

SESSION - V

WORKSHOP FOR HIGH COURT JUSTICES ON
INTELLECTUAL PROPERTY RIGHTS

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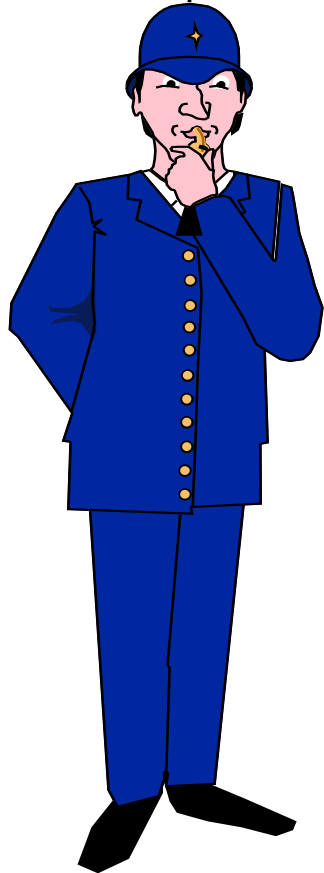
THE NATIONAL JUDICIAL ACADEMY

2nd & 3rd November, 2019

Role of the Judiciary in Effective Enforcement of IPRs

PRATHIBA M. SINGH
Judge, Delhi High Court

Various Entities Involved



- ✓ **Legislature - Parliament - Statutory Enactments**
- ✓ **Administrative Machinery - involved in Registration Procedures**
- ✓ **Departments in the Government viz., Police, Customs, Drug authorities etc.,**
 - ✓ **Judiciary**



Contribution of the Judiciary



- ❑ Most proactive in protecting IPRs
- ❑ Since the mid-80s, the Judiciary has had the lion-share in IPR protection
- ❑ Has been ahead of the Statutes in most cases & has prompted Amendments therein.

Role Of The Judiciary In Enforcing TRADEMARKS



Contribution of the Judiciary

- Transborder reputation;
- Well known trade marks;
- Infringement in respect of dissimilar goods;
- Dilution;
- Comparative advertising – Disparagement;
- Infringing use
- Parallel importation

Contribution of the Judiciary

Innovative remedies:

- Anton Piller orders – Order 26 Rule 9
- John Doe orders – like in Criminal cases
- Mareva injunctions – attachment of bank accounts
- Dynamic injunction
- Global injunction for the internet
- Confidentiality Club
- Hot-tubbing

Contribution of the Judiciary

- Patents:
- Tests for patentability – well settled;
- Pharmaceutical patents – Section 3(d), Public interest;
- IP & Competition law;
- Standard Essential Patents – new jurisprudence – Royalty be paid – or injunctions;
- Compulsory Licensing

Contribution of the Judiciary

- COPYRIGHT
- Protection to broadcasts & performers – neighbouring rights;
- Fair Use – well settled principles judicially laid down
- Fine balance between dissemination and recognition to owners
- Compulsory licensing – removed ambiguities

Contribution of the Judiciary

- Statute has incorporated some of these principles while making amendments but they were well ingrained prior to statutory recognition;
- Judgements learnt and gained from internationally evolving jurisprudence but did not ape the same – developed nuanced jurisprudence in the context of India's social, economic and cultural ethos.

➤ *S. Syed Mohideen v. P. Sulochana Bai, (2016 SC)*

Passing off right is a broader remedy than that of infringement.



S. Syed Mohideen v. P. Sulochana Bai,

- A Halwa shop from Tirunelveli in Tamil Nadu called 'Iruttukadai Halwa' fought right till the Supreme Court to protect its brand
- Respondent -registered owner of trademark '*Iruttukadai Halwa*'. Appellant opened a shop in the name of '*Tirunelveli Iruttukadai Halwa*'.
- Supreme Court observed that:
 - ❑ Rights conferred by registration are subject to the rights of the prior user of the trademark.
 - ❑ Passing off rights are considered to be superior to that of registration rights
 - ❑ Registration merely recognizes the rights which are already pre-existing in common law and does not create any rights
 - ❑ The latter user of the mark/name or in the business cannot misrepresent his business as that of business of the prior right holder



SUNIL MITTAL & ANR v. DARZI ON CALL (2016):

Translations and Descriptive Trademarks

- The Plaintiffs claiming to be the registered proprietors of a label containing the words 'The Darzi: The Suit People, 1981' sued the Defendants to prevent them from using the word/mark 'Darzi'.
- **Findings of the Court:**
 - ❑ **Descriptive Trademarks:** 'Darzi' being an Urdu word, undoubtedly not common. Distinction had to be drawn between *'the use of a word as descriptive of services provided under a trademark, and the use of that word in the trademark itself'*. If a person, for the first time, starts using a word that had previously only been used as descriptive of services, as a trademark – **that innovation to use it as a mark was deserving of trademark protection.**
 - ❑ **Test of area of usage:** *the test was not only of whether a word is understood at a particular place, but also whether it is generally used at that place as descriptive of the services rendered. While Darzi was used in the spoken language as descriptive of the vocation of a tailor, it was not used to designate the service of tailoring.*
 - ❑ **Translations:** *If a product is marketed in a particular area or place under a descriptive name and has gained a reputation thereunder, that name which distinguished it from competing products, it will be protected against descriptive use.*



SUNIL MITTAL & ANR v. DARZI ON CALL

Essential features and 'litigation as a business'

- ❑ **Essential feature of the mark:** When the similarity between the two marks is being judged, the test has to be looked at from the angle of human interactions in a particular society/city, and cannot be abstract. *“What has to be applied is the test of human beings and not a test as laid down in the law books in relation to a different society.”*
- ❑ **Goodwill and reputation:** Dishonesty on part of the Defendants and their attempt to ride on the goodwill of the Plaintiffs, as well as steal their market, and pass off their goods/services as the Plaintiffs prejudiced both the Plaintiffs and the world at large.
- ❑ **Litigation as a business:** *It is not expected of a proprietor of a trademark to, instead of carrying on business under the trademark, make litigation a business by continuously being on the prowl for every use of that trademark, howsoever insignificant and inconsequential may be, and to take legal proceedings to prevent such use. A proprietor of a trademark is not expected to commence legal proceedings if it remains unaffected by use of the same trademark by others.*





Prius Auto Industries Ltd & Ors. v. Toyota Jidosha Kabushiki: Trans-border reputation redefined

- On 8th July, 2016 a Single Judge of the Hon'ble Delhi High Court awarded permanent injunction against the defendant restraining them from using, in relation to auto parts and ancillaries, the mark **PRIUS** and other registered trademarks of the plaintiff. The Court also awarded damages to the tune of rupees 1 million.



- **The Division Bench’s reversing the decision observed that:**
 - ❑ Acquiring trans-border reputation is essentially a question of fact and therefore, it requires the evidence to be considered.
 - ❑ Evidence has to be prior to April 2001 – when the Defendant adopted;
 - ❑ The circulation of publications in India mentioning the launch of the hybrid car “**Prius**” by Toyota, including those from the year 1997, although involving the awareness of the relevant sections of the public and trade limited to the automotive sector, was not *news of explosive nature* that would catch the attention of all and sundry.
 - ❑ There being no advertisements published by Toyota for its car Prius in India, coupled with the fact that not all cars marketed by Toyota under different trade marks acquire a global reputation.
 - ❑ Further, since internet penetration as of the year 2001 being low in India, the weight of the evidence leans in favour of the view that by *April 2001* Toyota had not established a global reputation in its trade mark Prius which had entered India
 - ❑ Since the defendant had been selling their products under the mark **PRIUS** for nearly ten years when the suit for injunction was filed, the test to be applied is of “evidence of actual confusion” and not “*likelihood of confusion*”
 - ❑ The Supreme Court affirmed the order of the Appellate Bench of the High Court and dismissed the appeals filed by the plaintiff.



No Monopoly Over Names of Hindu Gods

- Ld. Single Judge of the Bombay High Court refused to grant an interim injunction for infringement/passing off of the plaintiff's "LAXMI" mark
(*Freudenberg Gala Household Product Pvt. Ltd. v. GEBI Products Ltd*)
- Observations:
 - Plaintiff and defendant both had different and unique labels containing the word "LAXMI".
 - "LAXMI" is both a common female name and the name of a Hindu deity, and therefore cannot be monopolized.
 - Plaintiff cannot be allowed to extract the common word used in the label and claim exclusivity over it.
- In appeal, the Division Bench agreed with Single Judge:
 - Differences between marks enough to distinguish the two marks in the minds of the consumer of average intelligence and imperfect recollection
 - Names of Hindu Gods are not exclusive and cannot be monopolized by one party.

Sun Pharma Laboratories Ltd. Vs. Respondent: Ajanta Pharma Ltd. (2019 Delhi)

- Plaintiff, and Defendant, manufactured medicines under trademarks “GLOEYE” and “GLOTAB” being ocular medicines containing plant extracts ‘nutraceuticals’.
- The defendant argued that the word “GLO” is common to trade.
- Is the test for infringement and passing off for nutraceutical products the same as the test applicable for pharmaceuticals?

The court paraphrased the **test** as under:

- i) In the case of drugs, a strict test needs to be applied for determining confusion and deception;
- ii) If the products have a difference in composition with completely different side effects, a stricter test should be applied;
- iii) Greater vigilance is required where the products are meant to cure the same ailments, but the compositions are different;
- iv) Merely because drugs are sold under prescription is not sufficient protection against confusion;
- v) The prevalent social conditions and linguistic barriers require stricter measures to be taken, to prevent confusion arising from similarity of marks among medicinal products;

- vi) Physicians and pharmacists are not immune to mistakes;
- vii) A lesser degree of proof to establish confusing similarity would be required in the case of medicinal products as against nonmedicinal products;
- viii) The varying profiles of patients, especially the elderly, illiterate persons and children need to be kept in mind;
- ix) In view of public health issues involved in the case of medicines, stringent measures ought to be adopted.

Held that nutraceuticals ought to be treated at par with pharmaceuticals. The competing products in this case:

- Broadly belonged to the same class of ocular medicines used to treat age related dimness of vision and diabetic retinopathy;
- Had different ingredients;
- The suffixes EYE and TAB are insufficient to create any distinction between “GLOEYE” and “GLOTAB”;
- Hence, the Plaintiff was entitled to an interim injunction.

Whatman International Limited vs. P. Mehta and Ors. (2019 Delhi)

- Suit for permanent injunction restraining infringement of trademark, copyright, trade-dress, passing off, unfair competition, dilution. Plaintiff owner of mark WHATMAN for sale including of filter paper.
- Defendants manufactured and sold Whatman filter paper -use an identical colour combination for other filter papers sold by them under various trademarks including 'HIRAL', 'ACHME' etc.

Held- Defendants have committed infringement of Plaintiff's mark for period spanning over 25 years and repeated legal action had not deterred them.

- Defendants sold look alike filter paper and counterfeit WHATMAN filter paper
- Punitive damages imposed - - Plaintiff was accordingly awarded decree of damages of Rs. 1 crore against 3 Defendants, Rs 25 lakhs against 3 defendants and for Rs. 10 lakhs against one defendant.

Amway, Oriflame & Modicare Vs. Amazon, Flipkart and Snapdeal

The Amway logo is written in a bold, blue, sans-serif font. A thin red line is positioned horizontally below the letters 'a' and 'm'.The Amazon logo features the word "amazon" in a black, lowercase, sans-serif font. A curved orange arrow is positioned below the letters 'a' and 'z', pointing from the 'a' to the 'z'.The Snapdeal logo consists of a white icon of a hand holding a card, followed by the word "snapdeal" in a white, lowercase, sans-serif font. The entire logo is set against a solid red rectangular background.

Case of Plaintiff:

**Direct Selling – unique selling model
Products sold on e-commerce platform**

The Dealer code is tampered

Sold on website without consent of the owner



- The Court, primarily on the basis of Local Commissioners' Reports recording tampering of goods bearing the Plaintiff's marks, found the goods to be tampered with. It further observed that since the Defendant had not undertaken due diligence as required under Section 79(2)(c) of the IT Ac, 2000, it was not entitled to protection as a mere intermediary under Section 79(2)(c). An injunction was therefore ordered against the Defendants.

FINDINGS



FINDINGS



**Amway India Enterprises Pvt. Ltd. and Ors Vs.
IMG Technologies Pvt. Ltd. and Ors (2019 Del)**

Findings:

- Ecommerce platforms & Sellers on platforms to abide by guidelines- sellers/platforms would have to take consent of the Direct Selling Entities to offer, display and sell the products of Direct Selling Entities on their platforms.
- Use of mark by sellers & platforms violative of Plaintiffs' TM. Manner of sale on e-commerce platforms constitutes passing off, misrepresentation, dilution/tarnishment of Plaintiffs' marks, products businesses.

FINDINGS

- *“262. The Plaintiffs, who are the brand owners and manufacturers of these products cannot be held to not have any control over such misuse of their products, product images, brand names, selling policies, etc. The doctrine of exhaustion cannot give legitimacy to such tampering and mutilation of the products themselves. The brand equity is considerably diluted by such unbridled sales from unauthorized sources, especially when platforms are not willing to take responsibility for the sale on the ground that they are intermediaries and when the so-called sellers are unknown, untraceable, unauthorised and dubious. The details of the sellers would not be known to the consumers. Consumers would also not know how to contact the sellers. The consumers would then have to proceed on a ‘Sherlockian venture’ to trace the sellers and considering that there are hundreds and thousands of listings of the Plaintiffs’ products on the various platforms, the tracing of these sellers could be virtually impossible. ...The doctrine of exhaustion cannot condone such unauthorized sale of products that are tampered, conditions are changed, are being wrongly priced and the genuineness of which is in severe doubt.”*

FINDINGS

- *“293. Insofar as Section 79 of the IT Act is concerned, the provision itself as contended by the Plaintiffs would not merely be a defence, but would also create enforceable rights for parties, who are affected by non-compliance of the provisions by intermediaries. If intermediaries have to be exempt from liability, they ought to satisfy the conditions contained in Section 79(2) and should not fall foul of Section 79(3) of the IT Act.*
- ...
- *301. In order for the platforms to be entitled to get safe harbour as per the Myspace Inc. (supra) case, they have to observe strict adherence to their own Excluded Products‘ List, Prohibited Content policy and the Intellectual Property Violations policy, without which they would be running foul of Section 79 of the IT Act, read with the Intermediary Guidelines, 2011.”*

- Apprehension valid of the Plaintiffs that the products are being sourced through unauthorised channels and that the products are tampered, conditions changed and impaired completely valid.
- Sale on e-commerce platforms of unauthorised, tampered products is impermissible.
- Return/refund policies adopted by the platforms in complete contradistinction to the Plaintiffs return/refund policy and the dilution of these policies by itself constituted impairment and change of conditions.
- Seller was restrained by, an interim order of injunction, from advertising, displaying, offering for sale, repackaging products of the Plaintiff, on the e-commerce platform without the consent of the Plaintiff.

Role Of The Judiciary In Enforcing Copyrights

Literary



Artistic

Sound Recording



The Chancellor, Masters & Scholars of The University of Oxford & Ors. Vs. Rameshwari Photocopy Services & Anr (Delhi)



- Suit filed by three publishers against DU and a photocopy shop was dismissed.
- It was held that unauthorized making and distribution of course packs (i.e. compilation of photocopies of the relevant portions of different books prescribed in the syllabus does not amount to copyright infringement) as it falls within the ambit of Section 52(1)(i) of the Copyright Act
- permits reproduction of works by teachers or students in the course of instruction.

The Chancellor, Masters & Scholars of The University of Oxford & Ors. Vs. Rameshwari Photocopy Services & Anr.

- On appeal, a Division Bench of the Court **held** that:
 - ❑ Fairness determined on the touchstone of 'extent justified by the purpose' without considering the extent of material used – qualitative or quantitative
 - ❑ So much of the copyrighted work can be fairly used which is necessary to effectuate the purpose of the use i.e. make the learner understand what is intended to be understood.



- *Department of Electronics and Information Technology v. Star India Private Ltd., 2016 SCC OnLine Del 4160*

The Delhi High Court ordered the blocking of 73 websites and directed the Department of Electronics and Information Technology to assist in the enforcement of the orders passed on online piracy issues.

Question before the Court:

Whether URL only should be blocked or entire website should be blocked

URL :

[http://www.nja.nic.in/Academic_Calendars/Academic%20Calendar%20\(2017-18\)Final\(09-09-2017\).pdf](http://www.nja.nic.in/Academic_Calendars/Academic%20Calendar%20(2017-18)Final(09-09-2017).pdf)

Website:

<http://www.nja.nic.in/>

PayTM v. Unicommerce

- Interface between data protection laws, copyright and rights of IP owners.
- Leading E-Commerce management software company, Unicommerce eSolutions Pvt Ltd & mobile e-commerce/wallet services company, Paytm.
- Paytm alleged that Unicommerce was extracting, using and manipulating Paytm's proprietary copyright information, being the log in details of their sellers/merchants by displaying the same on its website to the commercial disadvantage of Paytm.
- Unicommerce pleaded that it was merely an aggregator -it was a platform for managing orders and inventories across multiple online marketplaces and carts. There was no extraction or manipulation as alleged by Paytm as the sellers themselves authorized Unicommerce to access their contents and information and provide them with a comprehensive dossier of their transactions alone, on different platforms, including but not limited to that of Plaintiff.

PayTM v. Unicommerce



- Seller uploads his wares, inventories
- Seller periodically checks the position of sales, quantity available, orders placed, payments received
- For that he has to login to each of the e-commerce websites several times in a day.
- If a seller has his wares in several market sites, then the sheer effort of logging in and out of these websites involves huge manpower, time and expenditure.
- So he uses the services of the Defendant which is nothing but an Interface.



- Seller creates an ID and a login with the Defendant;
- Seller provides to the defendant his login and other credentials which he has with ebay, Amazon, Snapdeal and PayTM etc.,
- Defendant provides a software system and interface as an AGGREGATOR;
- Defendant, through his work force aggregates all the data about the seller from different market websites
- It is presented on one Palatte for the Seller
- This is convenience for the Seller
- No data theft is involved
- Defendant is authorised by the Seller to access ONLY the SELLER'S data
- The Defendant does not access any other data which is not authorised
- The Seller has the OPTION to use or not to use the defendant's services.
- The Seller can continue to access each site with his own credentials without going through the defendant.

PayTM v. Unicommerce

- **Held-**
- Refused the interim sought by Paytm against Unicommerce;
- Unicommerce bound to the statements made in Court, that;
 - it shall not use the data derived from the sellers for itself, and that the same shall be made available exclusively to the sellers when they access Unicommerce website;
 - Unicommerce also submitted that they are merely accessing the site of Paytm as the representative of its customers who are sellers of Paytm, upon their authorization and not crawling into the site of Paytm as alleged.



ROLE OF JUDICIARY IN ENFORCING PATENTS

Communication Components Antenna Inc. Vs. Ace Technologies Corp. and Ors (2019 Delhi)

- Patent infringement suit for patent titled "Asymmetrical Beams for Spectrum Efficiency".
- Plaintiff claimed that the patent was for a novel antenna having a unique feature i.e. an asymmetrical beam pattern detailed in its specification.
- Plaintiff argued their antenna was a "smart antenna" as it introduced new and unique asymmetrical beam patterns in split-sector fixed beam antennae.
- The defendants argued for non grant of injunction on the following:
 - as the validity of the patent was challenged. under Section 3(a),(c),(d) and (f), Patents Act
 - for revocation under Section 64 Patents Act ,
 - the "asymmetrical beam patterns" constituted prior art when the patent was granted in India,
 - Plaintiff did not have worldwide protection on the basis that additional limitations had been made to the corresponding patent claims in the US which consequently made the Patent registered in India "obvious".

Court observed

- On "additional limitations" - language of the patent claims in different jurisdictions, after it is granted in various domestic jurisdictions, would not be identical.
- Additional language in the claims of the US patent could not be considered as a limitation - merely highlighted another feature of the patented invention.
- Rejected Defendants contention on prior art -an invention to be prior published, and to be hit by prior art, has to be viewed from the point of view of a skilled addressee as to whether the document would by itself (without the disclosure in the patent specification) be sufficient to anticipate the invention
- Defendants were unable to reveal to the Court the beam patterns of the antennae that were sold by them.
- *Prima facie* order found the defendant guilty of infringement
- Directed to make an interim deposit of Rs. 54 crores in order to further sell the manufactured products through the Patent.

Shogun Organics Ltd. vs. Gaur Hari Guchhait and Ors. (2019 Delhi)

- Shogun Organics Limited filed suit for permanent injunction for infringement of Patent IN-236630 (IN '630) relating to a "*Process for manufacturing d-trans Allethrin*" used as an active ingredient in mosquito repellents and other mosquito control products.
- Defendants selling d-trans Allethrin in India themselves and through various distributors, retailers, etc.
- The Plaintiff suspected process of the Defendants identical to that of the Plaintiff- Plaintiff conducted tests found there were various marker compounds & specific impurities unique to the Plaintiff's process, isomer content also similar to that of the Plaintiff's product.
- Defendants failed to disclose the process of manufacture which was being used by them.

- Overlap between Patents and Insecticides Act – S. 9(3) and 9(4) registration
- Defendant argued that process of Plaintiff is disclosed to Insecticide authority
- **Held-**Plaintiff's patent is not pre-published or lacks novelty in view of the Registration No. granted to the plaintiff as Defendants did not led any evidence to establish prior publication or lack of novelty and the Plaintiff having led evidence of its witness and due to the orders passed in the pre-grant opposition and the IPAB.

- Whether the defendants did not infringe the Plaintiff's registered patent IN '630?

Held:

- New product sought to be patented was D-trans Allethrin manufactured with a new process. The Defendants did not lead any evidence to show why the Defendants' process is not infringing.
- Unless there is a clear disclosure of the process itself in the prior art, it cannot be held that the patent is prior published.
- Even if the process was disclosed to the authority under the Insecticides Act, the same would not constitute prior disclosure or public disclosure.

- Is Inventive and Novel;
- Section 30 - disclosure to a Government Department or to any other authority, would not constitute prior publication – either by Patentee or by a third party
- Preparatory steps taken for launching a product, is not disclosure - public disclosure is essential.
- Plaintiff entitled to permanent injunction + accounts

The B.T Cotton dispute

Monsanto Technology v. Nuziveedu Seeds



- Monsanto entered into 'sub-licensing agreements' with Nuziveedu Seeds granting sub-licensees non-exclusive, non-transferable right, to use Monsanto Technology's patented technology to produce, sell Genetically Modified Hybrid Cotton Planting Seeds within the territory
- Sub-licensee of Monsanto for more than 12 years, in 2015, the Sub-Licensees ceased payment of its trait fees - MMB, the sub-licensor, terminated the agreements -called upon the sub-licensees to abide with its post-termination obligation's.
- Monsanto Technology, patent holder, filed injunction suit before the DHC restraining sub-licensees from illegally manufacturing and marketing Genetically Modified Hybrid Cotton Planting Seed utilising Plaintiff' patented technology sold under the trade marks BOLLGARD/BG and BOLLGARD-II/BG-II

The B.T Cotton dispute

Monsanto Technology v. Nuziveedu Seeds

PROCEEDINGS BEFORE THE HON'BLE DELHI HIGH COURT

Directed

- The Defendants (Sub-licensees) pay the outstanding royalty amount,
 - secure the disputed amount by way of corporate indemnity bonds,
 - a cap on the total number of seeds that the Defendants may be entitled to sell;
1. Monsanto's endeavour to protect its IP rights, juxtaposed by the government policies and regulations attempting to curtail the right of Monsanto to levy its chosen trait fees and some of which challenged before the various High Courts.
 2. New controversy with the Agriculture Ministry vying for a change in the way seed companies and seed-technology companies such as Monsanto share royalty, technology and determine the price as which farmers buy cotton seed. Different arms of government are split over whether seed tech companies have the right or are obliged to license their technology to seed companies on request.

The B.T Cotton dispute

Monsanto Technology v. Nuziveedu Seeds

- Various State Government notifications affecting rights of a patent holder as they have sought to fix not only the MSP of cotton but also the trait value being charged by the technology provider.
- notifications are : -
 1. The Gujarat Cotton Seeds Act;
 2. The Andhra Pradesh Cotton Seeds Act;
 3. The Maharashtra Cotton Seeds Act;
 4. The Cotton Seeds Price (Control) Order, 2015 which led to the May 18, 2016 notification
- The aforesaid notifications were challenged

The B.T Cotton dispute

Monsanto Technology v. Nuziveedu Seeds

- **CENTRAL GOVERNMENT NOTIFICATION DATED MAY 18, 2016**
- The notification is based on the following premise: -
- *“And whereas, even though biotechnology inventions are patentable, once the GM Traits developed through biotechnology are transferred into a variety (“transgenic variety”), the transgenic variety per se cannot be patented; the seeds carrying such trait also cannot be patented and hence, the plant varieties including transgenic varieties carrying the GM Traits can be protected only under the Protection of Plant varieties and Farmer’s Rights Act, 2001”*
- ...
- *“And whereas, based on the existing intellectual property rights regime for biotechnology, plants and varieties in the seed industry, it is felt necessary to prescribe the licensing guidelines so that all seed companies have access to the GM Traits without any restraint and at the same time biotech trait development is adequately rewarded under the fair, reasonable and non-discriminative mechanism (FRAND mechanism);”*

The notification laid down the following guidelines: -

- access to the GM Trait shall not to be a barrier for entering the market by an eligible seed company.
- Licensors shall not refuse grant of a license to any eligible seed company fulfilling the requisite criteria.
- Licensee (aggrieved by denial of GM Trait license by a Licensor), can make an appeal to the Controller who shall have powers to issue necessary directions to the concerned party to ensure non-discriminative licensing so as to encourage competition
- Central Government to fix “Trait Value” shall have regard to the efficacy of the GM Trait to the farmers, the reward and return on investment already made by the concerned proprietor or as the case may be, the authorized user of the GM Technology used for developing GM Trait and the applicable ceiling limits on royalty collections prescribed, if any, by regulations and press notes issued under the Foreign Exchange Management Act, 1999-
- shall also consider factors like the year of patenting and commercialization of the trait in India, efficacy of trait, gradual reduction in trait value from the year of commercial use in India

For a new GM Trait, commercialized after this notification, the maximum trait Value may be up to 10% of Maximum Sale Price (MSP) of GM cotton seeds as fixed by the Central Government under the said Order every year, for the initial period of five years from commercialization. From the sixth year onwards, it shall taper down every year @ 10% of initial trait value as above fixed under the Order.

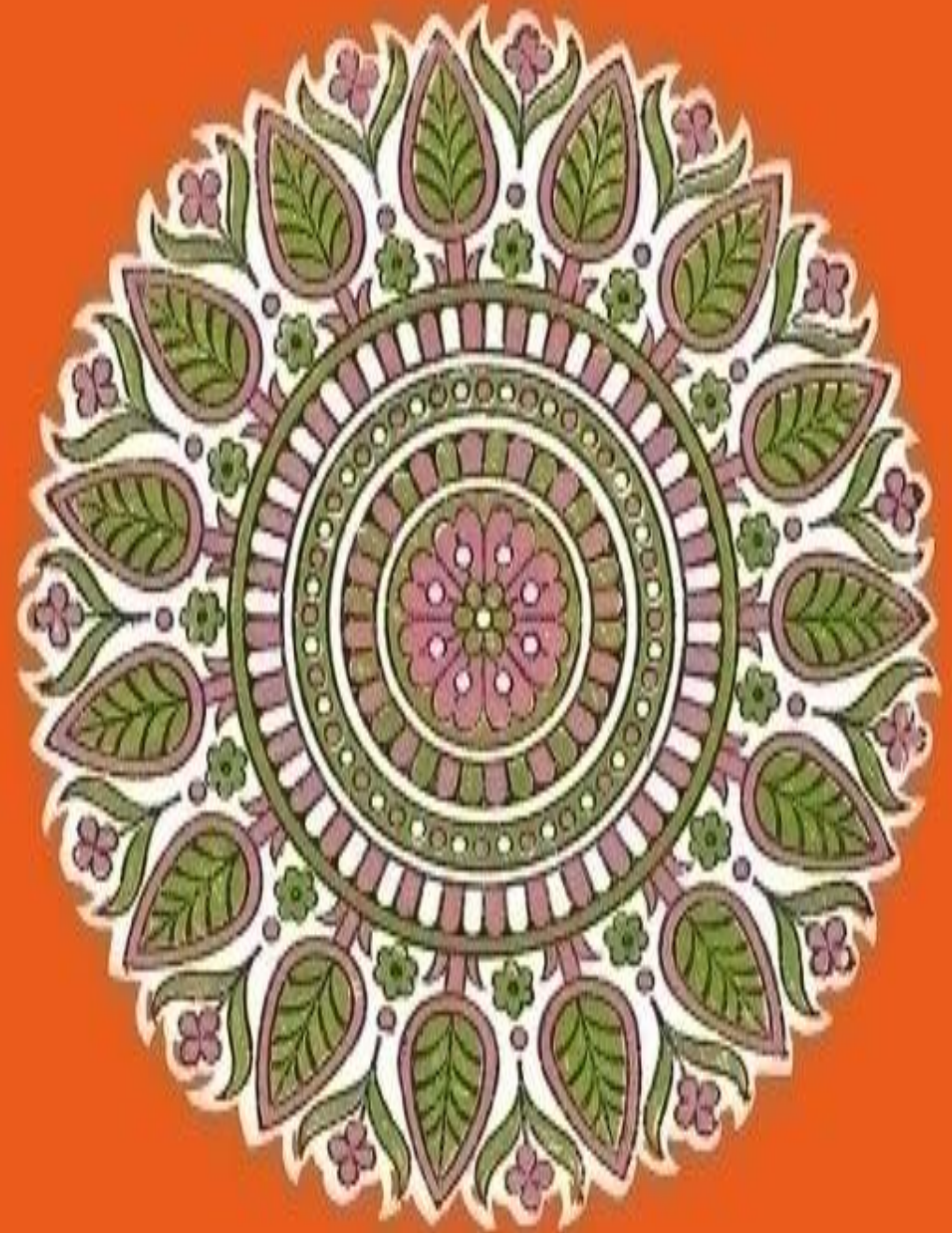
The said notification was rescinded *vide* notification dated May 24, 2016

- The Supreme Court set aside a Delhi High Court division bench order that said Monsanto's patent over Bt cotton was not valid and enforceable in India.
- The 2018 division bench's judgment overruled a single-judge order issued in 2017. The division bench held that Nuziveedu Seeds, a Hyderabad-based company, had not infringed on Monsanto's patent by selling the specialised seeds.
- The Supreme Court said the division bench ought to have "confined its adjudication to the question whether grant of injunction was justified or unjustified in the facts and circumstances of the case".
- The suit involved complicated mixed questions of law and facts with regard to patentability and exclusion of patent which could be examined in the suit on basis of evidence.
- Before a patent is revoked, Section 64 of the Patents Act and the Civil Procedure Code require consideration of the claims in a suit and the counter claims, as well as the examination of expert witnesses and inspection of documents.

- *“We are therefore satisfied that the Division Bench ought not to have disposed of the suit in a summary manner by relying on documents only, extracted from the public domain, and not even filed as exhibits in the suit, much less examination of expert witnesses, in the facts of the present case. There is no gain saying that the issues raised were complicated requiring technological and expert evidence with regard to issues of chemical process, biochemical, biotechnical and microbiological processes and more importantly whether the nucleic acid sequence trait once inserted could be removed from that variety or not and whether the patented DNA sequence was a plant or a part of a plant etc. are again all matters which were required to be considered at the final hearing of the suit.”*

- *“The Division Bench ought to have confined itself to examination of the validity of the order of injunction granted by the learned Single Judge only. But we are not inclined to remand the matter for that purpose to the Division Bench as we are satisfied in the facts and circumstances of the case that the nature of the injunctive relief granted by the Single Judge was in order and merits no interference during the pendency of the suit,”*
- Setting aside the order of the division bench, the Supreme Court restored the single judge’s March 2017 order. *“The suit is remanded to the learned Single Judge for disposal in accordance with law. In view of the importance of the question involved, we expect the parties to cooperate and facilitate the learned Single Judge in early disposal of the suit,”*

ROLE OF JUDICIARY IN ENFORCING DESIGNS



Gopal Glass works

- Design of glass
- Defendant cites a document from Germany to seek revocation of design
- SC holds that there has to be actual use of the design – mere theoretical publication in an international magazine cannot hit the design
- Practical application has to be shown.

Designs – Recent developments

- *Dart Industries Inc. & Ors. v. Technoplast & Ors.*, 2016(67)PTC457(Del)

The court held that action for passing off is a common law right, independent of the Designs Act. However, for a passing off action, it must be proved that the general public associates the shape, trade dress etc. with the plaintiff alone. Unless a work of art is capable of design protection and has been registered as a design, or should have been registered as a design, the copyright in the underlying artistic work subsists independently of design rights.

- *Ritika Pvt. Ltd. v. Biba Apparels Pvt. Ltd.*, 230(2016)DLT109

If Designs are not registered under Designs Act, 2000, it would lose copyright after produced over 50 times. In other words, once a drawing, a sketch or a design was used for creation of dresses, then, once dresses cross 50 numbers, no copyright could subsist in drawing and sketch under Copyright Act because of language of Section 15(2) of Copyright Act.

Symphony Ltd. vs. Life Plus Appliances (2019 Delhi)

- 'Plaintiff' filed suit for permanent injunction restraining infringement of its registered designs and for damages for air coolers - models of air coolers with registered designs.
- Suit filed against Defendant on the premise that the Defendant commenced manufacturing and selling of air coolers, which are replicas of the Plaintiffs designs. Defendant ex parte.

Held:

- Defendant's products of air coolers with the model names Tower and Tycoon are substantial imitations of the Plaintiff's models Symphony Sumo, Symphony Winter and Symphony Storm 70i.
- Defendant's case that designs are prior published, is merely based upon the advertisements and trademark applications of the Plaintiff. Applications for trademark registrations do not constitute prior publication of the designs, as the same only contain the model names but do not contain the photographs of the products.
- Suit decreed with damages.

Trade Secrets in India



- No specific legislation in India governing trade secrets
- The only means through which a trade secret can be protected is by way of a contract. Non disclosure agreements and restrictive covenants are the usually adopted means
- The only source of relief is a civil suit wherein damages can be sought. However, despite the quantum of damages awarded to the Plaintiff Company or individual, the economic loss caused to the plaintiff by the disclosure of the trade secret is usually massive and results in irreparable damage.
- The Delhi High Court in *Sanofi Winthrop Industries v. Kirti B Maheshwari* , after examining various articles incorporated in the Development Services Agreement, particularly Article 6 which dealt with intellectual property and trade secrets adjudged that the dispute between the parties falls within the definition of a “Commercial Dispute” as elaborated in Section 2(1)(c)(ix) and (xvi) to (xviii) of the Ordinance (vide order dated 14th December 2015)

Commercial Courts in India

- The 253rd Report of the Law Commission of India & subsequent interaction and consultation with stakeholders resulted in the Commercial Court Ordinance, 2015 being promulgated.
- The Act was deemed to have come into force on October 23, 2015 and was subsequently amended in 2018.
- The Act provides for the constitution of Commercial Courts, Commercial Division and Commercial Appellate Division in High Courts for adjudicating commercial disputes (**including disputes concerning IPRs**) of a specified value.
- Establishment of commercial courts not only ensures specialization in such Courts but also ensures that only one part of the judicial system deals with such cases while leaving the major resources for deciding non-commercial cases and private rights of citizens.
- Commercial Courts have been notified by 19 High Courts.

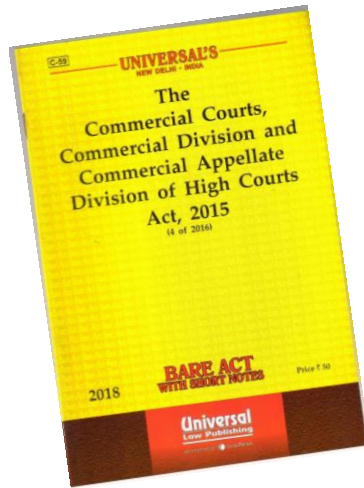
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Scope of 'Commercial Disputes' u/S.2 of the Act

- Section 2(1)(c) of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 defines the term "*Commercial Disputes*".
- The term "*Commercial Dispute*" has been given an inclusive definition, with the intent to include almost all disputes that could entail with respect to a 'Commercial Transaction' understood in the most generic way.
- As such, the definition broadly includes disputes relating to transactions between merchants, bankers, financiers, traders, etc. and also includes disputes in relation to shareholders agreements, mercantile documents, partnership agreements, joint venture agreements, intellectual property rights, insurance, etc.

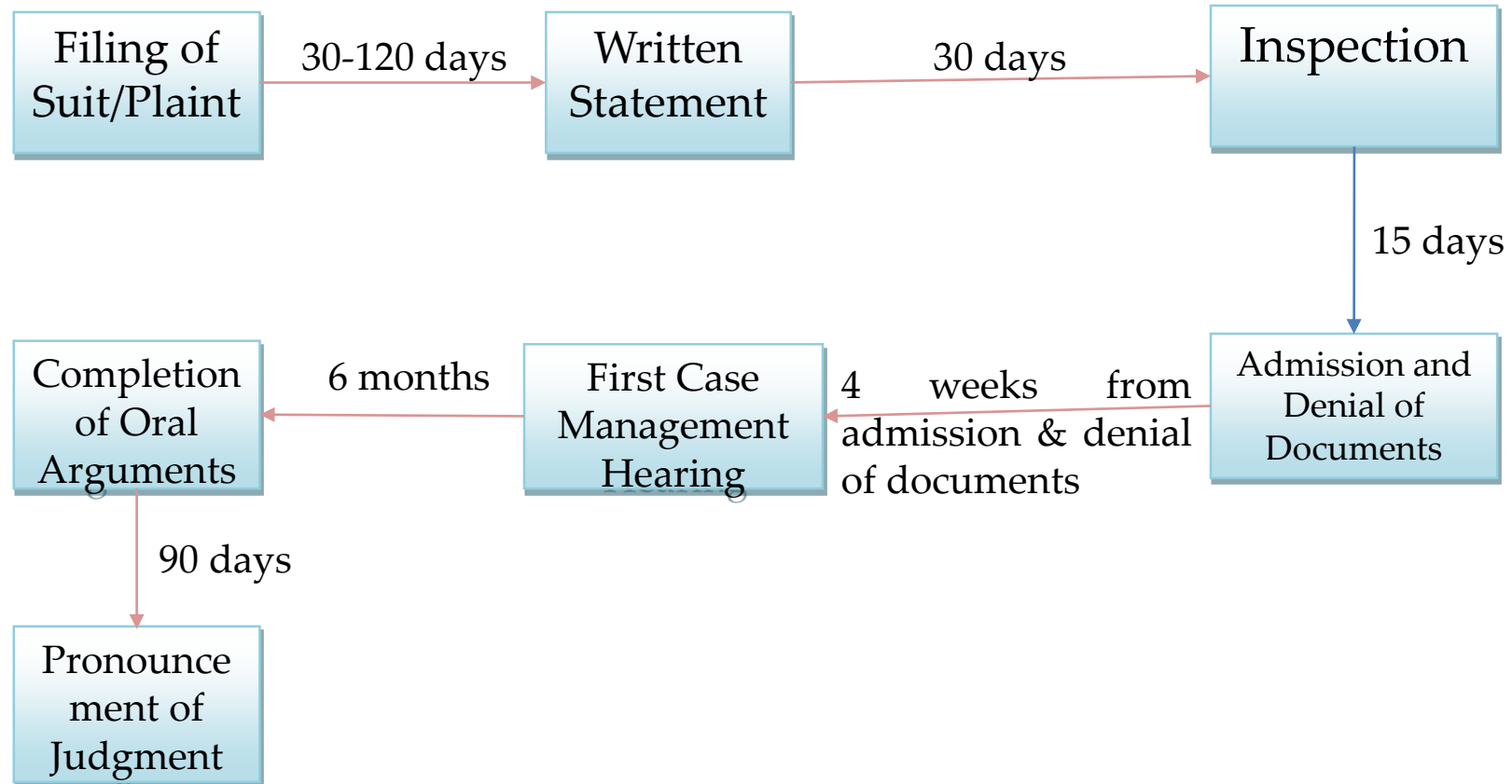
Defining features of the Act



1. STRICT TIMELINES
2. PAYMENT OF COSTS
3. STREAMLINED PROCESS
4. INTRODUCTION OF CASE MANAGEMENT HEARING
5. SUMMARY JUDGMENT



Strict Timelines



Streamlined Process

- New and detailed procedures regarding:
 - Payment of costs (**Section 35**)
- Disclosure & discovery of documents (**Order XI, Rule 1**)
 - Discovery by interrogatories (**Order XI, Rule 2**)
 - Inspection of documents (**Order XI, Rule 3**)
- Admission and denial of documents (**Order XI, Rule 4**)
 - Production of documents (**Order XI rule 5**)
 - Electronic Records (**Order XI rule 6**)
- No adjournments for the purpose of filing written arguments (**Order XVIII, Rule 3E**)

Case Management Hearing (Order XVA)

- Court to mandatorily hold a meeting between the parties to decide upon a timeline for most important stages in a proceeding - recording of evidence, filing of written arguments, commencement and conclusion of oral arguments etc.
- Court is authorized to pass a wide variety of orders at such Case Management Hearing to ensure smooth and effective disposal of the suit.
- Court is empowered to dismiss a petition, foreclose the right to make certain pleadings or submissions or order payment of costs in the event of non-compliance of the orders passed in a Case Management Hearing.

Bayer Corporation & Anr. v. CIPLA Ltd.

[DHC - CS(OS) 523/2010, Order dated 23rd July, 2010]

- The Single Judge of the Delhi High Court, **prior to the 2015 enactment**, fixed something akin to a Case Management Hearing with the following features:
 - Exchange of documents within two weeks
 - Affidavits of experts of plaintiffs to be filed within the same period
 - Counter claims and affidavits of experts to be filed within 6 weeks thereafter by the defendants
 - Controller of Patents directed to make available a list of experts to facilitate resolution of the dispute.

Telefonktiebolaget LM Ericsson (PUBL) v. Lava International Ltd.
[DHC - CS(OS) 764/2015, Order dated 22nd February, 2016]

- In conformity with Order XV-A Rule 2 of the CPC, as amended in Clause 7 of the Schedule to the Commercial Courts Act, a Case Management Hearing was fixed by the DHC to the following effect:
 - 4 weeks to file evidence affidavit by both parties
 - Cross – examination (8 hours per witness) to be conducted within a period of 2 weeks
 - 2 weeks to file rebuttal evidence thereafter
 - 2 weeks thereafter for cross-examination on rebuttal evidence
 - Commencement of final arguments thereafter

Summary Judgment (Order XIII-A)

- Akin to the existing procedure of Summary Suits (Order XXXVII, CPC).
- **Principal difference:** ability of parties to request for summary judgments in all commercial disputes of Specified Value, irrespective of the nature of relief sought and ability to request for such summary judgment at any stage prior to framing of issues.
- To ensure that all facets of natural justice are met with, both litigants are asked to provide their individual explanations including documentary evidence as to why a summary judgment should or should not be passed.
- When a Court believes that a claim or defence may succeed but it is improbable for it to do so, it can pass a conditional order against that litigant, including but not limited to deposit of a sum of money.

Rockwool International v. Thermocare Rockwool (India)

[DHC - CS(COMM) 884/2017, decision dated 16th October, 2018]

- In the present case, both the Plaintiff and the Defendant in the trademark dispute had moved applications praying for a summary disposal under Order XIII-A.
- The Court observed that **there were several issues in the case which required adducing of oral evidence** and the same could not be determined in a summary manner without trial.
- In view of this, it was held that: *“The summary procedure is prescribed in order to expedite passing of judgment by Courts in commercial disputes where the Court is able to arrive at a conclusion in the absence of oral evidence. The present case is not one of that kind. The issues are contentious and the suit thus deserves to go to trial.”*

“13. In the present case, the Court is at this stage dealing with applications for summary judgment. The kind of cases that can be decided in a summary manner have to be those cases where a party has no real prospect of succeeding in the claim. ...

...

14. The pre-conditions for passing of a summary judgment under this provision are:

i) that there is no real prospect of a party succeeding in a claim; ii) that no oral evidence would be required to adjudicate the matter;

iii) there is a compelling reason for allowing or disallowing the claim without oral evidence.”

CONFIDENTIALITY CLUBS



- Due to the interests at stake, and sensitivity of the information, the DHC has appointed confidentiality clubs for examination of documents.
- Members of the confidentiality club may be the lawyers and duly appointed experts.
- Only the members of the confidentiality club have access to the confidential documents.
- The parties can examine the said documents only through the members of the confidentiality club, and during recording of evidence, only members of the confidentiality club can be present.
- Admissibility of the evidence so presented would be governed by the provisions of the Commercial Courts Act.
- DHC has set up confidentiality clubs in many cases, such as - Micromax Informatics Ltd. v. Telefonaktiebolaget LM Ericsson & Telefonaktiebolaget LM Ericsson v. Lava International Ltd.

The
CHALLENGES
before the
JUDICIARY

Challenges

- Disputes - Commercial and Non-commercial
- Pendency rates in courts continues to remain very high
- Reasons:
 - ✓ Complex procedures for adjudication
 - ✓ Lack of any deterrent against seeking adjournments
 - ✓ Easy grant of adjournments
 - ✓ No timelines adhered to at various stages of the case viz., filing of defense, filing of documents, filing of evidence, cross examination, raising of frivolous and vexatious objections etc.

SIMPLIFYING PROCEDURE
&
MINIMIZING DELAYS

SIMPLIFY PROCEDURE & MINIMIZE DELAYS

- Doing away with the practice of filing original documents
- Lawyers should either seek inspection or file statements to admit or deny documents
- Imposition of exemplary costs/reprimand in case frivolous arguments/issues are raised.
- Summary procedure needs to be revisited in view of the lack of discretion vested in a Judge to pass a summary judgment
- Service of summons can be undertaken by email and at last publicly known address, as incorporated in the DHC (OS) Rules, 2018

SIMPLIFY PROCEDURE & MINIMIZE DELAYS

- Recording of statement of a party under Order X
- Admission/Denial – to be conducted with the pleadings
- Publicly available documents ought to be exhibited unless there are serious objections
- Marking of exhibits can be done of most documents – cut short trial
- Expert witnesses should be permitted in technical matters

SIMPLIFY PROCEDURE & MINIMIZE DELAYS

- Before framing issues, mediation ought to be explored. Since 2013, in the DHC Mediation Centre, nearly 500 IPR suits have been mediated and settled.
- If an ex-parte injunction is granted, when an O.39 R.4 is filed, it is not compulsory to give time to file a reply. It can be disposed off on the first day, unless the Court feels that there is a need for a reply.
- If there is gross suppression, injunction can be suspended.

SIMPLIFY PROCEDURE & MINIMIZE DELAYS

- Timeline for filing a Written Statement is mandatory - no extension beyond 120 days
- Recordal of evidence by Local Commissioner
- Number of witnesses to be examined - too many witnesses should not be permitted
- Time limits can be fixed on cross examination
- Time limits can also be fixed for oral arguments

The
INTELLECTUAL PROPERTY
APPELLATE BOARD
(‘IPAB’)

CURRENT STATUS

- The IPAB is a specialized forum which was constituted under the Trade Marks Act and the Patents Act in order to ensure expeditious disposals of intellectual property matters.
- As of today, there are no judicial members functioning in the IPAB. There is also only one technical member relating to Plant Varieties Protection.

S.No.	Subject of Cases	No. of Cases pending as on 23/05/19
1.	Trade Mark	2626
2.	Patent	617
3.	Geographical Indication	01
4.	Copyright	691

Source: <https://ficpi.org/news/indian-intellectual-property-appellate-board>

Novartis AG v. UOI & Ors.

[DHC - W.P.(C) 11346/2019, decided on 23rd October, 2019]

- In this case, it was observed that more than 16 years have passed since the IPAB was constituted, however, the process of functioning of the IPAB has still not been streamlined. In view of this, the Id. ASG was directed to take instructions on the following:
 - i) Total number of cases pending before the IPAB;
 - ii) Conditions of appointment and Status of appointment of Chairperson of IPAB;
 - iii) Status of appointment of technical members of IPAB;
 - iv) Financial autonomy given to IPAB;
 - v) Recruitment of staff of IPAB and processes thereof;

THE
TRADE MARKS
REGISTRY

Asianet Star Communications Pvt. Ltd. v. The Registrar of Trade Marks & Anr.

[DHC - W.P.(C) 11284/2019, decided on 22nd October, 2019]

- This petition was filed to bring to the Court's notice that the trademark of the Petitioner was deemed to have been abandoned for non-filing of renewal fee. The stand of the Petitioner was that the O-3 notice for renewal was not issued by the Registrar of Trade Marks.
- On a *prima facie* finding that the O-3 notices were back-dated, the Court passed the following interim directions:
 - i. The Petitioner is permitted to approach the Id. Registrar of Trade Marks, Delhi and deposit the renewal fee physically if not through the online method.
 - ii. The registration of the Petitioner's trademark shall not be treated as abandoned till the next date and the Petitioner shall continue to enjoy all rights as the registered proprietor of the mark.

ii. The registration of the Petitioner's trademark shall not be treated as abandoned till the next date and the Petitioner shall continue to enjoy all rights as the registered proprietor of the mark.

iii. The Examiner of Trade Marks - Ms. Shikha Dewan, who has signed the form RG-3 notice, which is purportedly dated 12th September, 2016, shall file a personal affidavit as to when this particular form was uploaded and as to in what manner it was communicated to the Applicant. She shall also file relevant documents to support the said uploading. Ms. Shikha Dewan is directed to be present in Court on the next date.

LOOKING AHEAD...

- Sufficient investment is needed for creation of infrastructure, such as setting up of various modern facilities, including court rooms equipped with transcription, video conferencing facilities, etc., as contemplated under the Act.
- Appointment of lawyers specializing in Commercial suits in these courts as judges.
- Issuance of practice directions which follow a basic template will bring about uniformity in the practices adopted by the Commercial Courts across the country.