicating to the public any copyrighted content, including future works of the plaintiffs.

The plaintiffs, Universal City Studios LLC, Warner Bros. Entertainment Inc., Columbia Pictures Industries Inc., Netflix Studios LLC, Paramount Pictures Corporation and Disney Enterprises Inc., filed a suit before the Delhi High Court seeking an injunction restraining rogue websites from infringing their copyright. It was pointed out that several alphanumeric/ mirror websites of those previously injuncted by courts had resurfaced and transmitted pirated content.

The Court acknowledged the negative impact of such rogue websites on the content creation industry in India and abroad. Considering the "dynamic nature" of copyright infringement by hydra-headed websites and the possibility of films and series getting uploaded on these websites immediately upon release, the Court expressed that an injunction should apply not only to existing content but also to future content as may be produced by the plaintiffs on a day-to-day basis. With this, the Court issued a "dynamic+ injunction" to accord protection to copyrighted content or works soon after their creation and to ensure that no irreparable loss was caused to the works' authors and owners.

Apart from issuing the said interim injunction, the Court gave directions to the Internet Service Providers (ISPs) to block the websites and the Ministry of Electronics and Information Technology (MeitY) and the Department of Telecommunications (DoT) to issue blocking orders against the rogue websites within a week from the release of the order.

The case has been adjourned to April 16, 2024.[18]

IV. Samridhi Enterprises v. Flipkart Internet Private Ltd. & Ors. [CS(COMM) 63/2023]

In an order dated March 1, 2023, the Delhi High Court held that intermediaries were not obligated to take action against the alleged infringers on receipt of complaints by users under Rule 3(2)(a) of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (Click here to read our article on the subject).

On account of certain entities copying the design, look and feel of the "UK Blue" and "Autofact" car covers sold by the Plaintiff and adopting identical marketing strategies, the Plaintiff, Samridhi Enterprises, approached defendant no.1, Flipkart Internet Private Ltd. to take appropriate action against the infringing parties. However, Flipkart refused to take action, suggesting that the plaintiff take recourse under the law.

The Plaintiff filed the present suit before the Delhi High Court alleging violation of Rule 3(2) of the IT Rules, 2021.

[18] https://dhcappl.nic.in/dhcorderportal/GetOrder.do?ID=svn/2024/10002557170540463844 3_58053_5142023.pdf

Rule 3(2)(a) provides for a grievance redressal mechanism for users to make complaints against violation of Rule 3 and requires the Grievance Officer to dispose of the complaint within 15 days. However, the Court interpreted this provision to mean that it did not mandate intermediaries to "*take any action against the alleged infringers*" on receiving such a complaint.

The Plaintiff further relied on Rule 3(1)(b) (iv) of the 2021 Rules. The Court stated that this provision required the rules and regulations, the privacy policy and the user agreement of the intermediary to inform the user not to publish information in infringement of any patent, trademark, copyright, or other proprietary rights. The Court added that the provision did not "*proceed further to require the intermediary to, on a complaint of infringement being made to it, take any action in that regard, much less any action against the intermediary.…The Court cannot, by judicial fiat, read, into the IT Rules, something which the rule does not contain either expressly or by necessary implication*".

Noting that the presence of Flipkart could be necessary to address the other prayers, the Court decided against deleting Flipkart from the array of parties. Also, an injunction against the infringing parties arrayed as defendants nos.2 to 9 was issued by the Court as a prima facie case of copyright infringement was made out.



I. Google LLC v. DRS Logistics (P) Ltd. & Ors. [FAO(OS)(COMM) 2/2022] and Google India Private Limited v. DRS Logistics (P) Ltd. & Ors. [*FAO(OS)(COMM) 22/2022 & CM Nos.5879/2022 & 5882/2022]*

In a judgment dated August 10, 2023, the Delhi High Court affirmed the decision of the Single Judge Bench, holding that the appellant, Google LLC's use of the trademarks as keywords amounted to "use" in advertising under the Trade Marks Act, 1999.

In this case, the respondent contended that the use of its registered trademark, "AGGARWAL PACKERS and MOVERS", as a keyword amounted to trademark infringement as it led to a diversion of internet traffic from its website to that of its competitor. Vide judgment dated October 30, 2021, the Single Judge Bench held that the use of trademarks as keywords in the Google Ads Programme amounted to "use" under provisions of the 1999 Act and directed Google LLC to investigate complaints alleging the use of the trademark. Subsequently, the present appeals came to be filed, challenging the said judgment.

Interpreting Section 2(2) of the Act, the Court observed that the provision was not exhaustive, and "*use of a mark*" was not limited to use in a visual form on the goods. It was also noted that the said Section did not "*control the width*" of Section 29(6), which specifies the acts which would constitute the use of a registered mark for determining trademark infringement. Further, the wording used in Section 2(2) made it clear that its applicability was limited to where it was contextually relevant. Thus, the Court held that the "*use of a trademark as keywords for display of advertisements in respect of goods or services clearly amounts to use of the trademark in advertising within the meaning of Section 29(6) of the TM Act*".

With respect to the safe harbour protection under the Information Technology Act, 2000, the Court held, "*Google is not a passive intermediary but runs an advertisement business, of which it has pervasive control. Merely because the said business is run online and is dovetailed with its service as an intermediary, does not entitle Google to the benefit of Section 79(1) of the IT Act, in so far as the Ads Programme is concerned*."

II. Ramya S Moorthy v. Registrar of Trade Marks & Anr. [WP(IPD) Nos.3 & 4 of 2023]

In an order dated August 10, 2023, the Madras High Court held that the time limit for filing a counter-statement to the notice of opposition would run from the date of receipt of the e-mail by the applicant (Click here to read our article on the subject).

In the present case, the Trade Marks Registry passed orders in April 2023, holding that the petitioner was deemed to have abandoned the two applications for registration of trademarks since the petitioner did not file a counter statement to the notices of opposition within the prescribed period. While the Registry took the stand that the notice was electronically transmitted to the petitioner in January 2023, the petitioner contended that she did not receive the notice of opposition. The petitioner stated that, on account of such non-receipt of notice, the counter-statement couldn't be filed within 2 months as per Section 21(2) of the Trade Marks Act, 1999, which expressly states that the said time period begins to run from the "*receipt by the applicant of such copy of the notice of opposition*".

Reference was made to the legal fiction created under Rule 18(2) of the Trade Marks Rules, 2017, from which it was gathered that a notice would be deemed to be served "*at the time of sending the e-mail*". Though there was legal fiction in place regarding the deemed service of notice, the absence of a provision in the statute providing for the deemed receipt of notice was highlighted. Further, it was noted that the applicant's substantive right was at stake. The Court held that the time limit under Section 21(2) would run from the date of receipt of the e-mail by the applicant.

Accordingly, the writ petitions were allowed, the impugned orders passed by the Registry were set aside, and the matter was remanded to the Registrar for reconsideration.

III. Subway IP LLC v. Infinity Foods & Ors. Case no. CS(COMM) 843/2022]

In an order dated January 12, 2023, the Delhi High Court rejected Subway IP LLC's application seeking an interim injunction to prevent the defendant from using the mark "SUBERB" with a yellow and green colour scheme that was claimed to be identical to the "SUBWAY" mark. The Court held the marks were not deceptively similar as the word "SUB" was publici juris and common to trade. It was remarked that no exclusivity could be claimed by the petitioner over one part of the trademark "SUB" because it is generally used to refer to or denote sandwiches that are 6 or 9 inches in length.

The Plaintiff, Subway IP LLC, operates a global chain of restaurants under the name "SUBWAY" and is represented with well-known logos. Apart from having trademark registration for the mark "SUBWAY", the Plaintiff also has trademarks registered for the device marks "Subway Club" and "Veggie Delite" which are the names of the club sandwiches sold in the Plaintiff's restaurants.

In the year 2022, a suit was filed by the Plaintiff alleging that the defendant was infringing upon their intellectual property rights by using the mark "SUBERB" with a yellow and green colour scheme that was claimed to be identical to the "SUBWAY" mark. The Plaintiff further contended that the use of the names "Veggie Delicious" and "Sub on a Club" by the defendant was deceptively similar to the marks registered by the Plaintiff. It was claimed that the signage,

décor, menu cards, napkins and staff uniforms, photographs, and wall art in the outlets were also similar to that of the Plaintiff.

The matter was then adjourned in December 2022 and the defendant was asked to assess the marks and see if any modifications could be made to adhere to the Plaintiff's interests. Acceding to this, the defendant offered to modify the colour combination and logo in their signage, take down the "S" logo, and change the names "Veggie Delicious" and "Sub on a Club" to "Veg Loaded Regular" and "Torta Club".

After hearing the parties at length, the Court held that the word "SUBERB" was not phonetically similar to the mark "SUBWAY" and that the common syllable "SUB" was known to represent Submarine Sandwiches. Concerning the word marks "Subway Club" and "Veggie Delite", the Court stated that it was obvious that the marks were not similar to the marks "Veg Loaded Regular" and "Torta Club". It was also observed that the term "CLUB" was publici juris because club sandwiches were distinct and formed another category of sandwiches altogether.

Since the Plaintiff did not hold any trademark registration for the "S" logo, it was held that there could be no infringement alleged in this regard. Regarding passing off, the Court stated that there was no likelihood that a person of average intelligence who wished to go to a SUBWAY outlet would walk into an outlet of the defendant. Therefore, holding that there could be no case of passing off, the Delhi High Court rejected the application seeking an interim injunction against the defendant.

Patent Law

I. Microsoft Technology Licensing, LLC v. Assistant Controller of Patents and Designs [CA(COMM.IPD-PAT) 29/ 2022]

In a judgment dated May 15, 2023, the Delhi High Court held that the Controller misinterpreted Section 3(k) of the Patents Act, 1970, by failing to consider the true technical nature and advancements provided by the invention.

The appellant's patent application was rejected by the Controller in 2019, and one of the reasons for the rejection was that the claimed invention was non-patentable under Section 3(k) of the 1970 Act. The said Section excludes "*a mathematical or business method or a computer programme per se or algorithms*" from the purview of inventions. Here, the words "*per se*" were introduced, vide an amendment, in 2002, and as per the explanation provided in the Joint Parliamentary Committee Report, the change was considered necessary as sometimes the computer programme included certain other things, ancillary thereto or developed thereon. It was clarified that the intention was not to reject them for grant of patent if they were inventions. On the other hand, computer programmes "*as such*" were not intended to be granted a patent.

Referring to the same, the Court stated that the term was "*added to make it clear that 'computer programs as such' are non-patentable. The intent of the amendment was to allow the grant of patents to CRIs that involve a novel hardware component or provide a technical contribution to the prior art(s) beyond the program itself. In other words, if a computer program is used in conjunction with hardware or results in a technical effect/ solves a technical problem, it may be eligible for patent protection*."

It was held that the Controller overlooked the interpretation of the term "*per se*" and erred by summarily rejecting the appellant's application on the ground that it entailed a set of algorithms to execute instructions in a pre-defined sequential manner.

Therefore, the Court set aside the impugned order and remanded the matter back to the Controller.

II. Telefonaktiebolaget LM Ericsson v. Competition Commission of India & Anr. [LPA 247/2016, LPA 150/2020, LPA 550/2016, LPA 246/2016, W.P.(C) 8379/2015]

In a judgment dated July 13, 2023, the Delhi High Court quashed the proceedings initiated by the Competition Commission of India (CCI), holding that it did not have jurisdiction with respect to the claim of royalty of patent, which was covered under the Patents Act, 1970.

On allegations of abuse of dominant position in violation of provisions of the Competition Act, 2002, regarding the imposition of conditions for licensing certain standard essential patents in the field of telecommunications that were not fair, reasonable, or non-discriminatory, the CCI passed orders directing investigation against the appellant.

The issue before the Delhi High Court was whether the CCI could inquire into the actions of the patentee in the exercise of powers under the 2002 Act when the patent was issued in India and the patentee asserted such rights.

The Court noted that the Patents Act was a special statute, and Chapter XVI of said Act was added subsequent to the enactment of the Competition Act. It was held that as per the maxim *generalia specialibus non-derogant* or the maxim *lex posterior derogat priori*, the Patents Act must prevail over the Competition Act on the issue of the exercise of rights by a patentee under the Patents Act. With this, the Court set aside the proceedings initiated by the CCI.

D. Other Updates

- Delhi High Court Intellectual Property Division Annual Report 2022-23 was released on April 26, 2023.[19]

- Though an exemption for IPR is provided in case of anti-competitive agreements, the recommendation of the Standing Committee on Finance that IPR as a defence should be allowed in investigations involving alleged abuse of dominant position has been rejected.[20]

- M/s Cinefil Producers Performance Limited is registered by the Central Government as a copyright society.[21]



[19] https://delhihighcourt.nic.in/uploads/publication/213033669764676f5dda169.pdf
[20] https://prsindia.org/billtrack/prs-products/standing-committee-report-summary-4027
[21] https://www.cinefilindia.com/certificate-of-registration/

- Johnson & Johnson has confirmed not to enforce patents it owns and controls for SIRTURO® (bedaquiline) in the treatment of multidrug-resistant tuberculosis (MDR-TB) in 134 low and middle-income countries.[22]

- In a recent copyright infringement case, the Delhi High Court, vide an interim order, directed the Defendant, Acko General Insurance, to take down the advertisements from online platforms bearing the mural titled "Humanity".[23]

- While hearing a miscellaneous petition, the Madhya Pradesh High Court held that both the registered proprietor and authorised user of a geographical indication were equally entitled to the 'right to obtain relief' in case of its infringement.[24]

- In its order dated October 11, 2023, the Delhi High Court held that in the Humans of Bombay case, the primary focus was on a storytelling platform (the idea), and no monopoly could be claimed over the idea.[25]

- The Calcutta High Court has set aside the order of the Controller rejecting the patent application on account of failure to explain why the subject patent application fell within the category of "agriculture", to provide reasons as to why a method of treatment of plants to treat fungal diseases would fall within section 3(h) which covered traditional methods of agriculture, and to explain why prevention of disease or treatment would fall under agriculture when there was a separate provision under section 3(i) of the Act.[26]

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[22] https://www.jnj.com/johnson-johnson-confirms-intent-not-to-enforce-patents-for-sirturo-bedaquiline-for-the-treatment-of-multidrug-resistant-tuberculosis-in-134-low-and-middle-income-countries
[23] St+art India Foundation & Anr. vs. Acko General Insurance [IA 22638/2023 in CS(COMM) 822/2023]
[24] Scotch Whisky Association v. JK Enterprises & Ors. (Misc. Petition No.4543 of 2021)
[25] Humans of Bombay Stories Pvt. Ltd. v. POI Social Media Pvt. Ltd. & Anr. [CS(COMM) 646/2023]
[26] Decco Worldwide Post Harvest Holdings BV & Anr. v. Controller of Patents and Designs & Anr. [AID No.11 of 2021]

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