

INTELLECTUAL PROPERTY RIGHTS

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CHAPTER 1 **INTRODUCTION**

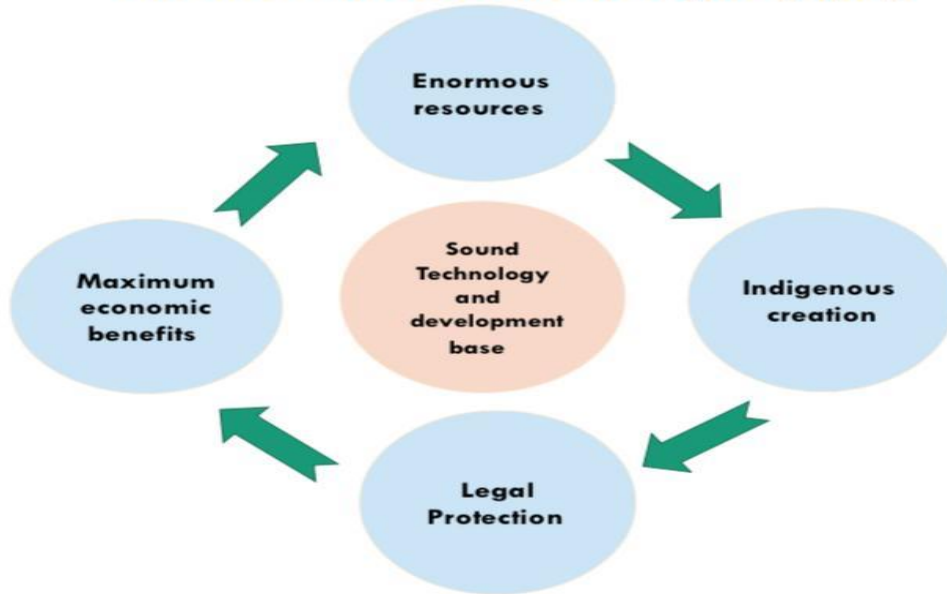
Intellectual property (IP) means the property which is created with intellect such as inventions, books, paintings, songs, symbols, names, images or designs used in business. IP is like any other property that can be bought, sold, licensed, exchanged, given away. The owner can prevent unauthorized use and can take legal action, in case someone else uses it without permission. Legal rights conferred on such property are called “*Intellectual Property Rights*” (IPR). IP rights are outlined in Article 27 of the Universal Declaration of Human Rights, which provides for the right to benefit from the protection of moral and material interests resulting from authorship of scientific, literary or artistic products.

IPR has become important in the face of changing trade environment such as:

- Global Competition
- High Innovation Risks
- Short Product cycle
- Need for rapid changes in technology
- High investments in research and development (R&D)
- Highly skilled human resources

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Need of Intellectual Property (IP)



With the opening of trade in goods and services, this is a possibility of infringement leading to inadequate return to the creators of knowledge. IPR ensures that the R&D costs and other costs associated with introduction of new products are recovered and enough profits are generated in the market.

CHAPTER 2 **TRADEMARK**

A Trademark is a mark accorded with protection, intended to serve the purpose of recognizing the source/origin of the goods or services to which the particular mark belongs. A Trademark is a mark which is unique, distinctive, made up of names, symbols, signs, etc., and is capable of distinguishing one product from another.

Protection of a Trademark

At the national/regional level, trademark protection can be obtained through registration, by filing an application for registration with the national/regional trademark office and paying the required fees.

At the international level, there are two options: either a trademark application can be filed with the trademark office of each country in which you are seeking protection or the World Intellectual Property Organization's (WIPO) Madrid System can be used. The Madrid System is a convenient solution for registering and managing trademarks worldwide.

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RIGHTS PROVIDED BY TRADEMARK REGISTRATION

In principle, a trademark registration will confer an exclusive right to the use of the registered trademark. This implies that the trademark can be exclusively used by its owner, or licensed to another party for use in return for payment. Registration provides legal certainty and reinforces the position of the right holder, for example, in case of litigation.

DURATION OF TRADEMARK PROTECTION

The term of trademark registration can vary, but is usually ten years. It can be renewed indefinitely on payment of additional fees. Trademark rights are private rights and protection is enforced through court orders.

TRADEMARKS THAT CAN BE REGISTERED

A word or a combination of words, letters, and numerals can perfectly constitute a trademark. But trademarks may also consist of drawings, symbols, three-dimensional features such as the shape and packaging of goods, non-visible signs such as sounds or fragrances, or color shades used as distinguishing features – the possibilities are almost limitless.

THE TRADEMARKS REGISTRY AND ITS FUNCTIONS

The Trade Marks Registry was established in India in 1940 and presently it administers the Trade Marks Act, 1999 and the rules made thereunder. It acts as a resource and information Centre and is a facilitator in matters relating to trademarks in the country.

The objective of the Trade Marks Act, 1999 is to register trademarks applied for in the country and to provide for better protection of trademark for goods and services and also to prevent fraudulent use of the mark.

The main function of the Registry is to register trademarks which qualify for registration as per provisions of the Trade Marks Act and Rules, and to maintain the Register of trademarks.

After accession to the Madrid Protocol, a treaty under the Madrid System for international registration of trademarks, the Trade Marks Registry also functions as an office of origin in respect of applications made by Indian entrepreneurs for international registration of their trademarks and as an office of the designated Contracting party in respect of international registrations in which India has been designated for protection of the relevant trademarks.

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Apart from the above, the Registry has to discharge various other functions like offering preliminary advice as to registrability; causing a search to be made for issue a certificate under Section 45(1) of the Copyright Act, 1957 to the effect that no trademark identical with or deceptively similar to such artist work as sought to be registered as a copyright has been registered as a trademark; providing public information and guidance to the public on the subject; providing information to various government agencies including Police, Central Excise personnel, Public Grievance Redressal, maintenance of top class IP library, the production of annual statistical report, production of official Trade Marks Journal in electronic form and submit an Annual Report to Parliament.

The Controller General of Patents, Designs and Trade Marks heads the TRADE MARKS Registry offices and functions as the Registrar of TRADE MARKS. He, from time to time, assigns functions of the Registrar to other officers appointed by the Central Government and such officers also function as Registrar in respect of matters assigned to them.

CHAPTER 2

TRADEMARK CLASSES AND CLASSIFICATION

There are 34 classes of goods and 11 classes of services i.e. classes 1 to 34 deal with the specification of goods and classes 35 to 45 deal with the specification of services.

CLASS	CLASSIFICATION
GOODS	
1.	Chemical used in industry, science, photography, agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesive used in industry
2.	Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colorants; mordents; raw natural resins; metals in foil and powder form for painters; decorators; printers and artists
3.	Bleaching preparations and other substances for laundry use;

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	cleaning; polishing; scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions, dentifrices
4.	Industrial oils and greases; lubricants; dust absorbing, wetting and binding compositions; fuels(including motor spirit) and illuminants; candles, wicks
5.	Pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; materials for stopping teeth, dental wax; disinfectants; preparation for destroying vermin; fungicides, herbicides
6.	Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores
7.	Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs

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8.	Hand tools and implements (hand-operated); cutlery; side arms; razors
9.	Scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signaling, checking (supervision), life saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire extinguishing apparatus
10.	Surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopedic articles; suture materials
11.	Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying ventilating, water supply and sanitary purposes
12.	Vehicles; apparatus for locomotion by land, air or water
13.	Firearms; ammunition and projectiles; explosives; fire works
14.	Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and other chronometric instruments

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15.	Musical instruments
16.	Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks
17.	Rubber, gutta percha, gum, asbestos, mica and goods made from these materials and not included in other classes; plastics in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, not of metal
18.	Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides, trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddler
19.	Building materials, (non-metallic), non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal.
20.	Furniture, mirrors, picture frames; goods(not included in other

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	classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother- of-pearl, meerschaum and substitutes for all these materials, or of plastics
21.	Household or kitchen utensils and containers (not of precious metal or coated therewith); combs and sponges; brushes (except paints brushes); brush making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes
22.	Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes) padding and stuffing materials(except of rubber or plastics); raw fibrous textile materials
23.	Yarns and threads, for textile use
24.	Textiles and textile goods, not included in other classes; bed and table covers
25.	Clothing, footwear, headgear
26.	Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers
27.	Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings(non-textile)

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28.	Games and playthings, gymnastic and sporting articles not included in other classes; decorations for Christmas trees
29.	Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats
30.	Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking powder; salt, mustard; vinegar, sauces, (condiments); spices; ice
31.	Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt
32.	Beers, mineral and aerated waters, and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages
33.	Alcoholic beverages(except beers)
34.	Tobacco, smokers' articles, matches
SERVICES	
35.	Advertising and Business In this class, services which help the management in managing the affairs, the organization (commercial

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	organization) are included. Any advertising activity in which any announcement is made to the general public at large or concerns any type of goods and services are included.
36.	Insurance and Financial In this class, activities relating to insurance, finance sector or the monetary sector are included.
37.	Construction and Repair In this class, the work is done by contractors, subcontractors, in the making or repairing work of buildings, or any restoration of work to its original state is included.
38.	Communication In this class, services which help in communicating anything between people is covered, whether oral or visual.
39.	Transportation and storage In this class, any service related to storage of goods in a warehouse or any other place or transporting them from one place to another is included. The transportation can be via land, air or water.
40.	Material treatment In this class, any service which involves changing of a chemical or the mechanical composition of a substance is included. Or any other service not included in any other class on the same lines.

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41.	Education and Entertainment In this class, any service which improves the knowledge or mental capacity of a person or animal is included. It also includes services which entertain people or animals.
42.	Any scientific and technological services or research or any development of any computer hardware or software or any legal services. It particularly includes the services provided by an engineer (designing, making blueprints, etc) or any research for medical services.
43.	Temporary Accommodations Any service provided by a person or establishment which included the preparation of food or drinks for consumption services, or providing a bed for stay is covered under this class. It includes the services for reservation or a place of stay provided for animals.
44.	Medical Services This class covers the services related to hygiene, medical services, first aid, beauty parlor services to human beings or animals. It particularly includes the services of breeding of animals, services relating to plant growth, medical advice, services relating to artificial insemination
45.	Any personal or social service is covered under this class. It

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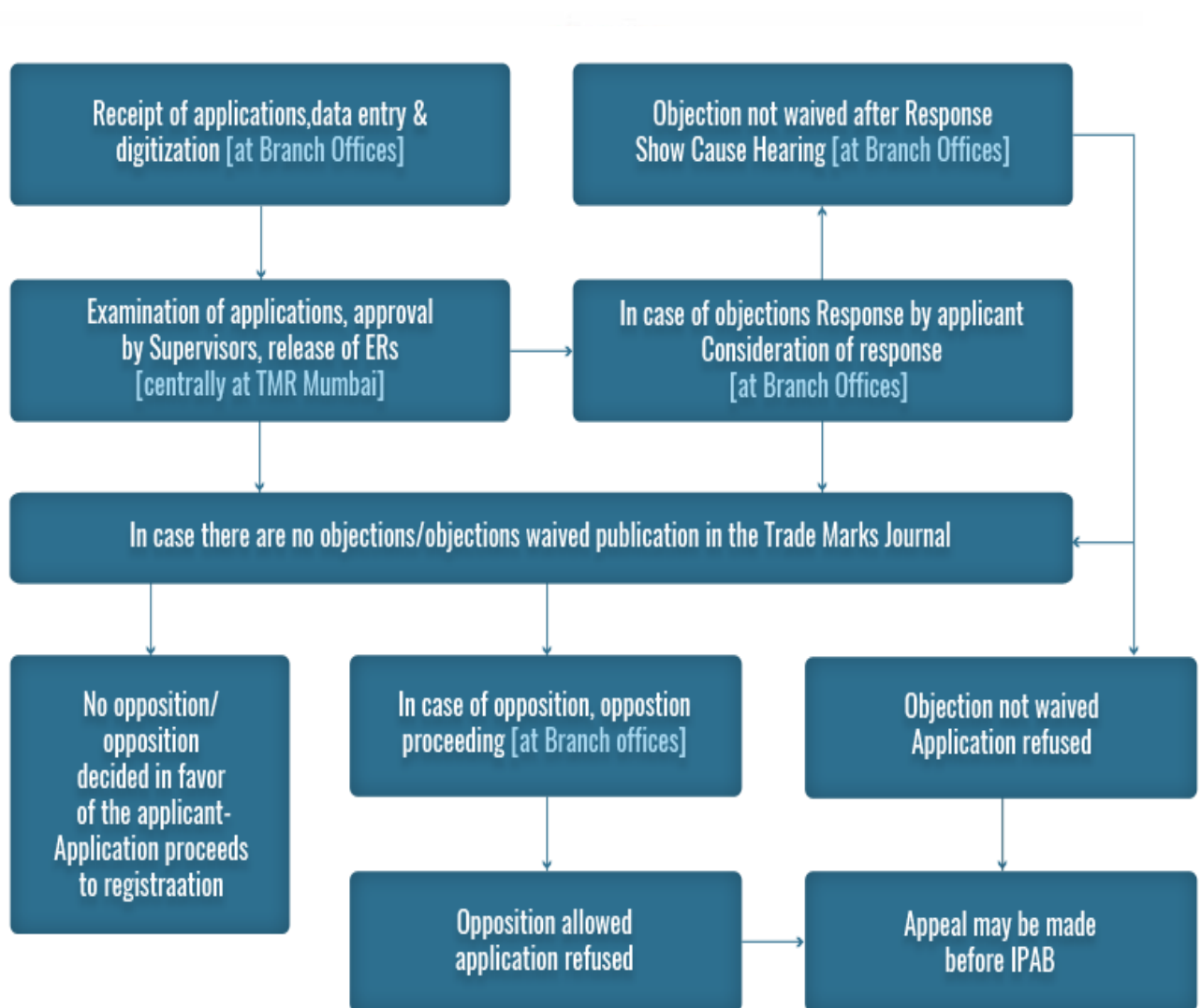
	includes surveillance of people for the protection of their interest, safety and well being. It includes social projects like matrimony services, funeral services, etc.
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CHAPTER 2

PROCESSING APPLICATIONS FOR REGISTRATION OF TRADEMARKS



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CHAPTER 5

ADMINISTRATIVE STEPS INVOLVED

An application for registration of trademarks is received at the Head office or a branch office of the Trade Marks Registry within whose territorial limits the Principal place of the business of the applicant is situated. The digitization and formality checking of the application is done at the respective offices.

The Application is then examined mainly as to whether the relevant mark is capable of distinguishing applicant's good or services, whether it is prohibited for registration under any law for the time being in force, whether the registration of the relevant mark is likely to cause confusion or deception because of earlier identical or similar marks existing on records. The Examination of all applications is done centrally in the Head Office of the TRADE MARKS Registry at Mumbai.

The Registrar, on consideration of the application and any evidence of use or distinctiveness, decides whether the application should be accepted for registration or not, and if accepted, publishes the same in the Trade Marks Journal, an official gazette of the Trade Marks Registry, which is hosted weekly on official website.

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Within four months from the date of publication any person can file an opposition in such cases the opposition proceeding is conducted at respective office of the Trade Marks Registry.

Under opposition proceeding, a copy of the notice of opposition is served to the applicant who is required to file a counter-statement within two months failing which the application is treated as abandoned. The copy of the a counter-statement is served to the opponent, who leads evidence in support of his case by way of affidavit, then the applicant leads evidence. After that the opponent files evidence by way of rebuttal. On completion of evidence, the matter is set down for a hearing and the case is decided by a Hearing officer.

The registrar's decision is appealable to the Intellectual Property Appellate Board.

CHAPTER 6

REMEDIES AGAINST INFRINGEMENT **AND/OR PASSING OFF**

Under the Trade Marks Act, both civil and criminal remedies are simultaneously available against infringement and passing off.

Infringement of trademark is violation of the exclusive rights granted to the registered proprietor of the trademark to use the same. A trademark is said to be infringed by a person, who, not being a permitted user, uses an identical/ similar/ deceptively similar mark to the registered trademark without the authorization of the registered proprietor of the trademark. However, it is pertinent to note that the Indian trademark law protects the vested rights of a prior user against a registered proprietor which is based on common law principles.

Passing off is a common law tort used to enforce unregistered trademark rights. Passing off essentially occurs where the reputation in the trademark of party A is misappropriated by party B, such that party B misrepresents as being the owner of the trademark or having some affiliation/nexus with party A, thereby damaging the goodwill of party A. For an action of passing off, registration of a trademark is irrelevant.

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Registration of a trademark is not a pre-requisite in order to sustain a civil or criminal action against violation of trademarks in India. In India, a combined civil action for infringement of trademark and passing off can be initiated.

Significantly, infringement of a trademark is a cognizable offence and criminal proceedings can be initiated against the infringers. Such enforcement mechanisms are expected to boost the protection of marks in India and reduce infringement and contravention of trademarks.

RELIEF GRANTED BY COURTS IN SUITS FOR INFRINGEMENT AND PASSING OFF

The relief which a court may usually grant in a suit for infringement or passing off includes permanent and interim injunction, damages or account of profits, delivery of the infringing goods for destruction and cost of the legal proceedings.

The order of interim injunction may be passed ex parte or after notice.

The Interim reliefs in the suit may also include order for:

Appointment of a local commissioner, which is akin to an "Anton Pillar Order", for search, seizure and preservation of infringing goods, account books and preparation of inventory, etc.

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Restraining the infringer from disposing of or dealing with the assets in a manner which may adversely affect plaintiff's ability to recover damages, costs or other pecuniary remedies which may be finally awarded to the plaintiff.

OFFENCES AND PENALTIES

In case of a criminal action for infringement or passing off, the offence is punishable with imprisonment for a term which shall not be less than six months but which may extend to three years and fine which shall not be less than INR 50,000 but may extend to INR 200,000.

CHAPTER 7 **WELL-KNOWN TRADEMARK**

The term 'well-known trademark' refers to a mark which has become so well-known to the substantial segment of the public through its extensive and continuous use. Use of the mark in relation to any other goods or services by another party may be taken as indicating a connection between the two parties. Individuals/ Companies that have acquired immense brand value, reputation and goodwill in India through their trademarks should get the trademarks included in the list of well-known trademarks to safeguard themselves from future infringements and dilutions.

On March 6th, DIPP (Department of Industrial Policy and Promotion) notified the circular issuing newly formulated Trademark Rules, 2017. The Rules incorporated several newly added provisions inter alia including the Rule that a trademark now can be filed as a well-known trademark i.e. the applicant at the time of making application request for determination of a mark as a well-known mark accompanied by a statement of case alongwith evidence and documents and prescribed fee of Rs. 1, 00,000.00

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Indian intellectual property offices identify well-known trademark in India on the basis of their national and international reputation. Section 2(1) (zg) states that well-known trademark is mark which has become well known to the section of the public which uses such goods and services and use of that mark in relation to goods and services of other business would be considered as infringement as customers using the product would think that the goods and services given are in relation to the well-known brand. Protection of well-known trademark under Indian law is provided to even those trademarks, which have not yet been registered under the act. The recent amendment in the trademark rule has given power to the registrar to declare a trademark as a well-known trademark under rule 124. Trademark can be declared well known through an application filled in the court of law or with the registrar by form TM-M.

The Registrar shall, while determining whether a trademark is a well-known trade mark, take into account all the facts which he considers relevant for determining a trade mark as a well-known trade mark including the following factors:

- That the trade mark is well known to the public at large in India;
- The number of persons involved in the channels of distribution of the goods or services;
- The number of actual or potential consumers of the goods or services;

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- The duration, extent and geographical area of any use of such trade mark;
- The business circle dealing with those goods or services.

Section 11(10) clearly states that the registrar is under an obligation of protecting the trademark while a new application for registering trademark has been filed with the court or with the registrar.

The record of successful enforcement of the rights in that trademark in particular, the extent to which the trademark has been recognized as a well-known mark by any court or Registrar under that record.

ADVANTAGES OF ATTAINING A STATUS OF THE WELL-KNOWN TRADEMARK

Once a trademark is acknowledged as well-known trademark by a Registrar of Trademark; the Trade Mark Registry has limited under the law to not register any trademark that is similar or identical. Once declared well-known it will be protected across all classes of goods and services. At the time of infringement proceeding, a well-known trademark can be emphasized against infringer even if who is infringing is dealing in entirely different products or services. For example, in recent case Delhi, the high court declared Louboutin as a well-known trademark

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in India similarly Google was declared a well-known trademark which means that no one can use the term Google commercially and if done so would lead to infringement proceedings against him. Therefore, the consequences of being declared a 'well known' trademark are remarkable and would open up colossal opportunities for the company and the entrepreneur.

In the case of *Bloomberg Finance LP v. Prafulla Saklecha & Ors.*, the Delhi High Court observed that Section 2(zg) of the Act defines a 'well known trade mark' in relation to any goods or services to mean 'a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or service would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services'.

In the case of *Rolex SA v. Alex Jewellery Pvt. Ltd.*, the Delhi High Court while determining the relevant section of public in the case took into account the advertising done in the media in India since 1947 and particularly in the years immediately preceding the suit. The Court also took note of registrations obtained

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to hold that relevant section of the public in India had knowledge of the trademark ROLEX in relation to the watches.

In the Rolex case, the Court further opined that over the years and very quickly in recent times, the international boundaries are disappearing. With the advent of the internet in the last over ten years it cannot now be said that a trademark which is very well known elsewhere would not be well known here. The test of a well known trademark in Section 2(zg) is qua the segment of the public which uses such goods.

Where trademark is determined to be well-known in at least one relevant section of public in India by any Court in India or Register, the same shall be considered as well-known mark.

In the case of *Sarda Plywood Industries Ltd. v. Deputy Registrar of Trademarks*, the IPAB (Intellectual Property Appellate Board) was of the view that use of the trademark for one year prior to application is not sufficient to acquire distinctiveness under Section 9 and to qualify for registration under Section 9, the mark should have acquired distinctiveness by long user.

However, the Delhi High Court in the case of *ITC Ltd. v. Britannia Industries* has settled the principle regarding term of use by holding that to acquire secondary

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meaning it is not necessary that product is in the market for number of years. If a new idea is fascinating and appeals to the consumers, it can become a hit overnight.

WIPO's Joint recommendation in this context provides that the duration, extent and geographical area of any use of the mark are highly relevant indicators as to the determination whether or not a mark is well known by the relevant sector of the public.

It further states that actual use of a mark in the State in which it is to be protected as a well-known mark cannot be required. However, use of the mark in neighboring territories, in territories in which the same language or languages are spoken, in territories which are covered by the same media (television or printed press) or in territories which have close trade relations may be relevant for establishing the knowledge of that mark in a given State.

In the case of **Honeywell International v. Pravin Thorat & Ors.**, the Court stated that the mark was protected even under the common law rights due to its long, extensive and continuous use across the world. While determining whether the trademark 'Honeywell' was well-known or not, the Court considered

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the fact that the mark had been declared as a well-known trademark in three domain name arbitration cases.

TRANS BORDER REPUTATION

India recognises the concept of the "Well-known Trademark" and the "Principle of Trans Border Reputation". A well-known Trademark in relation to any goods or services means a mark that has become so to the substantial segment of the public, which uses such goods or receives such services such that the use of such a mark in relation to other goods and services is likely to be taken as indicating a connection between the two marks.

The Trans Border Reputation concept was recognized and discussed by the Apex Indian Court in the landmark case of *N. R. Dongre v. Whirlpool (1996) 5SCC 714*. The Trademark "WHIRLPOOL" was held to have acquired reputation and goodwill in India. The Mark "WHIRLPOOL" was also held to have become associated in the minds of the public with Whirlpool Corporation on account of circulation of the advertisements in the magazines despite no evidence of actual sale. Hence, the trademark WHIRLPOOL was held to have acquired trans-border reputation which enjoys protection in India, irrespective of its actual user or registration in India.

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Transborder reputation of a trademark garnered by way of trademark registration in other jurisdictions, use and promotion in other jurisdictions and successful enforcement of the mark in other jurisdictions plays a crucial role in determining secondary significance of a trademark.

Similarly, in the case of *Apple Computer Inc. v. Apple Leasing & Industries*, the Division Bench of Delhi High Court held that it was not necessary to insist that a particular plaintiff must carry on business in a jurisdiction before improper use of its name or mark can be restrained by the Court.

WELL-KNOWN TRADEMARKS AND DOCTRINE OF DILUTION

The Act does not render an exclusive definition of the concept of Trademark Dilution, however its essence can be found in Section 29(4)(c) of the Act, which provides that a registered trademark is infringed by a person who not being a registered proprietor or person using by way of permitted use, uses in the course of trade, a registered mark which has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trademark.

In the case of *Tata Sons Ltd. vs Manoj Dodia & Ors.*, the Delhi High Court stated that the Doctrine of Dilution which has recently gained momentous, particularly in respect of well-known trademarks emphasizes that use of a well-known mark even in respect of goods or services, which are not similar to those provided by the trademark owner, though it may not cause confusion amongst the consumer as to the source of goods or services, may cause damage to the reputation which the well-known trademark enjoys by reducing or diluting the trademark's power to indicate the source of goods or services.

Dilution of a well-known mark occurs when a well-known trademark loses its ability to be uniquely and distinctively identified and consequent change in perception which reduces the market value or selling power of the product bearing the well-known mark.

Dilution may also occur when the well-known trademark is used in respect of goods or services of inferior quality. If a brand which is well known for the quality of the products sold or services rendered under that name or a mark similar to that mark is used in respect of the products which are not of the quality which the consumer expects in respect of the products sold or services provided using that mark, that may evoke uncharitable thoughts in the mind of the consumer about the

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trademark owner's product and he can no more be confident that the product being sold or the service being rendered under that well-known brand will prove to be of expected standard or quality.

In the case of Kamal Trading Co. vs. Gillette UK Limited, injunction was sought against the Defendants who were using the mark 7'O Clock on their toothbrushes. The Bombay High Court held that the plaintiff had acquired an extensive reputation in all over the world including India by using the mark 7'O Clock on razors, shaving creams and the use of an identical mark by the defendant would lead to the customer being deceived.

REMEDIES AVAILABLE TO AN OWNER OF WELL-KNOWN MARK

AGAINST DILUTION

- Seek cancellation of infringing mark;
- Prevent registration of a trademark which is same or similar to the well-known mark irrespective of whether the impugned mark is in relation to identical or similar goods or services or in relation to other categories of goods or services;
- Prevent others from incorporating the well-known trademark as a part of their corporate name/business name.

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- Even if a well-known trademark is not registered in India, its owner may avail these rights in respect of the trademark registered or used or sought to be registered or used in India, provided that the well-known mark is otherwise known to or recognized by the relevant section of public in India through transborder or spillover reputation.

PUNITIVE DAMAGES ON INFRINGEMENT OF WELL-KNOWN MARKS

The Judiciary has in several cases has propounded that awarding punitive damages to the owner of well-known mark would deter trademark infringers from causing dilution of well-known trademarks. For instance, in the Tata case, the Court awarded punitive damages of Rs.2 lacs to the Plaintiff and observed that most of the products sold by these companies are branded products, the marks on them having transborder reputation and enjoying tremendous brand equity. It is, therefore, becoming increasingly necessary to curb such trade mark piracies lest they drive away the huge foreign investment our country is attracting. The Court should not give premium to dishonesty and unfair practices by those who have no compunctions in blatantly using the trademark of others for making unearned profits. Our country is now almost in the league of advanced countries. More and more foreign companies are entering our markets, with latest products. They would

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be discouraged to enter our country to introduce newer products and make substantial investments here, if the Courts do not grant adequate protection to their intellectual property rights such as patents, trademarks and copyright.

Similarly, in the case of *Kabushiki Kaisha Toshiba Trading v. Mr. S.K.Sil & Anr.*, the Delhi High Court while awarding punitive damages of Rs. 5 lacs to the Plaintiff stated that the intention behind awarding punitive damages is to deter those who may be waiting in the wings and may be tempted to imitate the trade mark of others, in case those who are sued before the Courts are not made to pay such damages as would really pinch them. Awarding token damages may, therefore, not serve the desired purpose.

Other cases wherein the Courts have adequately compensated the Plaintiff for infringement of their well-known marks are *Time Incorporated vs. Lokesh Srivastava & Anr.*, wherein the Court awarded the Plaintiff punitive damages of Rs. 5 lakhs in addition to compensatory damages also of Rs. 5 lakhs and stated that Courts in cases of IP infringement shall grant compensatory as well as punitive damages. Similarly, in the case of *Microsoft Corporation & Anr. vs Kurapati Venkata Jagdeesh Babu*, the Delhi High Court awarded the Plaintiff compensatory as well as exemplary damages.

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WELL-KNOWN TRADEMARKS AND TECHNOLOGY

In the *Kabushiki Kaisha Toshiba (Toshiba Corporation) vs Toshiba Appliances Co. & Ors.* case, the Calcutta High Court took account of the rapidly expanding cyberspace and stated that on account of advancement of technology, fast access to information, manifold increase in international business, international travel and advertising, publicity on internet, television, magazines and periodicals, which now are widely available throughout the world, of goods and services during fairs/exhibitions, more and more persons are coming to know of the trademarks, which are well known in other countries and which on account of the quality of the products being sold under those names and extensive promotional and marketing efforts have come to enjoy transborder reputation. It is, therefore, being increasingly felt that such trademark needs to be protected not only in the countries in which they are registered but also in the countries where they are otherwise widely known in the relevant circles so that the owners of well-known trademarks are encouraged to expand their business activities under those marks to other jurisdictions as well.

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CHAPTER 8 **PATENTS**

A patent is a legal document that is granted by the government of the state or the country, depending on the national rules. It gives an inventor of a particular thing, the exclusive right to make, use and sell his or her creation for a specified period of time.

The basic idea of this system is to encourage the inventors to safeguard their own creations. Books, movies, and some artworks cannot be patented. An invention relating to a product or a process that is new, involving inventive step and capable of industrial application can be patented in India. However, it must not fall into the category of inventions that are non-patentable as provided under Section 3 and 4 of the (Indian) Patents Act, 1970. In India, a patent application can be filed, either alone or jointly, by true and first inventor or his assignee.

PATENTABLE INVENTIONS

For any asset or an invention to qualify for a patent, it must meet three basic requirements:

- It must be novel and one of its kind. The particular invention must be new and there should not be any existential trace of it.

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- It must be unique in itself. An improvement in the current technology by an individual cannot be patented
- It must be useful. It should add value to the life of the common man and it must not benefit or support the use of illegal things or must not be used for any immoral purpose

Some types of inventions (or discoveries) like Issac Newton's law of gravity or Albert Einstein's formula for relativity do not qualify for this. Simply put, no one can obtain a patent on a law of nature or any scientific principle.

NON-PATENTABLE INVENTIONS

Even though the idea of a patent is to safeguard the maker's creation, there are certain things that do not qualify for this according to the Indian law (section 3 and 5 of Indian Patents Act, 1970):

- Any method of agriculture or horticulture
- Any process under the bracket of medicinal, surgical, curative or other treatment of human being, animals or plants
- An upgrade or discovery of anything that relates to atomic energy
- Discovery of unique machine, apparatus or a process

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CHAPTER 9

HISTORY OF PATENTS

1856	The Act VI of 1856 on protection of inventions based on the British Patent Law of 1852. Certain exclusive privileges granted to inventors of new manufacturers for a period of 14 years.
1859	The Act modified as act XV Patent monopolies called exclusive privileges (making. Selling and using inventions in India and authorizing others to do so for 14 years from date of filing specification).
1872	The Patterns & Designs Protection Act.
1883	The Protection of Inventions Act.
1888	Consolidated as the Inventions & Designs Act.
1911	The Indian Patents & Designs Act.
1999	On 26 th march, 1999 Patents (Amendment) Act, (1999) came into force w.e.f. 01-01-1995.
2002	The Patents (Amendment) Act 2002 came into force from 20th may 2003
2005	The Patents (Amendment) Act 2005 effective from 1 st January 2005

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The history of Patent law in India starts from 1911 when the Indian Patents and Designs Act, 1911 was enacted. The present Patents Act, 1970 came into force in the year 1972, amending and consolidating the existing law relating to Patents in India. The Patents Act, 1970 was again amended by the Patents (Amendment) Act, 2005, wherein product patent was extended to all fields of technology including food, drugs, chemicals and micro organisms. After the amendment, the provisions relating to Exclusive Marketing Rights (EMRs) have been repealed, and a provision for enabling grant of compulsory license has been introduced. The provisions relating to pre-grant and post-grant opposition have been also introduced.

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CHAPTER 10 **PROCEDURE TO OBTAIN A PATENT**

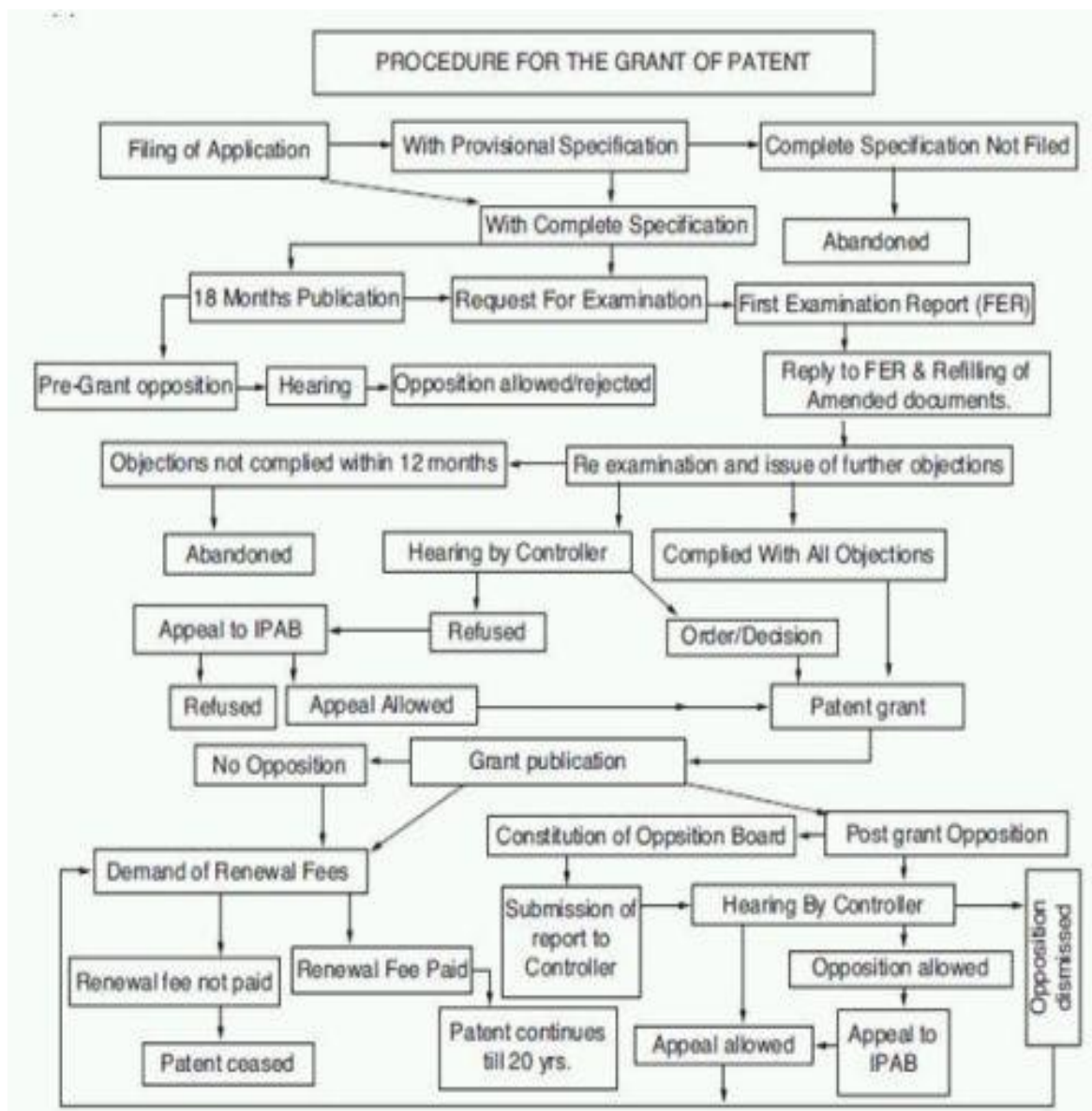
In India, the Patents Act is the central body dealing with the filing and regulation of an existing and new patent. This Act suggests that the inventor, his assignee or one of his legal representatives (in case the inventor is deceased) can apply for one in the head office of Indian Patent Office or the branches of the office, depending on the jurisdiction of the applicant.

In case the applicant is not an Indian citizen, he or she must file the application in their respective jurisdiction (where the address for service of the applicant is located).

After filing the application for the grant of patent, a request for examination is required to be made for examination of the application by the Indian Patent Office. After the First Examination Report is issued, the Applicant is given an opportunity to meet the objections raised in the report. The Applicant has to comply with the requirements within 12 months from the issuance of the First Examination Report. If the requirements of the first examination report are not complied with within the prescribed period of 12 months, then the application is treated to have been

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abandoned by the applicant. After the removal of objections and compliance of requirements, the patent is granted and notified in the Patent Office Journal. The process of the grant of patent in India can also be understood from the following flow chart:



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FILING OF APPLICATION FOR GRANT OF PATENT IN INDIA BY FOREIGNERS

India being a signatory to the Paris Convention for the Protection of Industrial Property, 1883 and the Patent Cooperation Treaty (PCT), 1970, a foreign entity can adopt any of the aforesaid routes for filing of application for grant of patent in India.

Where an application for grant of patent in respect of an invention in a Convention Country has been filed, then similar application can also be filed in India for grant of patent by such applicant or the legal representative or assignee of such person within twelve months from the date on which the basic application was made in the Convention Country i.e. the home country. The priority date in such a case is considered as the date of making of the basic application.

PRE-GRANT OPPOSITION

A representation for pre-grant opposition can be filed by any person under Section 11A of the Patents Act, 1970 within six months from the date of publication of the application, as amended (the "Patents Act") or before the grant of patent. The grounds on which the representation can be filed are provided under Section 25(1) of the Patents Act. There is no fee for filing representation for pre-grant opposition.

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Representation for pre-grant opposition can be filed even though no request for examination has been filed. However, the representation will be considered only when a request for examination is received within the prescribed period.

POST-GRANT OPPOSITION

Any interested person can file post-grant opposition within twelve months from the date of publication of the grant of patent in the official journal of the patent office.

GROUND FOR OPPOSITION

Some of the grounds for filing pre-and post-grant opposition are as under:

- Patent wrongfully obtained;
- Prior publication;
- The invention was publicly known or publicly used in India before the priority date of that claim;
- The invention is obvious and does not involve any inventive step;
- That the subject of any claim is not an invention within the meaning of this Act, or is not patentable under this Act;
- Insufficient disclosure of the invention or the method by which it is to be performed;

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- That in the case of a patent granted on convention application, the application for patent was not made within twelve months from the date of the first application for protection for the invention made in a convention country or in India;
- That the complete specification does not disclose or wrongly mentions the source and geographical origin of biological material used for the invention; and
- That the invention was anticipated having regard to the knowledge, oral or otherwise, available within any local or indigenous community in India or elsewhere.

TERM OF PATENT

The term of every patent in India is twenty years from the date of filing the patent application, irrespective of whether it is filed with provisional or complete specification. However, in case of applications filed under the Patent Cooperative Treaty (PCT), the term of twenty years begins from the priority date.

PAYMENT OF RENEWAL FEE

It is important to note that a patentee has to renew the patent every year by paying the renewal fee, which can be paid every year or in lump sum.

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RESTORATION OF PATENT

A request for restoration of patent can be filed within eighteen months from the date of cessation of patent along with the prescribed fee. After the receipt of the request, the matter is notified in the official journal for further processing of the request.

PATENT OF BIOLOGICAL MATERIAL

If the invention uses a biological material which is new, it is essential to deposit the same in the International Depository Authority ("IDA") prior to the filing of the application in India in order to supplement the description. If such biological materials are already known, in such a case it is not essential to deposit the same. The IDA in India located at Chandigarh is known as Institute of Microbial Technology (IMTECH).

RIGHTS GRANTED BY PATENT

If the grant of the patent is for a product, then the patentee has a right to prevent others from making, using, offering for sale, selling or importing the patented product in India. If the patent is for a process, then the patentee has the right to prevent others from using the process, using the product directly obtained by the

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process, offering for sale, selling or importing the product in India directly obtained by the process.

Before filing an application for grant of patent in India, it is important to note "What is not Patentable in India?" Following i.e. an invention which is (a) frivolous, (b) obvious, (c) contrary to well established natural laws, (d) contrary to law, (e) morality, (f) injurious to public health, (g) a mere discovery of a scientific principle, (h) the formulation of an abstract theory, (i) a mere discovery of any new property or new use for a known substance or process, machine or apparatus, (j) a substance obtained by a mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance, (k) a mere arrangement or rearrangement or duplication of known devices, (l) a method of agriculture or horticulture and (m) inventions relating to atomic energy, are not patentable in India.

Maintainability of Secrecy by the Indian Patent Office (IPO)

All patent applications are kept secret up to eighteen months from the date of filing or priority date, whichever is earlier, and thereafter they are published in the Official Journal of the Patent Office published every week. After such publication

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of the patent application, public can inspect the documents and may take the photocopy thereof on the payment of the prescribed fee.

Compulsory Licensing

One of the most important aspects of Indian Patents Act, 1970, is compulsory licensing of the patent subject to the fulfillment of certain conditions. At any time after the expiration of three years from the date of the sealing of a patent, any person interested may make an application to the Controller of Patents for grant of compulsory license of the patent, subject to the fulfillment of following conditions, i.e. the reasonable requirements of the public with respect to the patented invention have not been satisfied; or that the patented invention is not available to the public at a reasonable price; or that the patented invention is not worked in the territory of India.

It is further important to note that an application for compulsory licensing may be made by any person notwithstanding that he is already the holder of a license under the patent.

For the purpose of compulsory licensing, no person can be stopped from alleging that the reasonable requirements of the public with respect to the patented

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invention are not satisfied or that the patented invention is not available to the public at a reasonable price by reason of any admission made by him, whether in such a licence or by reason of his having accepted such a licence.

The Controller, if satisfied that the reasonable requirements of the public with respect to the patented invention have not been satisfied or that the patented invention is not available to the public at a reasonable price, may order the patentee to grant a licence upon such terms as he may deem fit. However, before the grant of a compulsory license, the Controller of Patents shall take into account following factors:

- The nature of invention;
- The time elapsed, since the sealing of the patent;
- The measures already taken by the patentee or the licensee to make full use of the invention;
- The ability of the applicant to work the invention to the public advantage;
- The capacity of the applicant to undertake the risk in providing capital and working the invention, if the application for compulsory license is granted;
- As to the fact whether the applicant has made efforts to obtain a license from the patentee on reasonable terms and conditions;
- National emergency or other circumstances of extreme urgency;

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- Public non commercial use;
- Establishment of a ground of anti competitive practices adopted by the patentee.

The grant of compulsory license cannot be claimed as a matter of right, as the same is subject to the fulfillment of above conditions and discretion of the Controller of Patents. Further judicial recourse is available against any arbitrary or illegal order of the Controller of Patents for grant of compulsory license.

Infringement of Patent

Patent infringement proceedings can only be initiated after grant of patent in India but may include a claim retrospectively from the date of publication of the application for grant of the patent. Infringement of a patent consists of the unauthorized making, importing, using, offering for sale or selling any patented invention within the India. Under the (Indian) Patents Act, 1970 only a civil action can be initiated in a Court of Law. Further, a suit for infringement can be defended on various grounds including the grounds on which a patent cannot be granted in India and based on such defence, revocation of Patent can also be claimed.

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CASE LAWS:

Bajaj Auto Limited Vs. TVS Motor Company Limited JT 2009 (12) SC 103

This case involved the controversy regarding the unauthorized application of the patent of the DTSi technology. The instant matter dealt with the application of the doctrine of pith and marrow also termed as Doctrine of Equivalents. The plaintiffs (Bajaj Auto Ltd), along with the state of Maharashtra alleged the defendants (T.V.S. Motor Company Ltd.) of infringement of the patents of the plaintiffs, which apprehended the invention of the technology of advanced internal combustion engine. The case engaged the questions of patent infringement by the defendant and the damages for the same. The plaintiffs sought remedy of permanent injunction against the defendants from using the technology or invention prescribed in the patents of the plaintiffs; and for restricting them from marketing, selling offering for sale or exporting 2/3 wheelers (including the proposed 125cc TVS FLAME motorcycle) that consisted of the disputed internal combustion engine or product that infringed the patent. Damages for infringement of the patent were also claimed by the Plaintiffs.

The Supreme Court of India directed all the courts in India to conduct speedy trials and disposal of intellectual property related cases. The Supreme Court directed that hearing in the intellectual property matters should proceed on day to day basis and the final judgment should be given normally within four months from the date of

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the filing of the suit. The Supreme Court further directed all the courts and tribunals in the country to punctually and faithfully carry out the aforesaid orders.

Novartis v. Union of India (2013) 6 SCC 1

Rejection of a patent for a Drug which was not 'inventive' or had an superior 'efficacy'.

Novartis filled an application to patent one of its drugs called 'Gleevec' by covering it under the word invention mentioned in Section 3 of the Patents Act, 1970. The Supreme Court rejected the application after a 7 year long battle on the following grounds:- Firstly there was no invention of a new drug, as a mere discovery of an existing drug would not amount to invention. Secondly Supreme Court upheld the view that under Indian Patent Act for grant of pharmaceutical patents apart from proving the traditional tests of novelty, inventive step and application, there is a new test of enhanced therapeutic efficacy for claims that cover incremental changes to existing drugs which also Novartis's drug did not qualify.

F. Hoffmann-La Roche Ltd vs Cipla Ltd.,

First Patent Litigation in India post India's 2005 Product Patent Regime which included public interest and pricing issues.

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In this case, two plaintiffs, namely, F. Hoffmann-La Roche Ltd. and OSI Pharmaceuticals Inc., filed the suit for permanent injunction restraining infringement of patent, rendition of accounts, damages and delivery against Cipla Ltd. Mumbai. Cipla won this landmark case in the Delhi High Court. The case is the first Patent Litigation in India post India's 2005 Product Patent Regime which included public interest and pricing issues in addition to India's Section 3(d) that prevents evergreening. The case was followed by Pharma Giants worldwide.

Roche sued Cipla in 2008 before Delhi High Court claiming that Cipla's generic product Erlolcip violates former's Indian '774 patent claiming "ErlotinibHydrochloride". The trial Judge rejected Roche's appeal to grant interim injunction restraining Cipla from selling generic version of Tarceva on the grounds of public interest and the fact that there was an ongoing patent revocation proceedings against '774 patent. Cipla's generic version costs about 1/3rd of Roche's patented drug. Roche's subsequent appeal to Division Bench also failed when not only did the bench uphold the findings of Trial Judge but also imposed costs on Roche for suppression of material patent information about Roche's later filed application in India (IN/PCT/2002/00507/DEL). This was the Patent Application which was actually on Polymorph Form B of ErlotinibHydrochloride but was rejected in 2008 following the opposition filed by Cipla primarily on Section 3d. Cipla argued that Tarceva corresponds to Polymorphic Form B (which

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is not a product of '774 patent but a '507 rejected application) and that it is Form B which is more stable and suitable for solid oral dosage form than the compound disclosed in '774 patent comprising a mixture of Forms A and B. Roche's subsequent appeal before the Supreme Court (SC) challenging the order passed by the division bench got dismissed due to the ongoing trial at the Delhi High Court.

Roche & Cipla Settlement

Roche vs. Cipla long-standing battle eventually, reached the Supreme Court as Cipla preferred Special Leave Petitions [SLP (C) No. 1677-78 of 2016] against the Division Bench ruling in F. Hoffmann-La Roche Ltd. v. Cipla Ltd. affirming the Single Judge Judgement and decree dated September 7, 2012. The Supreme Court was finally considering the various questions of law and issues including issues such as the true scope and import of Section 3(d) in the civil appeal. However, in a surprising development, after a series of legal proceedings, the parties finally settled their disputes. On 30th May, 2017 the Single Judge of the Delhi High Court disposed of the suit as well as the counter-claim in terms of the compromise arrived at between the parties and accordingly passed a decree. Finally, on Cipla's request, the SC on June 22, 2017 dismissed the civil appeals as unconditionally withdrawn and accordingly allowed Cipla's application for withdrawal of the appeals.

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M/S. Iritech Inc. vs The Controller Of Patents W.P. (C) 7850/2014

20.04.2017

Whether incorrect mentioning of the patent application number in Form 18 (Request for examination) will be considered as deemed to be withdrawn, even if the request to correct the clerical error was filed within statutory time limit?

The Delhi High Court set aside the deemed to be withdrawn status assigned by the Patent office to the plaintiff's application. Rejecting the contention of the Patent Office that the power of the Controller to correct clerical errors can only be exercised when patent application is in examination procedure, and hence no office action was possible in present case, the Court observed that if the examiner had examined the application under Section 11B, in time and submitted his report, it would have been brought to the notice of the Petitioner well before the expiry of 48 months prescribed period that there was an error in the request for examination and the petitioner could have taken steps to remedy the error.

It was held that if the Patent Office had stuck to the timelines for examination, the patent application would have been in the examination procedure.

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Dr Snehlata C. Gupte v. Union of India & Ors W.P. (C) No 3516 and 3517 of 2007

What Shall Be The Actual Date Of Grant Of A Patent?

This case was instrumental in determining when a patent can said to be granted under the Patent Act 1970 (the Act). This lack of clarity led to a scrutiny of the relevant provisions the Act and also the existing process with a time gap between the grant and the issuance of the patent certificate. The Delhi High Court, while holding that the date of grant of a patent is the date on which the Controller passes an order to that effect on the file, noted that the language, “a patent shall be granted as expeditiously as possible” (u/s 43) does point out that a patent has to be granted once it is found that either the application is not refused in a pre-grant opposition or otherwise is not found in contravention of any provision of the Act.

The court held that the date of the grant of a patent is the date on which the controller passes an order to that effect on the file i.e. on the day in which the Controller makes a decision to grant a patent. The issue of a certificate at a later date is then nothing more than a mere formality. Therefore, the decision taken by the Controller on the file is the determining event for ascertaining the date of grant of patent and the acts of sealing of the patent and entering the same in the Register are ministerial acts evidencing the grant of patent.

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Bayer Corporation v. Union of India &Anr. [W.P.(C) 1971/2014],

Bayer Intellectual Property GMBH & Anr. v. Alembic Pharmaceuticals Ltd.

[CS(COMM) No.1592/2016] 8 March, 2017

Whether the export of product covered under a patent falls within the Bolar exception to infringement of patent as provided for under section 107A (a) of the Patents Act, 1970

A Single Judge bench of the Delhi High Court while hearing the above two cases interpreted the provisions of Section 107A(a) (Bolar exception) and held, inter alia, that the language of Section 107A of Patents Act permits exports from India of a patented invention solely for uses reasonably related to the development and submission of information required under any law for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product. No suit prohibiting export per se of a patented invention can lie.

The Single Judge held that the terms and conditions of compulsory licence issued to the defendant Natco Pharma would not come in the way of the defendant exercising its rights under Section 107A(a) as a non-patentee.

Bayer challenged the decision of Single Judge before a Division Bench (DB) and secured an interim injunction against Natco from exporting the patented invention.

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The DB observed that prima facie it appears that Bayer would suffer irreparable loss and damage, if the interim protection was not granted.

Koninklijke Philips Electronics N.V. v Rajesh Bansal & Ors. CS (COMM)

24/2016 12th July, 2018

Whether there has been infringement of standard essential patent in respect of DVD playback technology?

The Court recognized the essentiality of the patent related to the DVD playback technology, found the acts of the defendant infringing and also awarded damages in favor of the Plaintiff Phillips in accordance with FRAND terms.

On the question of essentiality of the suit patent, the court largely on the basis of the essentiality certificates of the US and EP Patents held that the suit patent is a SEP for the fulfilment of the DVD Standard. On the question of infringement, the court held that the claims of the suit patent are directed towards a decoding device without which DVD players cannot function and that plaintiff has successfully proved infringement by way of essentiality and also by expert evidence by showing the use of EFM and demodulation techniques in defendants' products.

The court also held that defendants have failed to provide any evidence that so-called legitimate sources were licensees of the plaintiff and therefore the doctrine of exhaustion does not apply. Referring to the US Federal Court's decision in

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Commonwealth Scientific and Industrial Research Organization vs. CISCO Systems, Inc., the court held that defendants are required to pay royalty to the plaintiff @USD 3.175 from the date of institution of the suits till mid-2010 and after that @USD 1.90 till patent expiry in 2015 with interest @10% annually. The court also held that considering the conduct of one defendant who was an ex-employee of the plaintiff and knew fully well and with impunity infringed the suit patent, was liable to pay punitive damages of INR 5 lakhs. The court also appointed a Local Commissioner to inquire into the number of video players manufactured or sold by defendants during the relevant period and to ensure that the plaintiff shall be entitled to recover the amounts so found due.

Monsanto Technology LLC & Ors Vs. Nuziveedu Seeds Ltd & Ors CS
(Comm) 132/2016 28 March, 2017

Whether the termination of the sub-license agreement by Monsanto on the ground of non-payment of the agreed trait value by the defendant was legally tenable in view of the fixation of the trait value by respective state governments?

Whether the patent rights will be extended (directly or indirectly) to provide protection over those variety/seeds which were expressly excluded from the purview of patent protection?

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The Single Judge Bench of the Delhi High Court found at the interim stage that the termination of the sub-license agreement by MMBL was illegal and arbitrary. Accordingly, the Single Judge, modified its earlier order of injunction, and directed for restoration of the sub-license agreement between the parties with modification of trait fee payable by the defendants to MMBL. It was further held that the other issues would be decided if and when the case moves for full trial.

Later, a Division Bench of the Delhi High Court granted a stay on the restoration of the sub-license agreement between the parties in an appeal filed by Monsanto Technology.

Merck Sharp & Dohme Corporation & Anr. v. Aprica Pharmaceuticals Private Limited CS (OS) 1236/2013 14.11.2017

Whether the Defendant's launch of ECOGLIPT in the Indian market would lead to infringement of the Patent right of the Plaintiff in SITAGLIPTIN?

The Court was of the view that Defendant's product blatantly infringed and completely contravened Plaintiff's patent right. Although the Defendant had not launched the product commercially, still the court felt that there was reasonable apprehension that launching the product could cause irreparable damage to the Plaintiffs which could not be compensated in terms of money. The suit was, thus, decreed in favour of the Plaintiffs and against the Defendants along with the actual

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costs. The Plaintiff was also given the liberty to file the exact amount of money incurred in the adjudication of this suit.

Shamnad Basheer vs Union of India & Ors. W.P 5590/2015 (23.04.2018)

Whether the Patentees are complying with requirements of working patents?

This petition was filed with regard to issues relating to the working of patents. A stakeholder consultation meeting was also scheduled, whereby the Court had directed the Respondent No. 1 to place before the Court a reasonable timeline within which the consultation would be completed, suggestions would be received, examined and such amendments as may be deemed necessary would be made. The Petition was adjudicated by the High Court, thereby directing the Government to complete all steps towards effecting necessary amendments in the patent working provisions, strictly within the timelines proposed by it. It has also asked the Government to place a report before it upon completion of this exercise.

Nuziveedu Seeds Ltd. And Ors. Vs Monsanto Technology LLC and Ors. FAO (OS) (COMM) 86/2017 (11.04.2018)

Whether the Monsanto's patent over selected genetic sequence from a particular bacteria/micro-organism called Bacillus thuringiensis (bt), which when modified and inserted into a plant cell would produce a toxin that would repel pests, was

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valid in light of the statutory bar, in Section 3(j) of the Patents Act, against the patenting of plants and essentially biological material?

The Division Bench of the Delhi High Court declared Monsanto's patent for Bt. Technology invalid because Section 3(j) of the Patents Act prohibited the grant of patents for plants, plant varieties or seeds or any part thereof. The court however did give three months to Monsanto to seek protection for its invention under the Plant Variety Protection & Farmer's Rights Act, 2002. While invalidating the Patent, the Court observed that what was granted was not a patent over the product, or even the method, but over identification of the "event" i.e. the place in the genetic sequence of the DNA where the CryAB2 protein, in the plant cell. The Court held that transgenic plants with the integrated Bt.Trait, produced by hybridization (that qualifies as an "essentially biological process") are excluded from patentability within the purview of section 3(j), and Monsanto cannot assert patent rights over the gene that has thus been integrated into the generations of transgenic plants. The other reason why the Court invalidated the Patent was that the Court was of the view that Bt. trait induced varieties is that they are parts of "seed". The trait, by itself has no intrinsic worth. It was further noted by the Court that the future propagation of the transgenic plants (after introgression and hybridization) and the subsequent transfer of the Bt. Trait in such plants and consequently, the transgenic seeds, will be a process of nature, and no step of

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human intervention can impede such transfer of the sequence. Therefore, it would be contrary to law and Parliamentary intent to enable Monsanto to have patent rights over the nucleic sequence once it is been duly introgressed and hybridized into the transgenic plants. This judgment has been overruled in Supreme Court which has been discussed below.

Nuziveedu Seeds Ltd. And Ors. Vs Monsanto Technology LLC and Ors.

CIVIL APPEAL NOS.4616-4617 OF 2018 (08.01.2019)

Whether the summary invalidation of Monsanto's patent was valid?

The Supreme Court allowed the appeal filed by Monsanto and held that summary adjudication of a technically complex suit requiring expert evidence also, at the stage of injunction in the manner done, was certainly neither desirable nor permissible in the law. 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. The Supreme Court was satisfied that the Division Bench ought not to have disposed of the suit in a summary manner by relying only on documents 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. It was observed that the issues raised were complicated requiring technological and expert evidence with regard to issues of chemical process, biochemical,

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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 court was 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 and the suit was remanded to the learned Single Judge for disposal in accordance with law.

UnilinBeheer B.V. vs Balaji Action Buildwell CS(COMM) 1683/2016
(29.01.2018)

If there is a revocation petition pending before the IPAB and a subsequent patent infringement suit is filed before a High Court, would the Court necessarily be required to stay the suit awaiting the decision of the IPAB on the validity of the patent?

The Court observed that unlike in the Trade Marks Act, 1999 where the jurisdiction to cancel the mark vests only with the IPAB, under The Patents Act, 1970, the jurisdiction to revoke a patent vests with the IPAB as well as with the Civil Court. The Court also analyzed the decision in the case of Patel Field Marshal Agencies v. P.M. Diesels Ltd. 2017 SC 1388 in respect of rectification of

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trademarks before the IPAB pursuant to an issue of invalidity of registration being framed and then taken up as a defence in a suit for infringement. In respect of trademarks, the IPAB will come into action only if the Civil Court is satisfied that an issue with regard to invalidity ought to be framed in the suit. Once an issue to the said effect is framed, the matter will have to go to the IPAB (during which the suit will be stayed) and the decision of the IPAB will thereafter bind the Civil Court. The Court further observed that the IPAB is not in a position to grant the relief of infringement or any consequential relief. Also, since the term of validity of the patent had expired, it was more convenient and expedient that the proceedings in the suit continue, rather than be stayed during the pendency of the revocation proceedings before the IPAB. The Court thus allowed the defendant to file a Counter Claim against the validity of the patent after withdrawing its revocation proceedings before the IPAB.

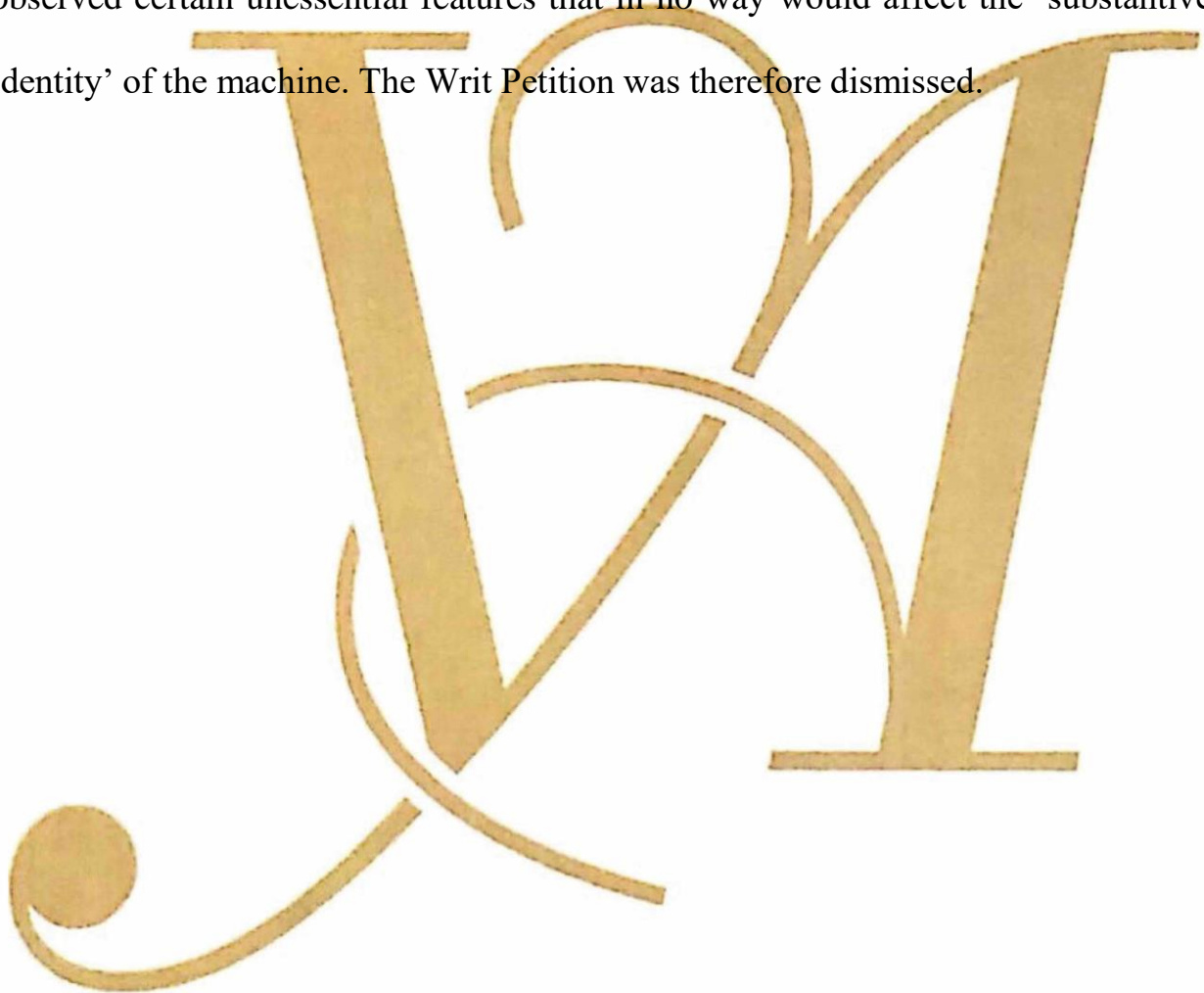
K. Mannivanan v. The Chairman W.P No.11951 of 2011 (18.08.2017)

Whether a 'sufficient difference' between two inventions is enough to grant patent?

The Writ Petition was filed to challenge the dismissal of a revocation application by the Intellectual Property Appellate Board. The Madras High court passed the order in favour of the respondent stating that the two machines in dispute were

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different. It observed that the finding of an invention may be deemed as a question of fact – and further observed the “constructional features” of the respondent’s machine were sufficiently and inherently different from the petitioner’s and it would be appropriate to say that it constitutes an invention. The Court also observed certain unessential features that in no way would affect the ‘substantive identity’ of the machine. The Writ Petition was therefore dismissed.



CHAPTER 11 **COPYRIGHTS**

A copyright is a collection of rights that vest to someone who creates an original work of authorship – like a literary work, song, movie or software. These rights include the right to reproduce the work, to prepare derivative works, to distribute copies, and to perform and display the work publicly.

Copyright law in India is governed by the Copyright Act, 1957, which has been amended six times, with the last amendment in 2012. It is a comprehensive statute providing for copyright, moral rights (known as author's special rights) and neighbouring rights (rights of broadcasting organisations, performers and droit de suite). The Act provides for exhaustive economic rights (copyright) in various works that are transferable. Moral rights exist in perpetuity and are vested in the authors and their legal representatives, being non-transferable and enforceable by the authors and legal representatives even when the copyright in the work has been assigned.

The Copyright Rules, 2013 came into force from 14th March 2013 and provide for the procedure to be adopted for relinquishment of copyright, compulsory licences, statutory licences, voluntary licences, registration of copyright societies,

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membership and administration of affairs of copyright societies and performers' societies.

WORKS PROTECTED

The Copyright Act provides a closed list of protected works under section 13. These works are original literary, dramatic, musical, artistic, sound recordings and cinematographic works. Copyright law in India also protects neighbouring rights (i.e., broadcast reproduction rights and performers' rights).

RIGHTS COVERED

The Copyright Act, 1957 sets out the following rights of copyright to the copyright owners:

- In the case of literary, dramatic or musical works - the exclusive right to reproduce including storage in any medium by electronic means, issue copies, public performance, make any film or sound recording in respect of that work, to translate and to adapt the work and the right of communication to the public (which is defined widely enough to cover dissemination over the internet).

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- In the case of computer programs - all rights as mentioned for literary works in addition to selling or giving on hire, or offering for sale or hire for commercial rental any copy of the computer program.
- In the case of artistic works - to reproduce the work in any material form. This may include storing it in any medium by electronic or other means or depicting a two-dimensional work in three dimensions or vice versa. Copyright in an artistic work also includes the exclusive right to communicate the work in public, issue copies of it, include it in a cinematograph film, and translate or adapt the work in any way.
- In the case of cinematograph films - to make copies of the film (on any medium, electronic or otherwise) including copies in the form of photographs that form a part of the film, sell or give on hire, or offer for sale or hire any copy of the film, to sell, give or offer for sale on commercial rental copies of the film and communicate the film to the public.
- In the case of sound recordings - to make any other sound recording embodying it on any medium including storing of it on any medium, to sell or give on commercial rental or offer for sale such rental and to communicate the sound recording to the public.

The author enjoys moral rights independent of copyright, being the right to paternity and integrity, which exists despite assignment of copyright. However,

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this does not extend to adaptation of a computer program for fair dealing purposes. It is also specifically stated that violation of moral rights (specific to the right to integrity) is judged objectively.

Moral rights can be enforced by the legal representatives of the author. The 2012 amendments to the Act provide that a legal representative of an author can exercise both paternity as well as integrity rights in a work. The 2012 amendments also consciously omit the previous co-extensive term of moral rights with copyright by specifically removing the copyright term restriction on a claim for right to integrity by the legal representative. Moral rights are not assignable (although on general principles as it is a civil right and not a fundamental right under the Indian constitution, moral rights can be waived).

WORKS NOT PROTECTED

The 'idea/expression' dichotomy is applied generally, as in other common law jurisdictions, as is now required under article 9.2 of the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). Any work that is made substantially from the infringement of any other work does not enjoy any copyright protection.

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As per section 15 of the Copyright Act, a design (which may be the reproduction of an original artistic work) does not get copyright protection if the same is registered under the Designs Act, 2000. Additionally as per section 15(2) of the Copyright Act, 1957, copyright in any design ceases to have copyright protection if the same is capable of being registered under the Designs Act, 2000 but has not been and more than 50 copies of the work have been made by any industrial process. However, in a recent judgment in 2015 by the Delhi High Court, it has been held that in order to be a subject matter registrable as a design for the operation of section 15(2), the said work should be 'novel' and this is the sole condition for operation of section 15(2) in order to deny copyright protection to artistic works not registered as designs.

FAIR USE AND FAIR DEALING

The Copyright Act contains an exhaustive list of non-infringing uses. The doctrine of 'fair dealing' applies to the extent and nature of such uses as specifically delineated in section 52 of the Copyright Act.

ARCHITECTURAL WORKS

Architectural works are protected as a form of artistic work. However, an injunction cannot be taken out against a structure that has already been erected. Also, no order for demolition of the structure can be granted.

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PERFORMANCE RIGHTS

Performance rights are protected under the Copyright Act, 1957 as special rights that are separate from copyright. These exclusive rights of a performer are independent of and without prejudice to the rights conferred on authors of works that are performed.

The exclusive rights of a performer consist of the following:

- the right to make sound recordings or visual recordings of the performance including reproduction of it in material form including storing of it any medium by electronic or other means and issuance of copies to the public; communication of it to the public and selling or giving it on commercial rental or offer for sale or for commercial rental; and
- the right to broadcast or communicate the performance to the public, except where the performance is already broadcast.

Once a performer has, by way of a written agreement, given his or her consent for incorporation of his or her performance in a cinematograph film, he or she cannot object to the producer enjoying the exclusive performer's rights, provided that there is no contract to the contrary.

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Performers are entitled to the unalienable right to royalties from commercial exploitation of a performance that is, the right to receive royalties (R3 right). This right is unaffected by a performer's written consent to allow his or her performance to be incorporated in a film. Hence, the right to royalties of performers would have to be dealt with separately from other performers' rights when parties negotiate upon how the performance will be incorporated in a film and the mutual considerations between them.

With the passing of the Copyright (Amendment) Act, 2012, the concept of performers' rights has been cemented and exclusive rights have been granted to a performer akin to copyright in original works. This is in accordance with provisions of the WIPO Performances and Phonograms Treaty and the 2012 amendments to the Copyright Act have also granted moral rights to performers giving them extra protection. The rules accompanying the Copyright Act further provide the setting up of a separate 'performers' society' for each class of 'performers'.

The Indian Singers' Rights Association (ISRA) has been registered with the government of India as a copyright society for singers as a class of performers. The purpose of the copyright society is to administer the rights of the singers who are its members and collect royalty on their behalf for their exclusive rights as per the Copyright Act. The Delhi High Court has passed an injunction order dated 19

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December 2014 restraining a club in Delhi from infringing the performers' rights of singers in a lawsuit prevented on behalf of the ISRA [CS(OS) No. 3958 of 2014]. The suit was decreed in favour of the ISRA on 30 September 2016.

NEIGHBOURING RIGHTS

The Copyright Act provides for broadcasting reproduction rights and rights of performers over their performances under Chapter 8 of the Act. Droit de suite is recognised under section 53A of the Act.

MORAL RIGHTS

The Copyright Act provides for protection of moral rights of authors in their works and of performers in their performances. Performers' moral rights were provided by the Copyright (Amendment) Act of 2012.

Moral rights of an author consist of the following:

- the right to claim authorship of the work (paternity right); and
- the right to claim damages in respect of any distortion, mutilation, modification or other acts in relation to the work if such distortion, etc, would be prejudicial to his or her honour or reputation (integrity right).

(Prior to the 2012 amendments, such remedy was available only against

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mutilation, modification, etc, of a work during the term of the copyright in the work. However, this moral right is now a perpetual right of the author and his or her heirs.)

Moral rights of a performer consist of the following:

- the right to claim to be identified as the performer of his or her performance except where omission is dictated by the manner of the use of the performance; and
- the right to restrain or claim damages in respect of any distortion, mutilation or other modification of his or her performance that would be prejudicial to his or her reputation. (Mere removal of a portion of a performance for the purpose of editing, or to fit a recording of a performance within a limited duration, or any other modification required for purely technical reasons, is not deemed to be prejudicial to the performer's reputation.)

NOTICE

There is no legal requirement. The © mark was considered useful to protect copyright in those countries that were members of the Universal Copyright Convention (UCC) but not of the Berne Convention for the Protection of Literary and Artistic Works, but after the TRIPS Agreement, the UCC is of little practical

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importance. In practice, some form of notice such as ‘©’, or a longer notice such as ‘©, name of owner, date’, is often displayed on or next to the copyrighted work.

REGISTRATION

A register in the prescribed form called the Register of Copyrights is available at the Copyright Office with the names or titles of registered works, and the names and addresses of authors, publishers and owners of copyright and other such particulars as prescribed. The author, or publisher or owner of, or another person interested in, the copyright in a work, may apply for its registration.

Copyright subsists in a work for its entire term and there is no formal requirement of registration in order to be entitled to copyright protection. However, the Register of Copyrights, wherein registrations are recorded, serves as prima facie proof of the particulars therein. Hence, registration is useful due to its initial evidential value.

FEE FOR COPYRIGHT REGISTRATION

The fees that are to be paid to the Registrar of Copyrights along with a prescribed application for registration of copyright in a work are as follows:

- for literary, dramatic, musical or artistic works - 500 rupees per work;

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- for literary or artistic works used in relation to any goods - 2,000 rupees per work;
- for a cinematograph film - 5,000 rupees per work; and
- for a sound recording - 2,000 rupees per work.

OWNER OF A COPYRIGHTED WORK

As a general rule, the author of a work is the first owner of copyright in a work. For an original literary, musical, dramatic and artistic work, it is the person who created or composed such work and for a sound recording and cinematograph film, it is the producer of such a work. In case of a photograph, it is the photographer. For computer-generated works, the author (ie, first owner of copyright) is the person who causes the work to be created.

The exceptions to this rule are covered in section 17 of the Copyright Act, as summarized below:

- In the case of literary, dramatic or artistic works made by the author in the course of his or her employment by the proprietor of a newspaper, magazine or similar periodical under a contract of service or apprenticeship for the purpose of publication in the newspaper, magazine or periodical, then the proprietor of the publication shall be the first owner of the work for the

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purposes of its publication in a newspaper, magazine or similar periodical.

In all other respects, the author is the first owner.

- In the case of a work that is a photograph, painting, portrait, engraving or cinematograph film that has been created at the instance of any person for valuable consideration, then such person is the first owner of the copyright in the work. However, this does not affect the rights of an author in any original literary, dramatic, musical or artistic work that is incorporated in a cinematograph film.
- In the case of *Indian Heritage Society & Anr v Meher Malhotra & Anr* [CS(OS)No. 2717 of 2011], the Delhi High Court granted a permanent injunction in favour of the plaintiff who was not the photographer, but was held to be the first owner of copyright in the photographs. This was because it was at the plaintiff's instance that the photographs were taken for a valuable consideration paid to the photographer.
- In the case of a work created by an author in the course of his or her employment under a contract of service or apprenticeship, then the employer is the first owner of the work. However, this does not affect the rights of an author in any original literary, dramatic, musical or artistic work that is incorporated in a cinematograph film as has been clarified by the 2012 amendments to the Copyright Act.

- In the case of any address or speech delivered, the person making the address or delivering the speech, or the person on whose behalf he or she does so, is the first owner of the work.
- In the case of a government work, the government is the first owner of the work.
- In the case of a work made or first published by a public undertaking, the public undertaking will be the first owner of the work.
- In the case of works created by international organisations, the international organisation would be the first owner of the work.

EMPLOYEE AND CONTRACTOR WORK

If a person in the course of his or her employment under a contract of service or apprenticeship creates any work, his or her employer becomes the first owner of the copyright in the work so long as there is no contract to the contrary. Hence, an employer's ownership is automatic by virtue of the employer-employee relationship. However, for any literary, musical, artistic and dramatic works that are incorporated in a film, the employer does not become the first owner of the copyright and the employee author retains the first ownership. A specific assignment of copyright in such a case is required by the employer.

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HIRING PARTY AND AN INDEPENDENT CONTRACTOR

In the absence of an assignment in favour of the hiring party, the first owner of the copyright is the independent contractor. The hiring party would have only an equitable right to use the material created for the purpose of hiring or commission, and possibly against any assignment detrimental to such use.

To own the copyright, the hiring party would have to obtain an assignment in writing from the independent contractor.

JOINT AND COLLECTIVE OWNERSHIP

A copyright work can be co-owned. Work of joint authorship is established only when the work is produced by the collaboration of two or more authors where the contribution of one author is not distinct from the contribution of the other author or authors.

TRANSFER OF RIGHTS

Copyright and neighbouring rights can generally be transferred by assignment, by testamentary disposition or by inheritance.

However, moral rights are not assignable. Furthermore, with the amendment of the Copyright Act in 2012, authors of literary or musical works that are included in cinematographic films or sound recordings have the inalienable right to receive

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royalties for exploitation of their works, and this right to receive royalties cannot be assigned by the author to anyone except his or her own legal heirs or to a copyright society for the purpose of collection and distribution of royalties. Additionally, apart from other specific requirements listed in the Copyright Act for a valid assignment (eg, identifying the work, right assigned, territory, duration), it is also necessary to specify both the royalty and other consideration payable in the assignment agreement and this may also be applicable for licence agreements.

LICENSING

The owner of a copyright may either license the entire copyright or the licence may be confined to one or more interest in the copyright. The copyright may be licensed to more than one person non-exclusively. However, a licence would not result in change of ownership in a work. Like assignment, the grant of any licence is also required to be in writing and the details of work, territory and term should be specified. If it is not specified, the term shall be presumed to be five years and the territory shall be presumed to be restricted to India only. A licence agreement needs to be in writing. However, there is no requirement for it to be signed as is mandatory for assignment agreements.

The Copyright Board is empowered to grant compulsory licences with regard to Indian and foreign works. Some of the purposes for which compulsory licences may be granted are:

- when a work has been withheld from the public because the owner of the work has refused to grant a licence to republish or perform the work;
- a work or a translation thereof has been withheld from the public because the author of the work is dead or cannot be found, or because the copyright owner cannot be found; and
- a compulsory licence is required for making a work available to persons with disabilities.

The Copyright Act also provides for statutory licences to broadcasters and statutory licences for cover versions.

Performing rights societies (ie, the Indian Performing Right Society Limited (IPRS), the Phonographic Performance Limited (PPL) and the ISRA) are forms of 'copyright societies' for collection, licensing, administration and enforcement of rights. Such copyright societies are required to be registered as such under section 33 in order to legally continue the business of granting licences and collecting royalties. In the absence of valid registration, Courts have struck down the licences granted by such societies (see *Leopold Café Stores v Novex Communications Pvt*

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Ltd). Further, post the 2012 Amendments, the newly inserted section 33(3A) required all previously registered copyright societies to re-register themselves. However, a few music-collecting societies refused to do so and, as a result, the legality of their business was under question. After some investigations, one of the societies re-registered itself as a copyright society, although a few enquiries related to its management. These societies collect performance royalties for literary and musical works and for sound recordings and cinematograph film. There are two other copyright societies, namely the Indian Reprographic Rights Organisation (IRRO) and the copyright society for singers as performers, the ISRA, which was duly registered in 2013.

TERMINATION OF TRANSFER RIGHTS

A copyright may be transferred in one of two ways, namely by assignment or by licensing; licences may be exclusive or non-exclusive.

Assignments can be in part or in full in a future or existing work subject to statutory presumptions such as the term, unless specified otherwise in the agreement or unless the agreement provides a contingency. Rights not utilised in a work within a period of one year from the date of assignment or license are deemed to lapse back to the assignor.

An assignment more than five years old can be revoked by the Copyright Board if the author can show that it is, or has become, onerous. Transfers of rights might also, conceivably, be held to be unlawful under the law of contract. Again, a licence would normally be liable to termination if the licensee failed to comply with the conditions of the licence.

**DOCUMENTS EVIDENCING TRANSFERS AND OTHER
TRANSACTIONS RECORDED WITH A GOVERNMENT AGENCY**

If the copyright in a work has been registered with the Copyright Office and its particulars have been recorded in the Register of Copyrights, then transfer of ownership may be recorded in the Register pursuant to an application to the Registrar of Copyrights in a prescribed form, along with a prescribed fee.

DURATION

Copyright protection begins the moment a work comes into existence (ie, date of creation).

The term of copyright depends on the nature of the work:

- literary, dramatic, musical or artistic work - throughout the life of the author and 60 years from the beginning of the year following the year in which the author dies;

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- anonymous or pseudonymous work - 60 years from the beginning of the year following the year when the work is published;
- posthumous works - 60 years from the beginning of the year following the year when the work is first published;
- cinematograph films, government work, work of a public undertaking, or work of an international organisation - 60 years from the beginning of the year following the year of first publication;
- broadcast reproduction rights - 25 years from the beginning of the year following the year in which the broadcast is made; and
- performers' rights - 50 years from the beginning of the year following the year in which the performance is made.
-

RENEWAL

There is no renewal of copyright under Indian law as neither registration nor renewal are required for subsistence of copyright in a work for its entire term.

EXTENSION OF PROTECTION TERM

- Photographs - pursuant to the Copyright (Amendment) Act, 2012, photographs are co-terminus with other artistic works. Therefore, instead of

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enjoying a 60-year post-publication term, copyright in photographs now effectively subsists till 60 years after the death of the photographer.

- The term of protection of performers' rights was also extended in 1999 from 25 years to 50 years.
- The term of protection for all works, whether calculated after the death of the author or from the date of publication (as specified in question 33 for different works), was increased for a period of 10 years from 50 years to 60 years.

ENFORCEMENT AUTHORITIES

Copyright can be enforced in civil courts and criminal courts. Civil remedies for the copyright owner include injunction, damages and a rendition of accounts. Infringement of copyright is also an offence under the Act and may incur imprisonment of up to three years and a fine of up to 200,000 rupees. The Copyright Act provides an enhanced penalty on second and subsequent conviction.

The Copyright Board constituted under the Act provides an alternative forum for resolving certain limited disputes, such as those pertaining to assignments and payment of royalties. The Act also provides for border enforcement of copyright and other rights and provides for the confiscation of infringing copies of copyright

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works as prohibited goods, which is carried out by the customs department under the supervision of the Commissioner of Customs provided there is an order within 14 days from the date of detention from the court that has jurisdiction.

ONLINE AND DIGITAL REGULATION

Amendments to the Copyright Act, 1957 up until 2012 have ensured that, with the advent of satellite television and the internet, the definitions of rights are such that all digital platforms and formats are covered. The last amendment to the Copyright Act by the Copyright (Amendment) Act, 2012 introduced specific provisions for dealing with the circumvention of technological measures pertaining to copyrighted works and provides solutions at par with that for infringement of copyright. This addition to the Act is specifically to deal with digital piracy and amending digital protection measures used to check piracy. By virtue of the newly inserted section 65A of the Act, any person who circumvents an effective technological measure applied for the purpose of protecting rights conferred under the Act, with the intention of infringing such rights, shall be punished with imprisonment that may extend to two years and would also be liable to a fine. Similarly, section 65B provides that any person who removes or participates in the removal of rights management information or the dissemination of copies of works from which rights management information has been removed shall be punished

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with imprisonment of up to two years and shall also be liable to pay a fine. The Copyright Rules, 2013 also provide for maintaining of records by a person permitted to circumvent technological measures as per the Act.

EXTRATERRITORIAL APPLICATION

The Copyright Act, 1957 provides jurisdiction to a copyright owner to sue if he or she is conducting business in India.

Additionally, the courts have jurisdiction to adjudicate upon disputes arising within the territories of India. Hence, a website based outside India that facilitates infringement of copyright by providing infringing copies of a work to users in India will confer jurisdiction on the courts in India to adjudicate the matter.

The courts may block complete access to a website by ordering that all internet service providers (ISPs) refrain from providing access to specific websites and block access to the infringing copies by the users of the ISP. Courts in India continue to block several infringing websites and other file-sharing websites that facilitate infringement through ISPs in India. Civil action against regular pirate websites by geo-blocking them within the territories of India has become a popular measure to counteract infringement. Such actions are often being taken by the

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motion picture producers of Bollywood and by sports broadcasters. Recently, the Delhi High Court has also issued orders to the government departments (Department of Telecommunications and Department of Electronics and Information Technology) to monitor and hence prevent URLs with infringing content from resurfacing under a different URL, despite an injunction order restraining the former URL.

AGENCY

There are two centralised copyright agencies in India: the Copyright Office and the Copyright Board. The Copyright Board does not have jurisdiction over civil copyright litigation.

The Copyright Office is headed by the Registrar of Copyrights. The function of the Copyright Office is to maintain the Register of Copyrights. The Registrar also has certain regulatory functions in relation to copyright societies, serves as a registry and provides secretarial support to the Copyright Board.

The Copyright Board is a quasi-judicial tribunal that is empowered to rectify errors in the Register of Copyrights, to grant compulsory licences, and to fix the rates of licence fees in cases of statutory and compulsory licences; it also provides an

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alternative forum for the resolution of certain disputes between assignors and assignees. The chairman of the Copyright Board is a person who has been a judge of a high court or is qualified for appointment as a judge of a high court. It has been clarified by the High Court that despite no expressed statutory provision for review powers, the Copyright Board has the power to review its own decision if it is to correct procedural infirmities.

The government of India has recently passed the Finance Bill, 2017 by virtue of which the Copyright Board has been merged with the Intellectual Property Appellate Board (IPAB). The IPAB was previously constituted to hear appeals from the decisions of the Trademark Registry and Patent Office and will now hear appeals and references from the Copyright Registrar as well.

COPYRIGHT INFRINGEMENT AND REMEDIES

Copyright infringement occurs when any of the following occur:

- unauthorised use of the exclusive rights of the owner of a copyright whether in relation to the whole or a substantial part of the copyright work;
- permitting a place to be used for infringing purposes on a profit basis; and
- displaying or exhibiting in public by way of trade or distributing for the purpose of trade or importing infringing copies of a work.

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VICARIOUS AND CONTRIBUTORY LIABILITY

The terms 'indirect', 'secondary', 'vicarious' and 'contributory' infringement are not mentioned in Indian copyright law, although they are sometimes used. The acts referred to would generally amount to infringement under Indian law, as in the case of jurisdictions that have similar wording in their copyright statutes, such as Australia or the United Kingdom.

REMEDIES

The remedies provided by the Copyright Act, 1957 against infringement of copyright are:

- civil remedies - these provide for injunctions, damages, rendition of accounts, delivery and destruction of infringing copies and damages for conversion;
- criminal remedies - these provide for imprisonment, fines, seizure of infringing copies and delivery of infringing copies to the owner; and
- border enforcement - the Act also provides for prohibition of import and destruction of imported goods that infringe the copyright of a person with the assistance of the customs authorities of India.

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LIMITATION

The period of limitation for filing a suit for damages for infringement of copyright is three years from the date of such infringement.

MONETARY DAMAGES

Besides damages the copyright owner can also claim rendition of account of profits.

PENAL PROVISIONS

The Copyright Act, 1957 has provided for enforcement of copyright through a series of penal provisions under Chapter 13 of the Act. The following are the principal penal provisions under the Act:

1. Under section 63, where any person knowingly infringes or abets infringement of the copyright in a work and any other right as covered by the Copyright Act, 1957 (broadcast reproduction rights, performers' rights, moral rights, etc), such person may be punished with imprisonment of a minimum term of six months and a maximum term of three years, and a fine of between 50,000 and 200,000 rupees.

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2. Section 65A penalises circumvention of effective technological measures that may be applied to copies of a work with the purpose of protecting any of the rights conferred under the Act (ie, copyright, performance rights). The punishment under this provision is imprisonment that may extend to two years and payment of a fine. Section 65A was inserted by the Copyright (Amendment) Act, 2012.
3. Section 65B makes unauthorised removal or alteration of 'rights management information' punishable with imprisonment of up to two years and payment of a fine. The provision makes the unauthorised distribution, broadcast or communication to the public of copies of the work punishable in the same manner if the person is aware that electronic rights management information in the copy has been removed or altered. Section 65B was inserted by the Copyright (Amendment) Act, 2012.
4. Section 63A provides for enhanced penalty on second or subsequent convictions under section 63 (see point (i)).
5. Other provisions in the chapter provide penalties for offences such as using infringing copies of a computer program, making or possessing plates for the purpose of making infringing copies of works, and making false entries in the Register of Copyrights.

ONLINE INFRINGEMENT

The 2012 amendments to the Act introduced certain provisions that are specifically relevant to copyright infringement and the internet.

Under the fair use provisions of the Act, section 52(1)(b) provides that transient or incidental storage of a work or performance purely in the technical process of electronic transmission or communication to the public does not constitute infringement of copyright. This provision provides safe harbour to internet service providers that may have incidentally stored infringing copies of a work for the purpose of transmission of data.

Section 52(1)(c) further provides that transient or incidental storage of a work or performance for the purpose of providing electronic links, access or integration that is not expressly prohibited by the rights holder would not be infringement of copyright, unless the person responsible is aware of infringement or has reasonable grounds for believing that such storage is that of an infringing copy.

Under section 52(1)(c), if the owner of a copyright work, in a written complaint to the person responsible for digitally storing an infringing copy of the work, complains that such transient or incidental storage is an infringement, then the person responsible would have to refrain from facilitating access to the infringing

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copy of the work for a period of 21 days. If within 21 days, the person responsible does not receive an order from a competent court that directs the person responsible to refrain from providing access, then access may be resumed at the end of that period.

Therefore, if A, the owner of a short story, finds that his or her short story has been published on the website of B, he or she may write a complaint to B declaring that B must refrain from providing the public with access to A's short story. B would then have to remove A's short story from visibility or accessibility on his or her website for 21 days, within which time A must persuade a competent court that it should order the complete removal of the infringing version or copy of the work. If the court does not issue such an order within that period of time, then B may resume making the short story available to the public on his or her website. This provision was inserted in the Act by the Copyright (Amendment) Act, 2012 which came into force on 21 June 2012. It is yet to be used in practice.

Apart from the above-mentioned provisions, the entire scheme of the Copyright Act makes it amply clear that all the provisions of the Act must be applied to electronic and digital media in the same manner they are applied to conventional media. The Copyright (Amendment) Act, 2012 has also clarified this in many places. Remedies against copyright infringement on the internet are not dealt with separately under that Act as the provisions sufficiently cover all forms of

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exploitation of works, including exploitation over the internet, and the remedies for copyright infringement would apply to the internet as they would to any other medium or platform.

PREVENTIVE MEASURES

No degree of vigilance can guarantee an ‘infringer-free’ environment, but certain deterrent measures must be adhered to by copyright owners, for instance:

- documentation of instances of use;
- registration of copyright;
- proper notice of copyright;
- monitoring the activities of habitual infringers;
- making independent contractors and employees subject to confidentiality;
- having proper licensing agreements incorporating a proper control mechanism; and
- publicizing a successful infringement trial (if resources allow).

INTERNATIONAL CONVENTIONS

India is a member of the following conventions and agreements that concern its copyright regime:

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- the Berne Convention;
 - the UCC;
 - the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms (Phonograms Convention);
- and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights.

Having ratified the Berne Convention and the UCC, works first published outside India in any of the convention countries enjoy protection in India at par with the protection granted to Indian works with the exception that if the term specified in the country of origin is shorter than that in India, the work will be protected for the shorter term in India.

CASE LAWS:

B.N. Firos v State of Kerala Civil Appeal No. 79 OF 2008 (27.03.2018)

The Developer of a software program, created as a part of a Government project, challenged the State Government's Notification to declare it as 'Protected System' under Section 70 of the IT Act 2000 in Official Gazette.

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The Hon'ble Supreme Court held that upon reading the Copyright Act and the IT Act together, it can be observed that only those 'computer systems' should be considered as 'protected system' under the Information Technology Act, which qualify as 'Government Works' as per the Copyright Act. The Court rejected the Appellant developer's claim of copyright of in the software created as a part of government project, holding that the Government is the first owner of the software in question, since the work was first published by a Government Body as per Section 2(k) of the Copyright Act which defines the 'Government work'. Once this condition was satisfied, the Notification under Section 70 of the IT Act 2000 in Official Gazette was found to be lawful.

Universal Music (India) Pvt. Ltd. vs Trimurti Films Pvt. Ltd. SUIT (L) NO.459 OF 2017 (28.08.2017)

The issue was regarding differences in nature and scope of rights assigned in relation to the musical work and sound recording.

The Court granted the injunction against the sale and distribution of the song 'Kehdoontumhe' which was a remake of the original musical composition forming a part of the cinematographic film DEEWAR of the year 1975, as a part of the

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latest film 'BAADSHAHO'. The copyright in relation to the said original composition vested in the plaintiff Trimurti Films Pvt. Ltd., and the defendant Super Cassettes Industries Pvt. Ltd. had used and exploited the lyrics and tune of the original composition without any intimation / authorisation / permission from the plaintiff.

The key fact was the nature and scope of the rights which were assigned by the plaintiff to Polydor of India Ltd (now Universal Music Media Pvt. Ltd) in respect of the said original musical composition in the year 1974. While the plaintiff was claiming to be the owner of the lyrics and the tune of the work in question, asserting that the rights assigned in the favour of Polydor of India Ltd. to make and sell gramophone records of the songs of the film Deewar were of limited nature.

The case of the defendant rested on the claim that the plaintiff had extinguished its rights in the original work after assigning its rights in the sound recording to Universal Music, from whom, the defendant had obtained its rights (to adapt / remake).

The Court held the source of the defendant's rights as inadequate and clarified that the Plaintiff had assigned rights only in relation to the sound recording of the original composition to Universal and this assignment cannot be considered to be of absolute nature. The rights to the original composition continued to vest with the plaintiff including the rights in relation to the lyrics and tune of the original

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composition in question. Hence, the defendant cannot be said to have acquired the rights to use the same for its movie 'BAADSHAHO'. Consequently, the defendant had been restrained from releasing the film with the impugned song but the same could be released without the said song.

Further, apart from the Trial Court's findings regarding crucial differences between the Appellants' and Respondent's concepts, the court also quoted that the concept of home viewer participation in a quiz show is not a product of the appellants' intellect as it is a well-known idea which has existed in the public domain for a substantial period. Finally, in response to the appellants' argument that the use of their concept constituted breach of confidential information, the Court held that the appellants had themselves signed a consent letter authorizing the respondent to use this concept without incurring any liability.

Fermat Education v. M/S Sorting Hat Technologies Ltd. C.S.No.330 of 2018
(13.08.2018)

Whether there has been infringement of copyright in the course materials (2IIM CAT questions) which are uploaded by the defendant on its web site?

The Madras High Court held that the fair use of the materials by a teacher or a pupil in the course of instruction cannot be pressed into service since the first defendant uploads materials for consideration. It was held that once consideration

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is paid for uploading materials, then it becomes a business venture and a responsibility is imposed on the defendants to ensure that they do not infringe the copyright of any another person. It was held that the defendants cannot enjoy the fruits of infringed materials prepared by the plaintiffs.

Sanjay Kumar Gupta & Anr. v. Sony Pictures Networks India Pvt. Ltd. & Ors. RFA No. 627/2018 (10.08.2018)

Whether a concept can be a subject matter of copyright?

Upholding the judgment of a trial court and by relying on the well settled legal principles and precedents regarding the Copyright Law, the single judge bench of the High Court of Delhi pronounced its verdict on a copyright infringement dispute. The appellant filed a copyright infringement suit against the respondents for misappropriating the appellant's concept named "Jeeto Unlimited", wherein home viewers get to simultaneously play along with the contestants on the live TV show through their phone and are rewarded for a successful answer. The appellant contended that they presented this concept to the respondent, which runs the famous show Kaun Banega Crorepati ("KBC") in the shape of a concept note and thereafter, were compelled to sign a consent letter to the effect that the respondent would have the freedom to use the concept without incurring any liability.

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The court quashed appellant's contentions by relying on the well settled principle recognized by the Supreme Court of India in the landmark case of RG Anand versus Delux Films in 1978 that a concept is not entitled to copyright protection. Further, apart from the Trial Court's findings regarding crucial differences between the Appellants' and Respondent's concepts, the court also quoted that the concept of home viewer participation in a quiz show is not a product of the appellants' intellect as it is a well-known idea which has existed in the public domain for a substantial period. Finally, in response to the appellants' argument that the use of their concept constituted breach of confidential information, the Court held that the appellants had themselves signed a consent letter authorizing the respondent to use this concept without incurring any liability.

MySpace Inc. v. Super Cassettes Industries Limited FAO (OS) 540/2011
(23.12.2016)

Whether MySpace could be said to have knowledge of infringement so as to attract liability for secondary infringement?

Whether it is possible to harmoniously read and interpret safe harbour provisions of the Information Technology Act and Infringement & 'fair use' of the Copyright Act?

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The Division Bench of Delhi High Court absolved liability of intermediary/MySpace as there was no direct infringement by MySpace and the findings of the Single Judge based on constructive knowledge and secondary infringement were termed incongruous. The Court observed that nature of relief has to be specific in relation to the actual content and not vague. A methodical and comprehensive approach was adopted by the Bench and it considered the WIPO Copyright Treaty, Performance and Phonogram Treaty, European Copyright Directive as well as the Digital Millennium Copyright Act 1998 of the US as the primary source of jurisprudence dealing with the ‘safe harbor’ provisions granted to intermediaries as defence. The Division Bench highlighted the distinction between general knowledge and ‘actual knowledge’ under provisions of the Copyright Act, 1957 (“CA”). It was observed that the liability of intermediary shall arise if it has the actual knowledge of infringement and not just general knowledge. Further the nature and scope of safe harbor for intermediaries in India is clarified in light of the provisions of Indian Information Technology Act, 2000 (“ITA”) and the Intermediary Guidelines Rules, 2011.

The Division Bench opined that the Notice and Take Down procedure is the right balance for allowing freedom of speech and expression and at the same time curbs or polices the misuse of copyright material. It expressly stated that in cases of online infringement of copyright and in determining liability of intermediaries,

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harmonious construction of Sections 79 and 81 of the IT Act along with the provisions of the CA dealing with infringement and ‘fair use’.

Neetu Singh v. Rajiv Saumitra & Ors. CS (COMM) 935/2016 (04.08.2017)

Whether the copyright of a literary work authored by the director of a company subsists with him in absence of any written agreement to the contrary?

While the Court accepted that the Plaintiff was working as a Director of the company from 2012 to 2014, it noted that the Defendants had failed to prove that the literary work was authored as part of her duties and obligations as a Director. It was held that in the absence of an agreement, or the articles/memorandum of the company that might lay down the terms and conditions of employment – the Plaintiff was held to own the copyright in the works. The Court distinguished works ‘in the course of instruction’ that, and works that were ‘commercial in nature’. Holding the present use of the Plaintiffs work to be commercial in nature, and with a profit motive – the Court granted an interim injunction in favour of the Plaintiff.

CHAPTER 12 **DESIGNS**

Design means only the features of shape, configuration, pattern or ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and does not include any trade mark, as define in clause (v) of sub-section of Section 2 of the Trade and Merchandise Marks Act, 1958, property mark or artistic works as defined under Section 2(c) of the Copyright Act, 1957.

Under the Designs Act, 2000 the "article" means any article of manufacture and any substance, artificial, or partly artificial and partly natural; and includes any part of an article capable of being made and sold separately.

The object of the Designs Act is to protect new or original designs so created to be applied or applicable to particular article to be manufactured by Industrial Process

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or means. Sometimes purchase of articles for use is influenced not only by their practical efficiency but also by their appearance. The important purpose of design Registration is to see that the artisan, creator, originator of a design having aesthetic look is not deprived of his bonafide reward by others applying it to their goods.

REGISTRATION

Once a design is registered, it gives the legal right to bring an action against those persons (natural/legal entity) who infringe the design right, in the Court not lower than District Court in order to stop such exploitation and to claim any damage to which the registered proprietor is legally entitled. However, it may please be noted that if the design is not registered under the Designs Act, 2000 there will be no legal right to take any action against the infringer under the provisions of the Designs Act, 2000.

The Patent Office does not become involved with any issue relating to enforcement of right accrued by registration. Similarly The Patent Office does not involve itself with any issue relating to exploitation or commercialization of the registered design.

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Stamps, labels, tokens, cards cannot be considered as a design because once the alleged Design i.e., ornamentation is removed only a piece of paper, metal or like material remains and the article referred ceases to exist. Article must have its existence independent of the Designs applied to it. [Design with respect to label was held not registrable, by an Order on civil original case No. 9-D of 1963, Punjab, High Court]. So, the Design as applied to an article should be integral with the article itself.

When an application for registration of a Design is in order, it is accepted and registered and then a certificate of registration is issued to the applicant. However, a separate request should be made to the Controller for obtaining a certified copy of the certificate for legal proceeding with requisite fee.

The Register of Designs is a document maintained by The Patent Office, Kolkata as a statutory requirement. It contains the design number, class number, date of filing (in this country) and reciprocity date (if any), name and address of Proprietor and such other matters as would affect the validity of proprietorship of the design and it is open for public inspection on payment of prescribed fee & extract from register may also be obtained on request with the prescribed fee.

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The registration of a design confers upon the registered proprietor 'Copyright' in the design for the period of registration. 'Copyright' means the exclusive right to apply a design to the article belonging to the class in which it is registered.

The date of registration except in case of priority is the actual date of filing of the application. In case of registration of design with priority, the date of registration is the date of making an application in the reciprocal country.

A registered design, the copyright of which has expired cannot be re-registered.

For ascertaining whether registration subsists in respect of a design, a request should be made to the Patent Office, Kolkata. If the Design number is known, the request should be made on Form 6, otherwise on Form 7, together with prescribed fees. Each such request should be confined to information in respect of a single design.

CANCELLATION OF REGISTRATION

The registration of a design may be cancelled at any time after the registration of design on a petition for cancellation in form 8 with prescribed fee to the Controller of Designs on the following grounds:

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- That the design has been previously registered in India or
- That it has been published in India or elsewhere prior to date of registration or
- The design is not new or original or
- Design is not registrable or
- It is not a design under Clause (d) of Section 2.

A registration of design will cease to be effective on non-payment of extension fee for further term of five years if the same is not paid before the expiry of original period of 10 years. However, lapsed designs may be restored provided the following conditions are satisfied:

- Application for restoration in Form-4 with prescribed fees is filed within one year from the date of lapse stating the ground for such non-payment of extension fee with sufficient reasons.
- If the application for restoration is allowed the proprietor is required to pay the prescribed extension fee and requisite additional fee and finally the lapsed registration is restored.

DURATION

The duration of the registration of a design is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. This initial period of registration may be extended by further period of 5 years on an application made in Form-3 accompanied by prescribed fees to the Controller before the expiry of the said initial period of ten years. The proprietor of a design may make application for such extension even as soon as the design is registered.

PIRACY OF DESIGN

Piracy of a design means the application of a design or its imitation to any article belonging to class of articles in which the design has been registered for the purpose of sale or importation of such articles without the written consent of the registered proprietor. Publishing such articles or exposing terms for sale with knowledge of the unauthorized application of the design to them also involves piracy of the design.

PENALTY FOR PIRACY

If anyone contravenes the copyright in a design he is liable for every offence to pay a sum not exceeding Rs. 25,000/- to the registered proprietor subject to a maximum of Rs. 50,000/- recoverable as contract debt in respect of any one design. The registered proprietor may bring a suit for the recovery of the damages for any such contravention and for injunction against repetition of the same. Total sum recoverable shall not exceed Rs. 50,000/- as contract debt as stated in Section 22(2)(a). The suit for infringement, recovery of damage etc should not be filed in any court below the court of District Judge.

TRANSFER OF OWNERSHIP

It is possible to transfer the right through assignment, agreement, transmission with terms and condition in writing or by operation of law. However, certain restrictive conditions not being the subject matter of protection relating to registration of design should not be included in the terms and condition of the contract/agreement etc. An application in form-10, with prescribed fees in respect of one design and appropriate fees for each additional design, for registration of the transfer documents is required to be made by the beneficiary to the Controller within six months from the date of execution of the instruments or within further period not

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exceeding six months in aggregate. An original/notarized copy of the instrument to be registered is required to be enclosed with the application.

PRIORITY CLAIM

India is one of the countries party to the Paris Convention so the provisions for the right of priority are applicable. On the basis of a regular first application filed in one of the contracting state, the applicant may within the six months apply for protection in other contracting states, latter application will be regarded as if it had been filed on the same day as the first application.

CASE LAWS:

Cello Household Products v. M/S Modware India and Anr. SUIT (L) NO. 48 OF 2017 (30.03.2017)

Whether a prima facie case of design infringement and passing off was made out.

On the question of reputation, it was held that since this particular bottle of the plaintiff has achieved a great deal of commercial renown, the plaintiff has successfully established 'reputation' for the purposes of passing off. It was held that due to the obvious similarity between the rival designs, the question is not whether it is confusing, but whether it is calculated to deceive because Passing off

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is an action in deceit; the deceit lies in the misrepresentation; and the misrepresentation must be as to source, i.e., to deceive the average consumer into believing the defendant's product is the plaintiff's. It was held that defendant was attempting to deceive consumers into believing that its products came from the house of Cello i.e. plaintiff as there can be no possible explanation for defendant to adopt a shape, configuration, ornamentation and colour combination, so very nearly identical to that of plaintiff. The third element of passing off i.e. likelihood of damage was also deemed to have been fulfilled in the case. Further, it was held that since defendant's product was almost identical to the plaintiff's product, prima facie, plaintiff's design was sufficiently original and that defendant's product infringed upon it. Finally, prima facie, design infringement was concluded to have occurred.

Vega Auto Accessories (P) Ltd. v SK Jain Bros Helmet (I) Pvt. Ltd.

CS(COMM) 837/2017 (01.06.2018)

Whether a registered proprietor of a design could use the invalidity or prior publication of the plaintiff's design as a defence in a suit for design infringement?

Addressing the issue of estoppel against the defendant's plea of invalidity of design registration, the court considered various trademark cases where it was held

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that the defendant, being a registered proprietor of a trademark, when faced with an infringement suit, could not say that the mark of the prior registrant was not distinctive or could not have been registered. The reasoning provided by the court was that if a party has taken a specific stand at a particular stage of the court proceedings, it should not be open for that party to take a contrary position at a subsequent stage of litigation or in a different proceeding. A litigant cannot be permitted to take inconsistent positions in court to the detriment of the opposing litigant. The court discussed the difference between trademark and design registration. Trademark registration gives rise to a presumption of validity of registration while registration of a design is prima facie evidence only of the matters directed or authorized to be entered in the register. This was not an issue in the current case.

Once a party files an application claiming that a design is new or original, has not been published before, and is distinguishable from known designs, that party cannot oppose the claim for infringement by a prior registrant, if the party's design is identical to that of the prior registrant, by contending that there is no newness or novelty in the design of the plaintiff and/or that the design of the plaintiff was published before. Finally, it was held that where the plaintiff has prior registration of a design, and the defendant is the registered proprietor of a design that has

infringed registered design of the plaintiff, the defendant is estopped from pleading invalidity of the registration in favour of the plaintiff.

M/S Crocs Inc. USA v. Liberty Shoes Ltd. & Ors. CS(COMM) 837/2017

(08.02.2018)

Whether the designs which registered by Crocs with respect to footwear are new or original designs or not?

The issue of prior publication was held against the plaintiff because plaintiff's entitlement to exclusivity of the design of its footwear was from 28.5.2003, and that the defendants filed the printout downloads from the website of the plaintiff itself earlier than 28.5.2003 evidencing that the subject designs were clearly in the public domain before the priority date of registrations of the plaintiff. The court held that registration granted to the plaintiff with respect to registered designs which were subject matter of the suits will not afford any legal entitlement to the plaintiff to allege piracy of the designs under Section 22 of the Act. The Court held that Croc's design elements were simply the trade variants of sandal's design which have already existed for long, and were neither new nor original enough to claim protection under the Designs Act.

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Kent RO Systems Ltd & Anr. v. Amit Kotak & Ors. CS (COMM) 1655/2016

(18.01.2017)

Whether EBay can be obligated to remove the content alleged to be infringing on an ex-ante, in contradiction to an ex-post, basis?

The Court commenced its analysis by noting that, in order to prevail, the plaintiffs would have to explain how the Intermediary Guidelines spell out an obligation upon intermediaries to screen content to ascertain if it is of an infringing character. This onus would be imposed upon the plaintiffs, the Court reasoned, in light of the fact that a bare perusal of the Rules reveals that intermediaries are only bound to apprise users of their privacy policy/ rules and regulations and to disable infringing content, on being informed of its existence, within 36 hours.

Since the plaintiffs were apparently unable to answer this question in a satisfactory fashion, the Court arrived at the conclusion that no such directions could be issued. It gave 3 reasons in support of this conclusion. First, to accept the plaintiffs' prayer, it reasoned that it would result in converting the intermediary "into a body to determine whether there is any infringement of intellectual property rights or not" – a role which intermediaries are ill-equipped to perform. Second, if the intention of the legislature was to cast such an obligation upon intermediaries, the intermediary guidelines would have imposed an absolute embargo on hosting infringing content. However, the Guidelines merely cast an obligation to disable

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content on being informed that it is of an infringing character. Finally, since no obligation to screen infringing content is imposed on the publishers of newspapers etc., it would be inappropriate to impose such an obligation on intermediaries who are similarly situated as the aforementioned categories of service providers.

Krishna Plastic Industries v. Controller of Patents and Designs AID 5 of 2013

(23.02.2017)

The subject matter of the appeal was an application for cancellation of the registration of the Appellant's design, which the Deputy Controller had allowed.

The design in question related to a specific 'surface pattern' applied to a plastic seal.

The Court perused the novelty statement filed by the Appellant at the time of registration, which read that the novelty in the design resided in the 'surface pattern' of the plastic seal, which was illustrated. The High Court noted that the Deputy Controller had allowed the application for cancellation without providing proper reasoning as to whether the surface patterns constituted a shape, configuration, pattern or ornament, to fall under the definition of a design under the Act, noting that 'only a single sentence (in the Controller's order) relates to the surface pattern'. The Court found, prima facie, that the 'ocular impression' given by the design of the Appellant seemed distinct from the design which was the basis

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of the challenge of the registration. On this basis, the Court remanded the matter to be reconsidered afresh by Deputy Controller, and to give a reasoned order. Separately, the Court also considered the distinction between a shape and configuration and a pattern or ornament, and opined that ornaments or patterns, particularly if pronounced (as in the case of grooves in a hot water bottle or markings on a chair) may also constitute a 'shape or ornament', applied upon an article, and asked the Deputy Controller to make a reasoned decision on the issue as to whether the surface pattern constitutes a shape, configuration, pattern or ornament.

Carlsberg Breweries A/S v. Som Distilleries and Breweries. C.S. (OS)
No.1485/2015 (02.05.2017)

1. The issue of maintainability of the composite lawsuit was raised by the defendants on the grounds that the Micolube judgement had held that that a suit for design infringement action could not be combined with a suit for passing off.
2. Whether the design is novel and if there is any design infringement?
3. Whether functional designs can be protected?

The Delhi High Court declined to grant plaintiff an interim injunction in a composite lawsuit filed for design infringement and passing off against Som

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Distilleries, the manufacturers of 'Hunter' beer, on the grounds that the design was prima facie not novel and that there was no infringement. It was held that on the basis of 'Statement of Novelty' it is clear that the plaintiff has not claimed novelty in respect of any peculiar feature of its bottle registration. The whole bottle has been registered as a design, and the shape of the bottle as a whole, undoubtedly, exists in the prior art. As such if the plaintiff had specifically claimed the specific grooves and indentations outlined in the pictures, it may have stood a better chance.

Apart from denying an interim injunction, Justice Sanghi has referred to a question of law to the Chief Justice on the grounds that the judgement in Micolube India regarding maintainability of composite suits decided by a three judge bench of the Delhi High Court, may have been decided per incuriam and observed that Order II Rule 3 of the Code of Civil Procedure clearly allows for combining different causes of action.

Although, there was no specific conclusion drawn with respect to the issue of functionality, it was observed that although both the Copyright Act and the Trade Marks Act have specific provisions prohibiting the protection of articles that are functional or technical in nature but there is actually no such prohibition in the Designs Act against the protection of designs that are functional. Further, it was also held that normally, designs which are purely functional cannot be protected or

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form the basis for an action for infringement but those cases must be excluded where a customer might choose an article of that shape not because he thought that the shape made it more useful to him.

Holland Company LP and Anr. v. S.P. Industries CS (COMM) 1419/2016
(27.07.2017)

The issue was regarding the existence of copyright in the industrial drawings of ATL devices of the plaintiffs.

It was held that a conjoint reading of Section 2(d) of Designs Act, 2000, Section 14(c) and 15(2) of the Copyright Act, 1957, makes it amply clear that where a design of an article is prepared for the industrial production of an article, it is a design registrable under Designs Act and under Section 14(c), the author of such design can claim copyright. However, since such a design is registrable under the Designs Act, and if such design has been used for production of articles by an industrial process for more than 50 times by the owner of the copyright, or, by any other person with his permission, then such person ceases to have copyright in such design. It was held that the averments in the plaint clearly show that plaintiffs had prepared the engineering drawings for the purpose of production of ATL devices. The drawings of the ATL devices of the plaintiffs, therefore, are registrable under the Designs Act. The said drawings have not been registered

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under the Designs Act. The plaintiffs have also not disputed the fact that these engineering drawings have been used in the production of more than 50 ATL devices by an industrial process and, therefore, it is clear that it has used these engineering drawings for more than 50 times in an industrial process. By virtue of Section 15(2) of Copyright Act, therefore, even if assuming the plaintiffs had a copyright in these engineering drawings, it ceases to have the same. The Plaintiffs have failed to show any prima facie case in their favour.

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