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INTELLECTUAL PROPERTY LAW

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I INTRODUCTION

THE YEAR 2021 presents noteworthy litigations on intellectual property rights (IPRs). The creation of commercial courts has assuredly ameliorated India's IPR regime. With the enactment of the *Commercial Courts Act, 2015* (CCA) vesting the jurisdiction over IPR disputes with the commercial courts, the present survey covers apart from the decisions of Supreme Court and High Courts, the important IPR suits decided by the commercial courts as well. In today's economic environment, a robust IPR ecosystem is imperative for attracting investments, promoting research and development (R and D) and stimulating innovation and creativity. Adequate and guaranteed enforcement of IPR through judicial intervention is crucial for gaining investors' trust and boosting inventors' R and D activities. The cases surveyed demonstrate that the Indian judiciary is actively and creatively discharging its role in preserving a fair socio-economic environment conducive for commercialization of one's IPR.

II COPYRIGHT

Copyright exhaustion in software

In the landmark judgement in Engineering Analysis Centre for Excellence Pvt. Ltd. v. CIT,¹ the Supreme Court of India addressed the issue of classification of the payments under the distribution agreements/ the end-user license agreements (EULA) and also answered the question 'can these payments amount to the royalty as provided under Section 9(i)(vi) of the Income Tax Act, 1961 and can be taxable in India for foreign residents'. While doing so, the court upheld the copyright notion that a copyright in the work is different from a copy of the copyrighted work; and 'reproduction' and 'use' are two distinct things - when someone gives the right to reproduce then it may amount to the transfer or the license but it is not the right to use. According to the court, a license as stated in EULA is a "sale of a physical object which contains an embedded computer programme. The payments by Indian companies for using software developed by foreign companies would not amount to 'royalty' under section 9(1)(vi) of the Indian Income Tax Act, 1961. The suit assumes importance

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¹ [2021] 432 ITR 471 (SC).

as it recognised the doctrine of exhaustion in software clearing the previous contradictory judgements by different high courts and clarifying the interplay between sections 14(b)(ii) and 14(a)(ii) of the Copyright Act. The software companies are now not required to pay TDS when purchasing software from international providers. This decision is as such beneficial to software companies.

Performers' right for royalty

The question whether the plaintiff as the singer of the songs in a music album marketed by the defendant is entitled to enforce the performer's right under section 38 of the Copyrights Act, came before the High Court of Madras in *Veeramani Kannan v. Super Audio (Madras) Private Ltd.*² The case of the plaintiff was based on the assignment agreement. In the assignment agreement knowingly the plaintiff has relinquished his right of royalty upon his performance. Hence the court answered the question in negative and held thus:

The plaintiff as a singer is entitled to enforce the performer right under Section 38 of the Copyright Act, 1957. However, in the instant case, the right to enforce the performer's right is relinquished by the plaintiff in the Assignment Agreement. Sections 38 and Section 38-A are the provisions, which confers special right exclusively upon the performer to claim royalty, when the performance is commercially used. However, by contract, if the performer relinquishes the said right, on receiving a lump sum consideration, thereafter he cannot enforce the right conferred under the proviso to Sub Section (2) of Section 38-A of the Copyright Act, 1957.

Digital piracy

In *Sony Pictures Network India Pvt. Ltd. v. WWW.Sportsala.Tv*,³ wherein the plaintiff - Sony Pictures filed a suit against numerous defendants reproducing, making available, distributing and broadcasting of the cricket matches between India's tours of England and Sri Lanka, the High Court of Delhi granted dynamic injunction against rogue websites, which may reproduce, broadcast, make available, communicate to public or distribute the cricket matches. Local commissioners were also appointed to monitor and act against violations of the court's orders. The court's injunction covered websites including their redirects, mirrors and alpha-numeric versions, MSOs and cable operators. The court also directed ISPs to block rogue websites and Government to give appropriate directions to prevent infringement of copyrights of Sony Pictures in the matches. The court also granted the so called 'Ashok Kumar' or 'John Doe Order' owing to the special nature of broadcasting and digital transmission rights in the sporting events, where it is not possible to specifically identify all the defendants. The blanket order operates against unknown parties who might infringe the plaintiff's copyrights in the future.

² MANU/TN/6232/2021.

³ Available at: <https://indiankanoon.org/doc/7278687/>.

Privacy rights of celebrity and publicity rights

In *Krishna Kishore Singh v. Sarla A. Saraogi*,⁴ the plaintiff, father of late actor Sushant Singh Rajput (SSR) sought ex-parte injunction against the named and unnamed defendants from using his son's name, caricature, lifestyle or likeness in forthcoming films and other ventures, contending that any such publication, production, or depiction would be an infringement of personality rights, right to privacy which includes right to publicity. The High Court of Delhi while refusing to grant an interim injunction noted that the plaintiff failed to make out a valid case for violation of celebrity or publicity rights of SSR or his family members because the plaintiff was not even aware of the content of the films; the defendants were not using SSR's image, likeness or name, and the films had appropriate disclaimers. Regarding the celebrity rights, the court observed thus: "the right to privacy of a celebrity extinguishes upon his demise. Such a right lives and dies with the deceased, and thus the plaintiff cannot attempt to exercise a right which has ceased to exist a year ago" and reliance was placed on *Justice K. S. Puttaswamy v. Union of India*,⁵ and *Managing Director, MakkaTholai Thodarpu Ltd. v. V. Muthulakshmi*.⁶ In the opinion of the court, a public figure is expected to be more thick-skinned than the common man, as their right to privacy is weakened or diluted by the public's right to know, whereby their life becomes a part of public discourse; and facts that form part of the public record may be used by the defendants without liability.

Doctrine of 'work for hire' and software/digital piracy

The High Court of Delhi dealt with the issue of copyright infringement of software in *Dassault Systems Solidworks Corporation v. Spartan Engineering Industries Pvt. Ltd.*⁷ The court issued ex-parte injunction against the defendant for unauthorised infringement of the copyright held by the plaintiff (a French company) in its 'SOLIDWORKS' software and also restrained the defendants from using, reproducing and distributing any pirated or unlicensed or unauthorized software programs owned by the plaintiffs and also from formatting their computer systems and/or erasing any data, pertaining to assisting others to infringe the plaintiffs' copyright. The software was developed by the plaintiff's employees as work for hire. The software was first published in US and hence protected in India under section 40 of the Copyright Act. The plaintiffs also relied on section 63B of the Copyright Act, penalising knowing use a pirated computer program. The court remarked that software infringement is a serious issue and deserves to be nipped in the bud.

Delay is a fatal in interlocutory injunction

In *John Hart Jr. v. Mr. Mukul Deora*,⁸ the High Court of Delhi reiterated the need to approach the court well in advance. The verdict is a lesson for all who

4 Available at: <https://indiankanoon.org/doc/152020280/>.

5 Available at: <https://indiankanoon.org/doc/127517806/>.

6 Available at: <https://indiankanoon.org/doc/57212191/>.

7 2021 (88) PTC 15 (Del): Available at: <https://indiankanoon.org/doc/21554764/>

8 *Mr. John Hart Jr. v. Mukul Deora*, CS (Comm) 38/2021 – 21.01.2021: available at: <https://indiankanoon.org/doc/155648023/>

deliberately wait till eleventh hour with a hope for last minute emergency injunctions. The plaintiffs have chosen to approach the court less than 24 hours before the release of the film on OTT platform. The plaintiff No. 1 who claimed to be vested with the exclusive copyright to make a movie adaptation of the book “The White Tiger” authored by Aravind Adiga by virtue of a literary option purchase agreement, approached the court at the eleventh hour to restrain the release of the film *The White Tiger* produced by the defendant and to be streamed on Netflix. The court found the balance of convenience heavily in favour of the defendants and granting a stay against film’s release at the eleventh hour will certainly result in misuse of judicial process as the plaintiff deliberately waited till then: the plaintiff who waits till last hour must face the consequences. In the opinion of the court: “On a holistic consideration of the facts, the extant legal position and especially as the plaintiffs have chosen to move this Court less than 24 hours before the release of the subject film, I am of the opinion that the plaintiffs are not entitled to any interim injunction, staying the release of the film... it is a well-settled principle that, where the loss occasioned to the plaintiff is capable of being adequately compensated in monetary terms, an injunction, especially of release of a cinematographic film, ought not to be granted.” Although the Indian courts have allowed few emergency reliefs in IPR matters during covid 19 pandemic, the court in the instant case clearly stated that if a stay is allowed, in the light of the covid-19 pandemic, the harm suffered becomes manifold as compared to times of normalcy considering the investment and the subsequent catastrophic losses in the industry.

Franchising of database and software

The High Court of Madras observed in *Khambadkone Meera Rao v. Rathina Pandian Selvan*⁹ that copyright subsists in database which is created from data that are sourced from feeder operators and shipping lines which provides data of imports and exports related to multiple ports in India and inland destinations. Copyright also subsists in software which was meant for providing database to the clients particularly shipping companies in respect of imports and exports. The suit also alleged that the defendant while surrendering the franchisee had retained the copy of the software as well as the staff and computers handed over to him while entering the franchisee agreement. The database and the software were developed and marketed by Khambadkone and later, franchised to the respondent for a term of three years. While granting injunction, the court noticed that: With the termination of franchise, “the respondent, should have stopped with adopting business model and should have gone for a different software. To exploit the database collected over the years by Mrs. Khambadkone, the respondent had been continuously using the same software which has been found identical to that of the applicant and the new software alleged to have been introduced by the defendant is also not free from infringement.”

The High Court of Delhi in *The Indian Performing Right Society Ltd. v. Entertainment Network (India) Ltd.*¹⁰ passed decree in favour of the plaintiffs and

9 MANU/TN/7533/2021.

10 2021 (85) PTC 190 (Del).

against the defendants directing that (i) in case the defendants wish to perform the sound recordings in public, i.e., play them, a license from PPL is essential; (ii) in case the musical works are to be communicated or performed in the public, independently, through an artist, the licence of IPRS is essential; and (iii) in case the defendants wish to hold an event involving performances or communication of works of both kinds to the public, the licence or authorisation of both, PPL and IPRS is essential. The court also made the following observations:

- i. Once the Copyright Act as existing prior to amendment of the Act of the year 2012 has been interpreted as vesting an independent copyright in the owners of the sound recording including to communicate the sound recording to the public, once the owners of the copyright in the literary and musical works have consented to incorporation of their works in the sound recording, they cannot claim infringement, by communication to the public by the owner of the sound recording or its licensees, of their literary and musical works as part of the sound recording; the provision even if any to the contrary in their agreements with the owner of the sound recordings is thus of no avail.
- ii. Merely because the defendant took licenses for broadcasting from IPRS, would not compel the defendant to continue to obtain licenses from IPRS in spite of subsequently realising that there was no need for obtaining licence from IPRS. Once in law there is found to be no need for separate licence from owners of copyright.
- iii. If a separate copyright exists in a sound recording, the radio diffusion of the sound recording cannot be violation of the copyright in the literary work and the copyright in the musical works which by themselves are not being communicated to the public by radio diffusion but are being communicated as part of another whole having an independent statutory existence.
- iv. The 2012 amendment does not alter the provisions of the Act, that communication to the public of underlying literary and musical works as part of sound recording, under authorisation/licence from owner of the copyright in the sound recording, does not require authorisation/permission from the owner of the copyright in the underlying literary and musical works of the sound recording.
- v. When Section 19(10) provides that assignment of copyright in any work to make a sound recording which does not form part of any cinematograph film shall not affect the right of the author of the work to claim equal share of royalties and consideration payable for any utilisation of such work in any form, it cannot mean that utilisation of the work as embodied in the sound recording also entitles the owner of the copyright in such work to demand equal share of royalties and consideration payable for the sound recording. To read the same otherwise would make the other provisions, on interpretation whereof it was held that no authorisation is required to be taken from owners of copyright in underlying works of the sound recording, while communicating the sound recording under authorisation of copyright in sound recording, otiose. Any interpretation which

makes another provision of the statute redundant or otiose, is to be avoided and the rule of harmonious construction has to be applied. Thus Section 19(10) has to be read as not affecting the right of the author of the underlying works in sound recording, to claim share in royalty payable for utilisation of such works though identically as in the sound recording but in any other form.

- vi. Section 19(10) provides for sound recordings which do not form part of any cinematograph film. The claim of IPRS in the plaint in both the suits is with respect to sound recordings forming part of cinematograph film. IPRS, in the plaint has expressly admitted that in India, film music makes up a major part of music industry and the music companies also source the rights from the film producers and effectively own all rights in the underlying works in the said film music also. The 2012 Amendment even if were to be applied, does not change the legal position.

III PATENTS

Bolar exemption

The underlying principle behind the bolar provision is that there can be no restraint of export of a patented invention, provided such export is for research and development purposes. The Delhi High Court had to examine in *Merck Sharp and Dohme Corp.v. SMS Pharmaceuticals Ltd.*¹¹ whether the defendant should be allowed to export the plaintiff's invention, API Sitagliptin, an anti-diabetic drug for which the plaintiff has Indian patent to Chemo and Verben? While allowing the defendant's prayer for extending the benefit of section 107A of the Patents Act to export the API Sitagliptin to Chemo and Verben by complying with all the safeguards contained in *Bayer Corporation.*,¹² the court reenforced that the bolar exemption ensures research and development. The suit highlights that "courts must aim at expanding, rather than constricting, the width and amplitude of the bolar exception, which is actuated by laudable public purpose."

Patent revocation

In *Communication Components Antenna Inc. v. Mobi Antenna Technologies (Shenzhen) Co. Ltd.*¹³ the High Court of Delhi answered affirmatively the questions- (a) whether the revocation of a patent can be argued as a question of law and (b) whether the patent can be revoked on the basis of the terms of the patent itself. Negating the argument of the defendant that the patent cannot be revoked as there are no pleadings or evidence led on grounds of insufficiency of disclosure, the court ordered for revocation of the patent under section 64(h) and (k) of the Act, the claim of the complete specifications was not patentable under the Indian Patent Act, being non-complaint with section 10 of the Act. The court also rejected the defences that (i) prior arts have been rejected by the US Patent and Trademark Office (USPTO) while

11 2021 (87) PTC 398 (Del).

12 2019 (78) PTC 521(DB).

13 2021 (87) PTC 504 (Del).

granting US patent and (ii) the reference to prior arts is in the hindsight of the inventive step subject matter of patent.

Credible claim for revocation necessary

In *Novartis AG v. Natco Pharma Limited*,¹⁴ the High Court of Delhi, while establishing infringement by the defendant of the plaintiff's suit patent, observed that injunction cannot be refused, once infringement is established. The defendants have neither launched any pre-grant nor any post-grant opposition of the plaintiff's patent. They have not initiated any revocation, cancellation proceeding for the plaintiff's suit patent. It is only when they have been caught in the infringement act, they have disputed the validity of the patent. Though the defendant is allowed to do so under section 64 of the Patent Act, 1970 the challenge has to be credible, not incredible. Before revoking a patent, the authority is required to satisfy itself revocation is absolutely necessary. Vulnerability to revocation has also to be judged on the same standard. It is only when a credible challenge to the validity of the patent as vulnerable to revocation is made out, an infringer can escape the consequences of infringement.

Can controller of patents be directed to appear before the court and give evidence?

In *Arumugam Rajendra Babu v. Ashok Leyland Ltd.*,¹⁵ in a patent infringement suit, the plaintiff has *inter alia* applied under section 117 E of the Patents Act, to issue direction to the Controller of Patents, to appear, submit statement and give evidence in relation to the questions formulated. This request was made by the plaintiff even after the court has already exercised its power under section 115 of the Patent Act and had obtained response from the scientific adviser.

While answering the question, whether section 117 E of the Patents Act, entitles parties to the litigation before the court to seek direction to the controller of patents to appear, submit statement and give evidence, the Madras High Court clarified that "the Act clearly prohibits compelling the Controller or any Officer to appear as witness to prove the matters recorded in the register or any other document which are in the controller custody,¹⁶ unless by order of the Court made for special causes.¹⁷ The right of appearance in person is not essential in all cases. It is subject to the specific direction to that effect by the High Court (earlier this power was with IPAB)... The Controller, who wanted to be heard in any legal proceedings before the appellate board or in appeal subject to the restrictions mentioned, shall exercise his right by submitting statement in writing duly signed. ...Except the circumstances specifically referred in the Section, the Authority who is duly empowered to discharge duty under the statute cannot be directed to appear before Appellate Authority." In the interpretation of the court, the Patent Act thus clearly prohibits compelling or summoning the controller to give evidence. The right to appear and to be heard is a right with limitations and restrictions prescribed under the law.

14 2022 (89) PTC 1 (Del), decided on Dec.13, 2021.

15 2021 (6) CTC 68.

16 S. 144 of the Patents Act, 1970.

17 *Id.*, s. 147.

Export is use of patent

In *H Lundbeck A/S v. Hetero Drug Ltd.*,¹⁸ the plaintiffs alleged infringement of their patent by the defendants who were manufacturing and exporting substantial quantities of generic version of VORTIOXETINE to Latin America and Canada. By rejecting the defendant's argument that the drug was not being used in India and the export was only for research and development purposes, the Delhi High court held that the export of products from India amounted to the use of the product in India under section 107 of the Indian Patents Act, 1970. The defendant could not provide sufficient proof that the exports were being used for research.

Markush claim, publication, disclosure etc.

The Delhi High Court in *FMC Corporation v. Natco Pharma Limited*¹⁹ while allowing FMC Corporation's interim injunction application against Natco Pharma Ltd. and Best Crop Science LLP made the following significant observations:

- i. Anticipation by prior publication can be alleged only where the claim of the specie patent is expressly published in the alleged genus patent.
- ii. In order to make out a case of teaching, by a Markush claim in a prior art document, of the suit patent, the defendant would have to establish not only that the substitutions, on the Markush moiety, the effecting of which would be necessary to arrive at the suit patent are clearly disclosed in the prior art, but also, additionally, that the prior art contains the requisite teaching which would motivate the person skilled in the art to carry out the said substitutions. Ordinarily, this would require guidance, in the prior art document, regarding the additional advantages which would result, if the substitutions in question were made on the Markush moiety claimed therein
- iii. Addressing the question, 'can there be publication of a patent, relating to an invention without disclosure of the invention in the patent', it was answered that publication involves making known to the public the patent application. Every application is required to disclose the invention for which it relates. Section 10 (4) specifically requires disclosure, in the complete specification of the patent, not only of the invention, its operation or use and the method by which it is to be performed, but also its claims defining the scope of the invention for which protection is claimed. In order, therefore, for the defendant to be able to successfully allege that CTPR was published in US'424 and US'357 (being the US equivalent of EP'508), the defendant would have to establish that CTPR was disclosed in these patents.
- iv. The *terminus ad quem* provided in respect of anticipation by prior publication, in clauses (1)(a) and (2) of section 13, is the date of filing of the applicant's complete specification, and not the priority date of the suit patent. The priority date of the suit patent is, therefore, *prima facie* irrelevant for the purposes of vulnerability on the ground of anticipation by prior publication, section 64(1)(e)

18 Available at: <https://indiankanoon.org/doc/27866573/>.

19 Available at: <https://indiankanoon.org/doc/83320267/>.

read with section 13 of the Patents Act. What has to be seen is whether, prior to the date of filing of the complete specification in the suit patent, the invention, *i.e.*, CTPR in the present case, was published in India or elsewhere in any document.

- v. The framers of the Patents Act did not envisage the *claim* or *coverage of the claim*, to be identical to *disclosure*.

Expert report

In *Novartis AG v. Natco Pharma Limited*,²⁰ wherein the scientific adviser has wrongly interpreted patent claim, the court has *inter alia* restated that the report of the expert does not go in evidence automatically. He is to be examined as a witness in court and has to face cross-examination. The scientific opinion, only if convincing, becomes an important factor for consideration along with other evidence of the case.

In *Sulphur Mills Limited v. Dharamaj Crop Guard Limited*,²¹ the product in question was a patent for an agricultural composition. The High Court of Delhi while granting an interim injunction in favour of the patent holder having found that the patented invention was both novel and inventive, observed thus: “The plaintiff, having been granted the patent after long drawn opposition proceedings by multiple parties and the products of the plaintiff having also been a commercial success, infringement having also not been challenged by the defendants, the plaintiff has clearly made out a *prima facie* case for grant of an injunction.”

IV TRADEMARK

Trademark infringement through metatags and keywords

In *RS Logistics (P) Ltd. v. Google India Pvt. Ltd.*,²² the High Court of Delhi had to *inter alia* answer two issues: Whether permitting a third party to register a keyword that is a registered trademark amounts to infringement of Trademark? And whether use of a mark in meta-tags or in advertising without the consent of the proprietor is a violation of the trademark rights of the owner? The plaintiff’s trademarks at issue were AGARWAL, AGGARWAL PACKERS & MOVERS and DRS LOGISTICS. The court noted that “with usage of trademark of plaintiff as a keyword the traffic from the webpage of the plaintiff is being diverted to the webpage of the competitor / advertiser which means that a normal consumer who on typing the trademark of plaintiff as a search query was led to a webpage which had caused confusion regarding the origin of the webpage, whether belonging to the plaintiff or not. In cases of intellectual property, the courts must also be mindful of the fact that it is ultimately the public at large which gets cheated and feels the brunt of spurious goods and services in the market.” The court also issued the following directions to the defendant - (a) to investigate any complaint to be made by the plaintiff to them alleging use of its trademark and its variations as keywords resulting in the diversion of traffic from the

20 2022 (89) PTC 154 (Del), decided on October 28, 2021.

21 2021 (87) PTC 567 (Del).

22 2021 (88) PTC 217 (Del).

website of the plaintiff to that of the advertiser; (b) to investigate and review the overall effect of an Ad to ascertain that the same is not infringing / passing off the trademark of the plaintiff; and (c) if it is found that the usage of trademark and its variations as keywords or overall effect of the Ad has the effect of infringing / passing off the trademark of the plaintiff then the defendant shall restrain the advertiser from using the same and remove / block such advertisements.

Triple test of identity

The Delhi High Court held in *Elementia Wellness Private Limited v. Tes Beauty Services Private Limited*²³ that the plaintiff's mark TATTVA and the defendant's mark TATVA being phonetically identical, rendered in respect of identical services and the customer base of the plaintiff and the defendant being the same, the triple test of identity laid down in a series of cases including *Teleecare Network India Pvt. Ltd.*,²⁴ *Ahmed Oomerbhoy*²⁵ etc. would justify the prayer of the plaintiff for grant of an injunction.

In *Kaira District Cooperative Milk Producers Union Ltd v. Maa Tara Trading Co.*,²⁶ wherein the defendants were marketing candles by using the word 'Amul,' the Calcutta High Court had enjoined the defendants from using the plaintiff's well-known trademark 'Amul'. The defendants were riding on the business goodwill of the plaintiffs by adopting the 'Amul' trademark of the plaintiff with a deceptively similar font in the labels of candles marketed by them. It is important to note that 'Amul' is recognised as a well-known mark by the trademark registry, and hence the chances of likelihood of confusion amongst the consumers is high.

No monopoly

The defendant in *Sony Corporation v. K. Selvamurthy*²⁷ was using the mark SONY as a part of its trade name and trading style M/s. SONY TOURS AND TRAVELS in relation to its business of transport services and car rental services. The plaintiff alleged dilution of its trademark SONY. Interestingly, the plaintiff filed the suit after lapse of 16 years from the date of issuance of notice in 2002. The commercial court at Bengaluru held that defendants neither took unfair advantage of plaintiff's goodwill nor diluted the distinctive character or repute of plaintiff's registered trade mark SONY as the plaintiff limited their business to electronics and media which could easily be differentiated from the tours and travels business of the defendant. While awarding Rs. 25, 000 to the defendants, the court observed so: "It is difficult to imagine that an average man of ordinary prudence would associate the goods of the plaintiff's Sony Corporation to that of the business of defendant...no average man of ordinary prudence can even think of connecting the same with the plaintiff's manufacturing business... There was hardly any scope for plaintiff to file this suit.

23 MANU/DE/3758/2021.

24 *Teleecare Network India Pvt. Ltd. v. Asus Technology Pvt. Ltd.*, 262 (2019) DLT 101.

25 *Ahmed Oomerbhoy v. Gautam Tank*, 146 (2008) DLT 174.

26 *G.A./1/2020 in CS./107/2020*, decided by the High Court of Calcutta on March 22, 2021, available at: <https://indiankanoon.org/doc/148365026/>

27 Available at: <https://indiankanoon.org/doc/22176292/> decided on June 18, 2021.

Considering these circumstances and also the conduct of plaintiff who probably trying to establish its monopoly over the name Sony, dragged the defendant to this litigation, is liable to borne the litigation.”

Similarly, in *N. Ranga Rao and Sons Pvt. Ltd. v. Sree Annapoorna Agro Foods*,²⁸ though the plaintiff’s predecessors started using the mark “CYCLE” from 1954 for incense and agarbathies; the word mark “CYCLE” and the “Cycle logo with the device of cycle” formed part of all nearly 100 trademark registrations obtained by the plaintiff; and the mark “CYCLE” has acquired reputation and goodwill among the trade and people, the Madras High Court found no infringement in the defendant’s adoption and use of the identical trade mark “CYCLE” in respect of edible oil. According to the court, “the word “CYCLE” is neither distinctive nor can be appropriate by the plaintiff as their own against the world. The plaintiff has never used the word “CYCLE” independently, but had associated with its product Agarbathies. Therefore, using the device of “CYCLE” by the defendant for their edible oils will not cause confusion amidst the public. ...the word “CYCLE” is used by several persons across several products and services including one of the symbols recognised by the Election Commission of India. It could not be exclusively identified with the plaintiff.. To get protection cutting across the products, three ingredients are required to establish to prove infringement. The plaintiff is able to prove only its reputation in respect of goods related to agarbathies and had failed to prove that the defendant is using the mark without due cause, takes unfair advantage.”

In *Biswanath Hosiery Mills Ltd. v. Micky Metals Ltd.*²⁹ the court had to prima facie examine whether the marks LUX of the plaintiff and LUX TMT 50 of the defendants are similar? Both the parties had registered their respective marks. In the opinion of the court, as the plaintiffs are in hosiery business while the defendant is a manufacturer of TMT bars, it is highly unlikely that, hosiery goods and TMT bars would be sold in the same shop. The court also noted that the mark of the plaintiffs does not feature in the list of well-known marks published on the website of the trademark registry prepared under Rule 124 of the Trade Marks Rules, 2017 and the plaintiffs have not even applied for well-known trademark. In the opinion of the court, the plaintiffs’ mark LUX has attained such distinctiveness so as to allow the plaintiffs to succeed at the interim stage of the suit.

In *Cadila Healthcare Ltd. v. Madhu Somani*,³⁰ the High Court of Madras held that the mark ATORLITE used by the defendant has infringed the plaintiff’s trademarks ATOR and ATORVA and observed that, “both the parties are involved in the manufacture of pharmaceutical products. Therefore, any confusion in the marks relating to pharmaceutical preparations can have serious consequences and it will go against public interest. The defendant’s mark is phonetically, visually and structurally identical to the plaintiff’s trade mark and it is bound to cause confusion as both the products will be made available through the same trade channels and to the same class of

28 Available at: <https://indiankanoon.org/doc/25237434/>

29 2021 (87) PTC 559 (Cal).

30 2022 (1) CTC 497.

consumers.” The defendant has adopted the trade mark, according to the court, only with a view to piggyback on the goodwill and reputation of the plaintiff.

Jurisdiction through Online purchase

In *V Guard Industries Ltd. v. Sukan Raj Jain*,³¹ the High Court of Delhi held that a plaintiff can file an infringement action in the place where it has a subordinate office provided that a part of the cause of action has arisen in that place. Applying the ratio of *Ultra Home Construction Pvt. Ltd. v. Purushottam Kumar Chaubey*,³² the court noted that the plaintiff has supply office in Delhi and had also purchased defendant's products at Delhi from amazon.in both of which satisfy the test laid down in *Ultra Home*. This case establishes that the defendant's online presence through third party e-commerce platforms can be taken as the sole determining factor for determination of jurisdiction. Though the defendant placed reliance on *Banyan Tree Holding (P) Ltd.*³³ to contend that a solitary self-engineered sale cannot be relied upon by the plaintiff in order to create a cause of action in Delhi, the court did not agree with that argument. The *Banyan Tree*³⁴ forbade only trap sales that are contrived by adopting unfair means only for the purposes of creating a cause of action. Self-generated sales by plaintiff cannot per se be labelled as trap sales if the defendant is otherwise found to be targeting its products at a place where the sale is made.

Comparative advertising

The defendants in *Reckitt Benckiser India Private Limited v. Hindustan Unilever Limited*,³⁵ claimed through TVC that to remove bad odour, DOMEX is a better solution. The plaintiff contended that in the given setting of the advertisement it denigrates and disparages the plaintiff's product HARPIC. The defendant on the other hand claimed that it is only narrating actual facts, i.e., the technical superiority of its product. While restraining the defendant from publishing the disparaging advertisements, the court also noted that the defendant while promoting its product cannot be permitted to denigrate or disparage the product of a rival. In comparative advertising, the comparing of one's goods with that of the other and establishing the superiority of one's goods over the other is permissible. However, one cannot make a statement that a good is bad, inferior or undesirable as that would lead to denigrating or defaming the goods of the other. If advertisement extends beyond the grey areas and becomes false, misleading, unfair or deceptive advertisement, it would not be entitled the benefit of any protection.

Composite mark

In *Pathanjali Ayurved Limited v. Arudra Engineers Private Limited*,³⁶ the trademark registration has been obtained by the plaintiff over the label with the words and alpha numeral Coronil 92B and Coronil 213 SPL as a composite mark and not as

31 2021(87)PTC333(Del).

32 227 (2016) DLT 320.

33 *Banyan Tree Holding (P) Ltd. v. A. Murali Krishna Reddy and Anr.*, 2010 (42) PTC 361 (Del).

34 352008 (38) PTC 288 (Del).

35 2021 (88) PTC 584 (Del).

36 2021 (85) PTC 523 (Mad).

a word for 'Coronil' as envisaged under section 15. In the opinion of the court, the registration of the trademark have to be seen as a whole without any monopoly over the alpha numerals 92B and 213 SPL. For the purpose of section 29 (4) of the Trade Marks Act, 1999, the respondent/plaintiff cannot claim monopoly over the word 'Coronil' as it was registered as a part of composite mark. Hence, the use of the word 'Coronil' in the process of manufacture and sale of a tablet as an immunity booster, will not be detrimental to the distinctive character or repute of the registered trade mark of the plaintiff. When each part of a label mark is capable of being individually registered, the court cannot dissect and split up into its component parts and grant an injunction. Protection is only afforded to the entire trademark as registered, and not to mere parts of the trade mark.

No exclusivity over misspelled descriptive words

The plaintiff in *Phonepe Private Limited v. Ezy Services*³⁷ sought permanent injunction against the defendants over the use of the mark 'BharatPe.' The plaintiff alleged that the mark used by the defendants, as well as the use of the word 'BharatPe' itself, infringes the plaintiff's registered trademark 'PhonePe' and also amounted to passing off. By refusing interim injunction against the defendants, the Delhi High Court observed that "barring the common 'Pe' suffix, it cannot be said that the 'PhonePe' trademark of the plaintiff and the 'BharatPe' trademark of the defendant are confusingly or deceptively similar. As words, they are entirely different, except for the 'Pe' suffix. 'Phone' and 'Bharat' are not even phonetically similar." The court summarised the legal position thus:

- (i) Exclusivity can be claimed, and infringement/passing off alleged, only in respect of the entire mark of the plaintiff, and not in respect of part thereof. The registration of the whole mark cannot confer any exclusive rights, on the holder thereof, to any part of such registered mark.
- (ii) It is open, however, for the plaintiff to assert infringement on the ground that a part of the mark has been copied by the defendant, provided the part so copied is the dominant part or the essential feature of the plaintiff's trademark.
- (iii) No exclusivity can be claimed, over a descriptive mark, or a descriptive part of the mark, even by misspelling it.
- (iv) To this general proposition, there is one exception, where the descriptive mark or descriptive part has attained distinctiveness, i.e. it has acquired a secondary meaning, indelibly linking the mark, in the mind of the consumer, to the goods or services provided by the proprietor thereof. Acquisition of secondary meaning is essentially a matter of trial and evidence. Evidence of extensive use is insufficient. The proprietor claiming that his mark has acquired secondary meaning must show that the secondary meaning has entirely displaced the

primary descriptive meaning of the mark, and has resulted in the mark becoming identified exclusively with his goods or services. This requires evidence of members of the public, testifying to that effect. Where the defendant also makes out a case of extensive use of its mark, it militates against any acquiring of secondary meaning by the mark of the plaintiff.

Medical emergency is not an excuse for IPR violation

*Sun Pharmaceutical Industries Ltd. v. Cipla Ltd.*³⁸ involved questions of both trademark and copyright infringement. The defendant made colourable imitation and substantial reproduction of the plaintiff's mark 'BUDECORT RESPULES' and 'DUOLIN RESPULES' and marketed their pharmaceutical preparation as 'repulse.' Though it was covid period, the country was facing unprecedented medical emergency and the defendant's products had demand as they helped in relieving the covid-19 symptoms, by granting injunction against the defendants the Madras High Court noted that it "cannot allow a party to violate another person's intellectual property rights viz copyright and trademark and remain a mute spectator where there also is an attempt to pass-off the goods notwithstanding fact that the country is facing unprecedented medical emergency and possibly the patients suffering from covid systems may require the drugs manufactured both by the plaintiff and the defendant for treating patients them with respiratory ailments during these tough times."

Jurisdiction to entertain a suit against infringement and passing off

In *V Guard Industries Ltd. v. Sukan Raj Jain*,³⁹ the High Court of Delhi held that though both the plaintiff and the defendant did not have their principal business in Delhi, still the court enjoys the territorial jurisdiction as the product bearing the mark was advertised and sold in Delhi through online means.; if some part of cause of action has occurred at a place where the plaintiff has its subordinate office, the courts at that place will assume jurisdiction both under section 20 of the CPC and section 134 of the Trade Marks Act, 1999.

Conversion passing off relief to infringement

In *ITC Ltd. v. Maurya Hotel (Madras) Pvt. Ltd.*,⁴⁰ the matter was filed as a passing off suit. Subsequently, trademark registration for the plaintiff's mark has been granted by the trademark registry. While allowing the plaintiff to add a relief for trademark infringement to a passing off suit,⁴¹ the High Court of Madras justified its decision as it helps in avoiding multiplicity of suits and the possible outcome might be different subsequent to the conversion. Regarding the issue of limitation in the

38 Available at :<https://indiankanoon.org/doc/95848712/>.

39 Available at: <https://indiankanoon.org/doc/166471642/>.

40 Available at: <https://indiankanoon.org/doc/36231681/>.

41 The court relied on *Abdul Karim Sahib v. A. Shanmugha Mudaliar*, (1967) 2 MLJ 468 and *Subramania v. Sundaram*, AIR 1963 Madras 217 to hold that on the supervening event of registration of the trade mark the court can allow the amendment prayer in the interests of justice.

suit, the court reiterated that “infringement action is continuous and so long as the infringement continued, the right to sue also keeps accruing”.

Balance of convenience in interim injunctions

*Reliance Industries Ltd. v. Ashok Kumar*⁴² is one among many similar cases wherein the court has relied on the *prima facie* case and balance of convenience lied in plaintiffs’ favour. The 1st plaintiff was the registered proprietor of the JIO mark, series of JIO marks and all trade variants. They had 14 separate trademark registration. The defendant - a hardware fittings and bathroom accessories retailer had copied the mark ‘JIO’ and pirated the similar artwork. Additionally, the defendant violated Jaguar Land Rover’s IP Rights by adding an image of their device mark - leaping jaguar. Justifying temporary injunction against the defendant, the High Court of Bombay also noted that irretrievable prejudice would be caused if the reliefs sought were denied to the plaintiff.

“And then there were none”

“And Then There Were None” is the most famous work of Agatha Christie, the ‘queen of crime thrillers’. It is the top selling books of all times from its first publication in 1939. The trademark registry objected the registration of the trademark “And Then There Were None” applied by Agatha Christie Ltd. On appeal to the Delhi High Court, the court found no ground based on which the mark could have been rejected under the Trademarks Act, 1999, as the mark was not descriptive; no similar marks were existing on the Register and the mark was distinctive. Hence the court directed the registry to allow registration for the mark “And Then There Were None”.⁴³

Doctrine of preponderance of probabilities

The plaintiff in *Guccio Gucci. v. Intiyaz Sheikh*⁴⁴ was the registered proprietor of the trademark GUCCI and its ‘green and red stripes logo’ which have been adopted by founder of plaintiff company in the year 1921 and officially registered at least since 1980. The defendant was illegally manufacturing socks using ‘green and red stripes’ logo and mark ‘Gucci’ in its entirety. The plaintiff sought to restrain the defendant from infringing its trademark and copyright with regard to socks. The relief was for infringement of trademark, copyright, passing off, unfair trade competition, rendition of accounts, delivery up, etc. While issuing permanent injunction, the commercial court at Delhi reasoned its decisions on the following: that the defendant deliberately chose not to participate in the proceedings despite having due knowledge; while a civil case proceeds on the doctrine of preponderance of probabilities and not on proof beyond reasonable doubt the mere non-appearance of defendant cannot be taken as a circumstance against him to draw an inference that it tantamount to be an admission of plaintiff’s case; and keeping in view the overall facts and circumstances coupled with the evidence on record along with the report of local commissioner, the plaintiff is entitled to the grant of a decree of permanent injunction in its favour with costs and damages.

42 Available at: <https://indiankanoon.org/doc/58666138/>.

43 *Agatha Christie Ltd. v. Registrar of Trade Marks*, <https://indiankanoon.org/doc/183502564/>.

44 Available at: <https://indiankanoon.org/doc/178127761/>.

Interplay between ‘anti dissection’ rule and ‘identification of dominant mark’

The plaintiff in *Jumeirah Beach Resort Llc v. Designarch Consultants Pvt.Ltd.*,⁴⁵ has adopted their marks BURJ, Burj Al Arab and BURJ AL in 1999 and registered their mark in India in 2001 in class 16. Their flagship hotel- The Burj Al Arab has been consistently voted as ‘The World’s Most Luxurious Hotel’ and also the global icon of superstructure in Dubai. Burj Al Arab is one of the tallest buildings in the world, the tallest all-suite hotel in the world, one of the most photographed structures in the world and a well-known figure in popular culture. Its domain names www.burjalarab.com and www.jumeirah.com were registered in 1999. At the time of the institution of the suit it had a pending application for BURJ marks in class 39, 41, 43 including for shape (3D mark).

The defendant used marks Burj Noida, Burj Bangalore, Burj Mumbai and so on in relation to its business of real estate/building construction and they had registered logo in class 37 from 2019. The defendant has a registered mark BURJ NOIDA in class 37 for building construction. The defendant’s various other marks - BURJBANGALORE, BURJMUMBAI, THEBURJ, BURJDELHI, BURJGURUGRAM and BURJGURGAON - were lying under objections. They also owned 13 copyright registration in respect of drawings of Burj Noida tower. The defendants argued that Jumeirah does not hold any rights over the word ‘Burj,’ which means tower. The Delhi High Court restrained the defendants from using in any manner the trade mark BURJBANGALORE, BURJMUMBAI, BURJDELHI, BURJGURUGRAM and BURJGURGAON or any other similar trade mark, though allowed the defendant to use Burj Noida for its ongoing project.

The court while noting that Burj is the essential part of Jumeirah trademark, referred the anti-dissection rule enunciated by United States Court of Appeals in *Re Chatam Int’l, Inc.*, and observed that “while a trademark is supposed to be looked at in entirety, yet the consideration of a trademark as a whole does not condone infringement where less than the entire trademark is appropriated. It is therefore not improper to identify elements or features of the marks that are more or less important for purpose of analysis in cases of composite marks.” By referring to *Eaton Allen Corp.*,⁴⁶ the court also reasoned its decision that “the consideration of a trademark as a whole does not preclude infringement where less than the entire trademark is appropriated.”

Regarding the ‘dominant features’ of a trademark, the court further observed that dominant portion of a mark is that which has the greater strength or carries more weight; and they are significant because they attract attention and consumers are more likely to remember and rely on them for purposes of identification of the product. The descriptive / generic components, having little or no source identifying significance, are generally less significant in the analysis whereas words that are arbitrary and distinct possess greater strength and are thus accorded greater protection.

45 2021(88)PTC551(Del):available at: <https://indiankanoon.org/doc/88013685/>.

46 *Eaton Allen Corp. v. Paco Impressions Corp.*, (1975).

The plaintiff in *Bacardi and Company Ltd. v. Bahety Overseas Pvt. Ltd.*⁴⁷ was manufacturer of alcoholic beverages under the name BREEZER and the defendant started manufacturing and selling fruit-based non-alcoholic beverages under the mark 'FREEZ Mix'. The plaintiff had registrations for the word mark BREEZER and also the shape mark in classes 32 and 33. In the opinion of the court, the defendants have consciously attempted at adopting a trade dress so similar to that of the plaintiff as would lead an uninformed and unwary customer to justifiably presume an association between the two marks. Holding infringement of the trademark and trade dress, the court said thus:

It is important to note that Section 29(2) envisages two distinct situations in which infringement can be said to have taken place. Infringement occurs where the defendant's mark either (i) causes confusion in the minds of the public, or (ii) leads the public to believe the existence of an association between the mark of the Defendant and the registered trademark of the plaintiff. It is not permissible while applying Section 29(2), to dovetail, into the element of 'association', the element of 'confusion.' Expressed otherwise, if the Defendant uses its mark in such a way as to lead the public to believe the existence of association between the Defendant's and Plaintiff's mark, the tort of infringement, ipso facto stands committed - confusion or no confusion.

The court also made an important observation demonstrating the limited scope of registration by the defendant of the mark FREEZMIX: "The public is not privy to the certificate of registration issued by the Registrar of Trademarks, either to the plaintiff or the defendant. The public is only privy to the product and to the mark which is displayed and shown to it. Though the defendants' registration, on the Register of Trademarks, is for the word mark FREEZMIX, what is shown to the public is the word FREEZ in disproportionately large letters with the suffix 'mix' in such small letters that, at a plain glance, it is hardly noticed. The existence of the suffix 'mix' therefore, cannot be a basis to hold that the public is not likely to be confused between the mark of the defendants and the mark of the plaintiff, or to draw an association between the two."

V INDUSTRIAL DESIGNS

The Delhi High Court while refusing to vacate an injunction order in a matter involving infringement of the registered design of the plaintiff, made the following noteworthy observations in *E.N. Project and Engineering Industries (P) Ltd. v. KVT Electrical Project and Engineering*.⁴⁸ The imitation of the plaintiff's design by the defendants is visually apparent... Whilst the onus to establish that a design put up for registration under Section 6 of the Design Act, 2000 is new, original or novel is on the applicant seeking its registration, once the registration is granted, the onus shifts on to the defendant, who challenges the grant of registration on any of the grounds available under Section 19 of the Act. If the challenge to claimed newness of a design is on the

47 2021 (88) PTC 519 (Del):available at: <https://indiankanoon.org/doc/48139811/>.

48 2021 (88) PTC 387 (Del).

ground of ‘prior publication,’ the onus rests on the defendant to demonstrate prior existence of the design by way of prior publication. Further, a court while dealing with applications under Order XXXIX Rule 1 and 2 CPC and Order XXXIX Rule 4 CPC, the enquiry must be restricted to forming a prima facie view.

Prior publication

In *Kamdhenu Ltd. v. Aashiana Rolling Mills Ltd.*,⁴⁹ the Division Bench of the High Court of Delhi held that a pattern, which is a standard to identify a particular grade, cannot be registered as a new design under the Designs Act, 2000. In the present suit, the novelty of the design was anticipated and destroyed as (a) the design has already been published in respect of the same article; (b) the prior publication contained clear and unmistakable directions to make an article with the shape or pattern which is the same as the alleged design and (c) the registered design was not significantly distinguishable and distinct from the published international standards. It was shown that the design of the steel bars corresponded to international standards such as the British Standard B500C, the German Standard of 1984, the Polish Standard of 2006, etc. These standards have been published much before the plaintiff had registered its design on 14-01-2013. Hence, the registered design in the suit was a prior published design and thus, registration of such designs is contrary to section 4 of the Design Act.

VI GEOGRAPHICAL INDICATION

In India there are only handful of cases on geographical indications (GIs). The High Court of Delhi had to decide on the infringement of famous GI SCOTCH WHISKY by the defendant by selling whisky under the mark STROTTS. In *Scotch Whisky Association v. Unibev Limited*⁵⁰ it was alleged that the defendants were selling whisky under the mark STROTTS by using image, statement, expression/ description which is indicative, suggestive or evocative of nexus or association with the United Kingdom or Scotch Whisky and thereby infringing the plaintiff’s registered geographical indication SCOTCH WHISKY. It was stated that the plaintiff was engaged in the business of manufacturing, exporting and supplying of liquor products including whisky, rum, gin, beer etc. With the motive to benefit from the reputation and goodwill of Scotch whisky, the defendant is selling and advertising its whisky sold under the brands STROTTS as blended Scotch whisky and also using the phrase ‘Product of Scotland’. However, in fact, the product is not registered with Revenue and Customs in the United Kingdom, which is a mandatory requirement for procuring Scotch whisky in bulk; the defendant was thus committing an act of infringement of statutory rights of the plaintiff in the registered GI ‘Scotch whisky’ within the meaning of sections 22(1)(a) and (b) of GI Act. It was further stated that the defendant was using untrue and misleading statements such as ‘Blended with upto 18 year old Scotch and Matured Indian Malts’, ‘Blended with upto 15 year old Scotch and Matured Indian Malts’, ‘Blended with upto 12 year old Scotch and Matured Indian Malts’, ‘Blended with upto 21 year old Scotch and Matured Indian Malts’, in relation to its whiskies sold

49 2021 (86) PTC 501 (Del).

50 2021 (86) PTC 217 (Del).

under the brands OAKTON, GOVERNOR'S RESERVE Select Double Grain Whisky, GOVERNOR'S RESERVE 100% Premium Grain Whisky, ROYALTON, and SEVENTH HEAVEN.

In the opinion of the court, the manner in which the phrase/description is being used on the label of the whiskey indicates that the whisky is blended with scotch upto 18 years old etc. An unwary customer of average intelligence may get deceived to believe that the blend that is being used is only of an 18 years old scotch whisky and not of a scotch whisky with the lower age denomination. One can prima facie conclude that this is an attempt to pass off their whisky as blended with a higher quality blend 18 years old scotch etc. Hence, interim injunction was passed in favour of the plaintiff.

VII LAW OF CONFIDENCE

Intersection of confidentiality law and copyright

While ideas cannot be copyrighted the same can be protected through the application of confidentiality law. In *Tarun Wadhwa v. Saregama India Ltd.*,⁵¹ which alleged copyright infringement and breach of confidentiality, the High Court of Bombay demonstrated the interface between the domains of copyright law and law of confidence in the following lines: Confidence law is wider than copyright law. It protects the substance of ideas and information, irrespective of the mode of communication. There is no copyright in an idea, but only in the form of its expression. Copyright is a right in rem, but a confidence obligation is entirely *in personam*. Copyright has a statutorily defined term. Confidence does not. There is no copyright except as provided by the statute, and infringement is also prescribed by statute. A confidence obligation is one in contract or equity or both. There are statutory defences to a copyright infringement action. These do not apply to a breach of confidence action. The distinction between copyright and confidence assumes importance where a manuscript has been submitted for publication. An obligation not to use the submitted manuscript may be implied and enforced under confidence law, and may extend to a plot or a developed idea that may not otherwise be protected by copyright. The court also made the following averments:

- i. Essential to any case of confidentiality are precision, originality and completeness of disclosure. The precise identification must be in the plaint. The confidential information must be proprietary. It must, in short, be original. This is not the originality of expression that is the subject of copyright law; it may be the originality of idea, and it is used here in contradistinction to whispering in alleged confidence matters that are already known. Those are never subjected to the doctrine. Any confidential information by definition must be outside the public domain. It must also be sufficiently developed to an extent that lends itself to realization. All these elements must co-exist. It is not enough for a plaintiff to say, for instance, that everything is original, or that some things are original and some things are not but not identify them. Therefore: for a cause of action in breach of confidence to succeed there must be precision, there must be originality,

51 2021 (88) PTC 423 (Bom).

and there must be completeness. All the required elements of confidentiality must be shown. It is not enough to show only some of them.

- ii. On breach of confidence, a plaintiff must satisfy all four tests set out in *Sundial Communications*.
- iii. Regarding copyright infringement, the court observed that even if the two works are thematically the same, but treated and presented differently, there may be no question of copyright infringement. Incidental co-incidences are not copyright infringement. Infringement is established only by clear and cogent evidence.
- iv. The ‘confidential information’—that which is not in the public domain— must be accurately and specifically identified, and protection must be sought only in respect of that. A generalized statement is never enough.
- v. An obligation of confidence arises when confidential information is shared or communicated or otherwise is to the knowledge of a person in circumstances where he has notice, explicit or implicit, or must be held to have agreed, that the information is indeed confidential. That person would then be restrained from using or disclosing this confidential information without the permission or license, express or implied, of the person who gave or shared it. Where there is a contract—which may be written or oral, express or implied—the obligation stems from the spelt-out terms of the contract. But the obligation exists in equity too, and is rooted in the legal concept of the duty to act in good faith.

VIII MISCELLANEOUS

Arbitrability of IP disputes

The Supreme Court of India, way back in 2011 has upheld the arbitrability of IP disputes in *Booz Allen and Hamilton Inc. v. SBI Home Finance Ltd.*⁵² In *Hero Electric Vehicles Private Ltd. v. Lectro E-mobility Private Ltd.*,⁵³ which involved the arbitrability of a trademark infringement and passing off dispute between two family groups, the Delhi High Court by following the decision in *Vidya Drolia v. Durga Trading Corporation*⁵⁴ held that where a valid arbitration agreement exists, ordinarily the disputes between the parties ought to be referred to arbitration, and it is only where a clear chalk and cheese case of non-arbitrability is found to exist, that the court would refrain from permitting invocation of the arbitration clause. While holding the matter to be arbitrable in *Hero Electric Vehicles*, the court reasoned its decision on the fact that the issue in the suit revolved around the right to use the mark and not on the deceptive similarity of the marks. In *Vidya Drolia*, the Supreme Court propounded a fourfold test for determining when the subject matter of a dispute in an arbitration agreement is not arbitrable:

- (1) when cause of action and subject matter of the dispute relates to actions in rem, that do not pertain to subordinate rights in personam that arise from rights in rem.

⁵² AIR 2011 SC 2507.

⁵³ 2021 (86) PTC 81 (Del).

⁵⁴ (2021) 2 SCC 1.

(2) when cause of action and subject matter of the dispute affects third party rights; have erga omnes effect; require centralized adjudication, and mutual adjudication would not be appropriate and enforceable;

(3) when cause of action and subject matter of the dispute relates to inalienable sovereign and public interest functions of the State and hence mutual adjudication would be unenforceable; and

(4) when the subject-matter of the dispute is expressly or by necessary implication non-arbitrable as per mandatory statutes.

Damages

*E-merge Tech Global Services P. Ltd. v. M.R. Vindhyasagar*⁵⁵ decided by the High Court of Madras involve mixed issues of copyright, confidential information, rendition of accounts and damages. More importantly, the court examined the concepts of compensatory and restitutionary damages in this suit and observed that compensatory damages are awarded to redress the loss suffered by an aggrieved party while restitutionary damages are more in the nature of directing the defendants to disgorge the benefit accrued in his favour due to unjust enrichment at the expense of the plaintiff. Compensatory damages normally present themselves with difficulties associated in computing a reliable assessment of the loss caused to the plaintiff. According to the court, an order directing an account of profits developed in response to cases where the loss suffered could not be measured adequately or if measured could/would not adequately place the plaintiff in the same position as if the breach had not occurred. Only in such a situation, the court is empowered to justly to compensate the plaintiff by assessing damages with reference to the gains made by the defendant instead of conventionally assessing it with reference to the loss caused to the plaintiff.

Big Boss controversy

In *Endemol Shine Nederland Producties B.V. v. Angel Singh aka Lucky Trading as 999 Productions*,⁵⁶ the plaintiffs formed part of the Endemol Shine Group, which is one of the biggest global content creators, producers and distributors with a portfolio of international hits including Big Brother, Black Mirror, Broadchurch, Bron/Broen, Deal or No Deal, etc. The suit involved action for infringement of the Plaintiffs' registered trademarks, copyrights combined with a cause of action for passing off. The defendant had advertised audition for their impugned show '999 The Bigg Boss Jammu.' It was stated by the plaintiff that the defendants were using the impugned marks BIGG BOSS JAMMU, and the impugned device of eye which are identical with and/or deceptively similar to the Plaintiffs' Big Brother, Bigg Boss, Bigg Boss Formative Marks. By granting an ad-interim order, the Bombay High court observed that the "similarity between the rival marks, name, device of eye cannot be a matter of co-incidence. Prima facie, it is clear that the, defendants have adopted the impugned marks dishonestly with a view to ride upon the goodwill and reputation of the plaintiff's Big Boss marks. The unique features of the plaintiffs format and the literary work in

55 2022 (1) CTC 30, decided on Dec.15, 2021.

56 2022 (89) PTC 106 (Bom), decided on Dec. 10, 2021.

the production bible can be discerned easily from the plaintiffs show. The impugned show clearly appears to be a copy of the plaintiff's show Big Brother/Bigg Boss show. The acts of the defendants are nothing but a systematic attempt to come as close as possible to the plaintiffs' trademarks/show/programme, so as to deceive the public or somehow associate the impugned mark and show with the plaintiffs."

In *Ganesh Grains Limited v. Shree Ganesh Besan Mill*,⁵⁷ the suit was for infringement of a registered design and passing off. The High Court of Calcutta reiterated the legal and judicial position that user of a suffix or a prefix to the registered mark is of no consequence so far as an action on account of infringement or passing off is concerned. The suffix or the prefix have to be of a sufficient distinguishing feature and quality so as to distinguish the words used from the registered mark. The user of the word 'Shree' as a prefix to the registered word "Ganesh" distinguishes the product of the defendant's mark particularly when the parties are into the same class of business. Hence, the defendant though at liberty to carry on the business of flour cannot use (i) the word 'Shree Ganesh' in carrying on its business and (ii) the registered design 'Ganesh' with a suffix or a prefix to market its products.

The High Court of Bombay in *NBU Bearings Pvt. Ltd. v. Union of India*,⁵⁸ held that the two independent remedies under different statutes - section 53 of the Copyright Act, 1957 and IPR rules framed under the Customs Act, 1962 - being independent of each other could be construed harmoniously. The court also rejected the contention that the provisions of the Copyright Act will have to be read de hors the IPR rules.

Principle of *forum conveniens*

The High Court of Madras in *P. Sundaram v. Asia Match Company Pvt. Ltd.*⁵⁹ held that principle of *forum conveniens* will not *per se* apply to civil proceedings. However, it will have a role to play when the court decides the appropriateness or suitability of the forum, and if the court ultimately finds that the cause of action had not even remotely arisen within its territorial jurisdiction, then the court should not entertain such a suit. This exercise will normally be undertaken when this court considers grant of leave or revocation of leave under Clause 12 of the Letters Patent. According to the court, in the present matter, it need not go into the applicability of the principle of *forum conveniens* as it is not vested with the territorial jurisdiction to entertain the suit.

In *The International Association for Protection of Intellectual Property (India Group) v. Union of India*⁶⁰ decided by the Supreme Court of India on February 12, 2021, (before the abolition of the IPAB) refused to extend the term of the incumbent Chairperson of the IPAB.

IX CONCLUSION

IPR decisions play a crucial role in promoting competition, stimulating economic growth, and easing cross-border trade. Courts have attempted to foster an atmosphere

57 2021 (86) PTC 353 (Cal).

58 2021 (86) PTC 191 (Bom).

59 MANU/TN/9205/2021.

60 2021 (2) SCJ 122.

that nurtures innovation, investment, and technological advancement by protecting IPRs via successful litigation, eventually resulting in long-term economic growth. IPR lawsuits involving technology, digital platforms and online infringement have become more frequent in recent years. The foregoing analysis of cases illustrates how the Indian courts have played a critical role in preserving a sound IPR regime by deciding disputes, interpreting laws, issuing injunctions and by preventing misuse of judicial process. These decrees, awards, injunctions, and judgements certainly would improve India's IPR landscape by facilitating a just, equitable and efficient IPR protection system.