2024

Case Law Updates

LexOrbis | Intellectual Property Attorneys & Advocates

Preface:

The year 2024 marked the third year of the operations of the IP Division at the Delhi High Court and the creation of IP Divisions at the Madras and Calcutta High Courts. The year also witnessed a significant phase of the evolution of intellectual property jurisprudence with a series of landmark judicial decisions. Some of these decisions reinforced India's commitment to develop an efficient and fast IP protection system. Given the pivotal role that intellectual property plays in driving innovation, creativity, trade and economic progress, these developments have far-reaching implications for all stakeholders.

Standard Essential Patent (SEP) disputes gained prominence in the past year, with courts emphasising fair licensing practices and balancing patent rights with competition concerns. The rise of AI-driven content creation also triggered copyright disputes, building up to the recent ANI case against OpenAI, in which many other publishing houses joined the fray. These cases are raising critical questions about the use or misuse of copyrighted content by generative AI platforms. Additionally, the courts in India reinforced personality rights, as seen in the landmark decision in favour of prominent individuals and celebrities, restricting unauthorised digital exploitation of their likenesses.

The dynamic nature of IP disputes during the year also extended to domain name disputes, trademark enforcement and design conflicts, where legal battles continued over cybersquatting and unauthorised brand usage. The World Intellectual Property Organization's 2024 report also recognised India's growing influence in the global innovation landscape, highlighting its progress in patents, trademarks, and industrial designs. These developments reflect India's dedication to protecting intellectual property rights while encouraging an environment that bolsters research, development, and entrepreneurship.

This comprehensive case law compilation provides key insights into the most notable IP rulings of the year 2024. Staying updated with the latest IP developments is essential as these cases have contributed to refining the legal standards governing IP rights, ensuring stronger protections for rights holders while balancing the interests of the larger public and industry. As the IP ecosystem continues to evolve, understanding these legal advancements continues to be critical in handling challenges and leveraging opportunities in an increasingly competitive and innovation-driven IP market.

Research & Publication Team

LexOrbis

CONTENTS

mail@lexorbis.com | www.lexorbis.com

mail@lexorbis.com | www.lexorbis.com

TRADEMARKS

1. Legal Flavour: Biryani King Trademark Clash Ends with Ex Parte Injunction

Case: JRPL Riceland LLP vs Neeraj Mittal & Anr. [CS(COMM) 943/2023]

Forum: Delhi High Court

Order Dated: January 4, 2024

Order: This case was filed by the Plaintiff seeking an ex parte ad-interim injunction restraining the defendants from dealing with their impugned trademark "Biryani King" or any other trademark deceptively similar to the Plaintiff's trademark "Biryani King" in respect of rice or any other edible goods. The comparative representation of Plaintiff's product, which shows the mark "Biryani King" selling classic basmati rice, is represented below along with the defendants' impugned trademark, which also shows as "Biryani King XXXL" selling premium rice:

REPRESENTATION OF PLAINTIFF TRADEMARK/LABEL "BIRYANI KING"

TRUE REPRESENTATION OF DEFENDANTS' IMPUGNED TRADEMARK/LABEL "BIRYANI KING"

While prima facie, it was clear from a perusal of the packaging of the Plaintiff's product and the defendants' product that the names used on both products are identical; it was also submitted that the colour scheme of both products is the same, i.e. green and gold.

The Plaintiff stated that the original owner of the "Biryani King" trademark was Shree Chamunda Trading Company. The trademark was assigned to Jain Rice Land Private Limited in 2012 and then to JRPL Rice Land LLP in 2021. The Plaintiff has applied for trademark registration in 2022, facing opposition from the defendants, who claim prior use. However, the Senior Counsel argues that the defendant's application for the trademark in 2023 mentions it is "proposed to be used," undermining their claim of prior use. The Plaintiff provides evidence of selling the rice product since 2005, supported by sales invoices, copyright registration, and website www.indiamart.com listings.

Under the circumstances, the Court opined that the Plaintiff had made out a prima facie case for the grant of an ex parte ad interim injunction regarding the trademark "Biryani King." The balance of convenience lies in favour of the Plaintiff, who was likely to suffer irreparable harm if the injunction, as prayed for, was not granted.

Accordingly, the Court restrained the defendants and its principal officers, employees, and agents from using Plaintiff's trademark "Biryani King" and/or any other mark deceptively like Plaintiff's aforesaid trademark and permutations/combinations thereof in any form or manner amounting to passing off, till the next date of hearing.

mail@lexorbis.com | www.lexorbis.com

2. Overturning Refusal of Trademark Application for ‘VISA EXPERTS – PARTNERING LIFE CHANGING DECISIONS’

Case: Abhinav Immigration Services vs The Registrar of Trademarks [C.A.(COMM.IPD-TM) 1/2024 & I.A. 153/2024]

Forum: Delhi High Court

Order dated: January 04, 2024

Order: This appeal was filed by the plaintiff -Abhinav Immigration Services, under Section 91 of the Trademarks Act, 1999 is directed against the order dated 22nd September 2023 [hereinafter, "impugned order"], whereby the Registrar of Trademarks has refused Appellant's trademark application No. 4455124 in class 39 for the mark " " [hereinafter "subject mark"] in respect of services pertaining to arranging travel visas, study visas, visitor visas, student visas, job visas and travel documents for persons travelling abroad; visa and immigration consultancy and advisory services.

According to the impugned order, the Registrar had found the subject mark objectionable under Sections 9(1)(b) and 11(1) of the Trademarks Act. Objection under Section 9(1)(b) of the Trademarks Act, the Registrar considers the subject mark as descriptive of the kind, quality, intended purpose, etc., of the goods/ services to which the mark is to be applied.

The Court noted that the Appellant's application for registration of an identical mark in class 35 for "overseas recruitment, outsourcing services [business assistance], employment recruitment, employment consultancy, employment counselling, enrolling students in the educational programs of others" has been accepted by the Trademarks Registry, with the caveat that the mark must be used as a whole. The said application is currently opposed by Visa International Service Association, a third party. Further, the subject mark is a composite mark comprising a logo containing the words "VISA EXPERTS", followed by the phrase "PARTNERING LIFE CHANGING DECISIONS". It is not a simple wordmark but is a stylised device, which is required to be assessed as a whole. Applying this test, in the opinion of the Court, the presence of the phrase “VISA EXPERTS – PARTNERING LIFE CHANGING DECISIONS” would not render the subject mark descriptive of the characteristics of the applied goods/ services, as prohibited under Section 9(1)(b) of the Trademarks Act.

As far as the objection under Section 11(1) was concerned, the Court noted that one would have to refer to the Examination Report dated 15th June 2020, which cited several conflicting marks. Of these cited marks, it was pointed out that only one mark – trademark No. 1239069 "VISA" – is registered in the name of Visa International Service Association. The remaining applications have either been rejected or abandoned.

The Appellant drew the Court’s attention to communications dated 27th and 29th September 2023, which depict that Visa International Service Association (proprietor of conflicting trademark No. 1239069) has agreed to the Appellant's application proceeding forward in class 39, provided the word "VISA" is disclaimed in the subject mark. While this understanding could not be given effect as the subject mark was refused registration, these e-mail communications nonetheless indicate that Visa International Service Association does not object to the subject mark being brought on the register if there is a disclaimer of the word “VISA”. Appellant, on instructions, also submitted that he is agreeable to the imposition of restriction over exclusive rights in the word “VISA” contained in the subject mark.

The Court noted that in light of the above, the objection raised under Section 11(1) of the Trademarks Act also does not survive, and the subject mark deserves to be accepted and advertised.

Accordingly, the Court set aside the order dated 22nd September 2023 and directed the Trademark registry to process the registration of application No. 4455124 in class 39 for the" ” mark. The Court further clarified that the subject mark should be read as a whole and shall not grant exclusive rights in any of the words "VISA EXPERTS – PARTNERING LIFE CHANGING DECISIONS", separately or individually.

3. Highway Hospitality Clash: Mannat Group's Legal Victory with Injunction

Case: Mannat Group of Hotels Private Ltd. vs M/S Mannat Dhaba & Ors [CS(COMM) 859/2023 & I.A. 24016/2023]

Forum: Delhi High Court

Order Dated: January 4, 2024

Order: This suit was filed by Mannat Group of Hotels (plaintiff) seeking an interim injunction against eating joints at Murthal on the Delhi-Chandigarh Highway.

The plaintiff claimed that the various Trademarks, including "MANNAT DHABA" and "MANNAT", and the logo had been registered under multiple classes, including 29, 32, 33, 35, 43, and 45, and had accordingly attained repute in the said marks, which are undoubtedly associated with the plaintiffs.

The appointed Local Commissioner placed on record his report observing that the Mannat Dhaba (Defendant 1) refused to cooperate, and despite many attempts, the owner was persistent in saying that MANAT is not similar to MANNAT. New MANNAT DHABA (defendant 2) informed that the Dhaba started around September 2022 and is in the process of rebranding the Dhaba as "MAHADEV DHABA". Thus, counsel for the plaintiff stated that no relief should be pressed against defendant 2. SHRI MANNAT DHABA (defendant 3) stated that the Dhaba was originally known as "DELIGHT AMBROSIA" but was rebranded to compete with defendant 2 and other similarly branded highway restaurants that opened in the vicinity. However, counsel for the plaintiff presented a communication showing the rebranding of the said Dhaba to "MANMEET DHABA" by defendant 3.

APNA MANNAT DHABA (defendant 4) cooperated in the execution of the Commission. The owner of defendant 4 stated that he had taken over Dhaba about 2-3 months back and retained the branding of MANNAT since it was popularly used by other Dhabas in the vicinity. He further stated that he was operating restaurants in Dehradun using the brand “GREASY GRILLZZ” and had also applied for registration for the brand “MANNATT”.

The Court noted that the plaintiff was able to make out a prima facie case for the grant of an ex parte ad interim injunction against defendants 1, 3 and 4). Thus, the Court granted an ad-interim injunction in favour of the plaintiff against each of the Defendants and their owners, partners, principal officers, employees, staff and all others acting for or on behalf of the Defendants.

4. Protecting the Reputation and Goodwill of Trademark Owners: The Dispute over "Khadi" Trademark

Case: Khadi And Village Industries vs Aayush Gupta and Others [CS(COMM) 6/2024]

Forum: Delhi High Court

Order Dated: January 5, 2024

Order: Recently, the Delhi High Court granted an interim injunction order against defendants who were found to be Khadi Earth (word and logo) for the same class of goods in which the plaintiff had prior rights and despite protocol in place, the defendants did not seek any permission/certificate from the plaintiff.

The plaintiff, Khadi and Village Industries Commission, a statutory body under the Khadi and Village Industries Commission Act, 1956, was established to promote and develop textiles. The trademark "**KHADI**" was adopted in September 1956, registered across several classes and has been recognised as a well-known trademark by the Trademarks Registry. The plaintiff is the registered proprietor of the marks **KHADI**, its word and logo depictions. This mark has been in continuous use for cosmetics, food, grocery products, etc., which are sold via its website, online and offline retail outlets, exhibitions, third-party e-commerce websites, etc. Any person who wishes to sell products under KHADI trademarks had to obtain a valid certificate from the plaintiff.

The defendants were manufacturing and selling products bearing marks - Khadi Earth and khadi EARTH through their website. One of the defendants has also applied for class 3 on a proposed to-be-used basis. A legal notice was addressed to the defendants to cease the use in November 2020. While no response was received from the defendants, product listings from the defendant's website were pulled down. Subsequently, in July 2023, the plaintiff found domain names www.khadiearth.info and www.khadiearth.online, UDRP complaints against which were decided in the plaintiff's favour.

In December 2023, the defendants were found selling cosmetic products on the website www.khadiearth.com, claiming to be the "best online Khadi store in India," and via e-commerce websites. Their products prominently displayed the impugned marks.

The plaintiff's counsel argued that the impugned products showcased deceptively similar marks incorporating the plaintiff's registered KHADI trademark, thereby creating a false association in the minds of customers.

The court conceded to the plaintiff's argument and granted an ex-parte ad-interim injunction against the defendants, restraining them from manufacturing and selling any products bearing impugned marks, suspending their website, www.khadiearth.com and removing online listings.

This order showcases that the Courts promptly recognise statutory and common law rights of the proprietor. Once a prima facie case is made out, the injunction order may follow to ensure that the owner/ proprietor doesn't face loss to its reputation and goodwill, which sometimes cannot be monetarily compensated. There should be no likelihood of association/link between the defendant's marks and the plaintiff's mark, as any such association negates the mandatory principle that a trademark must be an identifying factor indicative of the source of goods and services.

5. Trademark Triumph: Diabliss vs. Overra Foods – Removal and Rectification of infringing mark 'DIABEAT'

Case: Diabliss Consumer Products Pvt Ltd. vs Overra Foods [C.O. (COMM.IPD-TM) 307/2022]

Forum: Delhi High Court

Order Dated: January 5, 2024

Order: This petition was filed by the petitioner Diabliss Consumer Products Pvt. Ltd. for removal of the trademark 'DIABEAT' bearing registration No.3664179 in Class 30 in the name of the respondent 'OVERRA FOODS' and rectification of the Register of Trademarks under Sections 57/125 of the Trademarks Act, 1999. The 'DIABEAT' mark had been registered in favour of respondent no.1 on its application dated 26 October 2017. The application for rectification was initially moved in 2018 before the Intellectual Property Appellate Board, and thereafter, pursuant to the amendment in the Act, it was transferred to this Court and converted into the present petition.

The petitioner has its registered office in Chennai and uses the mark 'DIABLISS' in relation to the petitioner's flagship product, which is a diabetic-friendly sugar. It is stated that the petitioner has been using the same method consistently and without a break since 2011. The mark is used to manufacture and distribute various other food products such as Diabliss Sugar, Diabliss Herbal Lemon Tea, Diabliss Mixed Fruit Jam, etc. The petitioner's exclusive website is www.diabliss.in, which provides extensive information about their products. In 2015, the petitioner adopted a distinctive trade dress for its product, Diabliss Sugar. It was stated that the petitioner had used the same consistently and without a break since then for its product.

This mark/trade dress was created for the petitioner by M/s. Fifth Estate Communications Pvt. Ltd. and the petitioner were, therefore, the first owners of the copyright in the said trademark/trade dress. Copies of the petitioner's advertisements featuring the mark 'DIABLISS' along with the distinctive trade

mail@lexorbis.com | www.lexorbis.com

dress are also appended with the petition. The said mark was exclusively associated with the petitioner, both domestically and internationally, resulting from extensive sales and promotional activities. Trademark applications for 'DIABLISS' in class 30 have been applied and were opposed by respondent no.1 in 2018.

The petitioner stated that this was in the background of the fact that in 2016, respondent no.1 approached the petitioner through another associated concern for the distribution of the petitioner's product and agreement dated 10th October 2016 for the distribution of the petitioner's product in North India region had been executed. Pursuant to supplies being made through the distributor, monies were not paid by respondent no.1 for the said supplies, and the petitioner was constrained to communicate to them consistently for clearance of arrears.

Thereafter, it came to their knowledge in 2018, upon receiving a notice from respondent no.1 that a similar product with substantially the same trade dress and mark 'DIABEAT' was being manufactured and marketed by respondent no.1, pictures of petitioner's product and that of respondent no.1 are extracted below:

Petitioner's Product	**Respondent no.1's product**
	

Based on this dishonest use of the petitioner's mark and trade dress, a suit for infringement of copyright was filed by the petitioner against respondent no.1 before the High Court of Madras C.S. No.302 of 2018. The High Court of Madras was pleased to pass an injunction order dated 28th April 2018 inter alia against respondent no.1, restraining them from using the trademark/trade dress 'DIABEAT'.

The petitioner stated that the said order was appealed by respondent no.1 before the Division Bench of the High Court of Madras by way of OSA No. 360 of 2018 and 361 of 2018 (respondent no.1 was appellant no.2 in the said appeals). The Division Bench of the High Court of Madras dismissed the challenge by respondent no via order dated 6th September 2018.1, It was further informed that the suit in the High Court of Madras was also decreed in favour of the petitioner herein vide order dated 28th February 2020.

mail@lexorbis.com | www.lexorbis.com

The Court noted that apart from the observations and findings of the High Court of Madras, on perusal of the respective packaging adopted by petitioner and that by respondent no.1, it is quite evident that trade dress has been more than substantially adopted by respondent no.1.

The Court stated that it was quite evident from the facts and circumstances, including the distribution agreement, which were stated in the order of the High Court of Madras, that the respondent no. 1 was aware of the petitioner's trademark and trade dress in 2016 when they were appointed as distributors of the petitioner's products.

The Court stated that the application filed by respondent no.1 for registration of a trademark, including trade dress similar to that of the petitioner, was clearly a mala fide and dishonest attempt to cause confusion in the market and infringe the rights of the petitioner in their trademark/trade dress.

The Court held that the relief sought by the petitioner was to be allowed. Respondent no.2/Registrar of Trademarks is directed to effect removal of the said mark 'DIABEAT' bearing registration No.3664179 of respondent no.1, from the Register and the Registry's website.

6. ‘VERIZON’ vs. ‘VERIZONE’: Delhi High Court Grants a permanent injunction in favour of Verizon Trademark Services LLC

Case: Verizon Trademark Services LLC vs Verizone Broadband Services Pvt Ltd. [CS(COMM) 932/2023]

Forum: Delhi High Court

Order Dated: January 5, 2024

Order: This case was filed by the plaintiff seeking a permanent injunction for restraining infringement of their prior adopted and well-recognised trademarks 'VERIZON',

and other marks containing, or comprising of, the trademark VERIZON (from now on collectively referred to as the "VERIZON Trademarks") along with other attendant relief.

It was stated that the plaintiff is part of the Verizon Group of Companies and among the world's leading providers of, inter alia, communications, entertainment, information technology, and security products and services. The Plaintiffs' group employs around 135,000 people worldwide, and they own and operate one of the most expansive end-to-end global Internet Protocol (IP) networks, serving more than 2,700 cities in over 150 countries, including India. The Plaintiffs' business operations are far-reaching, and their success is represented by the colossal revenue they generate, with revenues in the year 2022 alone ranging around USD 136.8 billion.

The plaintiff stated that the trademark 'VERIZON' is a coined trademark with registrations in more than 200 countries worldwide, including India.

The plaintiff’s grievance was against the defendant’s use of the mark VERIZONE and logo and email address verizone.broadband@gmail.com, which is deceptively similar to the plaintiffs' marks 'VERIZON'. The plaintiffs had stated that the defendant, Verizone Broadband Services Pvt. Ltd., was incorporated on 30th January, 2022. The defendant is promoting, marketing, and advertising its products and services through third-party online marketplaces such as www.justdial.com. The plaintiffs learned of the defendant's use of the said mark in the first week of December 2023.

The Non-appearance of the defendant, even after notices being served and considering the facts and circumstances, the Court opined that the plaintiffs had made out a prima facie case for grant of ex parte ad-interim injunction regarding trademarks and logos abovementioned. Balance of convenience lies in favour of the plaintiffs, who were likely to suffer irreparable harm if the injunction as prayed for was not granted.

Accordingly, the Court restrained the defendant and its principal officers, employees, and agents from using the mark 'VERIZONE' (currently being used by the defendant) and using the Plaintiffs' well-known and registered trademarks "VERIZON" and/or any other mark deceptively similar to plaintiffs' aforesaid trademarks and permutations/combinations thereof, including, in any form or manner, amounting to passing off, till the next date of hearing.

The Court further directed the defendant not to use the name 'VERIZONE' as part of their email address and take immediate steps to deactivate the said email address, and if necessary, use a different email address, which is in consonance with the directions passed above.

7. Distinctive Pharma Packaging Needed to Avoid Harm

Case: Dr. Reddys Laboratories Limited vs SGS Pharmaceuticals (P) Ltd [CS(COMM) 873/2023]

Forum: Delhi High Court

Order Dated: January 05, 2024

Order: In the recent case of *Dr Reddy's Laboratories Limited v SGS Pharmaceuticals (P) Limited*, the Delhi High Court granted relief to the plaintiff, Dr Reddy's Laboratories, by restraining the defendant from infringing on the registered trademark, trade dress, colour scheme, and distinctive packaging of the medicine Cyproheptadine sold by the plaintiff under the trademark Practin. The court found that the defendant was using identical packaging, colour scheme and trade dress to pass off their product as the plaintiff's product and ride on the goodwill and reputation of the plaintiff's product.

The plaintiff is a globally renowned pharmaceutical company that has existed since 1984 and has a worldwide presence. The trademark Practin, with its trade dress and colour scheme, was registered in 1986 by Wockhardt and assigned to the plaintiff via an assignment deed dated 9 June 2020.

The product has had an annual market value of between INR 350 and INR 600 million (USD 4.2 and USD 7.2 million) during the past five years preceding 2020. It enjoyed significant recall value in the market because of its unique appearance. Unlike the usual silver-coloured packaging used for most medicines, it was orange on one side and white on the reverse. This unique and distinctive packaging was copyright-protected and had acquired a distinct identity due to being in continuous use for three decades.

In resisting the plaintiff's application, the defendant pointed out that it was not using the name Practin, the plaintiff's registered trademark. It sold its product under the trade name Cyproheptadine–4. Cyproheptadine is the scientific name of the salt that was the basic ingredient of the pharmaceutical product. The defendant claimed to have been using the name Cyproheptadine–4 since 2001 under a valid drug licence and, therefore, asserted its right to continue its sale.

However, the plaintiff's case revolved around the defendant using an infringing trade dress, colour scheme and deceptively identical packaging. The plaintiff argued that its application was in the interests of consumers who were likely to be misled into thinking the product of the defendant was that of the plaintiff. The defendant, on the other hand, claimed that because its medicine was a Schedule H drug and was sold only by pharmacists through a medical practitioner's prescription, the possibility of confusion by purchasers identifying the product of the defendant as that of the plaintiff was unduly exaggerated.

The court accepted the fact that the defendant held a drug licence for Cyproheptadine–4 and that the defendant had been selling the drug since 2001.

However, the court held there was no reason to sell Cyproheptadine–4 in packaging identical to that of the plaintiff's product, with the same colour scheme, trade dress and layout. This was especially so because the plaintiff used a unique bicolour scheme in the industry, created specifically to distinguish its products from the rest. The continuous presence of the product in the market since 1996 created considerable goodwill and brand recall, both of which had been protected by valid trademarks and trade dress and IP registrations.

The court granted an injunction against the use of identical packaging. The defendant was directed to submit details of distinct packaging that did not infringe the plaintiff's product through trade dress, colour scheme, layout, packaging, font, and overall appearance. Even if the defendant's product was a Schedule H drug, the possibility of being misled by identical packaging could not be discounted because the average consumer may be unable to differentiate the two products on plain viewing.

This decision emphasised two elements. First, as illiteracy was prevalent among probable consumers, the appearance of a product was significant. Second, there should be no possibility of confusion in the mind of the average consumer or purchaser of medicines. These are pharmaceutical products, and a higher degree of care must be taken to avoid any possibility of identical packaging. Even though the scientific name of the salt used in each medicine was the same, the court protected the plaintiff's intellectual property rights in its unique trade dress, colour scheme and layout.

8. Rectification Quest: Delhi High Court's Verdict on BAOJI Trademark Non-Use Allegations

Case: Rong Thai International Group Co. Ltd vs Ena Footwear Pvt. Ltd. [C.O. (COMM.IPD-TM) 100/2021]

Forum: Delhi High Court

Order Dated: January 05, 2024

Order: Recently, Rong Thai International Group Co. Ltd. (*herein referred to as the **Petitioner***) filed a rectification petition before the Delhi High Court to seek cancellation of the trade mark 'BAOJI' in class 25, which was registered in favour of ENA Footwear Pvt. Ltd. (*herein referred to as the **Respondent No. 1***). The Petitioner alleged non-use of the mark by the Respondent, citing Section 47(1)(b) of the Trade Marks Act, 1999.

The Petitioner had claimed extensive use of the mark 'BAOJI' in various countries, including India, where they held a registration under Class 18. The Petitioner had also asserted that their application for registration under Class 25 for footwear was rejected due to the Respondent's existing registration. The Petitioner had contended that they only learnt about Respondent No. 1's registration of the impugned mark on 20th July 2017 upon receiving the examination report of the Registrar dated 1st July 2016.

The Petitioner has primarily relied upon an investigation report dated 11th November 2019, carried out by an independent investigator, stating that the said report confirmed that Respondent No. 1 was not using the impugned mark 'BAOJI', and even recorded the alleged statement of Mr. Rohit Sharma, Director of Respondent No. 1, that they did not manufacture any products under the mark 'BAOJI'. It was further contested that since more than five years had elapsed since the date of registration with no bona fide use by Respondent No. 1, the impugned mark is liable to be removed from the trade mark register in terms of Section 47(1)(b) of the Act.

Respondent No. 1 had contested the assertions put forward by the Petitioner, vehemently affirming their consistent use of the impugned mark 'BAOJI' since 2000 for footwear-related goods. They provided concrete evidence in the form of sales invoices from 2012 to 2022 to support their claim of ongoing commercial activity involving the mark. Furthermore, Respondent No. 1 challenged the credibility of the investigation report commissioned by the Petitioner, alleging bias and misrepresentation. By presenting these counterarguments, Respondent No. 1 sought to refute the allegations of non-use and uphold the legitimacy of their usage of the mark 'BAOJI'.

After careful consideration of the submissions from both parties and an analysis of Section 47(1)(b) of the Trade Marks Act, 1999, the Delhi High Court dismissed the Petitioner's claim. The Petitioner had failed to prove the alleged non-use of the impugned mark. The registration certificate for the impugned mark was issued in favour of Respondent No. 1 on 26th December 2013. This date had signified the official entry of the impugned mark into the register. The application for rectification in this case had been filed on 10th August 2020. Accordingly, the critical date for assessing the use of the mark had been set as 10th May 2020, three months before the filing of the rectification application.

The court had held that the sale invoices submitted as evidence had demonstrated Respondent No. 1's consistent engagement in transactions using the impugned mark from 2012 through 2022. This evidence established uninterrupted use of the impugned mark over a significant period, covering the relevant timeframe for assessing non-use. Additionally, the court noted that the investigation report, being a single self-sourced document, lacked the comprehensive perspective of multiple sale invoices. Consequently, the evidence of sustained use of the impugned mark by Respondent No. 1 outweighed the findings in the investigation report regarding non-use.

9. Novartis vs Natco Imparts Clarity on Examination and Opposition Process Under Patents Act Being Parallel but Independent

Case: Novartis AG vs. Natco Pharma Limited & Anr. [LPA 50/2023]

Forum: Delhi High Court

Order dated: January 09, 2024

Order: In a decision dated January 9, 2024, the Delhi High Court clarified that the examination and opposition process, though statutorily structured to proceed parallelly, are independent and separate.

The appeal emanated from an earlier decision of the Court in Natco Pharma Ltd. vs Assistant Controller of Patents & Designs (W.P.(C)-IPD 2/2023). Natco Pharma Limited had filed the said writ petition challenging the order of the Controller of Patents dated December 14, 2022, wherein certain amendments made by the Patentee, Novartis AG, were allowed. Subsequently, its patent was granted without affording an opportunity of hearing to the pre-grant opponent, Natco.

The dispute revolves around Novartis' patent application IN 414518 (IN’518), where Natco raised objections during pre-grant opposition filed before the Indian Patent Office (IPO). Natco had approached the Court on multiple occasions when its application to cross-examine the Novartis’ expert witness was not considered later for filing rebuttal evidence. While granting said reliefs to Natco, the Court had also directed IPO to conclude all pre-grant opposition hearings within the fixed timelines. IPO conducted the hearings accordingly and directed Novartis to make certain amendments to the claim set. Consequently, Novartis amended its claims, and IN’518 was granted. However, since the amendments were not notified to Natco or any other pre-grant opponent, they filed a writ wherein the impugned order dated January 12, 2023, was passed. The impugned order set aside the grant of IN’518 and remanded it back for fresh consideration with a direction to ensure the involvement of pre-grant opponents in the examination process. The present order of the Court sets aside this impugned order.

The central question under consideration was whether pre-grant opponents opposing a patent application before its grant must be actively involved in the examination process, particularly the right to represent against both voluntary amendments and those that may be directed by the Controller.

Novartis's contention revolved around the distinction between pre-grant and post-grant opposition proceedings and the associated rights of opponents when their pre-grant opposition is rejected. The Court's stance on the time constraints of pre-grant opposition underscores the need for a stringent interpretation of Section 25(1) of the Patents Act, 1970. Novartis challenged the finding of natural justice violation in the Controller's proceedings, asserting that the impugned order was based on an incorrect understanding of the legislative scheme, especially Sections 12 to 15 of the Act and Rules 24B, 28, and 28A of the Patent Rules, 2003.

Emphasising the separate nature of examination and opposition processes, Novartis argued against opponents having a right to a hearing during the examination, citing Sections 14 and 15 of the Act. The role of Rule 55 of the Patent Rules and the distinction between pre-grant and post-grant oppositions further shape Novartis' legal stance. Ultimately, Novartis contends that compliance with the Controller's directives for amendments was met, and the prolonged opposition caused significant delays, emphasising the need for a comprehensive examination of the case's merits.

Contrarily, Natco asserted that once a pre-grant opposition is initiated and opponents participate, the opposition proceedings seamlessly integrate with the examination, establishing an adversarial context. While emphasising statutory schemes in alignment with the principles of natural justice, it was argued that opponents should be actively involved in all stages, justifying their participation even during the examination process's amendment phase. Natco highlighted Section 25(1) of the Act, contending that opponents can submit a pre-grant opposition until the grant stage, reinforcing their relevance in Controller-suggested amendments. Addressing the absence of an appeal for pre-grant opponents under Section 117A of the Act, NATCO further stressed the imperative nature of opponents' participation in all examination facets. Referring to the decision in UCB Farchim, NATCO refuted Novartis' claims, asserting that Section 25(1) proceedings intertwine with Section 15 of the Act.

Exploring Rule 55(1-A), Natco clarified its role, giving opponents a six-month window to file representations against a patent's grant. Natco detailed Rule 55(3) of the Patent Rules and its obligation on the Controller to consider opponent submissions, issuing notices when necessary. The inquiry, involving a thorough assessment of representations, statements, evidence, and applicant submissions, underscores the adversarial nature and the application of natural justice principles, as indicated by Rule 55(5) of the Patent Rules requiring a hearing of parties.

The key points discussed and observations made by the Court while setting aside the impugned order can be summarised and broadly enlisted as below:

- Independent Examination Process: The Court emphasised that the examination process, initiated by the Controller, is an independent statutory duty. It proceeds regardless of objections and aims to ensure the patent application is evaluated on merits. Objections, although aiding examination, do not override the Controller's obligation to assess the application independently.
- Distinct Purpose of Pre-Grant Opposition: The Court acknowledged the value of the pre-grant opposition stage, highlighting its role in eliciting diverse opinions and objections. It facilitates a comprehensive exploration of issues beyond direct stakeholders, contributing to a well-informed decision.
- Separation for Rigorous Examination: It is crucial to maintain a clear distinction between examination and opposition processes. Merging these processes would compromise the rigorous examination and contradict the legislative intent of expeditious consideration.
- Limited Right to Hearing: The Court clarified that the right to oppose and be heard under Rule 55 of the Patent Rules is confined to the representation stage, triggered when the Controller deems raised issues warrant rejection or amendment. This right does not extend to a broader participation in the examination process.
- Role of Opposition in Examination: While opposition aids examination by providing external inputs, the Court emphasised that the examination process demands a focused evaluation of the patent application against set legal standards, a task reserved for the Controller.
- Distinct Nature of Amendments: The Court differentiated between voluntary amendments proposed by the applicant and those directed by the Controller. It emphasised that amendments based on Controller directives do not fall under Section 57(6) of the Act, highlighting the separation of examination and opposition processes.
- Evaluation Based on Prejudice and Justice: The Court Criticised the impugned judgment for not evaluating alleged violations of natural justice based on prejudice and manifest injustice. It highlighted the importance of considering the timing of objections in line with legislative mandates.

mail@lexorbis.com | www.lexorbis.com

- Clarification on Rule 55 Hearing: The Court clarified that the hearing under Rule 55 of the Patent Rules is confined to objections and does not confer a participatory role or a right to be heard in the examination process.
- Preservation of Legislative Intent: The Court emphasised that preserving the legislative intent includes preventing abuse of the pre-grant opposition right, ensuring timely proceedings, and avoiding undue delays in the examination process.

This decision reinforces the autonomy of the patent examination process, highlighting it as a distinct statutory duty vested in the Controller and providing clarity on the nuanced dynamics of patent law, safeguarding stakeholder participation while upholding legislative intent. The decision encourages a balanced approach to preserve opponents' rights without impeding the expeditious consideration of the patent application, firmly maintaining a separation between examination and opposition to ensure expeditious and fair proceedings.

10. Pouring Trouble: Unveiling Copyright Infringement in Tata Water Plus

Case: Tata Sons Private Limited & Ors vs Tushar Fulare [CS (COMM) 242/2022)]

Forum: Delhi High Court

Order Dated: January 10, 2024

Order: The Delhi High Court, through its decision dated January 10, 2024 (Tata Sons Private Limited & Ors vs Tushar Fulare CS (COMM) 242/2022), restricted Defendant Tushar Fulare from using the trademark ZINC WATER PLUS, trade dress, packaging and label 

, which was similar to Plaintiff's TATA WATER PLUS.

The Plaintiff, Tata Sons Private Limited, the parent company of the Tata Group, filed a copyright infringement suit against the Defendant, Tushar Fulare, for engaging in unauthorised use of the distinctive trade dress and packaging associated with the plaintiff's mineral water product, "TATA WATER PLUS", and for infringing the well-known trademarks "TATA" and "TATA WATER PLUS".

The plaintiff claimed it owns the well-known trademark "TATA" and various formative trademarks, including "TATA WATER PLUS" in classes 16 and 32. It has been permitted to use such mark through a trademark license agreement dated August 26, 2011. The plaintiff further contended that their mark, unique trade dress, and packaging had been uninterruptedly and continuously used, which has acquired secondary significance.

The plaintiff discovered the defendant's use of the impugned mark in February 2022 and conducted an independent investigation. The internet searches revealed the defendant's official websites, **www.immunitywaterplus.com** and **www.zincwaterplus.com**.

The physical investigation disclosed the defendant's involvement in manufacturing and supplying packaged water products, which bore similarity to the plaintiff's trademark and trade dress. The investigation also disclosed that the

mail@lexorbis.com | www.lexorbis.com

defendant's associations offered opportunities and business contracts with the plaintiff without their knowledge in exchange for money.

The Plaintiffs sought various reliefs, including a permanent injunction, damages, and rendition of accounts. The defendant did not file a written statement or lead evidence. The defendant stated that it has no objection to the suit being decreed against it, but no injunction should be directed with respect to the mark “ZINC WATER PLUS”. Concerning the mark "ZINC WATER PLUS," they, however, argued, claiming it to consist of common and generic words that were widely used in the water packaging industry and lack of “ZINC WATER PLUS” registration by the plaintiff.

The plaintiff did not object to the said argument of the defendant agreeing to restrict its arguments to its trademarks "TATA", "TATA WATER PLUS", "TATA GLUCO+", and "HIMALAYAN. The plaintiff continued to emphasise that the use of the packaging adopted by the defendant should be injuncted, as it used the trade dress, artistic work and the unique and distinct packaging of the Plaintiffs’ products.

The Court noted that since there was no reply filed to the allegations of the plaintiff, an admission of the plaintiff's claim in entirety was deemed, and accordingly, the Court did not find the need to delve into any other aspect. Considering the arguments of both the parties, the Court decreed in favour of the plaintiff, issuing a restraining order against the defendant for using the impugned mark and label

, considering it as similar to that of the plaintiff’s packaging. The Court further directed the defendant to remove all online and offline references to products bearing the Plaintiffs' marks from their websites and other third-party listings. The Court also awarded damages of INR 50,000 in favour of the plaintiff, along with the costs of the legal proceedings.

The Delhi High Court's decision upheld the plaintiff's rights, emphasising the imperative of safeguarding trade dress and labels from unauthorised use. It also highlights the importance of protecting well-known trademarks in India and reinforces the necessity for strong measures to maintain brand integrity and consumer trust.

11. Delhi High Court grants Interim Injunction Against Infringing Use of “AAJ TAK” Trademark

Case: Living Media India Limited and Anr. vs Jay Jayeshbhai Tnak and Ors. [CS(COMM) 949/2023 & I.A. 26295/2023]

Forum: Delhi High Court

Order Dated: January 12, 2024

Order: In a recent legal dispute between **Living Media India Limited and Anr. And Jay Jayeshbhai Tank & Ors**., the Delhi High Court, granted an interim injunction against the defendant's unauthorised usage of the trademark "AAJ TAK". The plaintiff alleged trademark infringement and the unauthorised use of its intellectual property rights.

The plaintiff alleged that the defendant was utilising the trademark "AAJ TAK WATCH NEWS" on various digital platforms, including a YouTube channel, social media profiles, and domain names such as www.aajtakwatch.in and www.aajtakwatchnews.com.

The plaintiff claimed that the defendant's use of the mark was an infringement of its registered trademarks "AAJ TAK"/आज तक" and could potentially harm the brand's reputation. Additionally, the plaintiff argued that the defendant's actions could confuse consumers due to the similarity between the marks.

The court acknowledged that the plaintiff's trademarks, "AAJ TAK"/ आज तक" had been properly registered, and an application to declare them as well-known trademarks was also under consideration. Additionally, it was pointed out that defendant No. 1 had filed an application for a trademark similar to the plaintiff's mark, raising concerns about potential dilution and further infringement.

After analysing the arguments and examining the evidence presented, the court found that the plaintiff's case had substantial merit. It concluded that an ad interim injunction was necessary to prevent irreparable damage to the plaintiff's reputation and goodwill. The court also noted that the balance of convenience favoured the plaintiff in this case.

Hence, the court ordered the defendant to stop using the plaintiff's marks "AAJ TAK"/आज तक" on all digital media platforms, including websites and social media handles. Additionally, defendant No. 1 was directed to deactivate all social media profiles and domain names associated with the infringing mark. Failure to comply with these directives would lead to further actions, including suspension of domain names and deactivation of digital platforms.

Through its recent order, the Delhi High Court has demonstrated its dedication to safeguarding intellectual property rights and promoting fair competition in the digital sphere. By granting an interim injunction, the court has proactively protected the plaintiff's interests and upheld the integrity of registered trademarks. This decision serves as a valuable reminder of the importance of respecting IP laws and the consequences of failing to do so.

12. Hero Investcorp Challenges Delhi High Court Order on Trademark Dispute: A Legal Analysis

Case: Hero Investcorp Pvt. Ltd. v. V.R. Holdings [Special Leave Petition (Civil) Diary No. 46199 of 2023]

Forum: Delhi High Court

Order Dated: January 12, 2024

Order: This petition was filed by the plaintiff Hero Investcorp under Article 136 of the Constitution of India, challenging the order passed by the Delhi High Court in V.R. Holdings vs Hero Investcorp Ltd. The Court granted Hero Investcorp the liberty to raise all the objections, including those raised in the SLP, after the appeal was finally disposed of.

In its order dated 4-08-2023 passed by the Delhi High Court in V.R. Holdings v. Hero Investcorp Ltd., 2023, which was challenged in the instant matter, The Division Bench was dealing with the challenge against the dismissal of rectification moved by V.R. Holdings, referrable to Section 57 of the Trademarks Act, 1999.

The Delhi High Court Division Bench noted the fact that not only the arbitration proceedings but several other rectification petitions were pending before the Court, whose subject of contestation of proceedings was the rights of parties asserted to flow from competing interpretations of the FSA and TMNA.

While observing that staying on the impugned decision in V.R. Holdings v. Hero Investcorp Ltd., 2023 would neither revive the cancellation petition nor adversely impact the subsisting registration of the mark in favour of Hero Investcorp, to balance the interests of parties and ensure the adverse impact of the decision till the examination of appeal, the Court found passing of interim directions as appropriate and rejected the contention of V.R. Holdings being estopped from seeking interim protection. Thus, the Court had stayed the order dated 6-03-2023 in V.R. Holdings v. Hero Investcorp Ltd., 2023.

13. Delhi High Court Upholds Trademark Protection: Allied Blenders & Distillers vs. Hermes Distillery

Case: Allied Blenders @ Distillers Private Limited vs Hermes Distillery Private Limited [CS(COMM) 274 of 2021]

Forum: Delhi High Court

Order Dated: January 15, 2024

Order: This case was filed by the Plaintiff, Allied Blenders and Distillers (P) Ltd., under Sections 134 and 135 of the Trademarks Act, 1999, seeking an injunction against the defendant, Hermes Distillery (P) Ltd.'s labels.

Plaintiff is one of the leading manufacturers and sellers of alcoholic beverages under various trademarks, namely, 'OFFICER'S CHOICE', 'OFFICER'S CHOICE BLUE', 'OFFICER'S CHOICE BLACK', 'CLASS VODKA', etc. The products under the mark 'OFFICER'S CHOICE' were launched by the plaintiff in 1988, and in 2014, 'OFFICER'S CHOICE' was declared the largest-selling whisky in the world. The plaintiff submitted that it had been using the mark 'OFFICER'S CHOICE' in a distinctive design, colour scheme, layout, and get-up as its label, which had become uniquely associated with its products. The white base, red font style, and lettering of the logo were considered original artistic work under Section 2(c) of the Copyright Act of 1957. The plaintiff claimed to own the copyright subsisting in the artistic work underlying the label 'OFFICER'S CHOICE PRESTIGE WHISKY', duly registered in 2013.

Defendant Hermes Distillery (P) Ltd. is also engaged in blending and bottling liquor brands and allied products. The plaintiff discovered the defendant's activities in 2019 when 'PEACE MAKER PRESTIGE WHISKY' with the impugned label was launched in small quantities in Haryana, Assam, and North Karnataka.

The plaintiff submitted that the positioning of brand names, font style and colour, product description, placement of marks, colour scheme, border design and central design element were almost identical. The defendant contended that there was no consistency in the plaintiff's marks, and it had been changing its labels from time to time. Further, the use of the colour combination red and white was common to the trade, and several other manufacturers used a similar combination of colours for their products. The defendant also submitted that this Court lacked territorial jurisdiction as it had not sold the impugned product under the mark' PEACE MAKER' in Delhi, nor had it acquired a license for its sale in Delhi, and neither the defendant nor the plaintiff had a registered or branch office in Delhi, nor were they conducting business there.

Comparison of plaintiff's and defendant's labels.

Plaintiff's "Officer's Choice" label	Defendant's infringing impugned label
	

The Court opined that though the labels were not identical, there were some clear elements of similarities between them, like (a) the use of the ribbon-like feature in the plaintiff's and defendant's labels; (b) placement of white window in red background; (c) placement of insignia/coat of arms; and (d) placement of other descriptive matter.

The Court relied on Parle Products (P) Ltd. v. J.P. and Co., Mysore, (1972) and S.M. Dyechem Ltd. v. Cadbury (India) Ltd., (2000), wherein the test for comparing the labels was not one of identity but of similarity. The Court further relied on Corn Products Refining Co. v. Shangrila Food Products Ltd., 1959 and opined that the plank of similarity had to be tested from that of a customer with average intelligence, imperfect collection, or a hazy recollection.

The Court opined that considering the large scale of the plaintiff's products under the 'OFFICER'S CHOICE' mark, the defendant was obviously aware of the 'OFFICERS CHOICE' products and labels, and it was the overall combination of various elements that made the label confusingly and deceptively similar and not any specific single feature.

The Court further opined that "confusion need not be between products but could also be one of affiliations, sponsorship, or connection as well. A consumer might presume that the defendant's product was a differently priced product emanating from the plaintiff. Moreover, the Court must put itself in a realistic position to see how bottles were stacked on bar counters. These venues were typically not brightly lit and were usually dimly lit.

In such a setting, if a consumer ordered the plaintiff's product and the bartender served the defendant's product, owing to the broad similarity of the labels, the consumer might not even be able to tell that the product served was that of the defendant and not of plaintiffs. The test was not of the standard of a connoisseur but that of an ordinary consumer or layperson. Even the purchase at liquor outlets would include consumers who could be from varying strata of society and might not be able to discern fully the distinguishing features. Confusion as to affiliation or sponsorship was a clear possibility".

The Court relied on Skechers USA Inc vs Pure Play Sports, 2016 and opined that it was inclined to hold in the plaintiff's favour as, in the past, similar labels with different marks had already been injuncted. The Court found the following similarities in both the labels:

- The lower half of the label had a red background, and the upper half had a white background.
- There was a gold line between the upper and lower half.
- The lettering on the lower red half of the label was in white, and the lettering on the upper white half of the label was in red.
- The placement of the trademarks' OFFICERS CHOICE' (in the case of the plaintiff's label) and 'PEACEMAKER' (in the case of the defendant's label) were similar and covered a major portion of the upper white half of the label.
- Both labels had an outer gold border.
- The use of certain insignia was also similar. The intricate differences could not be noticed in the emblem/insignia.

The Court opined that the overall appearance of the two labels was similar at first glance, constituting similar trade dress. Therefore, the two labels were deceptively similar as perceived by a person of average intelligence and imperfect recollection. The Court was convinced, prima facie, that there was a clear attempt to indulge in "smart copying", which would still be copying. The differences, in fact, showed that extraordinary effort had been put in by the defendant to identify the differences. The broad similarities were so obvious at first look, but the differences were nudged into oblivion.

The Court noted that the trademark application of the defendant was filed by one of its directors, a resident of Delhi, and the defendant was also carrying on business in Delhi and had a godown in Delhi. The Court relied on Indian Performing Rights Society Ltd. v. Sanjay Dalia (2015); Banyan Tree Holding (P) Ltd v. A. Murali Krishna Reddy, 2009; and Burger King Corporation v. Techchand Shewakramani, 2018, and held that at this stage, the Court was not inclined to uphold the objection of territorial jurisdiction and if required, an issue on jurisdiction could be framed at a later stage.

The Court opined that the defendant's label was clearly imitative of the plaintiff's label, and the use of the defendant's label would constitute a misrepresentation likely to result in passing off, which might or might not result in the sale of the product and it was well settled that even initial interest confusion was actionable. The Court further opined that irreparable harm would be caused if the interim injunction was not granted as the plaintiff's products were well-established products in the market, whereas the defendant's product had only been recently introduced under the impugned labels.

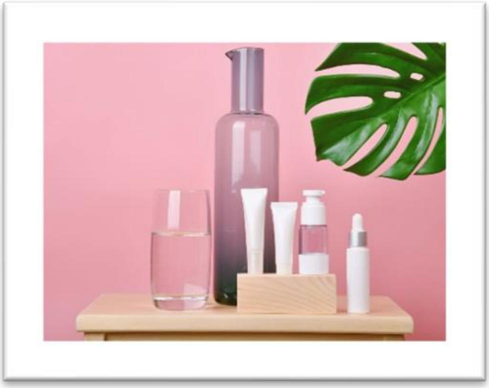
The Court thus restrained the defendant from manufacturing, selling, or offering for sale whisky or any other liquor products under the impugned label . The injunction did not preclude the defendant from using the red and white colour combination in a manner that would not cause any confusion or deception or be imitative of the plaintiff's mark/label 'OFFICER'S CHOICE'. The Court, after considering that the products were liquor products, gave thirty days to the defendant to exhaust the existing stock.

14. Trademark Squatting: Bane of a Legitimate Trademark Owner

Case: Volans Uptown LLC vs Mahendra Jeshabhai Bambhaniya [CS(COMM) 257/2023, I.A. 8234/2023]

Forum: Delhi High Court

Order Dated: January 15, 2024



Order: Trademark Squatting is a term that has evolved in this era. It is a tactic by unscrupulous entities wherein they apply for trademarks identical to the trademarks of well-known and renowned brands only to sell such trademark applications /registrations to legitimate owners at a higher cost. In general, 'squatting' means occupying a right or a property upon which the squatter has no legitimate right or claim.

In Trademark law, the squatter is very well aware of the existence of the prior trademarks of the renowned brands and still files for such trademarks only with the intent to sell them to the rightful and legitimate owners of those trademarks. Such exploitative tactics pose a significant threat to the integrity of the trademark law, underscoring the need for judicial intervention to protect and safeguard the rights of legitimate trademark owners.

In the recent judgement of *Volans Uptown LLC vs. Mahendra Jeshabhai Bambhaniya*, the plaintiff filed a *quia timet* suit before the Hon'ble High Court of Delhi seeking various remedies, including a permanent injunction against the defendant from passing off goods under the plaintiff's trademark "BOTANIC HEARTH" and its formatives. However, the defendant failed to appear before this Court, and the case proceeded *ex parte*. The factual matrix of this case was that the Plaintiff, i.e., Volans Uptown LLC, was engaged in manufacturing and selling cosmetic, skin and hair care products made from natural ingredients under the trademark "BOTANIC HEARTH".

mail@lexorbis.com | www.lexorbis.com

They had registered the marks “BOTANIC HEARTH” and Botanic Hearth cosmeceuticals in 2017 in the United States and had filed applications for its registration in Canada and India. The plaintiff adopted the wordmark "BOTANIC HEARTH" in 2017, and this ownership extended to other forms or derivatives of the mark, including, *inter alia*, “BOTANIC HEARTH COSMECEUTICALS” and Botanic Hearth cosmeceuticals (*collectively as “Plaintiff’s marks”/ “said marks”*). The plaintiff was the exclusive owner and prior user of these marks and had been selling its products in various countries through e-commerce platforms, including its official website, www.botanichearth.com, since at least 2018, which was accessible by all. Its products have been available in India since at least 2020 on various e-commerce platforms such as Amazon India, Ubuy, etc., and continue to be so, demonstrating the demand and presence of its products/brand in India.

The plaintiff had also advertised, promoted, and marketed its products under the said marks in India, which had also been featured in Indian magazines and publications. The plaintiff further submitted that in September 2022, it learned that the defendant had filed a trademark application no. 5490886 for the mark “BOTANIC HEARTH” in class 3 on a “*proposed to be used*” basis, which incorporated the plaintiff's mark in its entirety.

Further, the plaintiff had also found out that the defendant was a habitual infringer and had filed over 160 trademark applications belonging to popular brands owned by third parties, some of which were UrbanBoAt', 'MATTEL GAMES', 'SIRONA', 'SUGAR COSMETIC', 'MINMAX', ‘TINKLE’ etc. The *modus operandi* of the defendant was to ride upon the goodwill and cachet enjoyed by internationally famous trademarks. In view of the same, the plaintiff had also sent a legal notice to the defendant asking it to cease and desist from using the impugned mark and assign the trademark application to the plaintiff. Later, the plaintiff received a call from the defendant's representative, who demanded approximately INR 18,00,000/- to relinquish rights in the impugned mark.

It is pertinent to note here that the gap between the trademark application of the defendant and that of the plaintiff in India was merely a period of 3 months. During the conversation, it was also mentioned that the defendant had a similar arrangement concerning another trademark, 'UrbanBoAt', and significant details about the defendant's business operations were further disclosed. The defendant's representative also claimed that the defendant was a prominent figure in the e-commerce sector, selling sixty to seventy (60-70) thousand units daily, with a turnover of about INR 2 crores. He further revealed that the defendant manufactured various cosmetic and skincare products in China for sale in India and was establishing a manufacturing facility in Maharashtra.

This sequence revealed the *modus operandi* of the defendant, i.e., filing for registrations of well-known trademarks, including those owned by the plaintiff, to trade them or coerce legitimate owners into paying large sums of money. In case the owners refused such demands, the defendant would then capitalise on the established goodwill of the owners' marks by selling counterfeit products on e-commerce platforms. It was also revealed that the defendant had not yet commenced using the mark "BOTANIC HEARTH". However, it was learned that the defendant planned to start a manufacturing plant, which further gave rise to a credible apprehension that he intended to launch counterfeit products commercially.

Thus, the Court relied on *Jawahar Engineering Co. and Ors. vs Javahar Engineering Private Ltd.*, wherein it was decisively held that the actualisation of a threat was not a prerequisite for granting an injunction. The Court also emphasised that injunctive relief could be appropriately granted to forestall an injury 'likely to occur'. In light of the above facts and precedent, the Court granted an *ex parte ad interim* injunction in favour of the plaintiff by restraining the defendant from engaging in any activities that involved the direct or indirect use of products associated with the mark "BOTANIC HEARTH" and/or its formatives. Further, the Court held that the plaintiff was the prior user and adopter of the said marks. The Court also held that if the defendant were allowed to use the impugned mark(s), it would cause confusion amongst the public owing to the reputation of the plaintiff's brand and products.

Further, based on documents on record, including multiple trademark applications filed by the defendant for different renowned brands, the Court held that the defendant had a motive to engage in infringing / violative activities, thereby weakening the rights of such trademark owners. The Court also emphasised the fact that the defendant's strategy of filing trademarks identical to those of renowned and internationally recognised brands pointed to a deliberate practice of 'Trademark Squatting'. Thus, the plaintiff was awarded an injunction in its favour and the actual costs of the suit as well. The impugned mark was deemed as 'Abandoned' by operation of Section 21(2) of the Trade Marks Act, 1999, on February 6, 2024, as the Defendant failed to file any Counter-Statement in reply to the opposition filed by the Plaintiff.

15. Fine Words Butter No Parsnips, Nor Apparently Chicken

Case: Rupa Gujral & Ors vs Daryaganj Hospitality Private Limited [CS(COMM) 26/2024]

Forum: Delhi High Court

Order Dated: January 16, 2024

Order: On 16 January 2024, a hearing in the case of Rupa Gujral and Ors v Daryaganj Hospitality Private Limited and Ors saw the opening salvos in what could either be a lengthy campaign over culinary intellectual property or a mere skirmish in a marketing dispute.

The Delhi High Court was faced with opposing versions of the origin of two widely enjoyed dishes, Butter Chicken Masala and Dal Makhani. Moti Mahal is a well-known restaurant business, hosting many distinguished national and international guests. They brought the case against Daryaganj, claiming they were the original inventors. The claims to fame and the disputed status were prompted by Daryaganj's use of the tagline "By the Inventors of Butter Chicken & Dal Makhani". Moti Mahal, which used the branding "India's Famous Restaurant Since 1920", alleged that Daryaganj's wording was misleading and deceptive.

The hearing was for directions, but the court succinctly set out the rival claims. The plaintiffs claimed that their predecessor, Kundal Lal Gujral, was the inventor of the dishes. The defendants countered that their predecessor, Kundan Lal Jaggi, jointly with Kundan Lal Gujral, established the original Moti Mahal in Peshawar before partition. The defendant argued that the plaintiffs had no exclusive right to claim they created the dishes.

The plaintiffs submitted that their predecessor invented tandoori chicken and, upon realising that the large amounts of leftover meat could not be refrigerated, created a gravy or sauce made out of tomatoes to store the cooked meat and prevent it from drying out. The mixture had a buttery flavour and texture, causing the words "Butter" and "Makhani" to be used in the names. The plaintiffs claimed that Dal

Makhani was also invented by Kundan Lal Gujral by cooking the buttery sauce with black pulses, a dish conceptually the same as Butter Chicken Masala.

The plaintiffs contended they owned the mark Moti Mahal and all marks used in their restaurants set up nationally and internationally since 1920. The plaintiffs alleged that the defendants were attempting to create a false sense of connection between themselves and the plaintiffs, as evidenced by the use of the name Daryaganj. This refers to the locality in which the plaintiffs' restaurant was set up. The plaintiffs also drew particular attention to certain allegedly deceptive content displayed on the defendants' website. This consisted of a photograph of Kundan Lal Gujral, which had been misrepresented as Kundan Lal Jaggi and an altered photograph of the plaintiffs' original restaurant in Peshawar.

As on the previous hearing date, the defendants said they had received notice only a week before the hearing date and had not filed a written statement. However, they contended that the case was misconceived and disclosed no credible cause of action. The defendants claimed the parties jointly established the restaurant, and there could be no exclusive right over the image used on their website.

This was particularly so when the defendants had cropped the name Moti Mahal appearing in the image to prevent confusion. The court acknowledged that the defendants had held out an olive branch by agreeing to take down the photo from their website within a week but without admitting any of the claims made by the plaintiffs alleging misrepresentation and deception.

In the trial, the court will no doubt have to assess voluminous circumstantial evidence. The case will determine the origin of Butter Chicken Masala and Dal Makhani so that the tagline can be attached to the name of the appropriate restaurant. It will be important to differentiate between the recipe, which forms part of the trade secret, and the banner under which the dishes will be sold for public consumption, which is part of the trademark. The court will have to determine the origin of the dishes by making findings of fact as to the establishment of Moti Mahal and Daryaganj and the relationship between their predecessors.

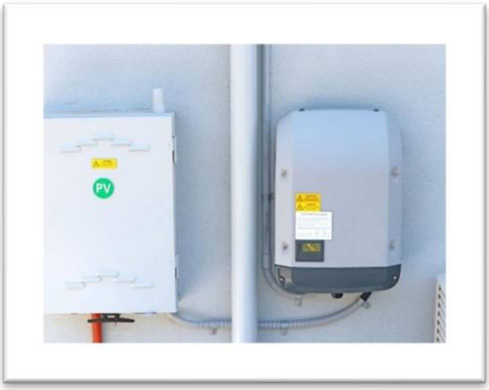
The court will have to decide whether to grant the plaintiffs sole rights to the use of the branding or to give the parties joint ownership. In the latter verdict, each could use the tagline.

16. Delhi High Court Grants Permanent Injunction in Favour of Su Kam Power Systems Limited

Case: Su Kam Power Systems Limited v Sukam Nextgen India Private Limited & Ors. [CS(COMM) 878/2022]

Forum: Delhi High Court

Order Dated: January 22, 2024



Order: In the recent legal battle between Su Kam Power Systems Limited and Sukam Nextgen India Private Limited & Ors., The Delhi High Court granted a permanent injunction in favour of the Plaintiff against trademark infringement, passing off, and copyright infringement.

Background:

The Plaintiff is part of the esteemed Sukam Group of companies. It has been manufacturing and trading inverters, solar power controllers, UPS, batteries, and other power backup solutions under the registered trademark "SU-KAM" since 1998. The Plaintiff's marks, consisting of copyrights and trademarks, have been diligently protected, leading to numerous awards and accolades for the company. Plaintiff has developed a solid domestic as well as international presence, even winning several awards nationally and internationally, such as "Africa's Most Reliable Inverter Brand".

Plaintiff's Allegations:

Plaintiff alleged that Defendant No. 1 adopted a mark " " that is a slavish imitation of Plaintiff's well-established marks , likely to cause confusion among consumers. In October 2022, Plaintiff learned about the defendant's use of the Impugned Mark on its website, www.sukam.co.in and online marketplace, along with modifications to the Plaintiff's Wikipedia page, raised concerns of dishonest adoption and potential misrepresentation. Upon investigation, it was found that on 24th March 2022, Defendant No. 1 had registered the aforesaid domain name, which, though not operational, shows the following homepage when opened:

Court Findings:

After careful consideration, the Court noted that the marks used by the Plaintiff and the defendant are nearly identical. However, there are a few notable differences between them. Firstly, the Plaintiff uses "SU-KAM," while the defendant uses "SUKAM" without a hyphen. Secondly, the defendant has added the phrase "Powered By NextGen" in a smaller font at the bottom of their mark. Finally, the defendant has used a darker shade of blue, but the overall colour scheme of blue and white remains the same.

The Court stated that the defendant's adoption of the impugned mark as part of its corporate/trade name appears deliberate and dishonest. The defendant has attempted to free-ride on the Plaintiff's past reputation and goodwill, especially considering the sale of similar goods by the defendant. By using the impugned mark, the defendant is not only infringing and passing off the Plaintiff's marks but also spreading false information online by misrepresenting themselves as a successor-in-interest of the plaintiff company. This is evidenced by the Wikipedia page where the sales, achievements, and accolades of the Plaintiff are shown to have accrued to the defendant. Further, Defendant No. 1 offers identical products for sale under the Impugned Mark on Defendant No. 5's website, an online B2B marketplace. It has also been argued that although Impugned Mark contains the symbol "®", the same is not registered, and thus, such use violates Section 107(1)(a) of the Trademarks Act, 1999.

Court's Decision:

The Court, having found no defence from Defendant Nos. 1 and 2, the Court opined that no purpose would be served by directing Plaintiff to lead ex-parte evidence as the pleadings and accompanying documents sufficiently prove that Defendant Nos. 1 and 2 are misusing Plaintiff's Marks, entitling Plaintiff to protection. Therefore, exercising its power under Order VIII Rule 10 read with Order XIII-A Rule 3 of the Code of Civil Procedure, 1908, the Court is inclined to decree the suit based on pleadings and other material on record. Accordingly, the Court granted a permanent injunction against the infringement of trademarks, a permanent injunction against passing off and a permanent injunction against infringement of copyright. No relief of delivery up of the goods is being pressed. Additionally, the Court awarded Plaintiff nominal damages of INR 2 lakhs. It granted actual costs regarding the Commercial Courts Act, 2015 and Delhi High Court (Original Side) Rules, 2018, read with Delhi High Court (Intellectual Property Rights Division) Rules, 2022, recoverable from Defendant Nos. 1 and 2.

Conclusion:

This judgment is a significant victory for the Plaintiff, reinforcing the importance of protecting intellectual property rights. The Court's decision underscores the severity of infringement and the potential harm caused to the Plaintiff's reputation and consumers. It also highlights the legal consequences for those attempting to ride on the goodwill of established brands.

17. Starbucks vs Google: Court Orders Injunction and URL Suspension in Franchise Impersonation Lawsuit

Case: Starbucks Corporation and Anr. Vs. National Internet Exchange of India and Ors. [CS(COMM) 224/2023]

Forum: Delhi High Court

Order Dated: January 22, 2024

Order: The plaintiff- Starbucks Corporation filed this case seeking directions to defendant No.4 (Google LLC) to suspend the URLs listed in para 5(a) to (o) and seeking decree of permanent injunction for infringement of their 'STARBUCKS' mark and copyright in its logos , , and .

The plaintiff stated that the imposters are seeking information from general public to apply for Starbucks Franchise opportunities, which as noted above does not exist in India.

The Court has stated that the plaintiffs are entitled to the relief they seek in this application. This is because imposters are posting Google Forms to elicit information related to Starbucks franchises that do not exist in India. Additionally, they are seeking private information and data from the public, which is unacceptable. Defendant No. 4 has no issue with the relief sought as long as the URLs listed by the plaintiffs relate to the subject matter of the suit.

The plaintiffs have confirmed that the URLs mentioned in paragraphs 5(a) to (o) are only related to Google Forms that seek information about Starbucks Franchise, which doesn't exist in India. Consequently, the Court has directed the fourth defendant to suspend these URLs. To prevent repeated applications, the Court has permitted the plaintiffs to file an affidavit before the Court, listing any other URLs that link to Google Forms for inviting information from the public about the Starbucks franchise. The plaintiffs can also communicate these URLs to defendant No.4 via written or email communication. Defendant No.4 must then suspend these URLs as well, which are listed and filed by means of an affidavit before the Court and communicated to them.

The Court has directed that if defendant No.4 has any objections or reservations to any specific URL, they may respond to the plaintiffs and, if required, approach the Court for further adjudication and relief. Additionally, defendant No.4 has been ordered to provide the plaintiffs with user details of the registrants of the Google Forms listed above within two weeks via written or email communication. The information provided by defendant No.4 will be subject to their own internal policies and regulations.

18. Victory Score of the Mark "Premier League": Analysing the Decision of the Delhi High Court

Case: Premier SPG and WVG Mills (P) Ltd. v. Football Association Premier League Ltd. [C.A.(COMM.IPD-TM) 15/2023 & I.A. 12418/2023]

Forum: Delhi High Court

Order Dated: January 22, 2024

Order: The Single Judge Bench of the Delhi High Court on January 22, 2024, upheld the registration of the mark "**PREMIER LEAGUE"** in favour of *Football Association Premier League* in the case *of **Premier SPG and WVG Mills Pvt. Ltd vs Football Association Premier League Ltd. & Anr*** [C.A.(COMM.IPD-TM) 15/2023 & I.A. 12418/2023], and stated that monopoly cannot be claimed over the mark "Premier", per se.

In this case, ***Football Association Premier League Ltd*** **("Respondent"/"Applicant")** filed an application for registration of the mark (the **"mark"**) on a "proposed to be used basis" in Class 25 for clothing, headgear and footwear. The application was opposed by Premier **SPG and WVG Mills Pvt. Ltd.** (the **"Appellant"/ "Opponent"**) on the grounds that the mark was phonetically, visually, structurally and deceptively similar to the appellant's mark **'PREMIER'**. which was conceived, coined and adopted in 1949, and registered in various classes from 1980 onwards.

The appellant claimed that they are part of the premier group with an international reputation for quality goods in the clothing industry built over the last 70 years. They are manufacturers, exporters, and marketers of yarn, clothing, and hosiery, including suits, shirts, ready-made garments, dhotis, textiles under various marks, etc. The appellant's house mark "PREMIER" and other formative marks such as premier apparels, premier garments, premier, premiermill, premier readymade has been in prior continuous and extensive use in India since 1991.

On the other hand, the respondent's mark was filed on a 'proposed to be used' basis in 2006 in class 25, which is relatable to the business of the appellant, and the respondent has not submitted any evidence to establish that there was wide and extensive use of the word "PREMIER".

The respondent submitted that the respondent is a private company headquartered in London wholly owned by 20 member clubs that make up the football league and are the organising body of the 'Barclays Premier League'. Each individual club works within the rules of football as defined by the Premier League. In connection with this business, the respondent owns and uses the distinctive 'Premier League' and other variants. The Premier League marks are marketed, advertised, and extensively promoted and have therefore achieved recognition amongst members of the trade and common consumers in public. The premier league marks have also secured registration in various countries of the world. In India, the respondent is the registered proprietor of the mark "Barclays Premier League" in class 25.

Moreover, there are numerous registrations, including the device that had been registered in class 25, such as '*Indian Premier League', 'Sri Lanka Premier League', 'Premier Golf League', Badminton League', and 'Premier Sports'* which reflects that the word "premier" is a commonly used generic word, particularly in conjunction with sporting leagues around the world and therefore has acquired extensive use.

The Registrar of Trademarks rejected the opposition on February 2, 2023, and the mark was allowed to proceed for registration. It stated that there is no phonetic, visual, or structural similarity between the two marks. The only common feature between the two marks is the word 'PREMIER', which is a generic word, and no one can have a monopoly over the said word, nor can claim exclusivity on it. Disagreeing with the decision of the Registrar of Trademarks, the appellant filed an appeal before the Delhi High Court against the registration of the mark.

Analysis and Decision of the Delhi High Court

The Delhi High Court dismissed the appeal filed by the appellant against registration of the mark and allowed the Mark of the Respondent for registration.

The Court stated that the device mark **'Premier'** and the device mark **'Premier League'** were not deceptively similar.

In order to come to this conclusion, the Delhi High Court, *inter alia*, analysed "the rule of anti-dissection" and the "identification of dominant mark" as referred to in the case of **South India Beverages v General Mills Marketing [2014 SCC OnLine Del 1953]**, wherein it was stated that the "the rule of anti-dissection" and the "identification of dominant mark" will have to be examined for comparison of composite marks. These principles were also referred to in the case of ***Vasundhara Jewellers Pvt. Ltd. vs Kirat Vinodbhai Jadvani and Ors [(2022) SCC Online Del 3370]****, and it was* held that *"it was not permissible to hold that two competing marks are deceptively similar by examining a portion of one mark and comparing it with the portion of another mark, if the composite marks viewed as a whole are dissimilar*".

Consequently, the Delhi High Court opined that the rules of anti-dissection apply to the two composite device marks being compared. Thus, the device mark of the respondent cannot be dissected to pluck out the word "PREMIER" and then compared with the appellant's registered mark. Also, the mere fact that the word "PREMIER" forms the dominant part of the respondent's mark does not necessarily give rise to a conclusion that the respondent's mark is deceptively similar to the appellant's mark. In the case of composite marks, the marks will have to be tested using an overall comparison.

The Court also relied on the case ***Pidilite Industries Ltd. v. Vilas Nemichand Jain, 2015 SCC OnLine Bom 4801***, wherein it was stated that "*mere evidence of invoices, financial figures, and sales is not enough to show distinctiveness, but what needs to be achieved is that the mark has acquired secondary meaning and displaced the primary descriptive meaning of the mark*". Therefore, though the appellant's mark has been registered and used by the appellant, it does not make the appellant's mark distinctive. The distinctiveness of the appellant's mark lies in the arrangement of the various elements. The word 'PREMIER' is written in a particular style and fashion along with the flower device, whereas the respondent's mark has a completely distinctive element using the lion wearing a crown and standing over a football, as well as using the word 'LEAGUE' along with 'PREMIER', which signifies the industry of football.

The Court agreed that the appellant's registered mark is a device mark and not a word mark, and the respondent cannot have a monopoly over the word 'PREMIER' considering that it is a word of general use and common to trade. Also, the word 'PREMIER' refers to the category of a league, a special kind of league which, in the context of football, has acquired worldwide recognition, goodwill and immediate recall.

In addition, the Court opined that an application in class 25 is for the purpose of selling merchandise and selling sports merchandise goods is a standard industry practice for premium sports brands. Thus, it is normal to protect the same. Further, the word ‘PREMIER’ was also contained in the respondent's earlier mark of ‘BARCLAYS PREMIER LEAGUE’ and subsisted on the trademark register for at least a period of 10 years. To claim distinctiveness over the mark, the appellant should have filed an opposition/rectification. However, no such steps were taken by the appellant.

The Court also took note of the extensive worldwide registrations of the respondent's trademark in various countries across continents, thereby reinforcing the respondent’s right of registration over the mark. The decision of the Court determines that exclusivity or monopoly cannot be claimed over words of general use and common to trade, and the “rule of anti-dissection” is pivotal for the comparison of conflicting composite marks.

19. RAJSHREE vs RAASHEE: Trademark Dispute and Injunction Ruling

Case: Kamal Kant and Company LLP v. Raashee Fragrances India (P) Ltd. [CS(COMM) 680/2017]

Forum: Delhi High Court

Order Dated: January 23, 2024

Order: Plaintiff Kamal Kant and Company LLP filed the present suit against the defendant, Raashee Fragrances India Pvt. Ltd., seeking an injunction from using the mark 'RAASHEE'.

Plaintiff was engaged in the business of manufacturing and marketing pan masala, chewing tobacco, supari mixture, Zaffrani Patti, Zarda and other allied and cognate items since 1965, and these products were sold under the mark 'RAJSHREE' bearing registrations in classes 6, 29, 31 and 34. Plaintiff came across the trade mark application by a defendant in classes 34 and 31, respectively, for the mark 'RAASHEE' label and the mark was used in respect of similar business as that of Plaintiff, that is, zarda mix, pan masala including gutkha, zarda, safrani, khaini, mouth fresheners, scented supari, betel nuts, agricultural and other cognates, and allied goods. Defendants had been claiming user since 2009, and Plaintiff, upon coming across these trade mark applications, opposed the said marks. Though the company was live and active by the defendant, the mark 'RAASHEE' was abandoned by the defendant as of the date of filing of the suit. The Plaintiff, however, felt a reasonable apprehension in the use of the mark 'RAASHEE' by the defendant and, hence, filed the present suit.

On 11-12-2023, an option to consider adding a prefix to the mark 'RAASHEE' was suggested to the defendant so as to distinguish itself from Plaintiff's mark, and the defendant had agreed to change the mark to 'मेरी राशी' in Hindi and to 'MY RAASHEE' in English. The Court noted that this proposal was acceptable to Plaintiff so long as the defendant did not give undue prominence to the word 'RAASHEE' and did not copy the colour combination, get up, layout or the arrangement of Plaintiff's 'RAJSHREE' paan masala packaging.

The Court restrained the defendant from using the trade mark 'RAASHEE' or any other mark which was identical or deceptively similar to Plaintiff's mark 'RAJSHREE' in respect of pan masala, mouth fresheners, scented supari, betel nuts of zarda mix, pan masala like gutka, zarda, safrani and other chewing tobacco, khaini, tobacco products, tobacco raw or any other cognate and allied goods or services.

The Court held that the defendant was, however, free to use the two proposed marks, i.e., MY RAASHEE मेरी राशी, so long as the said marks were used in a manner where the words 'MY' or 'मेरी' were of the same font, colour and size as the word 'RAASHEE'. Further, the defendant, while adopting the above two proposed marks, should, however, ensure that the packaging, get-up, and layout were not in any manner imitative of the Plaintiff's 'RAJSHREE' paan masala packaging. The Court held that a cost of Rs 50,000 should be paid to the Counsels for Plaintiff.

20. Shielding Brands and Protecting Consumers in Light of Section 30(4) of the Trademarks Act, 1999

Case: Seagate Technology LLC vs Daichi International [CS(COMM) 67/2024, I.A. 1791/2024]

Forum: Delhi High Court

Order Dated: January 24, 2024

Order: In this fast-paced world of trade and commerce, brands act as a lifeline of trust between businesses and consumers. However, when counterfeit products threaten to erode this trust, it is imperative on the part of Courts and the brand owners to safeguard both the brands and consumers. The recent case of Seagate Technology LLC Vs. Daichi International [CS (Comm.) 67/2024] sheds light on the important role of Section 30(4) of the Trademarks Act, 1999, in upholding brand integrity and consumer confidence.

Seagate, a leading player in the data storage industry, filed a legal case before the Hon'ble High Court of Delhi against the defendant, a Delhi-based firm accused of importing and rebranding end-of-life hard disk drives (HDDs) bearing Seagate's trademark. This illegal act of the defendant not only infringed upon Seagate's intellectual property rights but also deceived unsuspecting consumers who unwittingly purchased counterfeit products.

In response to this infringement act of the defendant, Seagate relied on Section 30(4) of the Trademarks Act, which empowers trademark owners to prevent further dealings of their goods if their condition has been altered or impaired after being put on the market. Relying upon precedent cases such as *Kapil Wadhwa vs Samsung Electronics Co. Ltd. 194 (2012) DLT 23 and Western Digital Technologies Inc. vs Amita Tanna [FAO(OS) (COMM) 20/2016*] of Hon'ble High Court of Delhi, Seagate argued that the defendant's actions violated the rights of Seagate.

Although Section 30 of the Trademarks Act relates to the fair and honest use of the trademark by any party, the essence of Section 30(4) also lies in its ability to protect

mail@lexorbis.com | www.lexorbis.com

brands and consumers alike. By prohibiting the unauthorised alteration or rebranding of goods, this provision ensures that consumers can trust the authenticity and quality associated with a trademark. In essence, it acts as a shield, guarding brands from dilution and consumers from deception.

Acknowledging the validity of Seagate's claims, the Hon'ble Court issued an ex-parte ad interim injunction, restraining the defendant from further infringing upon Seagate's trademark rights. Additionally, a Local Commissioner was appointed to assess the extent of the infringement and identify unlawfully imported products.

This case underscores the importance of robust trademark protection laws in maintaining a fair and transparent marketplace. Brands serve as source identifiers and reliability for consumers, guiding them towards trusted products in the market. However, when trademarks are misused or counterfeited, consumer trust is compromised, and brands suffer.

Section 30(4) of the Trademarks Act is one of the important sections that enable the brand owner to combat infringement and preserve brand integrity. In conclusion, the case between Seagate Technology LLC and the defendant highlights the crucial role of trademark protection laws in fostering a competitive yet trustworthy marketplace. It shields the brands, keeping them safe from infringers and copycats and making sure people can trust what they buy from the market without worries.

21. Protecting Brand Integrity: Ahuja Radios vs Counterfeit Electronics Dealers

Case: Ahuja Radios vs M/S. Rohini Electronics & Ors. [CS(COMM) 498/2019]

Forum: Delhi High Court

Order Dated: January 25, 2024

Order: This case was filed by the Plaintiff Ahuja Radios, seeking a permanent injunction restraining the Defendants from dealing in any products bearing Plaintiff's trademarks "AHUJA" and AHUJA device- “ ” or any similar mark, amounting to infringement of its registered trademarks Nos. 136189, 313757; dilution or tarnishment, and passing off of Defendants’ goods as those of the Plaintiff’s; damages, rendition of accounts, delivery-up and other ancillary reliefs.

The Plaintiff, Ahuja Radios, was established in the year 1940 by Mr Amar Nath Ahuja and is engaged in developing, manufacturing, marketing and exporting electronic products, particularly Public Address Systems ('PAS') and audio equipment, under the trademark 'AHUJA'. Over time, Plaintiff has achieved undisputed market leadership and is India's number one provider of PAS and audio equipment, with a dealer network comprising over 400 authorised dealers/retailers selling Plaintiff's products.

The Plaintiff contended that as a cumulative result of innate distinctiveness, far-reaching business activities, extensive sales network, widespread promotion, and publicity given, the Plaintiff’s mark has acquired the status of a well-known trademark and is instantly identified and recognised by both the members of trade and public as exclusively associated with the goods and business of the Plaintiff.

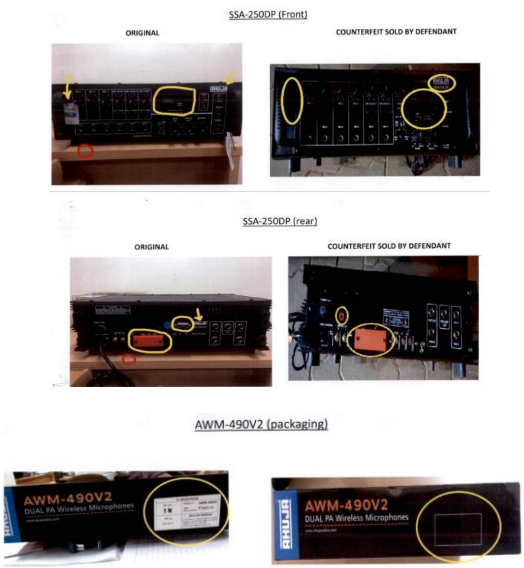
Defendant No.1, M/s. Rohini Electronics is the key supplier of the counterfeit products bearing Plaintiff's marks. Defendant Nos. 2-6, M/s M L Electronics, M/s Shiv Shakti Electronics, M/s DJ Mona Electronics, M/s Ajanta Electronics, and

H.K. Sound Electronics, respectively, are engaged in selling counterfeit products bearing Plaintiff's marks. On a previous occasion, the Plaintiff had filed a suit bearing no. CS(OS) No. 2425 of 2014, in which the final decree was passed against Defendant No.6- H.K. Sound Electronics and a permanent injunction was granted. In addition to these Defendants, Plaintiff has also impleaded unidentified, or Ashok Kumar(s) engaged in the sale of counterfeit products bearing Plaintiff's marks.

In August 2019, the Plaintiff, through market sources, learned that counterfeit PAS and sound equipment bearing the Plaintiff's marks were being sold in Mumbai's wholesale markets. Upon conducting a survey, it was found that several entities were engaged in the sale of counterfeit products, and the Defendants in the present suit were specifically identified.

Plaintiff made some dummy purchases from Defendant No.1 and Defendant No. 6, and it was found that each of the Defendants was selling the impugned products at nearly 50% of the actual price of the corresponding genuine product sold by Plaintiff. This indicates that the products were an imitation and counterfeit.

Below is the pictorial chart comparing the Plaintiff's products with the Defendants' products, depicting the inconsistencies between the two products:



The Court granted ex-parte, ad-interim injunction in favour of the Plaintiff on 12th August 2019; the same order also appointed 3 Local Commissioners to visit the Defendants' premises to inspect, seize and seal all goods bearing Plaintiff's marks.

The Local Commissioners reported that the goods bearing Plaintiff's trademarks were found, which were then sealed and returned to the Defendants on Superdari.

Despite service, Defendants had chosen not to join the proceedings and proceeded ex-parte accordingly, as noted in an order dated 17th July 2023. Defendant No.2 denied their involvement in selling the infringing products and submitted that false and fabricated evidence had been filed. They claimed to be a victim of the circumstances cooked by Plaintiff.

The Court noted that the products sold by the Defendants bearing Plaintiff's marks are with the intention to profit off the significant goodwill and reputation of Plaintiff. It is apparent that the Defendants were deceiving the public into purchasing their counterfeit goods. The likelihood of confusion and deception is based on the identical nature of the two marks and the comparison of Plaintiff's products and packaging with Defendants' products and packaging found in paragraph 8 of this order. Defendants have made use of identical trademarks in relation to identical goods. It is obvious that there was a dishonest adoption by the Defendants, and a clear case for trademark infringement and passing off was made.

The Court stated that the Defendants had indulged in infringement of Plaintiff's trademark. Since the goods have been recovered from Defendant Nos. 1-4, it was also proven that the Defendants were indulging in the sale of counterfeit products. The survey conducted by Plaintiff also revealed that all the Defendants were involved in the sale of infringing products.

As already mentioned, Defendant Nos. 1 and Defendant Nos. 3-6 have not filed any defence to contest the suit. Therefore, the Court, in the exercise of its powers under Order VIII Rule 10 of CPC, is inclined to issue a decree in favour of the Plaintiff and against the said Defendants. As regards Defendant No. 2, in the opinion of this Court, no purpose would be served by directing Plaintiff to lead ex-parte evidence as pleadings and accompanying documents prove that the said Defendants are misusing Plaintiff's marks, 1 entitling Plaintiff to protection.

Hence, the Court granted a permanent injunction in favour of the Plaintiff and restrained the defendants from using Plaintiff's registered trademarks "AHUJA" and AHUJA device- ” or any similar mark.

The Court directed Defendant No. 1-4 to deliver the goods which were seized by the Local Commissioner to the representatives of Plaintiff within four weeks from today.

The Court further awarded the damages in favour of Plaintiff, which shall be payable by Defendants No. 1-4 in the following manner/ breakup: Defendant No. 1 shall pay INR 30,000/-; Defendant No. 2 is liable to pay INR 64,000/- and likewise, Defendant No. 3 shall pay INR 22000/- and Defendant No. 4 shall pay INR 97000/-.

The Court held that Plaintiff is entitled to actual costs, in terms of the Commercial Courts Act, 2015 and Delhi High Court (Original Side) Rules, 2018, read with IPD Rules, 2022, recoverable jointly and severally from Defendant Nos. 1-4. The plaintiff shall file their bill of costs in terms of Rule 5 of Chapter XXIII of the Delhi High Court (Original Side) Rules, 2018, on or before 25th February 2024.

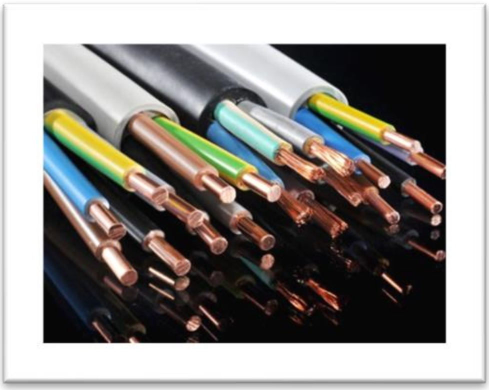
mail@lexorbis.com | www.lexorbis.com

22. Gloster's Appeal Allowed to Exclude Trademark from the List of Assets in Insolvency Proceedings

Case: Gloster Cables Limited vs Fort Gloster Cables Limited [Comp. App (AT) (Ins) No. 1343 of 2019]

Forum: NCLAT Delhi

Order Dated: January 25, 2024



Order: In the recent matter of Gloster Cables Ltd v. Fort Gloster Industries Ltd. & Others, Hon'ble Mr. Justice Rakesh Kumar Jain heard an appeal filed by the aggrieved appellant - Gloster Cables Ltd, which was incorporated as Crest Cables Private Ltd in 1995 by the Modi Family and the Rathi Family, both having equal stakes in the company, which was set up to take over the assets of the sick company Sputnik Cables Pvt Ltd and commenced the business of manufacturing cables. In 2004, S. K. Bangur Group was included as an investor with equity participation and the name of the entity was changed from Crest Cables to Gloster Cables Ltd.

The Corporate Debtor, Fort Gloster Industries Ltd, the first Respondent in the present appeal, was incorporated in 1890 and owns the Trademark 'GLOSTER' duly registered in Class 9. The Second Respondent Gloster Limited was incorporated in 1923 and is in the business of Jute Products. A former employee of the Corporate Debtor filed an application bearing no. CP (IB) 61/KB/2018 under Section 9 of the Insolvency and Bankruptcy Code, 2016. The Resolution Professional, Respondent No. 3, had filed a Resolution Plan as shared by Respondent No. 2, which was duly approved by 73.21% of the members of the CoC.

While this plan was pending approval, the appellant, Gloster Cables Ltd, filed an application bearing no. CA (IB) 713/KB/2019 before the Kolkata Bench of National Company Law Tribunal seeking intervention to exclude the Trademark "GLOSTER" from the list of assets of the Corporate Debtor as the same was duly assigned to the appellant herein.

 mail@lexorbis.com | www.lexorbis.com

However, the application was dismissed by the Adjudicating Authority via order dated 19.09.2019, accepting all three objections regarding the assignment being hit by the ongoing IBC proceedings that had commenced before the registration of the mark in favour of the appellant herein.

Aggrieved by the impugned order, the appellant filed the present appeal before the National Company Law Appellate Tribunal Principal Bench, New Delhi, vide Comp. Appeal (AT) (Ins) No. 1343 of 2019. The Appellate Tribunal examined the arguments of all the parties afresh, and the first point was that the Corporate Debtor was referred to BIFR in 2001, and vide order dated 10.09.2001, the Corporate Debtor was instructed not to dispose of any assets (which includes the impugned Trademark GLOSTER) without approval from BIFR.

Since the assignment deed dated 20.09.2017 was executed after this order, it was alleged that the assignment would be null and void. Further, the appellant was aware of the Insolvency and Bankruptcy Proceedings that were underway and the consequent moratorium on any disposal of assets of the Corporate Debtor but still proceeded with the assignment of the Trademark GLOSTER. There were further allegations of undervaluation of the trademark in the said assignment deed executed on 20.09.2017. Lastly, the Registration Certificate with respect to the trademark GLOSTER was issued to the appellant on 27.09.2018, even though the CIRP was initiated on 09.08.2018. As such, the assignment and the registration were both hit by the IBC proceedings and were null and void.

The Counsel for the appellant clarified the above points by stating that the Corporate Debtor and the Appellant had executed a Technical Collaboration Agreement on 02.05.1995 by which the appellant was permitted to use the trademark GLOSTER for a period of 8 years at the cost of paying 2% royalty on the ex-works price of the products sold or leased. This technical collaboration agreement expired by efflux of time, and a new technical collaboration agreement was executed on 02.05.2003 granting the right to use for a further period of 5 years on payment of 1% royalty. On 29.07.2004, the arrangement between the Corporate Debtor and the appellant herein changed when a long-term exclusive license-to-use agreement was executed for an annual royalty of Rs 2 lakh and a consolidated license fee of Rs 3 crores. The new agreement was valid for 33 years and had an auto-renewal clause.

Thereafter, the appellant executed a loan agreement in favour of the Corporate Debtor on 10.11.2006 by way of hypothecation of the trademark GLOSTER. The loan amount of Rs 10 crores was repayable within 5 years, i.e. on or before 30.12.2011, failing which 15% interest will be charged on the loan amount. The deed of hypothecation of the trademark was executed on 31.01.2008, by which the

mail@lexorbis.com | www.lexorbis.com

trademark was hypothecated in favour of the appellant herein by way of first and exclusive charge.

Since the BIFR order of 10.09.2001 was already subsisting on date, the Corporate Debtor, on 15.07.2008, also executed a Supplementary Trademark Agreement by which the Trademark GLOSTER was assigned in favour of the appellant for a consideration of Rs 10 lakhs only. Further, it was stated in this agreement that the assignment would become effective without any further act or deed, i.e. actions or documentation, once the BIFR order dated 10.09.2001 gets discharged or vacated. Further, during the period 2008-2010, all parties before BIFR, including banks, were fully aware of the status of the transfer of exclusive rights and exclusive use of the trademark GLOSTER in favour of the appellant as per the disclosures made by Allahabad Bank (now Pegasus Asset Reconstruction Company) and that an additional amount of Rs 3 crores was paid by the appellant to the Corporate Creditor in lieu of these rights.

Thereafter, on 1.12.2016, SICA was repealed, and all references made to BIFR under SICA stood updated unless the company in question made a specific application to NCLT within 180 days of the repeal of SICA. However, no such application was made by any of the creditors of the Corporate Debtor, and the 180 days expired on 29.05.2017. Consequently, in terms of the Trademark Agreement dated 15.07.2008, the trademark stood assigned to the appellant herein. As a matter of abundant caution, on 20.09.2017, the appellant executed a Deed of Hypothecation with the Corporate Debtor to enable the record of the assignment of the trademark GLOSTER along with the associated goodwill in favour of the appellant in the records of the Trademark Registry.

Only after all these activities were over, that CIRP was initiated, an IRP was appointed on 09.08.2018, and a moratorium was imposed on any sale or transfer of assets of the Corporate Debtor. At this late stage, the trademark GLOSTER was already conclusively assigned and delivered to the appellant by the corporate debtor. The only thing that was left for the appellant to do was to get the assignment recorded in the Trademark Registry to show that they were the rightful owners of the mark. An application for the same was made on 25.08.2018 and the recordal of the name of the appellant in the trademark registry was affected on 17.09.2018.

Decision of the Appellate Tribunal

Consequently, the appeal was allowed, and the trademark GLOSTER was considered to be excluded from the list of assets of the Corporate Debtor on the date that the moratorium was announced, and IRP was appointed, i.e. on 09.08.2018. The Appellate Tribunal held that it is a mere recordal of the name that happened after the moratorium was announced on 09.08.2018 and not the actual transfer or assignment of the trademark by the Corporate Debtor to the appellant. The transfer of title was effected by the deed of assignment and not by recording the name of the appellant on the Trademark Register. The consideration was also not found to be inadequate at any stage, and as such, the Appellate Tribunal set aside the order of the Kolkata Bench of NCLT and allowed the appeal in favour of the appellant, thereby upholding the rights of the appellant to exclusive use and ownership of the trademark GLOSTER for due consideration paid to the Corporate Debtor much before the initiation of the CIRP proceedings.

23. Delhi High Court Grants Temporary Injunction in Favour of Havells

Case: Havells India Limited vs Azad Singh [CS(COMM) 53/2024]

Forum: Delhi High Court

Order Dated: January 25, 2024

Order: The Delhi High Court, in its order dated January 25, 2024, granted a temporary injunction in favour of the Plaintiff, Havells India Ltd ("plaintiff") and temporarily injuncted the Defendant, Azad Singh ("defendant"), from using in any manner the registered trademark "REO" belonging to the plaintiff.

Havells is a leading Fast Moving Electrical Goods Company dealing in a wide spectrum of products like cables & wires, motors, fans, modular switches, home appliances, etc. It holds the registered trademark 'REO'/ ' Reo ' for its low-tension wires. Havells has also filed an application for the trademark ' REO' which is pending in classes 7, 9 and 11 and the mark 'REO' is well associated with the plaintiff's brand name and additionally submitted the copyright registration of their label:

Havells was aggrieved by the adoption of an identical and deceptively similar trademark ‘REO-LT’/ ‘REOLT’ by the defendant, for which he has also filed an application for trademark registration in Class 9.

The plaintiff submitted that the defendant’s mark ‘REO-LT’/ ‘REOLT’ subsumes its mark ‘REO’ completely. The plaintiff submitted that the defendant has simply added the suffix of ‘LT’ in the mark, which is an abbreviation for "Low Tension", also used by the plaintiff to describe their wires as 'low tension' products and thus are descriptive. The plaintiff reproduced the comparison between the two competing marks as follows:

Plaintiff’s Trademark	Defendants’ Trademark
REO	REOLT

It was alleged that the defendant’s products are counterfeit and are not available in the open market. They are sold in a deceptive manner, creating an impression that he is associated with the plaintiff.

While determining trademark infringement/passing off, courts rely upon the ‘Triple Identity Test' to determine whether there might be a likelihood of deception among consumers. The three essentials that are required to be fulfilled for the applicability of this test are:

1. Whether both marks are similar or deceptively similar?
2. Whether both marks are used in relation to identical goods?
3. Whether the goods have identical trading channels?

The facts of the case squarely fall within the ambit of the test as the rival marks are deceptively similar, used in relation to identical goods and sold through identical trading channels.

‘Prior use’ of the mark is the most common defence used by defendants in a Trademark infringement proceeding. Section 34 of the Trademarks Act, 1999 provides that the proprietor or a registered user of a registered trade mark is not to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior to the use of the first-mentioned trade mark in relation to those goods or

mail@lexorbis.com | www.lexorbis.com

services by the proprietor or a predecessor in title of his or to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor of a predecessor in title of his, whichever is the earlier. In the present case, the plaintiff claims to have been using the mark “REO” extensively and continuously since the year 2012, while the defendant’s counsel, despite being given the opportunity to state the merits of the case, decided not to take any stance, citing lack of proper instructions.

Thus, the Court, after perusing the pleadings and documents, found that comparing the two marks shows that the defendant’s mark is an imitation of the plaintiff’s trademark and granted an injunction in favour of Havells, holding that the potential for misrepresentation and violation, of the plaintiff’s trademark rights is clear and present. The Court also observed that the addition of the descriptive abbreviation “LT”, signifying 'Low Tension' wires, as a suffix to “REO”, does little to distinguish the defendant’s mark from Havells’ mark and the minimal variation fails to alleviate the likelihood of confusion among consumers, further intensifying the need for injunctive relief. The Court further held that the balance of convenience also lies in favour of the plaintiff, as the defendant has not been able to demonstrate any use of the impugned trademark in relation to the goods, and irreparable loss would be caused to Havells in case the defendant is not injuncted from using the impugned trademark.

The defendant was accordingly restrained due to the temporary injunction order passed against him from using the trademark/tradename ‘REO-LT’ or any other mark deceptively similar to Havells’ mark ‘REO’.

24. Lotus Herbals Private Limited Alleges Infringement: 'Lotus Splash' Trademark Dispute

Case: Lotus Herbals Private Limited v. DPKA Universal Consumer Ventures Private Limited & Ors. [CS(COMM) 454/2023, I.A. 12308/2023]

Forum: Delhi High Court

Order Dated: January 25, 2024

Order: The plaintiff - Lotus Herbals Private Limited, claimed to have, in its repertoire, over 1000 skin, beauty and hair care products, all of which are sold under the house mark/trademark LOTUS. The use of the LOTUS mark is stated to have commenced in 1993. The plaintiff is aggrieved by the defendant's use of the name/logo "Lotus Splash" for the face cleanser/face wash manufactured and sold by it. The use of the name "Lotus Splash" for its product, according to the plaintiff, amounts to infringement of the plaintiff's registered "LOTUS" formative marks and also misrepresents the product of the defendants as having an association with the plaintiff.

The plaintiff accordingly issued a notice to the defendants. As the notice did not deter the defendants from continuing to use the mark, the plaintiff has instituted the present suit against the defendants, seeking a decree of permanent injunction, restraining them from using "Lotus" as part of the mark under which they sell their product. The present application, filed with the suit under Order XXXIX Rules 1 and 2 of the CPC, seeks an interlocutory injunction, pending disposal of the suit, restraining the defendants from continuing to use the impugned "Lotus Splash" Mark or any other mark which includes "Lotus" as a part thereof, pending disposal of the suit.

Parties Contentions:

The plaintiff submitted that the plaintiff and the defendants are both using the mark “Lotus” – though, in the case of the defendants, in conjunction with the word “Splash” – for similar products, there is bound to be confusion in the minds of the public or a presumption of association between the marks of the plaintiff and the

mail@lexorbis.com | www.lexorbis.com

defendants. The plaintiff averred that when the defendants adopted the impugned "Lotus Splash" mark, they were well aware of the plaintiff's pre-existing registered "Lotus" formative marks.

The Defendants contended that they are entitled to the benefit of Section 30(2)(a) as "lotus" is a principal ingredient of the "Lotus Splash" product and is, therefore, indicative of its constituents. It was further submitted that Section 30(2)(a) does not refer to "use in the trademark sense". Moreover, they submitted that they are also entitled to the benefit of Section 35. The defendants sell all the cosmetic products under the 82o E mark similarly. There is no want of bona fides. On each product, the 82o E mark prominently figures.

Court's ruling:

The Court noted that the aspect of infringement, in the facts of the present case, is restrained to Section 29(2)(a) and (b) of the Trademarks Act.

The Court observed that though the impugned "Lotus Splash" mark of the defendants is not registered, and the defendants have not sought registration thereof, it is clear that the products belong to the classes in which the word mark "Lotus" stands registered in favour of the plaintiff. There is the possibility of the consumer associating the defendant's product with that of the plaintiff. Even a possibility of association is sufficient to constitute infringement.

The Court said that there is substance in the defendants that the defendants would be entitled to the protection of Section 30(2)(a) and that their use of the mark "Lotus Splash" cannot be regarded as infringing in nature. Since the mark "Lotus Splash" is, therefore, indicative of the characteristics of the goods they are used, the use of the mark cannot be regarded as infringing in nature. The Delhi High Court dismissed the application and held that no prima facie case for the grant of injunction was made out.

25. Appeal Fails Due to Lack of Confusion in Pictorial Representation or Phonetic Sound of Work Marks

Case: Sasken Technologies Ltd. v. Istar Development Pvt. Ltd. [MISCELLANEOUS FIRST APPEAL No.3951/2021(IPR)]

Forum: Karnataka High Court

Order Dated: January 28, 2024

Order: The Karnataka High Court, Bengaluru, heard an appeal filed by M/s Sasken Technologies Limited against the order dated 20.01.2021 passed in I.A. No. 1, 2 and 3 in O.S. No. 6500/2020 passed by the VIII Additional City Civil Judge (CCH-10). The plaintiff had approached the district court for an interim injunction to restrain the defendants from using "SALESKEN", which was deceptively similar to their registered mark SASKEN. The City Civil Judge had refused to grant an injunction in favour of the plaintiff. Hence, the aggrieved plaintiff had filed the present appeal even though OS No. 6500/2020 was not yet conclusively decided, and only the IA for interim injunction was disposed of.

Background:

The Plaintiff company was originally incorporated in 1989 in India as ASIC Technologies Pvt Ltd. In 2000, the plaintiff changed its name to SASKEN Communication Technologies Pvt. Ltd. Since 2000, they have been using the name SASKEN for technological and allied services, including hardware designing, software development, device testing, and application development and has in the past three decades earned the goodwill of a wide range of customers, many of which are reputed Fortune 500 companies. The plaintiff is a global leader in digital transformation services and has offices in Japan, USA, Germany, Finland, UK, China, Mexico and India.

The plaintiff's mark "SASKEN" is registered in several classes in India and foreign jurisdictions and has been registered since 2000, with continuous use since then.

In July 2020, the plaintiff came across the use of the mark SALESKEN by the defendant companies through a newspaper article. Further investigation revealed that the defendants had registered the mark in class 42 on 16.08.2019 on a proposed to-be-used basis for technological services. The plaintiff also learned that Defendant no. 2 had even included the word SALESKEN in its corporate name, i.e. SALESKEN TECHNOLOGIES PVT. LTD. Defendants 1 and 2 also operated a website called www.salesken.ai to offer technological services using artificial intelligence and data analytics.

As such, the plaintiff averred that there is considerable overlap in the area of operation as well as the nature of services rendered by the defendants and the plaintiff to confuse the minds of the customers due to the deceptive similarity of the words SASKEN and SALESKEN which are visually and phonetically similar and are offering similar services to identical customer base.

The plaintiff, therefore, filed O.S. No. 6500/2020 before the VIII City Civil Judge Bengaluru and sought an ad interim injunction against the use of SALESKEN by the Defendants. The defendants, on their part, entered appearance and denied all the allegations of the plaintiff. They clarified that their mark SALESKEN was registered in 2019 after due process by the competent authorities, and there is no room for confusion as the plaintiff is providing technological services while the defendant provides sales support services to enhance sales by use of Data analytics and Artificial Intelligence.

Also, the fact that the suffix KEN is used in both SASKEN and SALESKEN does not make the words phonetically identical. The customer base, as well as the nature of services, was different according to the defendant, and as such, there is no room for confusion between the two marks. As such, the defendant argued that the suit filed by the plaintiff was not maintainable. Both parties relied on a plethora of cases in support of their respective stance.

Decision of the Court

Based on the averments of both the parties, the trial court considered the issue in the light of the decided cases. It held that while the case was being admitted for hearing, the plaintiff had failed to make a prima facie case for the grant of ad-interim injunction. As such, although the case was admitted for hearing, no interim injunction was granted to restrain the use of the mark SALESKEM by the Defendants herein.

Aggrieved by the decision of the Trial court, the plaintiff filed the instant appeal vide Miscellaneous First Appeal bearing no. 3951/2021(IPR) before the Karnataka High Court, Bengaluru. Once again, the plaintiff reiterated the need for an ad-interim injunction against the Defendants to stop them from using the deceptively similar name SALESKEN and its derivatives and formative marks, which was riding on the goodwill earned by the plaintiff over the past three decades of using the mark SASKEN.

The court examined the issue at hand in detail in light of the decided case laws cited by both the parties and the trademark registrations furnished by both parties. Moreover, as explained by the plaintiff, SASKEN is derived from "SAS" for "Silicon Automation System" and "KEN" meaning "Knowledge". On the other hand, the defendant explained that SALESKEN is an acronym for "SYSTEM for APPROPRIATE LEAD ENGAGEMENT in SALES using KNOWLEDGE ENHANCING NUGGETS.

The court relied on the judgement of the Supreme Court as cited by the parties with respect to their respective stance and observed that in the matter of ***Cadilla Health Care Limited vs Cadilla Pharmaceuticals Ltd. 2001 (2) SCR 743,*** the Apex Court held that in deciding the issue of confusion the court must keep in mind the class of purchasers who are likely to purchase the goods bearing the marks, on their education and intelligence and the degree of care they will exercise in the purchase and use of the goods bearing the said marks. The same was also reiterated in examining the issue of confusion between Peter Scott whisky and Scotch Whisky in the matter of ***Khoday Distilleries Limited vs The Scotch Whisky Association & Ors 2008 (10) SCC 723.***

The court further cited the Apex court's judgement in ***Laxmikant Patel vs Chetan Bhai Shah 2002 (3) SCC 65*** wherein the Supreme Court clarified that injunction is necessary only if there is a probability of confusion among the marks in the ordinary course of business. Similarly, in ***Midas Hygiene Industries Ltd vs Sudhir Bhatia 2004 28 PTC 121 SC,*** the Supreme Court opined that an injunction is necessary if there is a threat of infringement and passing-off action. But there, the names LAXMAN REKHA and MAGIC LAXMAN REKHA were practically identical, and as such, the facts do not match the present case.

Further, in ***T.V. Venugopal vs Ushodaya Enterprises 2011 (4) SCC 45,*** the Supreme Court considered in detail the test of a common field of activity to a common class of customers in respect of common services offered by the plaintiff and the defendant. It held that only in case of such overlap of class of customers and services is there a likelihood of injury to the rights of the party who holds prior registration of the deceptively similar mark. However, in the instant case, no common class of services is being catered to a common class of customers as per the material put on record by both parties.

Thus, upon examining the records placed before the court, the judge reiterated that the logo, number of letters, and the manner in which SASKEN and SALESKEN are written are completely different. Further, the court held that as per Section 28(3) read with Sections 30 and 31 of the Trademarks Act, a registered owner of a trademark cannot be restrained from the use of the registered trademark by any other trademark owner till the matter is conclusively decided by the appropriate forum before which the dispute is pending adjudication.

As such, given that the visual depiction of the plaintiff's mark shows a red coloured prism with SASKEN written in capital letters and the mark of the defendant has ‘salesken' written in the lower case along with a square logo predominantly in black colour with a red colour tick mark in the left part of the black square. As such, there is no possibility of causing any confusion in the pictorial representation or the phonetic sound of the words. Based on the foregoing deliberations, the court dismissed the instant appeal, and no interim injunction was granted against the defendants, even by the Appellate Court. The court also held that during a hearing for the grant of a temporary injunction, the court could not hold a mini-trial and pre-empt the outcome of the dispute in the interim injunction stage.

26. Protecting Intellectual Property: SAP SE's Legal Battle Against Vtech Soft Solutions

Case: Sap Se vs Vtech Soft Solutions & Ors. [C.S. (COMM) 110/2020 & I.A. 3498/2020, I.A. 7098/2020]

Forum: Delhi High Court

Order Dated: January 29, 2024

Order: This case was filed by the Plaintiff- ‘SAP SE’ seeking a permanent injunction restraining infringement of trademarks and copyrights, passing off, unfair competition, delivery up, rendition of accounts, damages, etc.

Plaintiff – 'SAP SE', engaged in providing end-to-end software application solutions, is incorporated under the laws of Germany. It was established in 1972 and is the market leader in enterprise application software. It has extensive operations in India and has set up a wholly-owned subsidiary – SAP India Private Limited.

Plaintiff has been selling and distributing its products and services under the trademark ‘SAP’, which was coined, adopted and has been in use since 1972. Plaintiff is the registered proprietor of the mark ‘SAP’ and its formative marks such as ‘ SAP ', 'SAP HANA', etc., in over 75 countries, including India.

Plaintiff first learnt about the infringing activities conducted by Defendant No. 1 in May 2019, whereby it was learnt that the said Defendant was offering pirated software with remote SAP server access through the website (“Impugned Website”) and unauthorised training on technical and functional modules on software such as SAP BASIS, SAP FICO, SAP HANA ADMIN, SAP HR-HCM, SAP BI-BW/BO, SAP Success Factors, SAP MM, SAP BODS etc.

In the last week of May 2019, Plaintiff's representative contacted Defendant No. 1 via email provided on the Impugned Website (info@vtechsoft.in) to enrol for Defendant No. 1's SAP BASIS Course and enquire about Defendant No. 1's infringing activities. The plaintiff's representative attended the demo session in the second week of June 2019 through the link shared by Defendant No. 1.

On 2nd August 2019, Plaintiff sent a cease-and-desist notice to Defendant No. 1 about copyright in SAP software and other confidential information, training, and educational materials and called upon the said Defendant to cease infringement of its copyright and trademarks through the online courses. As Plaintiff received no response to the C&D Notice, a follow-up letter was sent via e-mail and courier, asking Defendant No. 1 to comply with the requisitions stated in the C&D Notice and provide their response by 29th August 2019. However, no reply was received from Defendant No. 1.

Plaintiff noted that Defendant No. 1 had deactivated the website, and on 11th September 2019, a letter via e-mail and courier was sent to Plaintiff stating that Defendant No. 1 had deactivated the Impugned Website. However, Plaintiff found that the Impugned Website was reactivated in November 2019, whereby Defendant No. 1 continued to advertise SAP training on various courses.

The Plaintiff sent a final warning letter to defendant No. 1 on 16 December 2019, asking him to discontinue the impugned activities immediately. However, no reply was received. Thereafter, in January 2020, Plaintiff filed trademark and copyright violation complaints with Facebook, X (Twitter) and LinkedIn. Plaintiff submitted screenshots of Defendant No. 1’s website and related social media accounts of Plaintiff's documents.

Repeat inquiries made in February 2020 disclosed that Defendant No. 1 actively infringed upon Plaintiff's trademarks and copyrights.

In the above circumstances, an ex-parte ad interim injunction was granted in favour of Plaintiff and against Defendant No. 1 vide order dated 16th March 2020. Subsequently, Plaintiff filed an Application under Order XXXIX Rule 2A of CPC (I.A. No. 7098/2020) as Defendant No. 1 commenced offering SAP training through its newly created websites, i.e., <www.vtech-soft-solutions.business.site> and <https://vtechsoftsolutions.wordpress.com>, and promoting and advertising its infringing activities through third-party portals such as Twitter and YouTube. Plaintiff states that MarkMonitor Inc. and Automatic Inc. are the registrars of the new websites. On August 19, 2020, under the direction of the court, 2 websites of defendant No.1, i.e., www.vtechsoft.in and www.vtechsoft.co.in, were taken down.

However, now Defendant No. I have started unauthorizedly taking SAP classrooms and online and corporate training through its newly created website, www.vtech-soft-solutions. Business. The site promotes and advertises infringing activities on third-party portals, including Twitter and YouTube. Plaintiff also claims that in the second week of August 2020, it also came to Plaintiff's notice that Defendant is offering unauthorised SAP classrooms and online and corporate training through another newly created website, https://vtechsoftsolution.wordpress.com.

Since the identity of the persons allegedly committing contempt is not known to Plaintiff at this stage, the learned counsel for Plaintiff seeks leave to file an application to implead the Registrar of the website so as to find out the identity of the persons who got the website registered.

Plaintiff impleaded 33 Defendants, of which Defendant Nos. 4 to 31 were deleted from the array of parties as noted in orders dated 18th January 2022 and 31st October 2023, on the basis of undertakings given by their counsel that they would comply with all directions of the Court. Thus, the Suit is presently continuing against (a) Vtech Soft Solutions, (b) Ashok Kumar/ John Doe, (c) Automatic Inc., and (d) MarkMonitor Inc.

Despite service, Defendant No. 1 has neither appeared nor filed a written statement. The statutory period of 120 days for filing of written statements is already over.

The Court opined that no purpose would be served by directing Plaintiff to lead ex-parte evidence. The plaintiff has valid trademark and copyright registrations in its favour and is entitled to statutory protection, including the grant of an injunction for infringement. Based on the documents and the plaint, it is demonstrated that Defendant No. 1 has been dishonestly dealing in SAP products/ services comprising Plaintiff's trademarks and copyrights, including providing remote server access and pirated copies of Plaintiff's software. Defendant No. 1 has been operating by misrepresenting himself as a consultant/ trainer of SAP courses.

Even after repeatedly being put to notice of infringement of Plaintiff's rights, Defendant No. 1 has continued to engage in its unlawful activities. Their products/ services, which do not emanate from Plaintiff, are bound to create confusion and deception for customers, resulting in irreparable harm to Plaintiff's business and well-established goodwill and reputation. Therefore, the Court finds that Defendant No. 1 has committed infringement and passing off of Plaintiff’s trademarks and copyrights.

The Court opined that Plaintiff has made out a case for a grant of decree of permanent and mandatory injunction. The Court was satisfied that the case was fit for rendering a summary judgment in terms of Order XIII-A of CPC, read with Rule 27 of the Delhi High Court Intellectual Property Rights Division Rules, 2022.

Further, since there was no written statement(s) on behalf of Defendant No. 1, despite service, the Court is also empowered to pass judgment in terms of Order VIII Rule 10 of CPC. Hence, the Suit was decreed in favour of Plaintiff and against Defendant No. 1.

mail@lexorbis.com | www.lexorbis.com

27. Invocation of Urgent Relief Not a Pretext to Circumvent Section 12A of the Commercial Courts Act, 2015: Allahabad High Court

Case: Pankaj Rastogi vs Mohd Sazid [FIRST APPEAL NO. 30 OF 2024]

Forum: Allahabad High Court

Order Dated: January 30, 2024

Order: The Commercial Courts Act was enacted in 2015 to improve efficiency and reduce delays in deciding commercial cases. In the course of three years, by way of an amendment to the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Act, 2018, Section 12A was inserted, which provides for a compulsory pre-litigation mediation before the institution of a suit, where no urgent interim relief is contemplated in such suit.

The main aim and object of Section 12A, apart from de-clogging the docket of the court, is to ensure that before a commercial dispute is filed, the alternative means of dispute resolution are adopted and unnecessary litigations are avoided. The Supreme Court in Patil Automation Pvt. Ltd. and others v. Rakheja Engineers Pvt. Ltd. [(2022) 10 SCC 1] has ended the long pending controversy regarding whether section 12A is mandatory or directory while holding that it is a mandatory provision and any suit instituted while violating the mandate of section 12A must be rejected under Order VII Rule 11 of Code of Civil Procedure, 1908 (CPC).

However, soon the courts found themselves grappling with the attempts made by parties to bypass and evade the statutory pre-litigation mediation under section 12A, thereby making the provision otiose by contending that the Plaintiff is contemplating urgent interim relief, which in reality found to be without any basis. Finding itself in one such circumstance, the Hon'ble High Court of Allahabad, while upholding the pivotal nature of section 12A, has relegated the Plaintiff therein to a pre-litigation mediation process, thereby returning a finding that there is no urgent interim relief contemplated in the suit.

mail@lexorbis.com | www.lexorbis.com

The Hon’ble High Court has relied upon the judgment of the Hon’ble Supreme Court in Yamini Manohar v. TKD Keerthi [2023 SCC Online SC 1382], wherein the Supreme Court has negated the proposition that the Plaintiff has the absolute choice and right to paralyse section 12A by making a prayer for urgent interim relief and has held that commercial courts are empowered to examine the nature and subject matter so as to ascertain if a suit contemplates and seeks an urgent interim relief or not.

Factual Background

The appeal before the High Court was preferred against an order dated 31.10.2023 whereby the District Court rejected the suit filed by the Plaintiff and allowed the application under Order VII Rule 11 of CPC of the Defendants on the ground that prayer for urgent interim relief is imaginary and section 12A cannot be bypassed. Before filing the said suit, the Plaintiff had earlier filed one suit against the same Defendants on the basis of the same cause of action without making any prayer for urgent interim relief, and the said earlier suit was withdrawn. Therefore, since the first suit was filed without any prayer for urgent interim relief, the learned District Court held the prayer of urgent interim relief in the second suit as “imaginary” and an attempt by the Plaintiff to bypass the mandate of pre-litigation mediation as per Section 12A of the Act. The counsel for the Plaintiff before the High Court argued that there is always an urgency in cases pertaining to trademarks. The counsel objected to the argument for the Defendants, who contended that on the factual matrix of the case, there is no urgency demonstrated by the Plaintiff, which is also evident from the fact that the Plaintiff filed the first suit without seeking any urgent interim relief.

Observation of the Hon’ble Court

The High Court observed that section 12A underscores the legislative intent to promote alternative dispute resolution mechanisms and reflects the broader global trend towards embracing consensual and collaborative approaches to conflict resolution instead of traditional litigation's adversarial nature. The High Court referred to Patil Automation *(supra)* and outlined that in the absence of a prayer for urgent interim reliefs, a suit cannot be instituted without mandatory compliance with section 12A of the Act, and the same can be rejected under Order VII Rule 11 of CPC. Therefore, while following the principles laid down by the Supreme Court in TKD Keerthi *(supra)*, the High Court held, under the facts of the case, that since the Plaintiff did not show any urgency in the earlier suit, the second suit along with prayers for urgent interim reliefs was rightly adjudicated by the District Court to be imaginary and an attempt to bypass the mandatory provision of section 12A.

Conclusion

The object of the lawmaker in inserting section 12A in the Commercial Courts Act 2015, apart from de-clogging the courts, is surely for the advancement of justice and for securing the public good by avoidance of unnecessary litigation. The interpretation of section 12A by the High Court in the present case as well as by the Supreme Court in the case of TKD Keerthi *(supra)*, apart from furthering the intentions of the lawmakers, also empowers the Commercial Court to verify and examine, though to a limited extent, as to whether a suit contemplates any urgent interim relief or not. Thus, it can be safely inferred that there is no absolute or unfettered right upon the Plaintiff alone to decide whether to resort to the procedure under Section 12A.

28. Rajesh Sultania & Anr. vs Arun Kumar Murarka: Battle of Intellectual Property Rights

Case: Rajesh Sultania & Anr. v. Arun Kumar Murarka [CM(M)-IPD 8/2023 & CM APPL. 31052/2023]

Forum: Delhi High Court

Order Dated: January 30, 2024

Order: This petition under Article 227 of the Constitution of India, read with section 151 of the Code of Civil Procedure, 1908, challenges the order dated 18th March 2023, which dismissed the Petitioners' application under Order VII Rule 11 of the CPC. The application sought rejection of the plaint filed by Mr. Arun Kumar Murarka, the Respondent.

The Respondent's suit concerns trademarks "YEH KHILA YEH KHILA" and "TIN TIN," seeking a permanent injunction against the Petitioners for alleged infringement, passing off activities, and violation of copyright.

While Petitioners had initially raised a broad array of arguments, the scope of their challenge before the Court has been narrowed. Petitioners have precisely directed the challenge towards asserting that the Respondent's suit for trademark infringement is non-maintainable. This assertion was predicated because the Respondent did not possess the registration for the trademark "YEH KHILA YEH KHILA."

Petitioners' Contentions:

The Petitioner stated that the Respondent lacked standing to initiate the lawsuit as he was neither the owner nor the registered user of the trademark "YEH KHILA YEH KHILA." The Respondent's admission of being a permitted user, as stated in paragraph 7 of the response to the application under Order 7 Rule 11, indicated his lack of proprietorship or registered usage, rendering the lawsuit non-maintainable.

mail@lexorbis.com | www.lexorbis.com

The Petitioner contended that the Trial Court's reliance on the decision in George V Records v. Kiran Jogini regarding sister concerns does not apply as the Respondent is an individual, not a corporate entity, and thus cannot be considered part of a single economic entity.

Respondent's Contentions:

The Respondent operates his business through two incorporated entities, namely Herumb Trade Private Limited and Murarka Exim Pvt Ltd. In M/s Herumb Trade Private Limited, the Respondent and Mr Amar Nath Murarka (his brother) are directors. Similarly, in Murarka Exim Pvt Ltd., the Respondent and Mr Ravi Shankar Murarka (his son) hold the positions of directors.

The trademark "YEH KHILA YEH KHILA" also comprises a label for which the Respondent, proprietor of M/s Tirupati Udyog, has a copyright registration. The Respondent claimed copyright ownership of the label incorporating the trademarks and is the registered proprietor of the trademark "TIN TIN," as demonstrated in the plaint.

Court's Analysis and Findings:

The Court considered the aforenoted contentions. Firstly, Petitioners rely only on a selective portion of Max Healthcare Institute Limited v. Sahrudya Health Care Private Limited. Notably, in the referenced decision, the Court ultimately dismissed an application under Order VII Rule 11 of the CPC. This dismissal came despite the plaintiff in the cited case not possessing registered or usage rights for the word mark "Max." The suit was adjudged maintainable because the plaintiff held registrations for six composite labels, which prominently incorporated the "Max" mark as an integral element.

Likewise, the Court noted that the Respondent alleged infringements concerning the trademarks "YEH KHILA YEH KHILA" and "TIN TIN," as well as the copyright of the label displaying these marks. Thus, the Respondent has dual status as the copyright holder of the label embedding the trademarks and the registered proprietor of the "TIN TIN" wordmark. This dual ownership confers upon the Plaintiff a legitimate basis to initiate actions against copyright and trademark infringements. The essence of the Plaintiff's lawsuit, encompassing trademark infringement, passing off, and copyright infringement, signifies a multifaceted legal dispute. Thus, the Court finds that the Plaintiff's comprehensive claim, integrating multiple aspects of intellectual property rights violations, discloses a valid cause of action for infringement of copyright and trademark, alongside passing off.

The Court noted that the recent assignment of the trademark "YEH KHILA YEH KHILA" in favour of the Respondent further supports his ownership claims. The Court emphasised that rejecting a plaint under Order VII Rule 11 does not assess the viability of the cause of action but merely examines if it adequately discloses one. Consequently, the Court did not find any merit to entertain the petition, and accordingly, the same was dismissed along with pending applications.

29. Delhi High Court grants interim injunction to Tata Sons for marks TATA WATER PLUS' and 'TATA COPPER+'

Case: Tata Sons Private Limited & Anr vs Mohan Kumar Kotana [CS(COMM) 91/2024, I.A. 2223/2024, I.A. 2224/2024]

Forum: Delhi High Court

Order Dated: January 31, 2024

Order: This suit was filed by plaintiffs- Tata Sons Private Limited & Anr., seeking a permanent injunction restraining the defendant from the infringement of copyright, trademark, trade dress in the packaging, passing of dilution and other attendant reliefs of the plaintiffs' intellectual property rights. Plaintiff no.1 is Tata Sons Private Limited, while plaintiff no.2 is Tata Consumers Products Limited. Plaintiff no.1 is a promoter and principal investor holdings of the House of TATA, one of India's oldest and largest business conglomerates. The House of TATA has various businesses under its umbrella, and through its group of companies, subsidiaries and associate companies have ventured into various products.

This case was filed in relation to a mineral water product that was originally sold under **'TATA WATER PLUS'** and is now sold under **'TATA COPPER+'**. The trademark 'TATA' has been declared as a well-known trademark. The trademark 'TATA WATER PLUS' has been registered in Classes 16 and 32 vide registration dated 22nd July 2009, whereas the trademark 'TATA COPPER WATER' has been registered vide registrations dated 11th December 2017 and 17th January 2020 in Class 32.

Plaintiffs have also applied for the device mark 'TATA COPPER+ WATER', i.e. bearing Trademark Application No.5756647 dated 09th January 2023 in Class 32. The plaintiffs stated that the trademark application has been accepted and advertised under the Trademark Registry and is pending registration.

The 'TATA WATER PLUS' product bearing the unique packaging 

was initially launched in the year 2012, and currently, the product is sold under 'TATA COPPER+' Water bearing the device mark 

.

The plaintiffs' case was that their product had been specially developed to enhance the health and nutrition relating to water, which is packed with copper and zinc in a form that the body can easily absorb. The plaintiffs have been using the unique label in the distinct copper brown colour since 2012, with other features that are unique and distinct.

The plaintiffs stated that they are aggrieved by the marketing and sale of the defendant's product 'VIZAG GOLD'S COPPER+ WATER' with the device mark

.

The defendant is a proprietor of M/s Sri Sai Aqua Industries conducting business at D. No. 2-114, Adireddypalem, Sabbavaram, Anakapalli, Visakhapatnam, Andra Pradesh – 531035, India.

The plaintiff presented the products in Court and submitted that inter alia, the following unique features of the plaintiffs' product have been copied:

- (i) The brown colour cap,
- (ii) The copper brown label,
- (iii) The use of the word "Copper+",
- (iv) The glandular disc using the background,
- (v) The annular ring, which is used in the background,
- (vi) The human figure used next to the mark, etc.

Based upon the investigation conducted by the plaintiffs, it transpired that the factory of the defendant was spread across an area of 1600 square feet with 10 people working there. The investigator noticed about a thousand units of 1 litre and ½ litre bottles bearing the impugned marks of the defendant. The photographs of the factory have been appended by the plaintiff and extracted as follows:

 mail@lexorbis.com | www.lexorbis.com

The inquiries by the investigator revealed that the defendant has plans to expand the business beyond the local territory where they are situated. In fact, upon ordering the impugned product from New Delhi, the defendant dispatched their products to the investigator.

After hearing the plaintiff and looking at the evidence presented, the Court was satisfied that the plaintiffs had made out a prima facie case for the grant of an ex-parte ad interim injunction till the next date of hearing. Balance of convenience lies in favour of the plaintiffs, and the plaintiffs are likely to suffer irreparable harm in case the ad interim injunction, as prayed for, is not granted.

Accordingly, The Court passed an ex-parte ad interim injunction against the defendants till the next date of hearing on the following terms:

- The defendant and any other person acting on his behalf is restrained from manufacturing, selling, offering for sale, distributing, advertising, and/or in any manner dealing with the infringing product 'VIZAG GOLD'S COPPER+ WATER' bearing the trade dress 

or from dealing in any other product that may have a trade dress similar to that of the plaintiffs'.
- The defendant and any other person acting for and on his behalf are restrained from disposing of any of the infringing products that are available in their factory premises or with their stockists, if any.

The Court further appointed a Local Commissioner with the direction to carry out the following mandate:

a. Local Commissioner shall be accompanied by a representative of the plaintiffs as well as counsel for the plaintiff.
b. Local Commissioner shall visit the premises of the defendant located at D. No. 2-114, Adireddypalem, Sabbavaram, Anakapalli, Visakhapatnam, Andra Pradesh – 531035, India, prepare an inventory and seize all goods, packaging materials, promotional materials, banners, signage, carton, stationery bearing the trade dress 

or any other trade dress that is similar to the plaintiffs' trade dress. The said products shall, after the seizure, be returned on super dark to the defendant after taking an undertaking that the defendant shall not tamper with the sealed products.
c. The local commissioner shall demand disclosure of the whereabouts of other outlets and locations of the defendant where similar goods have been stocked. Upon receiving the information, visit the said premises and execute the directions in para (a) above.
d. Local Commissioner is permitted to take a photocopy/screenshot of all the books of accounts, including ledgers, cashbooks, purchases and sales records, etc., in physical and electronic form and place the same on the court record
e. To ensure unhindered and effective execution of this order, the Station House Officer ("SHO") of the local police station within whose jurisdiction the premises of defendant no. 1 lie is directed to render all necessary assistance and protection to the Local Commissioner, if and when sought.
f. In the event the Local Commissioner finds the premises of defendant no. 1 locked, they may be permitted to break open the lock.
g. Local Commissioner shall serve a copy of this order along with a copy of the suit to the defendant.

30. Unsubstantiated Allegations of the Plaintiff Lead to Dismissal of its Case

Case: Marico Ltd. & Anr vs J. K. Enterprises [CS/128/2004]

Forum: Calcutta High Court

Order Dated: January 31, 2024

Order: In the legal arena, intellectual property disputes, particularly those concerning trade mark infringement, often bring to light complex issues of ownership, brand reputation, and the enforcement of intellectual property rights. A recent case, ***Marico Ltd. & Anr. vs. J. K. Enterprises, decided on January 1, 2024***, provides a nuanced perspective on the legal implications of trade mark infringement. The case importantly explores the Court's exercise of discretion under Order VIII Rule 10 of the Code of Civil Procedure, 1908, which says that the Court is entitled to pronounce judgment against the defendant defaulting to file the written statement or to pass such other order as deemed fit, further underscoring the requirement to proving the allegations made by the Plaintiff through cogent documentary evidence.

Facts of the case

The case was originally filed by M/s Hindustan Lever Ltd. (original Plaintiff), a company engaged in marketing perfumed coconut oil under the trade mark 'NIHAR'. The word 'NIHAR' appeared on the labels and packages in a distinctive style, get-up, write-up and in a distinctive colour scheme. The original Plaintiff, who had been selling the product since 1995, transferred its rights in its trade mark 'NIHAR' to M/s Marico Ltd by way of an assignment deed together with goodwill in 2006. Subsequently, Marico Ltd. became the proprietor of the trade mark 'NIHAR' and is now the Plaintiff in the current case.

In 2004, the original Plaintiff learned that the Defendant had been selling coconut oil in plastic packets, which had deceptive similarity, trade-dress, get-up, colour scheme, and dimensions to that of the original Plaintiff. The original Plaintiff alleged that the Defendant is engaged in the sale of coconut oil with packaging and

mail@lexorbis.com | www.lexorbis.com

branding deceptively similar to 'NIHAR'. In 2009, the present Plaintiff came to know that Defendant has been marketing and selling double-filtered coconut oil 200ml jars bearing deceptively similar mark ‘Nihal’.

It was the finding of Plaintiff that the style, colour scheme and writing type of the packages of the coconut oil of the Defendant are deceptively and confusingly similar to that of the Plaintiff. The allegations such as mala-fide object to deceive and confuse the consumers and pass off their product as that of the Plaintiff were made against the Defendant. The suit sought various reliefs, including a permanent injunction and the destruction of infringing labels and packages.

In a noteworthy turn of events, the Defendants did not contest the suit despite being served with summons. As a result, the Court, in accordance with procedures, deemed the suit undefended. It was noted by the Court that the present Plaintiff derived its right, title, and interest with respect to the trademark in question by virtue of the deed of assignment executed by the original Plaintiff. The said deed of assignment and registration certificate of the trademarks, a genesis of Plaintiff’s right, title and interest, whereas the list of documents annexed to the plaint does not contain the certificate of registration and the copy of the deed of assignment for a reason best to the Plaintiff.

This Code of Civil Procedure in India provides the Court with discretionary power to pronounce judgment based on the contents of the plaint when a defendant fails to present a written statement. Interpreting the said provision, the Plaintiff's counsel argued that the Court should pronounce judgment solely on the basis of the plaint. In the opinion of the Plaintiff’s counsel, the Court must judge the contents of the plaint and documents on record as being of unimpeachable character and should not require any evidence to be led to prove its contents.

Court's Discretion and its decision

The Court examined the extent of discretionary power available to it under the procedure in case that these. The Court evaluated the Supreme Court's interpretations of Order VIII Rule 10, as evidenced in cases like Modula India vs. Kamakshya Singh Deo and Balraj Taneja & Anr. vs. Sunil Madan & Anr., highlighting the discretionary nature of the Court's power. The Court concluded there is discretionary power in the Court to pronounce judgment or to pass other appropriate orders. No straight-jacket formula can be put forth.

It is not a mechanical process to pronounce judgment mandatorily in the absence of a written statement. Everything depends upon the nature, character and merit of each case. It was the observation of the Court that it is discretionary for a Court, and it may require the Plaintiff to prove the facts averred in the plaint by evidence.

This cannot be curbed or stopped at the instance or insistence of a Plaintiff who is not willing to adduce evidence.

That being said, it was again highlighted by the Court that the Plaintiff did not adduce any evidence once the Court required the facts to be proven. Since the allegations of the Plaintiff were not proved, the Court showed its inability to go into or consider the substantive issue involved and therefore, the Court considered its fit to dismiss the case as 'not proved'.

Conclusion

The above case, unfolding against the backdrop of trade mark infringement accusations, not only sheds light on the intricacies of intellectual property conflicts but also delves into the nuanced application of procedural laws. The Court's verdict offers valuable insights into the complexities surrounding ownership, brand reputation, and the enforcement of intellectual property rights. Despite being undefended by the Defendant, a noteworthy aspect of the case was the Court's meticulous examination unveiled an evidentiary gap in the Plaintiff's key documentary evidence, which raised significant questions regarding the strength of the Plaintiff's case and the sufficiency of the evidence to support their assertions.

Ultimately, the Court's decision to dismiss the case as 'not proved' rested on the Plaintiff's failure to present any evidence when required to substantiate the facts. This underscores the Court's commitment to upholding evidentiary diligence and ensuring a fair and thorough evaluation of trade mark infringement claims.

This case serves as a significant precedent in navigating the complex legal terrain of trade mark disputes, emphasising the importance of thorough documentation, evidentiary diligence, and the nuanced exercise of discretionary powers by the Court. As the legal landscape continues to evolve, this verdict provides valuable guidance for practitioners, businesses, and stakeholders involved in trade mark disputes, urging a meticulous approach to both the legal and evidentiary aspects of such claims.

31. Delhi High Court Issues Permanent Injunction Order Against Usage of the Mark "Times Pro"

Case: Bennett Coleman And Company Limited vs Timespro Consulting LLP & Ors [CS(COMM) 723/2022, I.A. 12370/2023 & I.A. 12371/2023]

Forum: Delhi High Court

Order Dated: February 05, 2024

Order: In a recent dispute between ***Bennett Coleman and Company Limited vs Timespro Consulting LLP & Ors [CS(COMM) 723/2022, I.A. 12370/2023 & I.A. 12371/2023],*** the single Judge Bench of the Delhi High Court on 5 February 2024 passed a permanent injunction order in favour of the plaintiff restating the defendants from using **TIMES PRO"** as a trademark, domain name, email and on social media platforms which is identical or deceptively similar to those of the plaintiff's marks, business and services.

The plaintiff *inter alia* submitted that *Bennett Coleman and Company Limited* belongs to 'The Times Group', which started 184 years ago and publishes newspapers, journals, magazines and books. The Times Group comprises various independent companies involved in various businesses, such as event management, financial services, outdoor advertising, educational services, real estate, etc., with a combined annual turnover of over USD 700 million. The plaintiff has been using the trademark TIMES PROPERTY for its real estate business and publishing a dedicated supplement in the plaintiff's newspapers since 2001.

The plaintiff also obtained the domain name https://timesproperty.com to provide information on the sale, purchase, and renting of properties. The plaintiff is the registered proprietor of 'TIMES', 'TIMES PRO', 'TIMES PROPERTY' and TIMES formative trademarks for various goods and services, where 'TIMES' is an essential and dominant feature. The plaintiff's mark TIMESPRO' along with device

mail@lexorbis.com | www.lexorbis.com

‘TIMESPRO’ have been registered since 2013, with the user in the mark 'TIMES' since 1838. On account of long, continuous and extensive use, the trademark TIMES has acquired formidable goodwill and reputation, signifying the source and origin of goods to the plaintiff. Thus, any use of the trademark 'TIMES' with or without any additions would lead to an association with the plaintiff's business due to its sales and promotions.

In addition, the plaintiff has been zealously protecting its intellectual property rights and has several injunction orders in its favour where the defendants in those cases have been restrained from using the word 'TIMES' with different suffixes. Therefore, the plaintiff claimed that the impugned mark "TIMESPRO", adopted by the defendants as a trade name, trademark and domain name on social media platforms, along with the word 'CONSULTING' in relation to real estate services, are identical to the plaintiff's business in real estate and the adoption of a deceptively similar mark for identical services is likely to confuse the consumers and members of the public.

Further, the plaintiff submitted that despite a legal notice and a cease and desist notice sent by the plaintiff calling upon the defendants not to use the impugned mark for real estate business, the defendants have continued with the company and have chosen not to respond to the notice. The use of the mark by the defendants aims to encash the formidable and stellar reputation of the plaintiff's trademarks. This is leading to irreparable harm and injury to its reputation, as well as blurring of the trademarks. Therefore, the plaintiff applied to permanently restrain the defendants from using the mark “TIMESPRO CONSULTING" and its formative marks and pay legal costs to the plaintiff. The defendants failed to appear before the Court and file the written submissions.

On 4 November 2023, the Court, upon examining the evidence presented by the plaintiff, found merit in the plaintiff’s claims and granted an ex-parte ad interim injunction against the defendants until the next hearing date. Accordingly, the defendants and all those acting on the defendant's behalf were restrained from using the mark 'TIMESPRO CONSULTING' as a trademark, trade name, domain name, email, social media identifier or in any other manner that was identical or deceptively similar to the plaintiff's trademarks TIMES, TIMESPRO, TIMES PROPERTY & TIMES formative mark in relation to business purposes which were identical or similar to those of the plaintiff.

Pursuant to the order dated 4 November 2023, the plaintiff filed an application seeking the pronouncement of a judgment and decree. Upon examining the averments and submissions of the plaintiff and the absence of appearance and written submissions by the defendants, the single Judge bench of the Delhi High Cout passed the following order in favour of the plaintiff:

1. The defendants, its partners, assignees in business, licensees, its franchisees and all persons claiming right through them are permanently injuncted from using the mark, trade name, domain name, email and on social media platforms in any manner or any other trade mark, tradename, domain name which is identical or similar to the plaintiff's trademarks "TIMES", "TIMESPRO", "TIMES PROPERTY" and TIMES formative marks in relation to any business, services, goods, domain name, email and all social media platforms or in any manner whatsoever amounting to infringement of plaintiff's registered trademarks.

2. The defendants, its partners, assignees in business, licensees, franchisees and all persons claiming right through them are permanently injuncted from using 'TIMESPRO CONSULTING' as a mark, trade name, domain name, email and on all social media platforms, in any manner or any other trade mark, trade name, domain name which is identical and similar to the plaintiff's trademarks TIMES, TIMESPRO, TIMES PROPERTY and TIMES formative marks in relation to any business, services, goods, domain name, email and social media platforms or in any manner whatsoever amounting to passing off of the defendant's business and services as those of the plaintiff.

3. Decree of mandatory injunction is also passed directing the defendants to surrender in favour of the plaintiff, the domain name "timesproconsulting.com" and email address "timesproconsulting@gmail.com" and/or any other domain name/email containing the mark which is identical or deceptively similar to plaintiff's marks and its formative marks; or in the alternative to deactivate such domain names and email addresses.

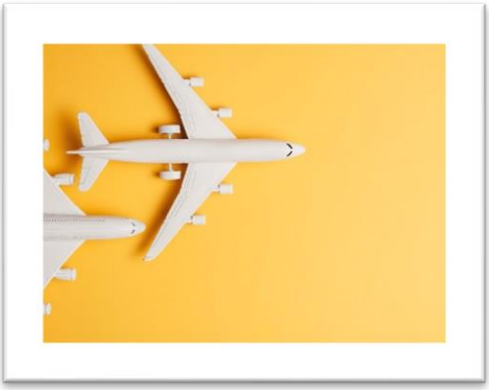
In conclusion, the Court observed that using the mark "TIMES PRO CONSULTING" by the defendants amounts to infringement of the plaintiff's registered trademarks, passing off the defendant's business and services. The domain names and emails adopted by the defendants are identical or deceptively similar to the plaintiff's marks and their formative marks. Consequently, the permanent injunction order was passed against the defendants, and the defendants have also been directed to pay legal costs of Rs. 1,50,000, to be deposited in favour of the plaintiff within a period of six weeks.

32. Legal Eagles Soar: A Deep Dive into the 'FLY HIGH' Trademark Dispute

Case: Frankfinn Aviation Services (Pvt.) Ltd vs Fly- Hi Maritime Travels Private [CS(COMM) 83/2024]

Forum: Delhi High Court

Order Dated: February 05, 2024



Order: Intellectual property is an essential aspect of commerce that represents innovation and creativity driving businesses forward. Trademarks, in particular, serve as unique symbols of a company's identity and reputation. However, with the increasing number of businesses and digital platforms, protecting trademarks has become crucial, leading to legal disputes aimed at safeguarding these valuable assets.

A recent case before the Delhi High Court sheds light on one such trademark dispute, offering insights into the complexities of intellectual property law and the pursuit of justice in commercial arenas. The case delves into the defendants' alleged infringement of the trademark 'FLY HIGH'.

The Plaintiff- Frankfinn Aviation Services (Pvt.) Ltd, a reputed organisation that imparts training in aviation, hospitality, travel management, and customer services. They have an extensive network of 'State of the Art' training institutes around India, which are run under the trademark and style of "FRANKFINN" and "FLY HIGH". The plaintiff is the proprietor of the trademark 'FLY HIGH' in India, registered under No. 1535614 in Class 41, for providing education and training services in aviation, hospitality, travel and customer care management.

The Plaintiff coined and adopted the 'FLY HIGH' trademark in 2004, although user details were claimed from 2007 when seeking registration. Since then, the mark has been continuously and extensively used to impart education and training in aviation, hospitality, travel, etc. As a result, the 'FLY HIGH' trademark has gained immense goodwill and reputation and has become distinctive of the Plaintiff's activities. Furthermore, the Plaintiff owns several domain names incorporating the 'FLY HIGH' trademark, including www.flyhigh.in.

The Plaintiff's grievance was the adoption of the mark FLY HI \ by the defendant, which is nearly identical/ deceptively similar to the Plaintiff’s registered mark.

Plaintiff contended that Defendants are utilising the Impugned Mark for services falling under Class 41, where Plaintiff holds statutory rights in the trademark 'FLY HIGH'. These services operate within the aviation and hospitality sectors and directly compete with the Plaintiff. Additionally, the Defendants operate a website, www.fly-hi.in, mirroring the Plaintiff's domain name, further exacerbating the potential for confusion.

Despite the Plaintiff's longstanding use of a similar mark since 2004, the Defendants have applied for registration of the Impugned Mark in Classes 16, 39, 41, and 43, claiming usage since February 2023. The Plaintiff opposed the Defendants' application in Classes 16, 39, and 43, pending adjudication before the Trademark Registry. Notably, the Registrar of Trademarks has objected to the Defendants' application in Class 41 due to the Plaintiff's existing trademark 'FLY HIGH', suggesting that the Defendants knowingly adopted the Impugned Mark despite awareness of the Plaintiff's rights.

Following a ‘Cease and Desist’ notice issued by the Plaintiff on November 20, 2023, the Defendants refused to cease the use of the Impugned Mark. Consequently, it was evident that the Defendants had purposefully and knowingly adopted the Impugned Mark to confuse the public and associate themselves with the Plaintiff’s renowned trademark, which holds significant goodwill and reputation.

The Defendants argued that they provided a detailed reply on December 6, 2023, delineating their distinct services. Defendant No. 1, FLY-HI Maritime Travels Private Limited, operates as a global travel management company specialising in air ticketing, Visa, insurance, and hotel services, distinct from the Plaintiff's focus on training within the travel, aviation, and hospitality sectors.

Moreover, Plaintiff has yet to engage in the mentioned services since the registration of their trademark. Hence, the Impugned Mark is easily distinguishable from the Plaintiff's registered trademark, and there is no overlap in services between the two parties. Consequently, the Defendants argue that there is no likelihood of confusion and, thus, no grounds for granting an injunction.

After thoroughly examining arguments from both sides, the court rendered an ad-interim injunction in favour of the Plaintiff. The court recognised the potential

mail@lexorbis.com | www.lexorbis.com

confusion in the public domain and the established goodwill associated with the Plaintiff's trademark, thereby issuing an interim order restraining the defendants from using any mark identical or deceptively similar to 'FLY HIGH.'

This Order by the Court is valid until the next hearing scheduled for July 11, 2024, prohibiting the defendants from utilising the impugned mark in any form, including domain names, to mitigate the risk of infringement, passing off, and dilution of the Plaintiff's rights. In essence, the case epitomises the judiciary's commitment to safeguarding intellectual property rights, underscoring the pivotal role of courts in resolving complex commercial disputes and upholding the sanctity of trademark protection laws.

33. Misrepresentation and Abuse of Process in Pharmaceutical Trade Dress Case: A High Court Review

Case: Alkem Laboratories Ltd vs Wings Pharmaceuticals Pvt Ltd & Anr. [FAO (COMM) 25/2024]

Forum: Delhi High Court

Order Dated: February 06, 2024

Order: Recently, in the case of Alkem Laboratories Ltd. as the Appellant and Wings Pharmaceuticals Pvt Ltd & Anr. as the Respondents in the High Court of Delhi, addressed allegations of trade dress infringement within the pharmaceutical industry.

The crux of the dispute centres around an ad-interim order issued by the Commercial Court on 16th January 2024, which appointed a Local Commissioner to seize goods allegedly infringing upon the trade dress of the Respondent's product, 'ORASORE'. The Commercial Court found the packaging of the Appellant's product, 'OROGARD', to bear significant visual and structural similarities to the Respondent's product, potentially leading to consumer confusion.

The Appellant, however, raised a serious accusation of misrepresentation against the Respondents. It claimed that the Respondents had presented outdated packaging to the Court, which had been discontinued since January 2022. According to the Appellant, the presentation of discontinued packaging was a strategic move to unfairly obtain the ad-interim injunction.

Upon examination of the packaging presented by both parties, the High Court found limited similarity, primarily noting a common pictorial depiction of a mouth showing ulcers. Such depictions are common in products that treat mouth ulcers, suggesting that this alone cannot conclusively establish trade-dress infringement.

Furthermore, the Appellant highlighted a troubling issue: the Respondents' circulation of a publication falsely claiming a ban on the Appellant's product. The High Court observed that this publication constituted an abuse of the legal process, with the sole intention of tarnishing the Appellant's reputation.

mail@lexorbis.com | www.lexorbis.com

The Court emphasised that the ad-interim order was provisional and did not warrant such public announcements. This action would disentitle the Respondents from any further interim relief if proven.

Despite the Local Commissioner's absence of seized goods, the High Court refrained from passing further orders at that stage. Instead, it directed the Appellant to address its grievances before the Commercial Court. Additionally, the Appellant was permitted to seek permission to sell its existing manufactured product stock.

The High Court emphasised the Commercial Court's responsibility to promptly address any applications submitted by the parties, ensuring a fair and expedited dispute resolution within two weeks.

The High Court's decision underscores the importance of fair representation and the severe consequences of misusing legal processes. It highlights the need for integrity in legal proceedings and the obligation of courts to ensure a swift and just resolution of disputes.

34. Balancing of Substantive and Procedural Laws in Trademarks Disputes

Case: TTK Prestige Limited vs Baghla Sanitaryware Private Limited [CS(COMM) 281/2021, I.A. 7377/2021 & I.A. 13421/2023]

Forum: Delhi High Court

Order Dated: February 07, 2024

Order: The Delhi High Court, in a recent case of '*TTK Prestige Limited vs Baghla Sanitaryware Private Limited*', refused to entertain an application filed by TTK Prestige Limited ("**Plaintiff**") to place additional documents on record under Order XI Rule 1(5) of Code of Civil Procedure, 1908, as amended by the Commercial Courts Act, 2015.

The plaintiff filed a suit for infringement of its trademarks PRESTIGE and , its copyright of PRESTIGE LOGO, passing off and unfair competition against Baghla Sanitaryware Private Limited & Ors. ("**Defendants**") before the Delhi High Court on June 02, 2021. It was the plaintiff's case that the defendants were engaged in the manufacturing and sale of baths, kitchen fittings, and accessories and were misusing the plaintiff's registered trademark, PRESTIGE. The plaintiff later discovered that the Defendants had also obtained registration for the trademark PRESTIGE in Class 11.

The Court passed an ex-parte ad interim injunction restraining the Defendants from selling, offering for sale and advertising in any manner any sanitaryware, bath and kitchen fittings, kitchenware, cookware, etc., under the logo . The Defendants filed the written statement, and thereafter, replication was filed by the plaintiff. The Defendants then filed an interim application to place additional documents (invoices) on record, and the said application was allowed.

Thereafter, the plaintiff filed another application to place on record certain additional documents such as promotional materials, CA certificates showing sales and promotional figures, unaudited statements of sales and promotional expenses, etc., of the plaintiff's predecessor company.

The plaintiff submitted that the defendants had not filed any supporting documents with their written statement and filed them only after a year. The said application was allowed by the Court because the trial in the present matter had not yet commenced. They further submitted that it claimed the use of the trademark PRESTIGE since 1955.

Still, when filing the present suit, the documentary evidence proving such use before 2007 was not readily available, and only after the defendants filed their WS claiming use since 2005 did the plaintiff search for old records and discovered that the relevant documents formed a part of a disposed suit filed before the District Court, Tiz Hazari. Given the above and relying on Order XI Rule 1(5) of CPC, the plaintiff submitted that it satisfied the test of *reasonable cause*, and no prejudice would be caused to the Defendant if the application was allowed as trial had not commenced yet.

The defendants argued that the plaintiff's application was belated and mala fide, and that the plaintiff cannot be allowed to place additional documents on record two years after the filing of the replication without a valid reason. They further contended that negligence by the plaintiff in filing documents supporting its claim cannot satisfy the test of 'reasonable cause' under Order XI Rule 1(5) of CPC.

The Court viewed that the CCA's object was to ensure speedy disposal of high-value commercial suits and early resolution and that, with the advent of the CCA, deadlines and their elasticity had become strict and sacrosanct.

The Court's decision was based on its observation of a lack of diligence on the part of the plaintiff, as they failed to produce any additional documents despite several opportunities. The Court further held that the plaintiff, being a company of repute, should have been diligent about protecting its trademarks and that it would not pass muster with the DHC that the plaintiff had scrambled for some documents to prove the use of its house mark PRESTIGE for more than two years after the institution of the suit. The Court also held that no prejudice was caused to the plaintiff, as they filed voluminous documents along with their plaint and additional documents along with the replication.

The Court further observed that the issues in the Present Application were compliance, deadlines, and lack of reasonable cause. Thus, reasonable cause for non-disclosure of documents is not to be established for documents that are discovered after the filing of the plaint; that reasonable cause under Order XI Rule 1(10) of CPC as amended by CCA cannot be extended to negligence in filing

mail@lexorbis.com | www.lexorbis.com

additional documents before the Court but must necessarily refer to a cause that was beyond the control petitioner which prevented the petitioner from filing the additional documents along with the written statement.

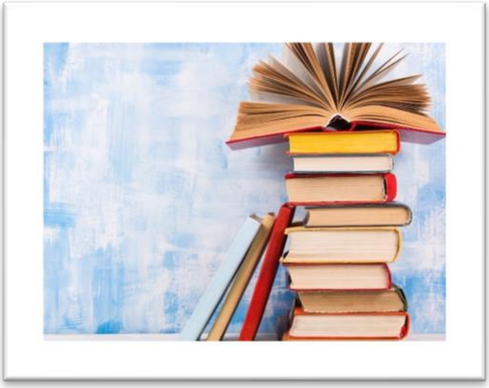
Further, the Commercial Division is not required to entertain or allow applications for late filing of documents without any reasonable cause established for the non-disclosure along with the pleading. Any inadvertent error in filing additional documents is not a reasonable cause for not filing additional documents along with the plaint. In view of this, the Court clarified that strict timelines must be adhered to in commercial suits, and parties intending to obtain an injunction in trademark disputes cannot be tardy in collecting their documents.

35. Infringing Scholastic Material Not Requiring Close Study

Case: Oswal Books And Learning Pvt Ltd vs Bokaro Students Friend Pvt Ltd And Ors [C.S. (Comm) No. 120/2024]

Forum: Delhi High Court

Order Dated: February 07, 2024



Order: In the recent case of Oswaal Books and Learning Private Limited v Bokaro Students Friend Private Limited and Ors, the plaintiff, Oswaal Books and Learning, applied for and was granted an urgent ex parte order preventing the defendant, Bokaro Students Friend, from selling pirated versions of their books and study materials.

The plaintiff is in the business of publishing educational books and study material for board exams conducted by the ICSE, CBSE and various states, as well as for other competitive examinations such as the JEE, the NEET, the CAT and the CLAT. It sells its books through a network of 16,000 bookstores across 500 districts. The plaintiff registered the trademark Oswaal Books, its logo and the name under which the books were sold. The plaintiff also claimed copyright in its study materials, sample question papers and solutions. The plaintiff claimed that it had provided answer keys to the questions in the study material through QR codes unique to each book.

Purchasers of the infringing study material contacted the plaintiffs, complaining that the QR codes were not functioning, and they could not access the answer keys. On investigating, the plaintiff found that unknown publishers were selling identical books with the same covers. However, such study material was defective, with blurred cover pages, QR codes that did not work or were missing and low-quality printing. The counterfeit books were clearly not the original high-quality materials of the plaintiffs.

The plaintiff's name and goodwill were being tarnished by the circulation of the inferior books and study materials. The plaintiff suffered economic loss, and the students suffered from poor quality of study material. The samples submitted to the court showed that the infringing material showed a sufficiently superficial similarity that students would be duped into buying the counterfeit material, assuming it to be genuine.

The plaintiff's investigations led it to sources in Delhi, such as Bokaro Students Friend and Kashyap Book Depot, that were supplying the infringing copies. Many bookshops across various states were identified as selling counterfeit material. None of the suppliers and sellers had responded to the plaintiff's legal notices.

Aggrieved by the actions of the defendants, the plaintiff applied to the court for ex parte interim injunctions against the defendants. The plaintiff argued that the acts of piracy and counterfeiting were jeopardising the careers of students and causing the loss of goodwill, reputational harm and financial loss to the plaintiffs while channelling wrongful gain to the defendants.

After hearing the plaintiff and examining the pirated and original books, the court was satisfied that the plaintiff had made a good case for admitting the case and restraining the defendants. The court held that the balance of convenience was in favour of the plaintiff because of the loss being caused. There was an urgent need for injunctions pending the final hearing of the case against the defendants, who the court found were selling pirated versions of copyrighted study materials and sample question papers under the plaintiff's trade name, trade dress and colour scheme.

The court ordered the defendants be restrained from publishing, printing, offering for sale or advertising in any manner any product bearing the plaintiff's registered trademark, Oswaal Books, or any other mark that was deceptively similar or passed off as the plaintiff's products, infringing on their copyright in the study materials.

The court appointed local commissioners to enter the premises of the defendants with the police, by force, if necessary. The local commissioners were authorised and instructed to gather all infringing material at the various premises bearing the logo, trademarks and trade names of the plaintiff and the plaintiff's published and unpublished copyrighted study material. They were to make inventories, which, after being duly sealed and signed in the presence of the parties, would be released to the defendants as and when required by the court. The local commissioners were also instructed to obtain copies of the books of accounts, including ledgers, cash registers, stock registers and invoices. These will be used to assess the losses suffered by the plaintiff when the court comes to fix damages.

36. Delhi High Court Protects 'NOVA' Trademark: Grants Permanent Injunction Against 'NOVYA' Imitation

Case: Sterling Agro Industries Limited v ASR Trading Company [CS(COMM) 148/2019, I.A. 4158/2019]

Forum: Delhi High Court

Order Dated: February 07, 2024

Order: On February 7th, 2024, in the case of *Sterling Agro Industries Limited vs M/S ASR Trading Company & Ors. CS(COMM) 148/2019, I.A. 4158/2019,* the Delhi High Court granted a permanent injunction order in favour of Sterling Agro Industries Limited, restraining ASR Trading Company & Ors., using the mark NOVYA to sell 'Ghee and other dairy products' with packaging similar to that of Sterling Agro Industries Limited's NOVA trademark.

As far as the factual matrix goes, the Plaintiff, renowned for its premium dairy offerings bearing the distinctive trademark 'NOVA', has been a prominent figure in the industry since 1991. With numerous trademark registrations secured, the plaintiff has firmly established its brand in the market and adopted the trademark 'NOVA' in 1992 in relation to Ghee and other dairy products. However, in 2019, the plaintiff discovered that the defendants, a partnership firm, were marketing products under the strikingly similar name 'NOVYA', along with packaging resembling their own. Consequently, the plaintiff initiated legal proceedings, alleging infringement and passing off, and sought a permanent injunction against the defendants.

The plaintiff demonstrated significant goodwill and recognition under the 'NOVA' trademark through years of continuous use and extensive advertising. Plaintiff's evidence of increasing sales figures and promotional activities supported their claims. The plaintiff alleged that the defendant's use of the mark 'NOVYA' amounted to passing off and infringement, given its close resemblance to the

mail@lexorbis.com | www.lexorbis.com

plaintiff's trademark and packaging. The Defendants contested the plaintiff's claims, contending that there were notable distinctions between the marks 'NOVA' and 'NOVYA.' They argued that their trademark application for 'NOVYA' covered various goods beyond those specified by the plaintiff's trademark. The defendants denied deliberate imitation or infringement, claiming they had not engaged in commercial activities under the 'NOVYA' mark.

During the proceedings, the Court observed and penalised the Defendants for false advertising and contemptuous conduct. The court observed that the Defendants' inconsistent representation and sporadic appearance in court indicated a disregard for legal obligations. Further, the court rejected the Defendants' defence of dissimilarity between the marks, finding a clear case of infringement and passing off due to visual and phonetic similarities, aiming to benefit from the Plaintiff's goodwill.

The Court remarked that *"The argument posited by the Defendants, asserting a distinction between 'NOVA' and 'NOVYA', does not hold up under judicial scrutiny. Their defence, predicated on the claim of dissimilarity between the marks, is fundamentally flawed. Visually and structurally, the two trademarks exhibit a level of similarity that far surpasses incidental resemblance, reflecting a near-identical composition in both appearance and phonetic sound. Such striking parallels not only starkly counter the Defendants' claims of differentiation, but also compellingly point towards a clear case of infringement. This congruence, in both visual form and phonetics, unequivocally undermines the Defendants' defence and proves infringement claim."*

The Court determined that the infringement was made blatantly clear by the Defendants' choice to use 'NOVYA' for identical goods, particularly milk items like Ghee, directly competing within the same class 29 where the Plaintiff holds a registration. This direct overlap in product categories highlights the lack of merit in the Defendants' claim of distinctiveness between the marks. Moreover, the imitation extends to the packaging used by the Defendants, which not only replicates the Plaintiff's trade dress but also signifies a deliberate tactic to deceive consumers and capitalise on the Plaintiff's established market presence. These actions undeniably indicate the Defendants' intention to imitate and benefit from the recognition and trust the Plaintiff has built over years of continuous use of their mark NOVA.

Consequently, the Defendants' claim of trademark distinctiveness is flat, revealing deliberate attempts to infringe upon and exploit the Plaintiff's trademark rights.

 mail@lexorbis.com | www.lexorbis.com

The court ruled in favour of the Plaintiff, issuing a permanent injunction against the Defendants and awarding litigation costs. Furthermore, Defendant No. 3 was held guilty of contempt and ordered to pay a penalty to Plaintiff.

37. Delhi High Court Upholds 'LIBAS' Trademark Restraint: Encourages Amicable Resolution in Ongoing Legal Battle

Case: Purshotam Keshwani & Ors vs Nishant Mitrasen Mahimtura & Ors [CS(COMM) 825/2018]

Forum: Delhi High Court

Order Dated: February 08, 2024

Order: In the recent legal battle between Purshotam Keshwani and Ors. and Nishant Mitrasen Mahimtura & Ors., The Delhi High Court reaffirmed the validity of its previous order restraining the defendants from using the trademark 'LIBAS'. The Court encouraged the parties to resolve any disputes regarding alleged violations through mutual discussions.

Background

The plaintiff filed the application under Order XXXIX Rule 2A of the Code of Civil Procedure, 1908, alleging non-compliance with the order dated 13th February 2019, which restrained the defendants from using the 'LIBAS' trademark. The order was passed under the following terms:

- *"23. The defendants, during the pendency of the Suit, are restrained from directly or indirectly dealing with any products or other goods or services, including retailing under the trade mark 'LIBAS' and from using the word 'LIBAS' as part of any trade name and/or of cartons, packaging, label(s), dyes, blocks, part of email addresses, websites and/or in any other manner whatsoever."*

During further proceedings, the defendants assailed this order before the Division Bench of this Court in FAO (OS) COMM. 83/2019. The Court dismissed the appeal through an order dated 10th April 2019. After that, the defendants filed a Special Leave Petition in which an order dated 10th May 2019 was passed, which reads as follows:

- *"The petitioners have submitted a logo with RIYAZ GANGJI in bold (in large font size) and LIBAS under it in small font size. They will be permitted to use this for the goods until the Suit is finally decided. We are informed that the Suit has been stayed since a rectification application is also to be decided. The rectification application will be decided within three months from today, after which the Suit may be decided within six months thereafter. We make it clear that we are not deciding anything on the case's merits. All the contentions are left open to both the parties. This is a pro-tem arrangement until the Suit is finally decided. The special leave petition stands disposed of. Pending application stands disposed of."*

The defendants filed another clarification application before the Supreme Court concerning the order dated 10 May 2019. The Supreme Court issued an order on March 3, 2023, requiring the defendants to use a specific logo consistently across all platforms and to change their website name to "www.riyazgangjilibas.com" within four weeks. This issue arose regarding whether the February 13, 2019 order of this Court was subsumed in the order passed by the Hon'ble Supreme Court, where pro tem arrangement was directed.

Contentions of Parties

The plaintiff argued that based on the orders mentioned earlier, the pro tem arrangement specified by the Supreme Court pertained only to the use of 'RIYAZ GANGJI' in bold with 'LIBAS' in small font. However, the injunction issued by this Court on February 13, 2019, regarding the use of the standalone 'LIBAS' mark remained in effect. However, the defendants contended that the application under Order XXXIX Rule 1 & 2 of CPC could not subsist in view of the order passed by the Hon'ble Supreme Court.

Court's analysis and decision

After considering all the orders, the Court noted that it is quite clear that the order passed by this Court on 13th February 2019 is very much in operation, and the defendants continue to be restrained from using the trademark 'LIBAS' as part of trade name and/or of cartons, packaging, label(s), dyes, blocks, part of email address, websites and/or in any other manner whatsoever, including directly or indirectly dealing with products, goods or services under the said mark.

The Court stated that the clarification sought by defendants before the Hon'ble Supreme Court only led to a pro tem arrangement where RIYAZ GANGJI in bold (in large font size) with LIBAS being in the following form was permitted to be used across the board:

RIYAZ GANGJI
LIBAS

Therefore, the defendants must adhere to the February 13, 2019, order, with limited exceptions permitted by the Supreme Court.

The Court noted that the remaining issue was whether there are any violations of the said order passed by this Court and whether there is any visibility of use by the defendants of the standalone mark 'LIBAS' in any form or manner for goods services trade name, packaging, label, dyes, blogs, email address, website or any other manner whatsoever.

The plaintiff filed an affidavit detailing alleged violations, and the defendants sought to respond. The Court further noted that both parties were willing to discuss visible misuse and committed to resolving any violations.

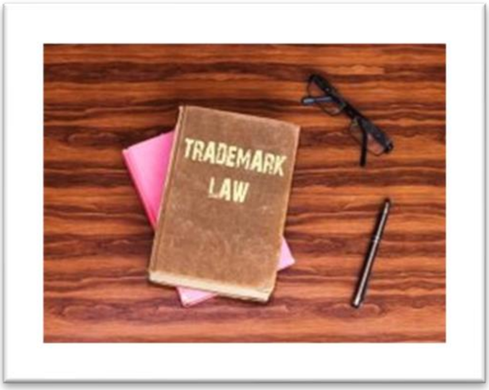
Hence, the Court held that if no agreement is reached, the matter will be addressed at the next hearing on May 28, 2024, focusing on compliance and settlement outcomes. If agreed upon, appropriate applications may be filed before that date.

38. Jurisdictional Certainty vis-a-vis the Powers of High Courts under the Trade Marks Act, 1999

Case: The Hershey Company vs. Dilip Kumar Bacha trading as Shree Ganesh Namkeen and Anrs. [C.O. (COMM.IPD-TM) 179/2023]

Forum: Delhi High Court

Order Dated: February 09, 2024



Order: The definition of the term High Court allows for certainty regarding the territorial jurisdiction of the High Courts. However, the Tribunal Reforms Act, 2021 (hereinafter referred to as TRA), read along with the Trade Marks Act, 1999 (hereinafter referred to as the Act), creates a lacuna regarding the identification of the appropriate High Court. The Delhi High Court adjudicated upon the delineation of the appropriate High Court when dealing with trade mark cancellation and rectification petitions.

Petitioners' Arguments

The Petitioners argued that there was no absence, and it was instead the intention of the Legislature to avoid inclusion of the definition. They contended that the Act did not envision limiting jurisdiction to only five High Courts and that jurisdiction can also be conferred by considering the dynamic effect of the registration. They referenced the Trade Marks Rules, 2017 (hereinafter referred to as the Rules), arguing that the term "the High Courts" is different from "Office" as delineated in Rule 4, with the latter establishing a clear territorial nexus, unlike the former.

The Petitioners referred to the procedural laws and stated that petitions under Section 57 have a civil nature and, therefore, jurisdiction must be considered in light of Section 20 of the Civil Procedure Code. They contended that the Act does not create the need for jurisdictional certainty for filing petitions under Section 57. The Petitioners highlighted that the convenience of the parties must be considered and that the term "person aggrieved" must be liberally interpreted, allowing the parties to approach the closest High Court.

mail@lexorbis.com | www.lexorbis.com

Respondents' Arguments

The Respondents argued that since the Registrar must implement the order, the High Court must exercise jurisdiction over the Registrar. They stated that the statute must not be interpreted to allow multiple cancellation proceedings before various High Courts. They argued that the right to revoke is vested in the High Court exercising jurisdiction over the Appropriate Office. Therefore, there was no need for judicial intervention when Section 57 of the Act and Rule 4 were read together. They referred to the Statement of Reasons of the TRA and stated that the Act aimed to vest jurisdiction upon the High Courts, which had the authority to deal with section 57 matters, and not to vest power upon additional courts. They contended for consistency in interpreting the High Court between Section 57 and Sections 91 and 92 of the Act.

Submissions of the Advocates Assisting the Court

The first advocate submitted that Rules 4 and 5 indicate that the appropriate office remains unchanged except under extraordinary circumstances, which do not include changes in the location of the principal office or address of agents. He highlighted Rule 4, which allows the transfer of all matters to the appropriate office when enacting the 2017 Rules. He submitted that the High Court exercising jurisdiction over the Registrar should be deemed the appropriate High Court.

The second advocate submitted that the test must be substantial of the cause of action, which negates the concern of pendency or burden created by the courts. He submitted that infringement petitions may be filed before High Courts that do not exercise jurisdiction over the Appropriate Office, and the petition must be heard along with the suit. He submitted that "the High Court" refers to the High Court with territorial jurisdiction and not necessarily jurisdiction over the Appropriate Office.

The third advocate submitted that the legislative intent aimed to alleviate hardship for the proprietor and should not be disregarded due to an omission. He stated that the absence of a definition was an oversight, and thus, the definition of the High Court under the 1958 Act must be applied in the present scenario.

Submissions of the Amici Curiae:

The first amicus submitted that there is a difference between the regimes and mechanisms of the various IP legislations, and therefore, definitions accorded for in one of the statutes cannot be substituted in another. He also contended that using "the", which signifies a definitive article, restricts the maintainability of cancellation petitions to a single High Court. He submitted that consideration must be given to the office where the trade mark was registered. He referred to the Supreme Court's obiter in various judgements.

He stated that the dynamic effect cannot be considered as it is not covered under Section 57 and, therefore, the territory where the order has been passed must be considered. He submitted that the same must be followed if a special statute laid down a procedure. He submitted that the literal and purposive interpretation of the statute led to the obvious understanding that the High Court referred to the High Court, which exercises control over registration. He submitted that an evident nexus exists between the High Court and the Appropriate Office intended to be created in the statute.

The second amicus evidenced his arguments by relying on the Ayyangar Committee Report, which recommended establishing a territorial nexus between the Registrar and the High Court. He also submitted that the definitions provided in other IP statutes cannot be applied in interpreting the 1999 Act. He submitted that an interpretation that leads to jurisdictional uncertainty would be antithetical to the Act's purpose and aims; therefore, any interpretation made must prevent potential mischief.

He submitted that the 1999 Act narrowed down the jurisdiction for appeals by channelling it into the five High Courts situated within the jurisdiction of the Intellectual Property Appellate Board and that the TRA did not change this position, which meant that the same High Courts would have power over appellate and cancellation proceedings. He submitted that there was consistency in the intention of the Legislature with regard to the territorial applicability, and therefore, there was no need for judicial intervention.

Judgment:

The Court observed that the omission of the definition of the High Court in the 1999 Act is peculiar, especially since the definition is provided in the Patents Act and the Design Act, leading to ambiguity regarding legislative intent. The Court held that the applicability of Girdhari Lal Gupta decision, which establishes a territorial nexus with the cause of action, to the 1999 Act requires consideration by a larger bench, as the decision was rendered by a Full Bench.

39. Delhi High Court Affirms Non-Extendible Trademark Evidence Deadlines

Case: Sun Pharma Laboratories Ltd vs. Dabur India Ltd. & Anr. [C.A.(COMM.IPD-TM) 146/2022]

Forum: Delhi High Court

Order Dated: February 09, 2024

Order: In an appeal filed by Sun Pharma in Sun Pharma Laboratories Ltd. vs Dabur India Ltd. & Anr., the Delhi High Court held that in a trademark opposition, the trademark registrar could not extend the deadline for filing evidence at their discretion. The Court held that the law requires a specific and non-extendible timeframe for this purpose.

In this matter, Sun Pharma appealed to the Delhi High Court after the Registrar, vide its order dated July 21, 2022, dismissed its opposition against Dabur due to delayed service of evidence. Sun Pharma submitted evidence to the trademark registry within the two-month limit, but service on Dabur was delayed by one day. During the hearing before the Registrar of Trademark, Dabur argued that Sun Pharma's evidence was barred by time, potentially leading to the opposition being deemed abandoned under Rule 50 of the 2002 Trade Mark Rules. The main issue before the Court was whether the period prescribed under the Trademark rules is mandatory or whether the Registrar enjoys discretionary powers to extend it.

Section 21 of the Trade Marks Act, 1999, along with the earlier Trade and Merchandise Marks Act 1958, requires that any evidence relied upon by both the opponent as well as the applicant may be submitted to the Registrar of Trademarks in the specified manner and within the specified timeframe. These timeframe/deadlines are outlined in the 1959 Trade Marks Rules (for the 1958 Act) and the 2017 Rules, which replaced the 2002 Rules.

mail@lexorbis.com | www.lexorbis.com

Under Rule 53 of the 1959 Rules, an opponent had to submit evidence within two months of receiving the counter statement; failure to do so led to the opposition being considered abandoned. Under Rule 50 of the 2002 Rules, the position was that apart from a two-month period, the Registrar could grant an extension of one month upon request.

Rule 45 of the current 2017 Rules eliminates this extension of one month. Therefore, under the 1999 Act and 2017 Rules, evidence must be filed within two months of receiving the counter statement. The Court stated that "the *position in the 2017 Rules becomes much more clear towards the elimination of delays - i.e., the feature of the 2002 Rules with regard to the service of the counter statement by the Applicant has been retained, the discretion vested with the Registrar has been taken away, and the period of extra one month has also been deleted."*

The Court also pointed out that Rules 106 of the 1959 Rules, 105 of the 2002 Rules, and 109 of the 2017 Rules, respectively, make it clear that an application for an extension of time can be filed before the Registrar in respect of such time periods for which no specific provision has been made in the Rules.

Rule 53(2) of the 1959 Rules stated that if an opponent did not take action within the specified time, their opposition would be deemed abandoned unless the Registrar decided otherwise. The Court viewed the phrase *"**unless the Registrar otherwise directs**"* as giving flexibility to the above rule. However, this phrase was removed from the corresponding provisions in the 2002 and 2017 Rules, indicating that the Registrar's authority to extend the time for filing evidence has been eliminated under the current rules.

In the past, the Delhi High Court's interpretation of Rule 50 of the 2002 Rules in **Sunrider Vs. Hindustan Lever (2007 SCC Online Del 1018)** emphasised the mandatory nature of the deadline extension, citing the use of the term "aggregate" in Rule 50 (1) and the absence of the phrase "unless the Registrar otherwise directs" seen in earlier rules. It stated, *"It is obvious that the Legislature wanted to make the provision mandatory and did not want to give any discretion to the Registrar in this connection. It is apparent that the delays be cut down in deciding the application for registration of a trade mark".*

Similarly, in **Mahesh Gupta Vs. Registrar of Trademarks (2023 SCC Online Del 1324),** the Delhi High Court ruled that Rule 50(1) of 2002 Rules allowed the Registrar to extend the evidence filing period for only up to one month, as indicated by the phrase "*not exceeding one month*." The judgement stated that *"the learned*

Registrar could not, therefore, grant extension of more than one month beyond the period of two months from the date of service, on the opponent opposing the registration of a mark, of a copy of the counter-statement". Additionally, Rule 105, which addresses discretionary extensions, was deemed irrelevant because it applies only when the statutory framework is silent on periods, which was not the case in this instance.

As per the Court, the term *"one month aggregate"* used in Rule 50 of the 2002 Rules, along with the removal of discretion *"unless the Registrar otherwise directs"*, stated in Rule 50(2), indicates that the prescribed time limit is mandatory. The shift from the 1959 Rules to the 2002 Rules and then to the 2017 Rules indicates that the discretion vested with the Registrar has been removed, and the time allotted for filing evidence has been shortened.

The Court also held that there was merely a delay in sending the copy of evidence to the Applicant (Dabur), and therefore, an opposition cannot be abandoned merely because of such delay in service of evidence (which was otherwise filed at the registry in a timely manner). The Court, therefore, ruled that the time period for filing evidence is fixed and non-extendible, and this decision emphasises that the purpose of the statute is to ensure that strict timelines are adhered to and that repeated extensions do not stall the trademark registration process.

40. No Exploitation of the Goodwill and Reputation of the Mark “Castrol”

Case: Castrol Limited vs Rajesh Kumar Tuteja, trading as Krishna International and Anr [CS(COMM) 616/2023]

Forum: Delhi High Court

Order Dated: February 12, 2024

Order: In a peculiar recent trademark dispute between ***Castrol Limited vs Rajesh Kumar Tuteja, trading as Krishna International and Anr [CS(COMM) 616/2023],*** the Delhi High Court recently held that the Defendants' registration of the mark "**Newcast Roi Racing**" is in bad faith. Both the registration and use of the mark by the Defendants demonstrate a deliberate attempt to capitalise on the goodwill and reputation of the plaintiff's mark **“CASTROL”.**

In this case, Castor Limited (“**Plaintiff**”) asserted that the plaintiff is a member of the British Petroleum group of companies. The plaintiff holds exclusive rights to numerous trademarks, including the prominent **“CASTROL”** mark and the device mark Castrol. The plaintiff's mark CASTROL serves as the plaintiff's signature and has been globally utilised since 1909 on a wide range of products, but most notably on engine oils and lubricants. The wide array of trademark registrations for the mark "CASTROL" and its variants worldwide, including India, underscores the plaintiff's brand identity and market presence. This extensive historical usage underlines the mark's significant heritage and its established association with the plaintiff in the minds of consumers worldwide.

Furthermore, the plaintiff adopted distinctive packaging and labelling

that significantly enhanced the visual appeal and recognition of their products. Additionally, these labels and marks are the original artistic works of the plaintiff and are entitled to protection under the Copyright Act, 1957. In August 2023, the Plaintiff's Indian representative learned that Defendant No.1, Rajesh Kumar Tuteja, and Defendant No.2, Seema Tuteja, have a familial relationship and are collectively engaged in the business of manufacturing and marketing the sale of engine oil and lubricants bearing the impugned mark.

The plaintiff's grievance arises from the Defendants' usage of the impugned mark ***"newcast roi racing***" and the manner in which the impugned mark has been adopted on the label of the products sold by the Defendants. Defendant No.1, despite holding a valid registration for the mark "newcast roi racing," has been engaged in deceptive practices that undermine the integrity of trademark law. The defendants' adopted the trademark on their product's label and packaging

that is deceptively similar to the Plaintiffs' mark "**CASTROL**". The Defendants have craftily manipulated the presentation of their mark by strategically altering the typography, diminishing the prominence of "new" and unduly accentuating "Castroi," with "Racing" positioned less conspicuously. The Defendants muddled the distinction between the plaintiff's renowned "Castrol" mark and their mark "Castroi," both utilised for identical goods, i.e., engine oil and lubricants.

On 4th September 2023, the Court granted an ex-parte ad interim injunction restraining the Defendants from using the impugned marks and labels and appointed a Local Commissioner. The Local Commissioner made some significant seizures of the infringing products. Additionally, the plaintiff's investigation revealed that Defendant No.1 is a habitual infringer and is involved in selling counterfeit products of well-known marks such as 'HONDA' and 'AMARON'.

In addition, recognising the gravity of this infringement, a separate order for the cancellation of the defendant's mark has already been issued in a rectification petition C.O. (COMM.IPD-TM) 208/2023, and the Defendant No.1 had no lawful basis to defend the dishonesty inherent in his actions.

The defendants argued that the impugned marks were adopted without knowledge of the plaintiff's registration status. Using impugned marks and the container's design was undertaken without any intention to deceive the consumers or capitalise on the plaintiff's established reputation. The bottles and containers used by the

Defendants are standard items readily available on platforms such as India Mart, indicating no deliberate effort to mimic the plaintiff's product presentation. In addition, the packaging of the Defendant's product and the containers contains a disclaimer mentioning that "*This Product is available. This is not a copy of CASTROL. We have this brand registered with the government. 100% legal"*. The disclaimer serves as a clear indication that there was never any intention on the part of the defendants to suggest that their product was associated with or endorsed by the plaintiff.

The Order of the Delhi High Court

The Single Judge bench of the Delhi High Court observed and held:

i. The comparison of the plaintiff's mark and the Defendant's mark demonstrates that although the defendants' mark may seemingly appear distinct from the plaintiff's, it has been strategically presented in a manner that creates a deceptive similarity to the plaintiff's registered trademark. The defendants engaged in a calculated manipulation of their trademark's presentation, employing a strategic alteration of typography to mirror the plaintiff's established "CASTROL" mark closely. By diminishing the prominence of the word "new" and disproportionately emphasising "cast roi" with "racing" relegated to a less prominent position. The defendants have significantly obscured the distinction between the well-recognised "CASTROL" mark of the plaintiff and their mark "**Castroi,**" despite both being used for identical goods. This intentional shift in the visual representation induces confusion among consumers, eroding the distinction between the plaintiff's mark "**CASTROL"** and the Defendants' mark "**Castroi".**

ii. Since there is no objection to the grant of a decree of injunction, the suit is decreed in favour of the plaintiff, and the plaintiff shall also be entitled to destroy the infringing goods seized by the Local Commissioner in accordance with the law.

iii. The Defendants' deceptive strategies warrant an award of damages. The Defendants claim innocence and rely on a disclaimer asserting no affiliation with the 'CASTROL' trademark. The disclaimer appears to be a flimsy afterthought rather than a genuine effort to prevent confusion. Thus, the Defendants' actions suggest a pattern of behaviour aimed at capitalising on the plaintiff's goodwill and market position.

iv. The adoption of similar packaging and labels and the sale of products in bottles and containers of designs nearly identical to those used by the plaintiff. The plaintiff's assertion that Defendant No.1 is a habitual infringer, evidenced by their unauthorised use of other well-known trademarks such as 'HONDA' and 'AMARON', completes the narrative of deceit. The defendants' pattern of behaviour underscores their engagement in selling counterfeit goods and highlights a systematic intent to pass off their products as those of recognised brands, exploiting the goodwill and reputation those brands have cultivated.

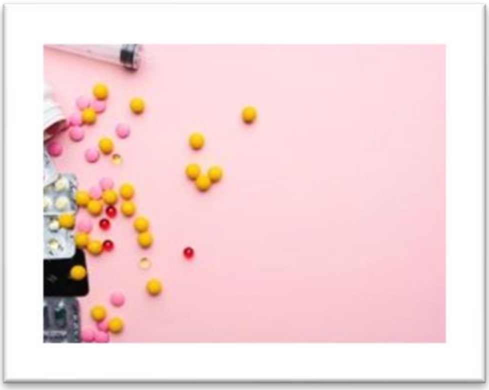
In light of the above analysis, the Court concluded that the Defendant's conduct not only warrants but also necessitates the imposition of both costs and aggravated damages. Thus, in addition to the order passed above, taking into account the entire facts and circumstances presented in this case, the Court awarded damages amounting to INR.5,00,000 in favour of Plaintiff and INR.7,00,000 (break of which is specified in the decision) towards the cost of litigation to be paid by Defendant No.1 to the plaintiff.

41. A RIX-Taker: The Standard of Care in the Pharmaceutical Sector

Case: GlaxoSmithKline Biologicals SA vs Human Biolife India Private Limited & Ors. [CS(COMM) 948/2023 & IA 26277/2023]

Forum: Delhi High Court

Order Dated: February 12, 2024



Order: In a significant reaffirmation of principles concerning trademark confusion and deception within the pharmaceutical domain, the Delhi High Court has recently revisited the benchmarks for evaluating potential confusion among pharmaceutical products. The Single Judge considered the phonetics, structure, and purpose of the goods in establishing infringement. The suit instituted by GlaxoSmithKline Biologics against Defendant 1, Human Biolife India Private Limited, who they claimed were allegedly infringing on Plaintiff's RIX range of marks by manufacturing and selling pharmaceutical products bearing the RIX mark.

Facts and Arguments

Human Biolife India engaged two other entities (Defendants 2 and 3) under contract for the manufacturing, packaging, and labelling of pharmaceutical products according to directives provided by Human Biolife. These entities argued that any trademark infringement claims against the products produced for Human Biolife should be solely its responsibility, given that the trademarks used were claimed to be owned by Human Biolife, which also agreed to indemnify them against any resulting liabilities.

On the day of the hearing, Defendants 2 and 3 did not oppose the prayer of the Plaintiff and Defendant 1 did not appear before the Court despite having been present before the Registry for Opposition proceedings and having registered marks in their favour in the suit. The Court chose to proceed ex parte and made note of the plaintiff's arguments and submissions.

mail@lexorbis.com | www.lexorbis.com

The plaintiff referred to the various RIX-suffix marks that they were using in the development and supply of vaccines. However, the hearing was restricted to ROTARIX, AMBIRIX, CERVARIX and RIX marks, which form part of the extensive RIX portfolio of marks owned by the plaintiff. The details of the marks under contention during the hearing are represented in the table below.

PLAINTIFF'S MARK	DEFENDANTS' MARK(S)
ROTA**RIX**	RUTORIX
ROTA**RIX**	DROTARIX
AMBI**RIX**	AMIRIX
CERVA**RIX**	CEFTARIX
RIX	ESOMRIX, CALCIRIX, MERORIXX, PIPTARIX, OFZORIX, FLUCORIX

The plaintiff stated that the use of the suffix RIX was inspired by a village in Belgium, "Rixensart," which also happened to be the location of the plaintiff's headquarters. The plaintiff stated that they used the suffix RIX in all their trademarks, which denoted vaccination products. As an industry standard, they combined RIX with the disease for which the vaccine provided immunity. The plaintiff submitted that "RIX" allowed their marks to be arbitrary.

The plaintiff referred to the following marks to buttress their submissions: VARILREX for Varicella, ROTARIX for Rotavirus, CERVARIX for Cervical Cancer, HAVRIX for Hepatitis A, TYPHERIX for Typhoid Fever, HIBERIX for Influenzae Type B and FLUARIX for common cold.

The plaintiff stated that seventeen RIX marks had been granted statutory protection since 1984 for various vaccine formulations and have been in circulation since the launch of the RIX range in 1986, which has consistently created new vaccine formulations, the latest being launched recently in 2023. The plaintiff arraigned Defendants 2 and 3 in the suit as companies manufacturing the products bearing impugned marks.

Observations and Findings

The Court observed that the Defendants' marks were deceptively similar to the plaintiff's marks, if not nearly identical. The Court observed that usage of the suffix RIX furthered confusion between the marks. The Court considered that under similar circumstances in 2007, the plaintiff had filed a suit and was granted an injunction in their favour. The Court also regarded the submissions made by the

Defendants and noted that Defendant 1 was not contesting the suit, and Defendants 2 and 3 made no objections to the plaintiff's prayer.

In its consideration of the phonetic and structural similarities between the marks, the Court also noted that the goods were used in the pharmaceutical sector, which required a more stringent yardstick of measurement as laid down by the Supreme Court in Cadila Healthcare. The Court considered the goods, which were vaccines (Plaintiff) and injectables or transfusions (Defendants), and held that the phonetic and structural similarities, combined with the overlapping nature of the products, could lead to confusion and, by extension, fatal consequences for the recipient of the medication.

The Court observed that the subject matter also included a public interest perspective and held that the plaintiff would suffer harm if an injunction were not granted when the balance of convenience was clearly in their favour. The Court restricted the Defendant from manufacturing and selling directly or indirectly any products bearing the impugned marks.

mail@lexorbis.com | www.lexorbis.com

42. Clover Infotech Pvt Ltd vs Clover Network Inc.: A Case of Trademark Rectification

Case: Clover Infotech Pvt Lt. Clover Centrum vs Clover Network Inc. [C.O. (COMM.IPD-TM) 461/2022]

Forum: Delhi High Court

Order Dated: February 14, 2024

Order: In a recent case, Clover Infotech Pvt Ltd filed a petition before the Delhi High Court to remove the respondent's mark 'CLOVER' registered under No. 2634773 on 15 December 2018. The respondent got the registration in Class 9 based on an application dated 28 November 2013.

The petitioner claimed to have a prior registered mark, granted on 31 March 2010, in Class 9, under application No. 1516524 dated 28 December 2006. The petitioner stated that they have been using this mark since 25 May 2000 for products related to computer interfaces, cables, computer software, hardware, accessories, etc. Another registration of Clover Infotech Device was granted to the petitioner under application No.1516522, dated 28th December 2006. The same was granted on 27th February 2012, with a user claim from 25th May 2000, in Class 42 (providing information technology services in the field of commodity, equity, forex and finance, etc.).

The Court noted that despite notifying respondent No.1 during hearings on August 18, 2022, and December 5, 2022, they didn't show up afterwards. The Court also confirmed that the respondent was properly served on August 3, 2023. Despite this, the respondent has not responded or represented itself in subsequent court proceedings.

Given the respondent's lack of response, it's reasonable to accept the petitioner's claims as true since they haven't been contested.

The Court stated that It is evident from the facts stated above that the petitioner had a prior registration in 2010 with a user date of 2000, whereas the respondent’s trademark was registered in December 2018 on a proposed to-be-used basis.

The Court held that, since the Respondent didn't contest the Plaintiff's claims and the Plaintiff has been using their mark since 2000 while the Respondent's use is only proposed, the Court believes the Plaintiff has a valid case for rectification of the register. The Plaintiff first noticed the Respondent's mark when opposing their registration application in Class 99. The petition is granted, the Respondent's mark will be removed from the register, and the Registrar's website will be updated accordingly.

This ruling not only underscores the importance of diligent trademark registration but also highlights the significance of timely and substantive responses in legal proceedings. The decision reaffirms the principle of protecting prior rights and ensuring fairness in trademark disputes. As a result, the Registrar's website will be updated accordingly to reflect this rectification.

43. Remote Testimony in Intellectual Property Dispute

Case: Phillips 66 Company vs Raaj Unocal Lubricants Limited [CS(COMM) 281/2022]

Forum: Delhi High Court

Order Dated: February 15, 2024

Order: In a recent Legal battle between Phillips 66 Company as the Plaintiff and Raaj Unocal Lubricants Limited as the Defendant, the High Court of Delhi addressed the application filed by Phillips 66 Company (Plaintiff) seeking appointment of a Local Commissioner for recording the evidence of Plaintiff witnesses through video conferencing. The Court allowed allowing the application and issuing detailed directions for the remote testimony.

Phillips 66 Company, the Plaintiff, filled application seeking directions for appointment of a Local Commissioner to record the statement of Plaintiff witnesses - Mr. Stephen P. Meleen (PW1) and Mr. Craig Stone (PW2), remotely, via video conferencing mechanism. The Plaintiff highlighted that the Plaintiff's witnesses, residing in the United States of America, are professionals engaged with significant responsibilities in their law firm, rendering them unable to travel to India for cross-examination due to these professional commitments. Furthermore, the personal circumstances of Mr. Craig Stone, who has young children under his care. The obligation to look after his children, coupled with the logistical challenges and the substantial burden that international travel imposes, would make his physical presence for the proceedings exceedingly difficult.

The Plaintiff emphasised the practical difficulties faced by the witnesses in travelling to India, citing professional responsibilities and personal obligations. However, the Defendant opposed the application, underscoring their lack of prior consent to the request made in the application, deeming it essential for consideration. They highlight non-compliance with Chapter 3, Rule 6.2 of the High Court of Delhi Rules for Video Conferencing for Courts, 2021 ('VC Rules, 2021'), which requires discussing any proposal for video conferencing with all involved parties beforehand.

Additionally, the defendant argued for the traditional preference of in-person cross-examination, citing its ability to directly observe the witness's demeanour, which is crucial for credibility assessment. They assert that physical courtrooms foster transparency and fairness in examination. Practical challenges, like presenting documents during cross-examination, are also emphasised as better managed in person.

Court's Decision and Analysis:

After considering the arguments presented by both parties, the Court acknowledged the lack of compelling reasons presented by the Plaintiff for remote testimony. However, it emphasised the need to adapt to modern technological solutions while ensuring fairness in the trial process. The Court highlighted the sophistication of the legal community involved in intellectual property matters, demonstrating readiness for technological advancements.

The Court allowed the application and issued the following detailed directions:

- The examination of PW-1 and PW-2 will be carried out by video conferencing in accordance with the VC Rules, 2021.
- Mr Vinay Gupta, District and Sessions Judge (Retired), has been appointed as the Commissioner and will preside over the proceedings at the Court point for the recording of evidence. He will also determine the granular details of recording PW-1's and PW-2's testimony in accordance with the rules. PW-1 and PW-2 will be examined on the date and time fixed by the Commissioner in consultation with the Remote Point Co-ordinator.
- The Embassy of India in Houston, Texas, has requested that an official be appointed as the Remote Point Coordinator.
- The Deputy Registrar (Computers) is appointed as the Co-ordinator at Court Point for the technical aspects of video conferencing to conduct the evidence.
- The video conferencing facility available at the Delhi High Court will be treated as the Court Point as defined under Rule 2(5) of the Rules.
- The Coordinators must be physically present during the recording of evidence and perform all their duties as per the Rules.
- The encrypted master copy (with hash value) of the recording of the video conference shall be retained with the Commissioner.

- The remuneration of the learned Commissioner is fixed at ₹2,50,000/-, and in case the cross-examination is not conducted in five hearings, the Local Commissioner should be paid Rs. 50,000/- for each additional hearing.
- The Embassy may indicate the costs/charges/remuneration for the services of the Remote Point Coordinator.
- The Commissioner must forward a copy of this order to the Embassy of India (Houston, Texas), and take necessary steps for the recording of evidence of PW-1 and PW-2 as per this order. The VC Rules, 2021, must also be forwarded to the Embassy and the Remote Point Co-ordinator.

The Court's decision reflects a balanced approach towards integrating technology into the legal process while upholding the principles of fairness and efficiency. By allowing remote testimony in this intellectual property dispute, the Court has demonstrated its commitment to adapt to contemporary challenges without compromising the integrity of the trial process.

44. Judicial Victory: Louis Vuitton's Triumph Against Counterfeiters in Delhi High Court

Case: Louis Vuitton Malletier vs Jai Kumar Kashyap & Ors [CS(COMM) 131/2023, I.A. 4650/2023]

Forum: Delhi High Court

Order Dated: February 16, 2024

Order: In a recent decree by the High Court of Delhi, defendant nos. 1-3 were found guilty of counterfeiting products bearing the trademark of luxury brand Louis Vuitton. The case pertained to the unauthorised use of Louis Vuitton trademarks and logos on footwear by defendants Jai Kumar Kashyap & Ors.

The court's order, issued on February 16, 2024, followed an ex parte ad interim injunction granted on March 10, 2023, which restrained the defendants from various activities related to the manufacturing, advertising, and sale of products featuring Louis Vuitton trademarks, i.e., LOUIS VUITTON, or. The injunction was issued based on the prima facie case of counterfeiting and infringement presented by the Plaintiff, Louis Vuitton Malletier. Subsequently, defendant no. 3 filed an application seeking the de-sealment of goods inventoried and sealed by a Local Commissioner under the court's order.

Defendants nos. 1 and 3 stated that at defendant no. 1's premises, no counterfeit products were found, and defendant no. 3's premises, a thousand pairs bearing the trademark 'LEE VENTO' were found.

The Plaintiff, however, pointed out that alongside the mark 'LEE VENTO', there is a device mark used. This is an interlocking mark on the product  that

mail@lexorbis.com | www.lexorbis.com

is deceptively similar to the Plaintiff's mark. Therefore, if these goods are released to defendant no.3, the said device mark should be obliterated in toto.

After deliberation, the court allowed the de-sealment of goods with certain conditions. It mandated that the device mark be obliterated from the products, leaving only the 'LEE VENTO' mark intact. Additionally, defendants nos. 1-3 agreed not to sell counterfeit products bearing Louis Vuitton's marks.

Furthermore, the court ordered the destruction of products bearing only the device mark, ensuring that they do not contribute to further infringement. Defendants nos. 1-3 were directed to provide information on the source of products featuring the interlocking mark within three weeks.

In light of the circumstances, the court decreed in favour of the Plaintiff, Louis Vuitton Malletier, against defendant nos. 1-3, with a joint or several payments of Rs. 1,00,000 as costs to the Delhi High Court Legal Services Committee. The decree serves as a significant step in combating counterfeiting and upholding the rights of intellectual property owners, reaffirming the judiciary's commitment to protecting trademarks and preventing unauthorised use in commercial activities.

45. TiE vs. TiE Global: Protecting Trademark Integrity

Case: Tie Inc vs Tie Global & Anr [CS(COMM) 152/2024]

Forum: Delhi High Court

Order Dated: February 19, 2024

Order: In a recent legal development, the plaintiff filed an application as part of the suit seeking a decree of permanent injunction. The Delhi High Court, till the next date of hearing, restrained defendant no.1, its proprietors, partners, directors, and all others acting on their behalf from selling, offering for sale, advertising, directly or indirectly dealing in any services under the trademark "TiE"/ "TiE Global"/ "THE INDIAN ENTREPRENEUR"/ and the impugned domain name, or any other mark which is deceptively similar with the plaintiff's mark "TiE"/ "TiE Global"/ "THE INDUS ENTREPRENEUR", so as to cause infringement / passing off of the plaintiff's registered trademark.

Background

The plaintiff is a non-profit corporation organised under the laws of the State of California, USA. It operates an organisation named TiE Global, with "TiE" standing for "THE INDUS ENTREPRENEURS." Its activities revolve around assisting entrepreneurs in various industries at all stages, from incubation to the entrepreneurial lifecycle.

The plaintiff claimed ownership of registered trademarks for "TiE," "TiE Global," and "THE INDUS ENTREPRENEUR" in multiple classes in India and abroad; the plaintiff presented extensive evidence of their usage and reputation. Further, the plaintiff obtained the registration of the domain name www.tie.org on April 27, 1995, and has been extensively and continuously using it. Another registration for the domain name www.tieglobalsummit.org was obtained on August 17, 2016, and it has been extensively used since then, demonstrating its extensive reach in India and globally.

However, in January 2024, Defendant 1 was found to be using the impugned marks ‘TiE’/ ‘TiE Global'/ 'THE INDIAN ENTREPRENEUR' and the impugned domain name. Therefore, the plaintiff contended that it attempted to dishonestly claim association with their well-known mark and entity.

The comparison between plaintiff’s mark and defendant no.1’s mark is given below:

Particulars	**Plaintiff's Trade Marks**	**Defendant No. 1's Trade Marks**
Trade marks	TIE	TIE
	TiE Global	Tie Global
	"THE INDUS ENTREPRENEURS"	"THE INDIAN ENTREPRENEURS"
Domain Name	https://tie.org/	https://www.tieglobal.in/
Services	Entrepreneurs' mentorship and support	Entrepreneurs' mentorship and support

Court’s analysis and decision

After considering the submissions and evidence presented by the plaintiff, the court found merit in their claims. The court opined that the balance of convenience lies in favour of the plaintiff, who will likely suffer irreparable harm if the injunction is not granted.

Hence, till the next date of hearing, The Court restrained Defendant no.1 from using, promoting, or advertising, directly or indirectly, the impugned trademarks "TiE”/ “TiE Global”/ “THE INDIAN ENTREPRENEUR”/ and the impugned domain name, or any other mark which may be identical to or deceptively similar to plaintiff’s trade mark “TIE”/ “TiE Global”/ “THE INDUS ENTREPRENEUR”, so as to cause infringement / passing off of the plaintiff’s registered trademark.

Consequently, the court directed defendant no.2, GoDaddy.Com LLC, to block/suspend access to the website www.tieglobal.in. Moreover, defendant no.2 was directed to provide complete disclosure of defendant no. 1's domain/account information.

This significant legal development underscores the importance of protecting intellectual property rights and preventing unauthorised trademark use, especially in the digital age, where online presence plays a crucial role in brand recognition and consumer trust. The court's granting of the ex parte injunction reflects its commitment to safeguarding the interests of rightful trademark owners and maintaining the market's integrity.

46. Delhi High Court Upholds Injunction Against Minda Oils India Pvt Ltd for Trademark Infringement

Case: Minda Spectrum Advisory Limited & Ors vs Minda Oils India Pvt Ltd & Ors [CS(COMM) 51/2022]

Forum: Delhi High Court

Order Dated: February 19, 2024

Order: In the recent case of Minda Spectrum Advisory Limited & Ors. Versus Minda Oils India Pvt Ltd & Ors. at the Delhi High Court regarding the alleged injunction order and judgment violation. The court addressed the defendant's continued use of trademarks deemed similar to those of the plaintiffs despite earlier legal directives.

The case was filed by the plaintiff against trademark infringement by the defendants, particularly their use of the term 'MINDA' and its variants, as noted in the initial order dated 20 January 2022. The plaintiffs obtained an ex-parte ad interim injunction against the defendants, which was subsequently confirmed via a judgment on 20 September 2022.

The plaintiffs raised concerns over the defendants' non-compliance with the injunction order. They pointed out two key issues: the incorporation of 'MINDA' in the defendants' corporate name and the use of 'MINDUS' and 'MINDUS UTO' in their products, similar to those offered by the plaintiffs.

The defendants contended that they were willing to comply with the court's directives. They were ready to alter their corporate name and discontinue the use of 'MINDA' in any form expressed, including email IDs. Additionally, they assured that they would cease using 'MINDUS' or any similar mark.

The Court acknowledged the defendants' commitment to compliance but criticised their actions. The court noted the registration of 'MINDUS' by a third party shortly after the order, suggesting potential bad faith. Moreover, the combination of 'MINDUS' with 'UTO,' previously addressed in the judgment, raised suspicions of an attempt to maintain associations with the impugned marks.

The court directed the defendants to promptly effect changes in their corporate name and product marks. They were instructed to refrain from using any mark deceptively similar to the plaintiff's trademark. An affidavit of compliance was mandated within the specified timeline.

mail@lexorbis.com | www.lexorbis.com

47. “SHAKTI” Prevails: Division Bench Upholds Plaintiff’s Trademark Rights

Case: Ms. Maruti Ispat & Energy Private Limited vs Ms. Chetna Steel Tubes Private Limited [O.S.A (CAD). Nos. 122 and 123 of 2023]

Forum: Madras High Court

Order dated: February 23, 2024

Order: The Appellant/ Defendant filed two appeals before the Madras High Court, contesting two orders dated July 19, 2023, of the Single Judge. These two orders relate to a lawsuit filed by the respondent/plaintiff seeking an interim injunction against the appellant/defendant.

The case of the plaintiff was that it filed a commercial suit against the defendant against their use of the mark "SHAKTI" or any variations thereof. The plaintiff, a major player in the steel and iron industry since 2009, has an annual turnover of Rs. 200 crores and specialises in manufacturing various steel pipes. Additionally, they hold trademark registration No. 1067572 for the trademark "SHAKTI" under class 6.

The plaintiff claimed to have invested significant resources in promoting its mark "SHAKTI" through extensive advertising across various media platforms and has incurred substantial costs for sales promotion.

Sometime around December 2022, the plaintiff came to know about the defendant's trademark application numbers 5386311 for 'MS SHAKTI' and 5461588 for a device mark in Class 6. The plaintiff claimed that the adoption of the mark by the defendant was dishonest, and it is phonetically and visually similar to that of the plaintiff.

Consequently, on December 28, 2022, the plaintiff sent a cease-and-desist notice to the defendant. In their response, the defendant acknowledged the use of the contested mark but claimed that their adoption of the mark was honest.

mail@lexorbis.com | www.lexorbis.com

The plaintiff argued that any customer with average intelligence and imperfect recollection would likely get confused with the defendant's mark as that of the plaintiff. The mere addition of the prefix 'MS' did not change the primary characteristic of the mark. The plaintiff further contended that despite registering their product under the name 'MIEPL' with the Bureau of Indian Standards, the defendant deliberately imitated the plaintiff's mark to benefit from its reputation and goodwill, aiming to profit unfairly from the confusion.

The defendants argued that they were part of the MS Agarwal Group of Companies and have several brands with the 'MS' prefix. They stated that their mark 'MSSHAKTI' and its device primarily feature 'MS,' representing their company's name. They have registered this mark under class 35 and applied for registration in class 6.

The Defendants pointed out that many third parties also use 'SHAKTI' in their marks, and it was not exclusive to the plaintiff and 'SHAKTI' has become a common term in trade. They emphasised that 'MS' is their dominant feature and argued that it differed significantly from the plaintiff's mark.

However, the Single Judge recognised the plaintiff as the prior user of the mark “SHAKTI” having registration under Class 6. Citing common law principles, the Judge temporarily restrained the defendant from further use of the mark.

Against this order, the defendant filed an appeal and argued that the plaintiff claimed they were continuously using their mark “SHAKTI,” but in 2009, the plaintiff filed a trademark application no. 1886591. According to this application, the plaintiff began using the mark on September 28, 2009. Therefore, the plaintiff’s claim that they have been continuously using the trademark "SHAKTI" within the oval device is not true. Hence, the plaintiff has abandoned that use of its registered mark and has been trying to adopt another mark and, by virtue of this abandonment, the plaintiff cannot file a suit for infringement.

The defendant argued that the term 'SHAKTI' has become a common term in the trade and is used by many others with different prefixes and suffixes. Furthermore, they claim that there was no similarity between the plaintiff's and the defendant's marks. The defendant, a well-known company, asserts that the 'MS' prefix, which is part of their group's corporate name, holds its own reputation, and the customers will only associate the defendant's product with them, ruling out any confusion.

While deciding the appeals, the Division Bench held that there is no dispute that the plaintiff owns the trademark "SHAKTI," while the defendant does not. As the registered owner, the plaintiff has the right to take legal action against any similar marks for infringement. The defendant's first defence was based on abandonment or non-use. The plaintiff provided evidence, which includes invoices showing continuous use of the mark since its adoption in 2009. The fact that the plaintiff may have experimented with different styles of the mark doesn't mean they stopped using the original style during this relevant period. Simply applying for a variation of the mark doesn't imply abandonment of the original mark.

The Division Bench also noted that it was hard to see how the word "SHAKTI" relates to steel pipes or describes the trade in any way. There is not enough evidence to show that it is commonly used by all businesses in the market. The only argument presented by the defendant was that others in the market use similar types of marks, but this argument alone could not prove that the mark was generic in nature. At this stage, there was no evidence to suggest that "SHAKTI" is generic in the trade. On the question of distinctiveness and the difference between the marks, the Division Bench disagreed with the defendant's argument that the prefix "MS" is the most essential part of the mark.

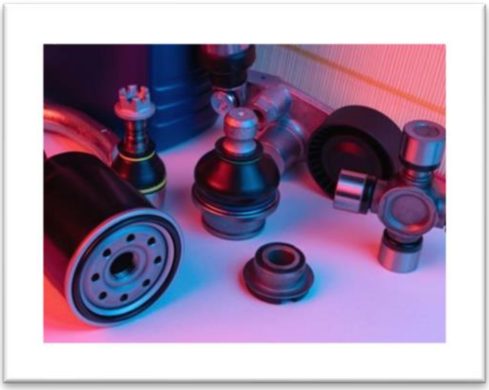
The Division Bench concluded that the Single Judge had considered all the relevant factors and had exercised discretion to arrive at a finding of prima facie case and balance of convenience in favour of the plaintiff and had granted an interim injunction. The Division Bench refrained from interfering in the order of the Single Judge merely because an alternative view is possible, unless and otherwise, the findings of the learned Single Judge are perverse in nature and cannot stand the scrutiny of law.

48. Delhi High Court Issues Ad Interim Injunction in Counterfeit Auto Parts Case

Case: Hero Investcorp Private Limited and Anr vs Diamond Autos [CS(COMM) 605/2022, I.A. 14143/2022]

Forum: Delhi High Court

Order Dated: February 20, 2024



Order: In a recent legal battle between **Hero Investcorp Private Limited and Anr vs Diamond Autos**, the Delhi High Court has issued a decree of ad interim injunction restraining a defendant from manufacturing, stocking, selling, or offering for sale products bearing trademarks identical or deceptively similar to those of the plaintiff's marks

.

The plaintiffs, Hero Invest Corp Private Limited and Hero MotoCorp Limited, leading manufacturers in the automotive industry, sought a legal remedy against the defendant, who runs a business selling auto parts in Ludhiana, Punjab.

On June 13th, 1966, plaintiff No. 2 filed an application under class 12 to extend its trademark 'HERO' for scooters, motorcycles, and their parts. The Registrar of Trademarks allowed the application, and since then, plaintiff No. 2 registered different trademarks under its name, including

.

It was alleged by the plaintiffs that the defendant was engaged in selling counterfeit auto parts, including Disk Clutch Friction, bearing marks identical to the plaintiffs' trademarks. They provided evidence demonstrating the deceptive similarity between their products and the defendant's, including packaging and other associated elements. A comparison of the plaintiff's product and that of the defendant is provided as follows:

Plaintiff’s products:

PHOTOGRAPH OF THE ORIGINAL PRODUCT OF THE PLAINTIFF

PHOTOGRAPH OF THE ORIGINAL PRODUCT OF THE PLAINTIFF

Defendant’s products:

PHOTOGRAPH OF INFRINGING PRODUCT OF THE DEFENDANT

PHOTOGRAPH OF INFRINGING PRODUCT OF THE DEFENDANT

Upon examining the evidence presented by the plaintiffs, the Court found merit in their claims and granted an ex-parte ad interim injunction until the next hearing date. The injunction prohibited the defendant and its associates from engaging in any activities involving the manufacturing, stocking, selling, or offering for sale of auto parts bearing the plaintiffs' trademarks or any similar trade dress under the trademark ‘HERO’ and/or any other mark identical or deceptively similar to it, and/or any other ‘HERO’ marks of the plaintiffs.

Additionally, the Court allowed the application filed by the plaintiffs and ordered the appointment of a Local Commissioner with a direction to visit the defendants' premises and carry out the following mandate:

1. The Local Commissioner, along with counsel for the plaintiffs and a responsible representative of the plaintiff, will search and inspect the premises. They will seize products with the plaintiffs' trademark, logo 'HERO', and device marks. They will release the seized products on Superdari to the defendant.
2. The defendant must allow access to the premises. The execution of the commission should not disrupt the defendant's business except for the purposes of the commission. The commission should be executed peacefully.
3. The police are directed to provide necessary assistance and protection. If the goods are in any other location, they can execute the commission there too.
4. The Local Commissioners will communicate the order to the defendant and serve a copy of the order at the time of execution.

The plaintiffs were directed to bear the expenses associated with the Local Commissioner's fee of Rs. 1,50,000/-, travel, lodging, and other miscellaneous expenses incurred during the execution of the commission. The Local Commissioner was instructed to file a report within three weeks of executing the commission.

This ruling by the Delhi High Court highlights the significance of safeguarding intellectual property rights and preventing the sale of counterfeit products in the market. This decision acts as a warning to those involved in illegal practices and maintains the credibility of trademarks and copyrights in the automotive industry.

49. Ex-Parte Ad-Interim Injunction for Infringement of "TWO ELEPHANT BRAND" logo Made Absolute

Case: Kewal Krishan Bansal vs Puneet Chhabra [CS(COMM) 300/2023]

Forum: Delhi High Court

Order Dated: February 27, 2024

Order: Vide recent order dated February 27, 2024, the Delhi High Court (hereinafter referred to as "the Court") dismissed the application filed by Puneet Chhabra, Proprietor of Rama Wire (hereinafter referred to as the defendant, under Order XXXIX Rule 4 of Code of Civil Procedure, 1908 for the vacation of *ex-parte ad interim* injunction order granted in favour of Kewal Krishnan Bansal, Proprietor of M/s. VEE PEE Bansal and Company (hereinafter referred to as the plaintiff). While rejecting the application, the Court made the *ex-parte ad interim* injunction order dated May 11, 2023, absolute.

Facts of the Case

The plaintiff is the registered proprietor of the trademark under the Trademarks Act, 1999, in Class 6, registered from April 24, 1979, as well as the copyright registered for the artistic work from March 24, 1979. The plaintiff's mark was registered and renewed up to 1989 but was later removed for non-renewal. It was later renewed in the year 2019 and subsisted till date. The plaintiff submitted that the acronym VPC also figured on the plaintiff's pack, is an abbreviation for M/s. VEE PEE Bansal and Company. The trademark is registered with respect to goods like common metal and alloys, including materials such as bed joints and wire springs for furniture.

The plaintiff instituted trademark infringement and passed off proceedings against the defendant, alleging that it used a nearly similar mark, with the logo "TWO

mail@lexorbis.com | www.lexorbis.com

ELEPHANT BRAND" and the acronym VPC. The marks of the defendant are

.

On May 11, 2023, the Court granted *ex-parte ad interim* injunction against the defendant, placing reliance on the precedents laid down by ***Laxmikant V. Patel v. Chetanbhai Shah and Midas Hygiene Industries (P) Ltd v. Sudhir Bhatia*** with an observation that a *prima facie* case of infringement, by the defendant, of the plaintiff's registered device mark as well as an attempt to pass off the goods of the defendant as those of the plaintiff by using a similar mark is made out and an injunction has necessary to follow even at the initial stage.

The defendant filed an application under Order XXXIX Rule 4 of the Code of Civil Procedure 1908, seeking vacation of the *ex-parte ad interim* injunction. The defendant contended that the plaintiff concealed the subsequent renewal of the plaintiff's registered trademark in 2019 after its removal in 2010. Further, the defendant also relied on its copyright registration of the artistic work 

, which was registered in his favour in 2018, and the trademark registration for the device , which was filed in 2011 and secured when the plaintiff's mark was abandoned for non-renewal. Lastly, the defendant alleged that the evidence adduced by the plaintiff to show the use of the trademark through invoices is fabricated, and reliance cannot be placed upon them.

The plaintiff refuted all allegations and contended that lack of renewal is not relevant for the claiming user since, at the time of the suit's institution in 2023, the plaintiff's trademark was registered with a history of usage from 1979 and, additionally, a copyright registration from 1979. Further, the plaintiff also apprised the Court of having filed a rectification petition in relation to the defendant's copyright registration.

Legal Queries Raised in Proceeding

The Court, after hearing submissions from both parties and perusing evidence on record, was of the view that the application for vacation sought by the defendant cannot subsist in light of the plaintiff's copyright and trademark registrations since 1979, even if the same were not on the register from 2010 to 2019.

The Court made a stark observation that the defendant had, in fact, applied for registration of the same trademark in the year 2011 during the period of non-renewal of the trademark and also got registration of the copyright of the same artistic work in 2018 despite the prior trademark as well as copyright registration of the plaintiff. The Court held that since the defendant had adopted absolutely identical marks, their adoption could not be considered *bona fide*. With regards to the allegation of fabrication of evidence, it was held that such a question is not relevant for the purpose of interim injunction and shall be considered at the time of trial. Considering all facts, the Court made its *ex-parte ad interim* injunction order absolute. This case underscores the importance of the rights of prior users of a trademark. Interestingly, even though copyright subsists in itself, registration of copyright does favour a Plaintiff in such proceedings to tilt the balance of convenience in their favour.

50. Relief of Passing Off Against Registered Trademark

Case: Burberry Limited vs M/S Petrol Perfume & Ors [CS(COMM) 176/2024]

Forum: Delhi High Court

Order Dated: February 28, 2024

Order: A recent legal battle between Burberry Limited and M/s Petrol Burberry Limited vs. M/s Petrol Perfumes & Ors: Seeking Relief of Passing Off Against Registered Trademark Perfumes and other defendants serves as a poignant example of the ongoing struggle against counterfeiting and deceptive practices in the luxury goods market faced by a well-reputed brand. In this ever-evolving global commerce landscape, brand integrity is a cornerstone of success for companies seeking to establish themselves as leaders in their respective industries. Among the myriad challenges businesses face, protecting intellectual property rights, particularly trademarks, is paramount in safeguarding brand identity and consumer trust.

Background

The lawsuit revolves around the plaintiff's two perfumes, sold under marks 'MY BURBERRY' and 'MR. BURBERRY' and the alleged deceptive activities of the defendants in relation to the manufacture and sale of perfumes, with marks "My Petrol" & "Mr. Petrol". The plaintiff, Burberry Limited, hereinafter referred to as "Burberry", contends that the defendants have adopted deceitful practices and ridden over its goodwill and market reputation by manufacturing and selling perfumes and related products bearing their registered marks 'MY PETROL' and 'MR. PETROL' hereinafter also referred to as "impugned marks", closely resembling Burberry's trademarks. Additionally, the defendants have adopted an identical trade dress, posing a significant threat to Burberry's brand identity.

Facts of the case

Burberry Limited, a distinguished private limited company headquartered in London, England, extends its business operations to India through its subsidiary,

mail@lexorbis.com | www.lexorbis.com

Burberry India Private Limited (hereinafter referred to as "Burberry"). Since its establishment in 2010, Burberry has been actively involved in the manufacturing, distributing, and selling of various products, including apparel, garments, eyewear, footwear, and fragrances. The plaintiff has established a strong presence in the global market with a portfolio of trademarks such as BURBERRY, BURBERRY EQUESTRIAN KNIGHT Logo, CHECK device, and various Burberry formative marks. Recognised as one of the world's leading lifestyle designer brands, Burberry consistently earned recognition among 'The 100 Best Global Brands' by Interbrand, an esteemed independent brand-ranking organisation.

The company designs, manufactures, sources, and sells products under the BURBERRY trademark/label worldwide through its physical stores, online platform www.Burberry.com, and various third-party wholesale outlets. The globally adopted trademarks ‘MY BURBERRY’ in 2014 and ‘MR. BURBERRY' in 2016 was consistently utilised by the plaintiff since its inception. With significant investment in advertising these products, it had a highly successful worldwide launch campaign. As a consequence, these marks MY BURBERRY and MR. BURBERRY have gained substantial goodwill and reputation and is among the plaintiff's most renowned and acclaimed fragrances.

The Defendants entered the market in 2019 intending to use the impugned marks on identical goods to create market confusion and diminish the value of the plaintiff's marks. It adopted the marks “MY PETROL” and “MR. PETROL”. The defendant replicated the trade dress of the plaintiff by use of similar trademarks "MY PETROL" and "MR. PETROL" on the trade body at the same place as the plaintiff's product with the marks "MY BURBURRY" and “MR. BURBERRY”, hence affecting the Intellectual Property rights of the plaintiff.

The defendant's product has an identical font, writing style, colour combination, overall appearance, presentation, surface pattern, manner of writing, and placement of objects. The shape and structure are also an exact imitation of the plaintiff's overall product. This blatant mimicry threatens to dilute Burberry's brand identity, mislead consumers, and capitalise on the plaintiff's established goodwill and reputation.

Contentions of the Parties

Counsel for the Plaintiff contended its injunction application against a defendant who has adopted impugned marks/labels/trade dress which are deceptively similar to two of the plaintiff's reputed perfumes sold under the mark **“MY BURBERRY”** and **“MR. BURBERRY”**. The plaintiff contended the defendant to be a habitual infringer of popular brands and showed copies of restrained orders in support.

Having goodwill, a high reputation, and financial highlights globally, the plaintiff emphasised investments in advertisements and revenue earned during previous years. The global presence and established reputation were damaged by the misrepresentation of the defendant through its product under impugned marks/labels/trade dress "**MY PETROL**" and "**MR. PETROL**" with respect to identical goods, which had caused a strong likelihood of confusion in the market.

Contrary to the contentions made by the plaintiff, counsel on behalf of the defendant represented it bonafide by emphasising the non-similarity between the prominent parts "BURBERRY" and "PETROL" of competing marks **"MY BURBERRY"**, **"MR. BURBERRY"** adopted by plaintiff **and** "**MY PETROL**", "**MR. PETROL**" adopted by defendant respectively. The counsel for the defendant concluded that no confusion was created in the market as purchasing customers are different.

It also pointed towards the aspect of the defendant's mark being a registered mark, unlike the plaintiff's unregistered mark, should not be injuncted; the allegation of habitual infringer was rebutted, alleging restrained orders were passed ex-parte, and they have reopened those proceedings. The defendant's contentions inclined to show delayed proceedings and acquiescence on the part of the plaintiff and narrated that the plaintiff knew about the defendant's existence in the market since 2019.

Court's Decision

Despite the defendants' assertions of lawful registration of their marks, the Court identified their actions as passing off and violating Burberry's intellectual property rights, affecting Burberry's well-earned goodwill and reputation over the years. The presence of the registered trademark of Defendants could not make any difference. The legal battle at a preliminary stage was decided in favour of the plaintiff's mark "**MY BURBERRY**" and "**MR. BURBERRY**", injuncting Defendants, their representatives or anyone acting on their behalf from using, selling, manufacturing, marketing, importing, exporting or dealing in any manner in the physical or online market place, under the impugned marks "**MY PETROL"** and **"MR. PETROL"** restricting from copyright infringement of Burberry's labels, passing off, violation of common law rights, trade dress infringement, trade-name rights violation, and involvement in falsification, unfair, and unethical trade practices that can effect rights of Burberry till further orders after February 28, 2024.

The Court reached out to the above conclusion based on its prima-facie view that mere comparison of the products shows complete dishonesty on the part of the defendant as the choice of typography "**MY PETROL"/** 

and "**MR. PETROL"/** 

on perfumes is identical to Plaintiff's **"MY BURBERRY"/** 

and "**MR. BURBERRY"/** 

, adoption of trade dress  by the defendant is identical to the plaintiff's adopted trade dress  ; employing such deceptively similar labels prima facie shows mala fide on the part of the defendants. Relying on the Supreme Court's Judgment of **S. Syed Mohideen vs P. Sulochana Bai [(2016) 2 SCC 683],** the Court clarified that the plaintiff could seek an interim injunction on passing off, a broader common law right than action for Infringement**.** All ingredients of passing off were evident from the facts of the case. Hence, the Court injuncted the defendant's actions on the grounds of passing off and an evident unjust advantage accrued by the use of identical/ deceptively similar trade marks/labels/ trade dress of the plaintiff.

Conclusion

Burberry Limited's legal victory in this case sets a significant precedent for the importance of brand protection and enforcement. It reaffirms the company's commitment to maintaining its reputation as a global leader in luxury fashion. It serves as a beacon of hope for businesses facing similar challenges in safeguarding their intellectual property rights.

mail@lexorbis.com | www.lexorbis.com

51. Underlining the Importance of Using Distinctive and Unique Marks for Trademark Protection

Case: Wings Pharmaceuticals P. Ltd vs Khatri Healthcare P. Ltd. & Anr [CS(COMM) 17/2024 & I.As. 378/2024, 381-382/2024]

Forum: High Court of Delhi

Order Dated: March 4, 2024

Order: The Plaintiff is a renowned manufacturer of pharmaceutical and consumer healthcare products who asserted ownership of the trademark "JU NASHAK." The trademark has been in use since 2015, specifically for the company's anti-lice cream. The plaintiff claimed that the product had been marketed in a distinctive and attractive trade dress or carton packaging, which has undergone some changes over the years due to dynamic market conditions. However, the key features of the colour scheme and the original and unique elements, such as the girl and lice device and the shield device, have remained the same. It further claimed that the trade dress has gained significant recognition among consumers, who consider it highly distinctive.

The Plaintiff made an allegation against Defendant No. 1, claiming that they obtained registration for a similar mark "JUNASHAK" for anti-lice cream shampoo. The Defendants, who are well-versed in the pharmaceutical business, were cognizant of the Plaintiff's adoption and use of their trademark, along with their carton packaging and trade dress. Notably, other market competitors have adopted distinctive trade dress for their products. Conversely, the Defendants adopted the impugned mark and packaging after observing the success of the Plaintiff's product. Such deceptive adoption was tantamount to infringement, passing off, unfair trade practice, unfair competition, and dilution of the Plaintiff's trademark and copyright. The plaintiff further claimed that if the Defendants were not injuncted, they would experience irreparable loss.

The matter before the court pertained to the eligibility of the term "JU NASHAK" for trademark protection, considering its descriptive nature. Specifically, "जूँ

नाशक"/"JU NASHAK" is a term that signifies "lice killer" in common parlance and is generally employed to describe an anti-lice shampoo, suggesting that the product is intended to counteract or eliminate lice infestations.

The Plaintiff argued that this term was eligible for trademark protection despite its descriptive character. However, the actual use of the term by the Plaintiff seemed to be purely descriptive. The Court also opined that the Plaintiff mainly used the trademark "HAIRSHIELD" and related devices for its products and only described the product as an "जूँ नाशक क्रीम वॉश" /"anti-lice cream wash" on the back of the product. The expression "JU NASHAK" appeared to be used in a manner that served a primarily descriptive function and did not reflect exclusive trademark usage. Therefore, the Plaintiff's reliance on "JU NASHAK" as a trademark appeared to be overstated, given its primarily descriptive nature.

The court emphasised that using a purely descriptive term, such as "जूँ नाशक"/ "JU NASHAK," as a trademark posed a fundamental challenge to its suitability as a trademark. While Defendant No. 1 had successfully obtained registration for the trademark "JUNASHAK," it was crucial to acknowledge that this registration did not automatically confer immunity from challenges concerning its capacity to serve as a trademark.

The Plaintiff's asserted reputation was primarily associated with "HAIRSHIELD" as opposed to "JU NASHAK". This was compounded by the presumption of validity of Defendant No. 1's registration, which placed the Plaintiff in a notably weakened position. Moreover, the descriptiveness of "JU NASHAK" in relation to the product's function further diminished the potential for exclusive association with the Plaintiff. Consequently, the grounds for injunctive relief at this interlocutory stage were significantly weakened.

The Court declined to grant an injunction in favour of the Plaintiff, citing that the term "JU NASHAK" primarily denotes the product's function of combating lice infestations. The Court further observed that the Plaintiff predominantly used the trademark "HAIRSHIELD" for its products, with "JU NASHAK" serving a descriptive function rather than indicating exclusive trademark usage.

In other words, the Court concluded that the term "JU NASHAK" was a descriptive term that accurately conveyed the product's function rather than identifying the product's source or origin. As a result, the Plaintiff could claim exclusive rights to this term as a trademark.

52. Court Battle over the Use of Generic Terms: The Trademark Infringement Dispute over "Dish"

Case: Prasar Bharti vs Dish TV India Limited [FAO(OS)(COMM) 267/2019]

Forum: High Court of Delhi

Judgment Dated: March 6, 2024

Judgment: The appellant, Prasar Bharti, also known as Doordarshan, is the public broadcaster of India, which has been providing free radio and television services to its subscribers since 2004, including direct-to-home (DTH) services. They filed an intra-court appeal against an order passed by the Single Judge on July 16, 2019. The order allowed the respondent's application under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908, which restrained Prasar Bharti from adopting the trademark 'DD Free Dish' or any other mark incorporating the mark 'Dish', pending disposal of the suit.

The respondent is the holder of the trademark "Dish TV" and asserted that the term "Dish" was an indispensable and commanding part of their branding. Conversely, the petitioner submitted an application for the registration of the mark "DD Free Dish" but refrained from seeking registration for the standalone term "Dish". The respondent accused the petitioner of infringing upon their trademark rights by using the term "Dish". Consequently, the respondent initiated legal action to secure an injunction that prohibited the petitioner from using the term "Dish" in their mark "DD Free Dish". The respondent contended that the term "Dish" was inextricably linked with Direct-to-Home (DTH) services and was an integral component of their trademark, "Dish TV".

The appellant disputed the claim that their use of the term "DD Free Dish" was infringing the respondent's trademark rights, arguing that "Dish" was a generic term. The respondent argued that "Dish" was an essential part of their trademark "Dish TV", which has acquired distinctiveness through long-term use. They contended that the appellant's use of the term "Dish" created confusion among consumers and diminished the distinctiveness of the respondent's mark. In

mail@lexorbis.com | www.lexorbis.com

response, the appellant stated that they had not applied for registration of the standalone term "Dish" and that generic words can be combined for trademark registration. They further argued that the respondent was entitled to protection for their mark, not for the individual words comprising it.

After considering all the relevant facts, the Court noted that although the term “Dish” might be an integral part of the respondent’s mark, it was also a commonly used word in the context of DTH services. The Court observed that the appellant's use of the term "Dish" alongside "DD Free Dish" may not necessarily cause confusion among consumers, especially considering the distinctiveness associated with the appellant's mark. Furthermore, the Court examined previous judgments and legal principles related to trademark protection and has concluded that the mere presence of the term "Dish" does not automatically grant exclusive rights to the respondent. The Court highlighted the importance of considering the mark as a whole instead of breaking it down into individual components.

The Court opined that it was unable to accept that there was any likelihood of anyone being deceived or confused from the use of the word ‘Dish’ by the appellant in its composite mark ‘DD Free Dish’. The court held that the respondent's claim for an injunction was not justified. It set aside the lower court's judgment and emphasised that the observations made in its order were provisional measures intended to decide on interim relief. The court clarified that the trial court should adjudicate the matter without being influenced by its provisional observations.

In reaching its decision, the court considered the arguments put forth by both parties. The appellant contended that the term "Dish" was generic and widely used in the relevant industry. The respondent, on the other hand, argued that the appellant's use of the term was likely to mislead consumers into believing that its products were associated with the respondent. Ultimately, the court ruled in favour of the appellant, highlighting the generic nature of the term "Dish" and the lack of evidence indicating confusion among consumers. The court noted that the respondent had failed to provide any evidence demonstrating that consumers were likely to be confused by the appellant's use of the term in its trademark.

In conclusion, the court's ruling provided clarity on the issue of trademark infringement and the use of generic terms in trademarks. The decision emphasised the importance of providing evidence to support claims of infringement and cautioned against relying on provisional observations when making legal determinations.

53. Steaming Ahead: Safeguarding Brands in a Competitive Market

Case: Dolma Tsering vs Mohd. Akram Khan and Anr [C.O. (COMM.IPD-TM) 334/2021]

Forum: High Court of Delhi

Order Dated: March 3, 2024

Order: If you have ever strolled through the bustling streets of Delhi, chances are you've indulged in the delectable delights served up by 'Dolma Aunty Momos'. Their momos are a quintessential part of Delhi's Street food culture, enjoyed by locals and visitors alike.

In recent years, momos, a Tibetan delicacy, has soared in popularity across India, transcending regional boundaries to become a beloved street food snack enjoyed by people from all walks of life. From bustling city streets to quaint towns, momo stalls and restaurants have mushroomed, offering a diverse range of fillings and flavours to tantalise taste buds. The widespread popularity has not only fuelled the growth of countless momo businesses but has also highlighted the importance of brand protection in the fiercely competitive food industry.

A recent example of such protection comes from the case of **Dolma Tsering v. Mohd. Akram Khan and Anr C.O. (COMM. IPD-TM) 334/2021** in the Delhi High Court, where the Petitioner is the owner of famous establishment 'Dolma Aunty Momos' and has been selling momos and other products through her five shops in Delhi-NCR since 1994.

The Petitioner had come across Respondent No. 1's mark "DOLMA AUNTY MOMOS" and noted the eery similarity/ identicalness between his trademark and her own established brand, so much so that it even contained her own name, DOLMA. The Petitioner already owns the registration for 'Dolma Aunty Momos', in class 29, filed on April 20, 2022, with use claimed since January 1st, 1994 and has another application pending in class 43. A rectification petition seeking cancellation and removal of Respondent No. 1's trademark was filed by the

Petitioner as it infringed upon the rights of the petitioner. The petition was initially filed with the Intellectual Property Appellate Board (IPAB) before being transferred to the Delhi High Court due to the abolition of the IPAB.

The Petitioner had set up a small shop in 1994 in Lajpat Nagar and claimed to be the first retailer of said Tibetan delicacies, which had become widely popular. To demonstrate continuous use, goodwill and reputation, she submitted photographs of her flagship shop at Lajpat Nagar, a list of accolades for the quality of goods and services, screenshots from food delivery platforms, various online articles where the said trademark was being used, and a registration certificate obtained under the Food Safety and Standards Act, 2006.

Considering Respondent No. 1 neither appeared nor responded to the petition filed, the Court was of the view that the impugned trademark should be cancelled and removed from the Trademarks Register and thus rectified.

The case serves as a poignant reminder of the importance of protecting and defending your trademarks, especially in the fiercely competitive Food Industry. By actively safeguarding your trademarks and taking swift action against passing off and infringement, you not only preserve the integrity of your brand but also maintain the trust and loyalty of your customers.

Failing to protect the trademark may lead to severe consequences, including consumer confusion, quality control concerns, health and safety risks and loss of sales and market share. The proactive approach ensures that your unique identity remains protected and saves your name from being exploited, allowing you to continue building and growing your business with confidence and longevity.

54. Balancing Trademark Rights: Delhi High Court's Analysis in Jindal Industries Pvt. Ltd. vs Defendants

Case: Jindal Industries Private Limited vs Suncity Sheets Private Limited and Anr [CS(COMM) 679/2023]

Forum: Delhi High Court

Order Dated: March 07, 2024

Order: In the recent case, the Plaintiff- Jindal Industries Pvt. Ltd., seeks an interim injunction restraining the defendants from using the mark RNJ RN JINDAL SS TUBES, or 'JINDAL' per se, in any manner that would infringe the plaintiff's registered trademarks. The Delhi High Court opined that the right of a person to use her or his own name on her or his own goods could not be compromised; otherwise, it would compromise the right to use one's name as an identity marker, which would ex facie be unconstitutional. The Court thus held that the plaintiff's prayer for injunction therefore failed even on the sole anvil of Section 35 of the Trademarks Act, 1999, and no case of infringement or passing off was made out as the word mark 'JINDAL', and the logo RNJ RN JINDAL SS TUBES, seen as whole marks, were neither identical nor deceptively similar.

Background

The plaintiff was the registered proprietor of the word mark 'JINDAL' since 2014, in Class 17; the word mark 'JINDAL' since 2007, in Class 6; and the word mark 'JINDAL COR' since 2007, in Class 6. Defendants used the composite mark RNJ RN JINDAL SS TUBES by combining the initials of the wife of the Manager of SSPL with 'JINDAL', and the defendants ingeniously infringed the plaintiff's registered trademarks. Defendant 2, the wife of Nitin Kumar Jindal, the Manager of SSPL, applied for registration of the impugned mark as a sole proprietor of RN Jindal SS Tubes.

 mail@lexorbis.com | www.lexorbis.com

The plaintiff submitted that the defendant's mark was clearly similar, if not identical, to the plaintiff's registered 'JINDAL' word mark. The plaintiff's registered word mark had entirely been subsumed in the defendants' impugned mark, and 'JINDAL' was clearly the most prominent part of the impugned mark. Therefore, a prima facie case of infringement, within the meaning of Section 29(2)(b) of the Act, existed.

Defendants submitted that they could not be injuncted from using the impugned mark as 'JINDAL' was a common surname. It might be registerable but was not enforceable in view of Section 35 of the Act. The plaintiff's attempt was to entirely monopolise the use of the common surname 'JINDAL', either by itself or with any other words or images. This was clearly impermissible, inasmuch as the name of Defendant 2, who markets the product, was Rachna Nitin Jindal, and her use of the impugned mark was perfectly legitimate. The use of one's own surname as a trademark was prima facie bona fide.

A comparison of both marks is provided below:

Plaintiff's Mark	Defendants' Mark
Jindal	RNJ RN JINDAL SS TUBES

Court's Analysis and Ruling

The Court opined that in view of Section 35, the plaintiff could not interfere with the use by Defendant 2 of her own name, provided, of course, the use was bona fide. The Court observed that Section 2(2)(b) of the Act ordained that "unless the context otherwise requires, any reference, in the Act, to the use of the mark shall be construed as a reference to the use of the printed or other visual representation of the mark". The Court thus opined that there was no reason for not extending the benefit of Section 35 of the Act to the use of the name in the form of initials either. Therefore, Defendant 2 would be entitled to the benefit of Section 35, in respect of the use, by her, of 'Rachna Nitin Jindal', or for that matter, 'RN Jindal' or even 'RNJ'.

The Court opined that in the impugned mark, the most prominent feature was, undoubtedly, 'RNJ' with the sun symbol alongside. The name below was the name of Defendant 2 herself, R.N. Jindal. The mark did not highlight or emphasise, in any manner, 'JINDAL' over 'RN'. It was not possible, therefore, to read the mark as 'JINDAL', ignoring the 'RNJ' or the 'RN' which preceded 'Jindal' in the small print. The Court also opined that to tear out from the impugned composite mark the word 'JINDAL' and allege, on that basis, that the mark infringed plaintiff's registered 'JINDAL' marks was not justified by any provision of the Act.

The Court relied on Amritdhara Pharmacy v. Satya Deo Gupta and opined that "the marks had to be compared as whole marks". Thus, the Court opined that the plaintiff's mark 'JINDAL' and the defendant 's mark were as alike as chalk and cheese. The benefit of Section 35 of the Act was certainly available to Defendant 1 as it was Defendant 1 who had applied for registration of the impugned mark as its proprietor.

The Court noted the plaintiff's contention that "the benefit of Section 35 of the Act would be available only if the name were used as a source identifier, and not if it was used 'in the trademark sense' or 'as a trademark', and opined that there was no such caveat, or condition, in Section 35 of the Act.

The Court opined that "it would stretch the limits of credulity, to hold that the use of 'JINDAL', by defendants, as a mere part of the total composite impugned mark , was likely to deceive a consumer of average intelligence and imperfect recollection that the goods of defendants, on which the mark was used, were those of plaintiff. The Court also opined that "Section 35 of the Act protected bona fide use of one's own name and proscribed any interference therewith. No exception was created in a case where the name was used as a trademark, or otherwise".

The Court stated that the way the defendants printed the impugned mark on their furniture was completely different from the manner in which the plaintiff used its JINDAL mark ; the goods were clearly distinguished.

The Court observed that “one who obtained registration of a common name, or surname, like ‘JINDAL’, as a trademark in his favour, did so with all the risks that such registration entailed. It was open to anyone, and everyone, to use his name on his goods, and, therefore, the possibility of there being several JINDALs looms large. Plaintiff could not, by obtaining registration for 'JINDAL' as a word mark, monopolise the use of 'JINDAL' even as a part and not a very significant one at that of any and every mark, even in the context of steel or SS pipes and tubes. The Trademarks Act, 1999, and the privileges it conferred could not be extended to the point where one could monopolise the use of a common name for goods, and, by registering it, foreclose the rest of humanity from using it".

The Court opined that “the right of a person to use her, or his, own name on her, or his, own goods, could not be compromised; else, it would compromise the right to use one’s name as an identity marker, which would ex facie be unconstitutional”.

The Court opined that the interpretation that "the use of one's name as an identity marker was permissible under Section 35 of the Act, but the instance it spilt over into trade mark territory, it was rendered impermissible" would mean to read a non-existent proviso into Section 35 of the Act and, in effect, would lead to rewriting the provision. The proscription under Section 35 of the Act was absolute and would extend to infringement and passing off actions. The restraint against interference with the bona fide use by a person of his own name was not dependent on whether the action was one for infringement or passing off.

The Court thus held that the plaintiff's prayer for an injunction, therefore, failed even on the sole anvil of Section 35 of the Act, and no case of infringement or passing off was made out as the word mark 'JINDAL', and the logo , seen as whole marks, were neither identical nor deceptively similar. Further, there was no prima facie likelihood of confusion or deception resulting from the use by defendants of the mark. Seen as a whole mark, it possessed several features of distinction vis-à-vis the bare word mark 'JINDAL' of the plaintiff, such as the bold and prominent 'RNJ' logo, the sun symbol, and the words 'RN JINDAL SS TUBES' prominently written below it.

55. Delhi High Court Orders Removal of 'BE THE BEER' Trademark: Victory for 'THE BEER CAFÉ' Chain

Case: BTB Marketing Pvt. Ltd. vs Deepshikha Singh and Anr. [C.O. (COMM.IPD-TM) 380/2021]

Forum: Delhi High Court

Order Dated: March 12, 2024

Order: This petition was filed to rectify the respondents' trade mark 'Be the Beer', registered on 5-10-2017 with effect from 23-3-2017 in Class 43. The Delhi High Court allowed the petition and ordered that the impugned mark 'BE THE BEER' of Respondent 1 should be removed from the register within four weeks.

Petitioner claimed to be the registered proprietor of the device and the word mark 'THE BEER CAFÉ'/ and The Beer Café in Class 43, with effect from 26-8-2010 and 20-6-2016, respectively. Petitioner claimed to be engaged in running a chain of food and beverage cafés under the brand name and style of 'THE BEER CAFÉ', having outlets spread across pan-India. The petitioner submitted that they operated more than 120 outlets all over India, and the said venture was founded in 2012 and posted the registration of the trademarks; the petitioner had been using the said marks continuously and extensively across the country.

The petitioner was aggrieved by the respondents' usage of the mark 'BE THE BEER' and thus sought rectification with respect to the respondent's impugned mark 'BE THE BEER'. The petitioner submitted that respondents were operating in the same industry of food and beverages and running cafes, and simply prefixing the word 'BE' was obviously causing deceptive similarity with their registered mark having a prior user. Besides a cease and desist, a notice dated 2-4-2018 was sent to the respondent, which was replied to by communication dated 16-4-2018.

The Court opined that since no one had appeared on behalf of Respondent 1 before this Court and Respondent 1 had not responded, the petitioner's averments would

mail@lexorbis.com | www.lexorbis.com

stand admitted. The Court allowed the petition and ordered that the impugned mark 'BE THE BEER' of Respondent 1 should be removed from the register within a period of four weeks.

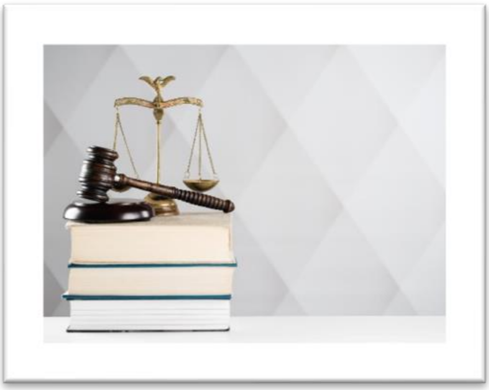
mail@lexorbis.com | www.lexorbis.com

56. Analysing the Delhi High Court's Decision on Non-Working Trademark Registry Website

Case: Intellectual Property Attorneys Association (IPAA) vs The Controller General of Patents, Designs & Trade Marks & Anr. [W.P.(C)-IPD 49/2023]

Forum: High Court of Delhi

Order Dated: March 12, 2024



Order: The petitioner filed a petition seeking directions from the court to suspend the periods of limitation prescribed under the Trade Marks Act and Trade Mark Rules until the complete resumption of services of the website/portal of the Trademark Registry. Additionally, the writ petition was filed to set aside/withdraw the public notices issued on September 13, 2023, by respondent no.1. These public notices restricted public access to the website during normal working hours.

On January 8th, 2024, the court directed those two independent status reports to be filed - one by respondent no. 1 (Controller General of Patents, Designs & Trade Marks) and another by respondent no. 2 (Union of India through Ministry of Commerce and Industry). The Court recognised that the outdated system of managing intellectual property matters cannot handle the large number of international filings and investments. Therefore, it was expected that competent authorities would urgently and seriously address this issue so that solutions can be found and implemented as soon as possible.

The Controller General of Patents, Designs & Trade Marks issued a public notice on February 1st, 2024, announcing that the website, including the E-Register, would be available 24/7 without any time restrictions starting from February 1st, 2024. However, the petitioner argued that the website was still not functional, and it created difficulties for parties and their attorneys in complying with statutory deadlines.

In their application, the petitioner stated that a public notice was issued on March 5th, 2024, informing stakeholders that e-filing services and the payment gateway

mail@lexorbis.com | www.lexorbis.com

for Patents, Designs, GI and Trademarks would be unavailable due to maintenance activity. They also highlighted that stakeholders were facing difficulties in accessing various modules on the website, such as "First Examination Report", "Notice of Opposition", "Counter-Statement", and "Notice".

The stakeholders were facing significant challenges in monitoring their legal matters, as they could only review daily cause lists. Unfortunately, the hearing notices were being issued with links that were inaccessible, which further exacerbated the problem. Additionally, since March 4th, 2024, there has been an unavailability of e-filing services and payment gateways. These issues resulted in stakeholders being unable to make payments for various deadlines, leading to the loss of their valuable intellectual property rights.

The respondent brought to light a public notice dated March 6th, 2024, issued by the Controller General of Patents, Designs & Trade Marks, which stated that e-filing and payment gateway services had resumed. Additionally, the notice extended the deadline, which previously fell between March 4th, 2024, and March 6th, 2024, to March 11th, 2024. To this, the petitioner contended that the public notices were issued only after the instant application was served and access to various parts of the website and payment gateway was still unavailable. The petitioner provided screenshots of the payment gateway, which showed a time lag of 60 minutes to successfully complete the payment upon failure of the first attempt.

Considering all these facts, the Court deemed it fit to direct the Controller General of Patents, Designs & Trade Marks, or a senior designated officer to make a personal appearance or attend via video-conferencing on the next date of hearing. The purpose of such an appearance would be to apprise the Court of the measures that can be taken to preclude similar eventualities in the future. Furthermore, the officer must propose solutions for technical glitches in case any arise. The petitioner has been requested to furnish a comprehensive list enumerating the issues that have come to light in the recent past. Additionally, the petitioner was directed to suggest remedial measures.

For the issue relating to the inability to file or access documents/forms and pay the requisite fee when either the web portal or payment portal is non-functional, the petitioner suggested that an alternative facility be made available by the Controller General's Office. This facility would permit filing through e-mails and payment through an alternate payment system that is not dependent on the status of the web portal. The suggested alternative would serve as a solution to the problem by providing a means of filing and payment in the absence of the web portal.

The petitioner/association also suggested Standard Operating Procedures (SOPs) that can be implemented during the downtime of the web portal. To foster an effective and collaborative dialogue between the members of the Intellectual Property Bar, represented by the petitioner association, and the Controller General's Office, a virtual meeting was scheduled for March 15th, 2024.

The issue at hand concerns intellectual property rights, a domain in which time sensitivity is paramount. Even minor delays can potentially result in loss of these rights for holders of intellectual property. This case serves to underscore the pressing need for a more robust technological infrastructure at the CGPDTM office, given the rising number of IP filings in the country. Such an infrastructure is essential to ensure that the office can keep pace with the demands of the growing intellectual property industry.

57. Google vs. Goocle: Delhi High Court Halts Trademark Infringement

Case: Google LLC vs Mr. P. Rajesh Ram & Ors. [CS(COMM) 209/2024]

Forum: Delhi High Court

Order Dated: March 12, 2024

Order: This suit relates to the plaintiff's rights in the trademarks GOOGLE, , GOOGLE PAY, GPAY, and . The Delhi High Court restrained Defendants 1 to 5, or anybody acting on their behalf, from rendering, selling, offering for sale, advertising, broadcasting, or directly or indirectly dealing with any services under the marks 'GOOGLE', 'GEOGLE', 'GOOCLE', 'GIPAY', , , , , , , , , , , or any other trade mark in any language, representation or form, which was identical or deceptively similar to plaintiff's

'Google' and 'GPay' trademarks, and which amounted to infringement or passing off of plaintiff's 'Google' and 'GPay' trademarks.

Background:

Plaintiff, Google LLC, was the registered proprietor of the 'Google' trademarks in India in classes 9, 38, 42, 35, 16, 25, and 36 for computer hardware and software, advertising, books, manuals, and telecommunication services. The plaintiff also had multi-class registrations of 'GPay' trademarks with respect to smartphones, digital payment services, online retail services, etc. Plaintiff's registrations in India for the trade mark 'GOOGLE' and 'GPAY' date back to 1999 and 2015, respectively. The domain name/website 'www.google.co.in' was registered in the plaintiff's name on 23-6-2003.

In June 2023, the plaintiff discovered applications for registration of the marks , , and in Class 35 and for marks in Class 36, all filed by Defendant 1. Plaintiff initiated a further investigation and found that Defendant 1 was a partner of Defendants 2 to 5, namely, Goocle Housing LLP, Goocle Tamil News LLP, GIPAY Online Service LLP, and Goocle Trade Payment LLP, which were incorporated in June-October 2022. Defendant 1 was also the owner of several domain names that either subsumed the plaintiff's 'GOOGLE' trade mark or contained a deceptively similar mark 'GOOCLE'. Further, Defendants 1 to 5 operate multiple accounts on several social networking websites using the username/handle, which incorporates the marks/ terms 'GOOCLE', 'GEOGLE', and 'GIPAY'.

Plaintiff submitted that Defendant 1 had used the terms 'GOOCLE', 'GOOGLE', 'GIPAY', and 'GEOGLE' that were deceptively similar to plaintiff's registered 'GOOGLE' and 'GPAY' marks, thus amounting to trade mark infringement.

Comparison of the defendants' marks with the plaintiff's marks.

Plaintiff's Marks	Defendants' Marks
GOOGLE	GOOGLE, GOOCLE, GEOGLE
GPAY	GIPAY

Court's Analysis and Decision:

The Court opined that the impugned trademarks 'GOOGLE', 'GOOCLE', 'GOOGLE' and 'GIPAY' were structurally and phonetically similar to the plaintiff's 'GOOGLE' and 'GPAY' trademarks, with the only difference being of replacement/addition of one alphabet. Prima facie, the impugned marks appear to be deceptively similar to the plaintiff's marks.

The Court noted that the defendants were utilising the impugned marks and domain names for online news, advertising, TV, banking, and payment services, which also corresponded to the plaintiff's scope of business operations and were likely to cause confusion among the consumers.

The Court agreed with the plaintiff's contention that in case of a typographical error in entering the concerned URL/domain name, a potential user could be misled to the impugned website, which did not emanate from the plaintiff. Such impugned marks were also detrimental to the distinctive character of the plaintiff's well-known trademark 'GOOGLE'. The use of the impugned marks thus prima facie constituted infringement of the plaintiff's registered trademarks.

The Court thus issued the following directions:

1. Till the next date of hearing, Defendants 1 to 5, or anybody acting on their behalf, were restrained from rendering, selling, offering for sale, advertising, broadcasting, or directly or indirectly dealing with any services under the marks 'GOOGLE', 'GEOGLE', 'GOOCLE', 'GIPAY', Go> Google Ads, Google Housing, Google, Geogle, Geecle, Google India Payments, #Goocle, , #Goocle, Goocle Payments Bank,

mail@lexorbis.com | www.lexorbis.com

or any other trade mark in any language, representation or form, which was identical or deceptively similar to plaintiff's 'Google' and 'GPay' trademarks, which amounted to infringement or passing off of plaintiff's 'Google' and 'GPay' trademarks.

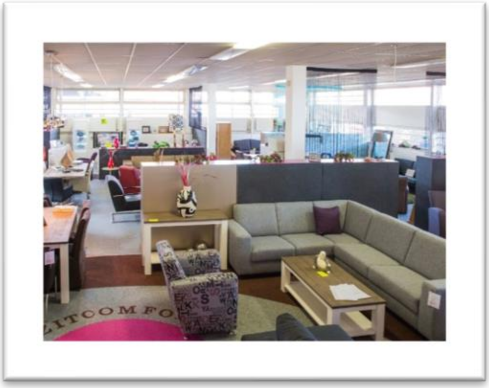
2. Defendants 1 to 5 or anybody acting on their behalf was restrained from rendering, selling, offering for sale, advertising, broadcasting, directly or indirectly dealing any services under the impugned trade name 'Goocle Housing LLP', 'Goocle Tamil News LLP', 'Gipay Online Services LLP', and 'Goocle Trade Payments LLP' or any other trade name which was identical or deceptively similar to plaintiff's 'GOOGLE' or 'GPAY' trademarks or trade name.
3. Defendants 1 to 5 shall also delete/take down the impugned online content, including their social media pages bearing the marks 'GOOCLE', 'GEOGLE', and 'GIPAY'.

58. Trademark Triumph: Delhi High Court Restrains Unauthorized Use of IKEA Marks

Case: Inter Ikea Systems BV vs. John Doe and Ors. [CS(COMM) 205/2024]

Forum: Delhi High Court

Order Dated: March 12, 2024



Order: In the recent case wherein the plaintiff's marks IKEA/ were being used to mislead people into investing significant sums of money on the pretext of securing a steady income from the plaintiff, the Delhi High Court restrained Defendants 1 and 2 and all persons acting on their behalf, from using plaintiff's registered IKEA/ trademarks and/or their variations, as a part of their domain names, websites, mobile applications, social media handle names/profiles credentials/description, promotional/business activities on digital or print media, bank accounts and/or any business papers etc. in any manner, that would amount to infringement and passing off of plaintiff's registered IKEA/ trademarks.

Background

Plaintiff Inter Ikea Systems BV was a part of the Inter IKEA Group, which included service companies and companies selling IKEA products to franchisees in markets. The plaintiff was the owner of the IKEA Concept and IKEA Retail System, which was franchised to specific retailers for the sale of affordable home furnishing products and accessories under the said trademarks. The mark and logo , along with its colour combination and trade dress, have been granted trademark registrations in various countries, including India. The domain name "ikea.com", which entails the plaintiff's trademark "IKEA", was registered in the plaintiff's favour on 29-7-1995 and has been accessible worldwide since 1998. On 14-2-2005, the plaintiff also registered the domain name "ikea.in", which was specifically accessible to the Indian public.

The plaintiff's grievance arises from the operation of the website "www.keiekae.store/ikea/" and the mobile application "IKEA" by Defendants 1 and 2 that were an imitation of the plaintiff's own website and mobile applications. Plaintiff first learnt of the impugned website and mobile application through a complaint received by an aggrieved consumer, and as per his account, Defendants 1 and 2 openly advertise the impugned website and mobile application as a money-making platform, guaranteeing returns up to 200% of the invested amount within 35 days.

In addition to the above, the victim was also made to join a WhatsApp group titled "IKEA-1011 WORKING GROUP" with about 150 other participants. However, when he started to question the legitimacy of the impugned website and application, he and his father were removed from the group, and the invested amount was never returned to them. In the process, the victim's father lost about Rs 20,000. Thus, the victim complained to the Cyber Cell Department in Pune.

The plaintiff took the services of an investigator, who confirmed the victim's information. The 'About Us' section and several articles on the impugned website mention information about the plaintiff and the IKEA products. The 'IKEA Story' section of the impugned website contains a URL directing the user to a mirror website that has lifted content from the plaintiff's website. Further, the impugned website displayed a Certificate of Authorization issued by a non-existent Department of Taxation and Electronic Information, which also contained the plaintiff's IKEA mark. Thus, the plaintiff submitted that Defendants 1 and 2 were running a pyramid scheme by misusing the plaintiff's name and trademark, IKEA/ IKEA.

Court's analysis and decision

The Court noted the impugned website and mobile application and opined that the images uploaded on the website and shared on the mobile clearly displayed the plaintiff's "IKEA" and IKEA registered trademarks without the plaintiff's consent. The Court also opined that consumers were being misled into investing significant sums of money on the pretext of securing a steady income from the plaintiff. Thus, the Court held that prima facie Defendants 1 and 2 had infringed the plaintiff's registered marks, which was detrimental to the plaintiff's goodwill and standing in the market.

The Court opined that the plaintiff had made out a prima facie case in their favour, and if an ex-parte ad interim injunction were not granted, the plaintiff would suffer an irreparable loss. Thus, the Court passed the following directions:

- Defendants 1 and 2, and all persons acting on their behalf, were restrained from using the plaintiff's registered IKEA/ trademarks and/or their variations as a part of their domain names, websites, mobile applications, social media handle names/profile credentials/description, promotional/business activities on digital or print media, bank accounts and/or any business papers etc. in any manner, that would amount to infringement and passing off of plaintiff's registered IKEA/ trademarks.
- Defendants 1 and 2, and all persons acting on their behalf, were restrained from using a layout/user interface on their website "www.keiekae.store" or any other website, which amounted to infringement of the plaintiff's copyright vested in the layout/user interface of their website "www.ikea.com".
- Defendant 3 should suspend/block the domain name “www.keiekae.store”.

mail@lexorbis.com | www.lexorbis.com

59. BOMBAY DYEING: Dilution of Brand Identity and Counterfeiting

Case: Bombay Dyeing and Manufacturing v. Rajesh Gandhi Trading As M/S Branded [CS(COMM) 224/2024]

Forum: Delhi High Court

Order dated: March 14, 2024

Order: In the recent case of *Bombay Dyeing And Manufacturing Company Limited vs. Rajesh Gandhi, trading as M/S Branded Stockloters*, the Plaintiff filed a suit for an urgent interim relief and appointment of a Local Commissioner against the Defendants. The Plaintiff is a flagship company of Wadia Group, established in 1879, and is one of India's oldest and largest textile producers, operating under the renowned trademark "**BOMBAY DYEING**".

Apart from forming an integral part of Plaintiff's trading name, the mark "**BOMBAY DYEING**" has been used by Plaintiff since **1879** along with artistic variations such as , and in various classes such as 21, 23, 24, 27 and 35. The Plaintiff also claimed strong sales figures reaching Rs. 50.33 crores and established goodwill and reputation in the industry. In January 2024, the Plaintiff received information from its sources about the sale of counterfeit bed linen sold under the Plaintiff's "**BOMBAY DYEING**" trademarks in the markets of Delhi and neighbouring areas of Meerut, Sardhana, Khatauli and Ghaziabad, Uttar Pradesh. The Plaintiff then conducted extensive market surveys and learned that the

Defendants are engaged in the manufacturing, packaging, selling and supply of counterfeit bed sheets bearing mark in an identical trade dress and overall packaging as of the Plaintiff's.

Defendants No. 1 to 7, who were the sellers of inferior quality counterfeit products, procured these goods from wholesalers and manufacturers based in Meerut and Sardhana towns of Uttar Pradesh. These products were being openly promoted online through social media profiles, YouTube channels and Defendants' websites. The impugned products did not emanate from the Plaintiff and did not comply with the high-quality standards maintained by it. It was submitted that the said unauthorised activities could have a devastating effect on the reputation associated with the Plaintiff's trademarks. A comparison chart of Plaintiff's products with the Defendants' impugned products has been depicted below:

It was held that the above-depicted comparison established a compelling *prima facie* case of infringement of Plaintiff's trademarks as the impugned products closely mimicked those of the Plaintiff, with only minimal distinctions present. The Defendants' appropriation of the "**BOMBAY DYEING**" trademark, coupled with their deployment of packaging and trade dress that bears a striking resemblance to the Plaintiff's, created a false impression of genuine origin. It was held that such actions substantially elevate the risk of consumer confusion, leading to instances where customers may inadvertently buy the Defendants' products under the false assumption that they are purchasing genuine "**BOMBAY DYEING**" merchandise.

It was also held by the Court that such a scenario brought to the fore critical issues of counterfeiting, trademark infringement, and dilution of brand identity, highlighting the potential for significant harm to the Plaintiff's reputation and consumer trust. It was also held that a *prima facie* case was made by the Plaintiff and that the balance of convenience lay in their favour.

Accordingly, the Court directed the Defendants to refrain from marketing, manufacturing, supplying, selling, packaging or dealing in any manner under the Plaintiff's trademark or any other similar mark and to take down their posts and listings of impugned products available on websites such as YouTube and Instagram. Further, to preserve evidence of infringement, Local Commissioners were appointed to visit the premises of Defendants to conduct search and seizure of infringing products. On the next date of the hearing, the matter was referred to the Mediation Centre since the plaintiff had no objection to exploring the possibility of a settlement. Mediation between the parties is scheduled for August 2024.

60. Geetanjali Trademark Infringement Case: Protecting Brand Integrity in the Beauty Salon Industry

Case: Geetanjali Studio Private Limited & Anr v. M/S Asm Traders & Ors. [CS(COMM) 233/2024]

Forum: Delhi High Court

Order Dated: March 18, 2024

Order: This recent case revolves around the Geetanjali Trademarks, namely "GEETANJALI", "GEETANJALI STUDIO", , , , and "UTOPIA BY GEETANJALI", used in the beauty salon services sector.

Mr. Prem Israni adopted the mark "GEETANJALI" in 1989 and established 'M/s Geetanjali Beauty Parlour'. After his demise in 1998, his son, Mr Sumit Israni and widow, Mrs. Neetu Israni, took over, renaming it 'M/s Geetanjali Salon'. Later, Mr. Sumit Israni expanded services under "GEETANJALI STUDIO" through a partnership firm.

The Geetanjali Trademarks were licensed to M/s Geetanjali Studio through a Franchise Agreement on 1st October 2018. In March 2021, M/s Geetanjali Salon and M/s Geetanjali Studio were taken over by Geetanjali Salon Private Limited [Plaintiff No. 2] and Geetanjali Studio Private Limited [Plaintiff No. 1] through Business Transfer Agreements dated 18th February 2021 and 17th March 2021, respectively. Additionally, the Geetanjali Trademarks were assigned and transferred by Mr Sumit Israni to Plaintiff No. 2 through the Business Transfer Agreement dated 18th February 2021, read with an Addendum dated 01st April 2023. Shortly after that, Plaintiff No.2 applied for the following trademark application under the Madrid System for International Trademark Protection in Australia, European Union, Canada, USA, UAE, and UK:

mail@lexorbis.com | www.lexorbis.com

Trade Mark Application No.	Trade Mark	Class	Date of Application
1756060	GEETANJALI SALON	44	15.06.2023

The plaintiffs stated that they have maintained continuous usage of the Geetanjali Trademarks, establishing a significant presence with over 140 salons/franchises across India. They've invested in promotional activities through a dedicated website and social media platforms and received several awards, indicating their reputation and market standing.

Plaintiffs submitted that In April 2018, the Defendants approached the Plaintiffs to open a "GEETANJALI STUDIO" in Gurugram, Haryana. Accordingly, on 09th April 2018, the Plaintiffs entered into a Franchise Agreement with Defendant No. 1, which was executed between the predecessor of Plaintiff No. 1 and the Defendants. Under this Agreement, the Defendants were permitted to open and operate "GEETANJALI STUDIO", and the Defendants were also licensed to use 'GEETANJALI' trademarks on a non-exclusive basis. The Defendants were obligated to pay an initial franchise fee, which was to be periodically increased as per the terms of the Agreement.

From January 2023, the Defendants began to default on the payments specified under the Franchise Agreement. After repeated reminders, Defendants made part payments for January to March 2023 but failed to make any payments for April to June 2023. When the cheques issued by the Defendants in respect of their outstanding payments were dishonoured, and no payment was received, the Plaintiffs sent a legal notice dated 04th July 2023, thereby terminating the Franchise Agreement dated 09th April 2018 with immediate effect, calling upon them to cease and desist from using the "GEETANJALI" trademark and shut down GEETANJALI STUDIO operated by the Defendants.

After receipt of the said legal notice, on 06th September 2023, the Defendants made the payment of the due amount belatedly. However, they continued to operate the "GEETANJALI STUDIO", thereby infringing the registered "GEETANJALI" trademark of the Plaintiffs.

Plaintiffs sent legal notices demanding cessation of the use of their trademarks, but Defendants responded by adopting a similar mark, "GEETANJALI PALM",

Contentions

Plaintiffs argued that Defendants' adoption of "GEETANJALI PALM" infringes upon their registered trademarks and amounts to passing off. They contend that the similarity in the marks would mislead consumers into believing that Defendants' services are associated with Plaintiffs' renowned brand.

Plaintiffs asserted that the Defendants' actions threatened their reputation and goodwill, causing irreparable harm. They argued that the Defendants' unauthorised usage dilutes the distinctiveness of their trademarks and undermines their market position.

Court's Decision

After considering the arguments and examining the evidence, the Court found that the Plaintiffs had made out a prima facie case in their favour. Hence, the Court granted an ex-parte ad-interim injunction restraining Defendants from using "GEETANJALI PALM" or any deceptively similar mark until the next hearing.

61. Eveready vs. KSC Industries: Delhi High Court Grants Interim Injunction Against Trademark Infringement

Case: Eveready Industries India Limited vs KSC Industries & Ors. [CS(COMM) 251/2024]

Forum: Delhi High Court

Order Dated: March 21, 2024

Order: This suit was filed by Eveready Industries India Limited, formerly Ever Ready Company (India) Limited, (Plaintiff) engaged in the business of rechargeable batteries, marketing dry cell batteries, flashlights and lighting products under the trademarks “EVEREADY” seeking interim injunction against KSC Industries (defendants). The Delhi High Court restrained the defendants from manufacturing, exporting, selling, offering for sale, advertising, or directly or indirectly, dealing with any goods/ packaging under the trademark/ label "EVERYDAY" or any other mark identical to or deceptively similar with the Plaintiff's trademark "EVEREADY" that would amount to infringement and passing off of the Plaintiff’s registered trademark and copyright and unfair trade practice.

The plaintiff company has used the trademarks "EVEREADY" and another unspecified mark (likely redacted) since 1905 through its predecessor-in-interest. Over the years, Eveready has built substantial goodwill and a reputation for its products. The "EVEREADY" mark has become integral to the company's corporate identity and trade name. Eveready has obtained trademark registrations for various versions of the "EVEREADY" word and device marks across different classes. Additionally, the company asserts copyright in the artistic works embodied in its logos. These trademarks and copyrights represent significant assets for Eveready, reflecting the company's long-standing presence and dominance in the Indian market.

The case arises from the defendant's alleged infringement of Eveready's trademarks. Eveready contends that the defendants' use of the mark

"EVERYDAY" for electric gas lighters is deceptively similar to Eveready's "EVEREADY" trademark. Upon discovering the defendants' activities, Eveready initiated online searches and found evidence of the defendant's business operations and trademark application. The defendants were reportedly selling electric gas lighters on the e-commerce platform Amazon.in under the name "Eveready Gas Lighter." Eveready alleges that the defendant's use of the "EVERYDAY" mark aims to exploit Eveready's goodwill and reputation.

Eveready submitted that the defendants' adoption and use of the "EVERYDAY" mark constitute dishonesty and an attempt to capitalise on Eveready's market standing. They argued that the visual, phonetic, and structural similarities between the defendant's mark and Eveready's mark are likely to deceive consumers. Moreover, Eveready emphasised that their mark has been recognised as well-known, and thus, the defendants' use of similar marks for related goods should not be permitted. Eveready also alleged a violation of its copyright in the label/artwork associated with its products. The conflicting marks are as follows:

Plaintiff Mark: 

Defendant Mark: 

The Court conducted a comparison between Eveready's mark and the defendant's mark and found prima facie evidence of similarity. The Court noted that the defendants' adoption of the "EVERYDAY" mark appears deliberate and aimed at riding on Eveready's reputation. The similarities between the marks, including their visual, phonetic, and structural aspects, are likely to confuse consumers. Additionally, the Court acknowledged Eveready's well-established goodwill and reputation in the market, emphasising the need to protect against infringement.

Thus, the Court granted an ad-interim ex-parte injunction restraining the defendants from manufacturing, exporting, selling, offering for sale, advertising, or dealing with any goods under the “EVERYDAY” mark or any mark deceptively similar to Eveready's trademark until the next hearing date on 20-08-2024.

62. Wow Momo Foods vs Wow Punjabi - Delhi High Court Grants Ex Parte Injunction

Case: Wow Momo Foods Pvt Ltd V. Wow Punjabi [CS(COMM) 253/2024]

Forum: Delhi High Court

Order Dated: March 22, 2024

Order: This application was filed by the plaintiff- Wow Momo Foods Pvt. Ltd., seeking a permanent injunction restraining trademark infringement, passing off, unfair trade practice, rendition of accounts, and damages against the defendant, Wow Punjabi. The Delhi High Court passed an ex parte ad interim injunction against the defendant. Accordingly, the defendant and all others acting for and on their behalf were restrained from using, advertising, directly or indirectly dealing in any goods or services under the defendant's trademark 'WOW'/'WOW PUNJABI'/ or any other trade mark which was identical or deceptively similar to plaintiff's registered trade mark 'WOW'/'WOW! MOMO'/ .

Background

The plaintiff claimed to be registered proprietors of the marks 'WOW'/'WOW! MOMO'/ . The plaintiff submitted that it coined and adopted the trademarks 'WOW!'/'WOW! MOMO' in 2008 for providing products and services in the food industry. The plaintiff's house mark was 'WOW!', which formed the essential and significant feature of all the trademarks and their various marks

The plaintiff's grievance was against a defendant who was running a restaurant/outlet under the trademark 'WOW'/'WOW PUNJABI'/ . The plaintiff submitted that the defendant had adopted the essential and dominant feature of the plaintiff's trademark, 'WOW', and the trade dress adopted was also identical with a yellow background, font style and the letter "O" filled with red colour.

On 12-12-2023, the plaintiff issued a cease-and-desist notice asking the defendant to restrain themselves from using the trademark 'WOW'/'WOW PUNJABI' or any other trademark deceptively similar to the plaintiff's trademark. A follow-up legal notice was sent on 23-1-2024; however, the defendant did not reply to the said legal notice, and hence, the plaintiff filed the present suit.

Comparison between plaintiff and defendant's trademarks:

	PLAINTIFF	DEFENDANT
Trade Marks	WOW! WOW! MOMO	WOW PUNJABI
Point of similarity	• WOW! being the essential dominant feature. • Yellow Background.	• WOW! being the essential dominant feature. • Yellow Background.

Court’s analysis and ruling

The Court opined that the plaintiff had made out a prima facie case for the grant of an ex parte ad interim injunction, the balance of convenience lies in favour of the plaintiff, and the plaintiff was likely to suffer irreparable harm in case the injunction was not granted.

Thus, till the next date of hearing, the Court passed an ex parte ad interim injunction against the defendant. Accordingly, the defendant and all others acting for and on their behalf were restrained from using, advertising, directly or indirectly dealing in any goods or services under the defendant's trade mark 'WOW'/‘WOW PUNJABI’/ or any other trade mark which was identical or deceptively similar to plaintiff's registered trade mark 'WOW'/'WOW! MOMO'/ .

63. Victory for A.O. Smith Corporation and A.O. Smith India Water Products Pvt. Ltd. in Trademark Dispute

Case: A.O. Smith Corporation and Anr. vs Star Smith Export Pvt. Ltd. And Anr. [I.A. 19011/2022 & I.A. 12253/2023 in CS(COMM) 532/2022]

Forum: Delhi High Court

Judgment Dated: March 22, 2024

Judgment: In a recent trademark dispute before the Delhi High Court, plaintiffs A.O. Smith Corporation and A.O. Smith India Water Products Pvt. Ltd. sought relief against defendants Star Smith Export Pvt. Ltd. The dispute centred around the alleged infringement of the plaintiff's trademark 'A.O. SMITH' by the defendants' use of the marks 'STAR SMITH'/'STARSMITH' / 'BLUE DIAMOND'/ / . The case involved complex arguments and a detailed examination of trademark law, resulting in a ruling in favour of the plaintiffs.

Submissions by Plaintiffs

The plaintiffs, A.O. Smith Corporation, a renowned US-based company, and its Indian subsidiary, A.O. Smith India Water Products Pvt. Ltd., asserted their rights in the mark 'A.O. SMITH', which they have been using internationally since 1874 and in India since 2006. The mark is associated with various products such as geysers, water heaters, purification systems, and boilers. With a substantial turnover of 3.5 billion dollars in 2021 and extensive presence in different Indian cities, the plaintiffs claimed significant goodwill and reputation in their mark.

The plaintiff reiterated the adoption of the mark 'A.O. SMITH' in the 19th century and its launch in India in the 2000s. Plaintiff no.2, the Indian subsidiary, was incorporated in 2006, and plaintiffs entered the Indian Water Heater market in July

2008. Plaintiff no.2 offers for sale its goods and services all over India through its website 'www.aosmith.india.com' and other e-commerce portals.

Its parent website 'www.aosmith.com' was registered in December 1994. Further, the products of plaintiff no.2 are available through large retail stores, including Croma, Vijay Sales, Reliance Digital and others, and it was stressed that the defendants' products are also available at the same stores. It was claimed that a search for 'A.O. SMITH' on popular search engines, such as Google, shows plaintiffs' products as the top result, and even a search for 'SMITH Water Heater' shows results of plaintiffs' products. Therefore, it was contended that 'SMITH' was the dominant aspect of their mark. Attention was drawn to various awards obtained by plaintiffs and registrations of the plaintiffs' marks.

The plaintiff applied the anti-dissection rule; reliance was placed on M/s. South India Beverages Pvt. Ltd. v. General Mills Marketing Inc. & Anr., 2014, to state that a particular element of a composite mark that enjoys greater dominance may be termed a dominant mark. The illustration provided was of the mark 'Golden Deer' wherein the Court held that the expression 'Deer' was arbitrarily adopted by the appellant concerning its product rice, having no connection or correlation and therefore, such arbitrary adoption of a mark relating to a product, with which it has no co-relation, is entitled to a very high degree of protection.

As per the plaintiffs, the mala fide intention of the defendants was evident from reference to a cease-and-desist notice dated 19th April 2022 issued to the defendants, to which a response was received on 21st April 2022. The defendant explained that the trademark 'STAR SMITH' was adopted because 'Smith' is their son's name and that 'SMITH' was a generic name.

As regards the contention of 'SMITH' being a generic name and there being various marks in that regard, it was contended by counsel for the plaintiff that the burden of proof was on the challenger and simply by providing registration details of other marks using 'SMITH', that burden would not be discharged. Reliance was placed on the Decision of Pankaj Goel v. Dabur India Ltd., 2008 and Dr Reddy's Laboratories Ltd. v. Reddy Pharmaceuticals Ltd., 2004. The fact that the defendants had applied for registration of the mark in July 2020 on a proposed to-be-used basis in class 11 contended that mere application would not give them any right while placing reliance on Automatic Electric Ltd. v. R.K. Dhawan & Anr., 1999.

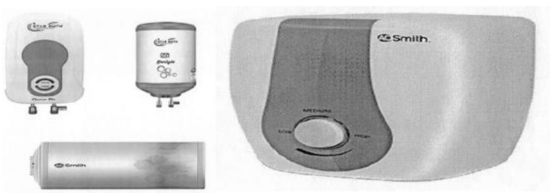
An abstract from the website narrating the company profile of defendants in 'About Us' was cited. It was stated that the defendants had started the Star Smith Export Pvt unit. Ltd.' "after conducting extensive market research and studying foreign technologies." According to the plaintiffs' counsel, this also supported their contention that the defendants had dishonestly adopted the mark.

Submissions by Defendants

The defendants, Star Smith Export Pvt. Ltd., had incorporated a company and filed a trademark application for 'STAR SMITH'/'STARSMITH' in August 2020. They also used the mark 'BLUE DIAMOND' for water heaters. This led to the plaintiffs' initiation of legal proceedings, alleging trademark infringement and seeking an injunction against the defendants' use of the disputed marks.

Defendants contended that plaintiffs were not entitled to an injunction, particularly on reading Sections 15 and 17 of the Trademarks Act, 1999. While Section 17(1) of the Act provided that registration would confer the proprietor rights in using the trademark "taken as a whole", Section 15 of the Act provided that there would be no right in the part of the mark unless registered.

Further, on a comparative analysis of both the marks i.e. STAR SMITH STRONGER THAN TRUST, AO Smith Innovation has a name, it was pointed out that not only was the look of the marks different, but they also had a different byline (‘stronger than trust’ used by defendants and ‘innovation has a name’ used by plaintiffs) and that the name in itself was very different. It was claimed that 'A.O.' was the dominant part of the plaintiffs' mark, not 'SMITH'. Further, the marks were affixed in a very different style, as was evident from the following pictorial representations:



Defendant stated that 'STAR ENTERPRISES' was incorporated in 1990 and manufactured electrical appliances; it was converted into 'AEROSTAR' in 2005 and later into 'STAR SMITH' in 2020. It was clarified that the said mark was not used for water purifiers at that time but for other electrical products like irons, T.V.s and fans. Importantly, it was claimed by the defendants that other entities were using the mark 'SMITH' in classes 7 & 11.

Reliance was placed by the defendant on various decisions, in particular on Phonepe Pvt. Ltd. v. EZY Services & Anr., 2021, where in para 13, the Court had adverted to Section 17(1) of the Act to reiterate that separate parts of the mark when not registered, will not confer an exclusive right on the proprietor of the composite mark; S.M. Dyechem Ltd. v. Cadbury (India) Ltd., (2000), where the Court has noted that plaintiff must prove that the essential features of the mark have been copied. Further, the onus to prove deception was on the plaintiff, and the ascertainment of a critical feature was not determined by an ocular test alone.

Submissions in rejoinder by Plaintiffs

Plaintiffs submitted that S.M. Dyechem (supra) was overruled by Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd., 2001 on the points that firstly, difference in essential features is more relevant; secondly, along with visual representation of the mark, phonetic resemblance is also to be considered; and thirdly, that deceptive similarity and likelihood of confusion is evident from the fact that a search for defendants' mark 'STARSMITH' on e-commerce platforms like Amazon, shows results for plaintiffs' 'A.O. SMITH' water heaters.

Court's Analysis and Decision

After reviewing submissions and evidence presented by the parties, the Court analysed several critical aspects of trademark law. Firstly, it examined the dominance of the 'SMITH' element in the plaintiffs' mark, dismissing the defendants' argument that 'A.O.' was the dominant part. Relying on established legal principles, the Court emphasised the dominant mark rule, which assigns greater prominence to a particular element of a composite mark.

Secondly, the Court scrutinised the defendants' adoption of the mark 'STAR SMITH' in 2020, raising concerns about potential dishonesty and an attempt to capitalise on the plaintiffs' goodwill. This analysis underscored the importance of prior adoption and extensive use in trademark disputes, highlighting the plaintiffs' substantial investment in building their brand reputation.

Furthermore, the Court evaluated relevant provisions of the Trade Marks Act of 1999 and previous judicial decisions to ascertain the principles of deceptive similarity and the likelihood of confusion. It rejected the defendants' arguments related to certain sections of the Act, emphasising the distinctiveness of the 'SMITH' mark and the potential for consumer confusion.

In its final ruling, the Court dismissed the defendants' application under Order XXXIX Rule 4 of CPC and upheld the injunction in favour of the plaintiffs. This Decision reflects the Court's commitment to protecting established trademarks and preventing consumer confusion in the marketplace.

In conclusion, the Court's ruling favouring A.O. Smith Corporation and A.O. Smith India Water Products Pvt. Ltd. highlights the importance of prior usage, the dominance of some aspects in composite marks, and adherence to established principles of trademark law. It serves as a precedent for safeguarding brand reputation and preventing unauthorised use of trademarks in the commercial domain.

mail@lexorbis.com | www.lexorbis.com

64. Phonetic Similarities and Cancellation Petitions

Case: GSK Consumer Healthcare S.A. vs Celebrity Biopharma Ltd. and Anr.[C.O. (COMM.IPD-TM) 154/2021]

Forum: Delhi High Court

Order dated: March 22, 2024

Order: The Delhi High Court adjudicated upon a cancellation petition filed by GSK Consumer Healthcare (hereinafter referred to as the “Plaintiff”), predicated upon the phonetic, visual, and structural similarities between the plaintiff's mark OTRIVIN / OTRINOZ and the mark OTRINIR, owned by Celebrity Biopharma (hereinafter referred to as the respondent). The Court addressed two principal issues: (1) whether the marks in question were deceptively similar and (2) whether the respondent's adoption of the mark was bona fide, thereby determining the merits of the cancellation petition.

Facts of the Case

The plaintiff challenged the validity of the respondent's registration, relying on their prior registered OTRIVIN / OTRINOZ marks, as well as prior adoption and extensive, continuous use. The petitioner asserted that, following the registration of the respondent's mark (which was not opposed by the petitioner due to an oversight), they observed that the respondent's website was selling products under a deceptively similar mark for identical goods. Subsequently, the petitioner issued a legal notice to the Respondent on August 1, 2020, seeking an amicable resolution, followed by a reminder on August 18, 2020. In their reply dated September 1, 2020, the respondent expressed a lack of interest in settling the matter, compelling the petitioner to file a cancellation petition under Section 57 of the Trade Marks Act, 1999 (hereinafter referred to as the "Act").

Petitioner’s Arguments

The petitioner contended that the marks were phonetically, structurally, and visually similar, thereby likely to cause confusion and deception among the public regarding an imagined association between the plaintiff's and the respondent's products sold under these marks. The petitioner argued that this rendered the respondent's mark susceptible to cancellation under Sections 9(2)(a) and 11(1) of the Act.

Furthermore, the petitioner asserted that they were the prior adopters of the mark, which had achieved well-known status due to their continuous and extensive usage. The respondent's adoption of the mark was perceived as an attempt to exploit the goodwill and reputation of the plaintiff, which had been established through significant promotional marketing expenditures.

Respondent's Arguments

The respondent opposed the petition, asserting that they were the bona fide adopters of the registered mark. They claimed that 'OTRI' was derived from OTORHINOLARYNGOLOGY relating to the study of the ear, nose, and throat in addition to OT and RI being an abbreviation for over-the-counter medicines and rhinitis created by rhinovirus. The respondent claimed that the term OTRI was publici juris, and thus, the petitioner could not claim monopoly. Additionally, the respondent contended that the suffix NIR was derived from the name of their founding member/director, Niraj Kumar Nir. They referenced the Cadila Health Care judgment, asserting that marks should be considered in their entirety and not dissected into constituent parts.

Analysis and Findings

The Bench observed that both marks consisted of seven letters and that the presence of the common prefix OTRI negated any claims of dissimilarity based on the VIN and NIR suffixes. The Court observed an auditory similarity between the marks, noting that the dominant prefix OTRI would likely capture consumer attention, overshadowing the distinct suffixes. The Court further noted that the prefix lacked a common meaning, and its use for identical goods (nasal decongestant sprays) compounded the possibility of confusion and deception.

The Bench recognised that the petitioner had been using the mark OTRIVIN since 1950, thereby establishing prior use. The respondent's claim that OTRI was common to the trade was refuted, as the list of 69 marks on the Register bearing OTRI—comprising 15 marks owned by the plaintiff, 17 refused/abandoned/withdrawn marks, 11 pending marks, and 5 opposed marks—demonstrated significant proprietary interest in the term by the plaintiff. The Court inferred that the respondent's choice of a similar mark was an opportunistic, rather than coincidental, decision.

The Court also observed that the usage of OTRI in the impugned mark evidenced the distinctive nature of the term and, therefore, made the respondent's mark susceptible to cancellation on the grounds of non-distinctiveness.

Judgment

In light of these findings, the Court ordered the cancellation of the respondent's mark for contravening Sections 9(2)(a), 11(1), 11(2), and 18 of the Trade Marks Act, 1999, pursuant to Section 57 of the Act.

65. Registration - Inoculation against Infringement Claims?

Case: Jaquar and Company Private Limited vs Ashirvad Pipes Private Limited [CS(COMM) 670/2023, I.A. 18638/2023]

Forum: Delhi High Court

Judgment Dated: April 1, 2024

Judgment: The Delhi High Court considered and adjudicated on the rather peculiar instance of a registered proprietor alleging infringement by another registered proprietor. The Court considered the admissibility of the claim and decided upon its validity in light of the rights granted under Section 28 and Section 29 of the Trade Marks Act.

Facts:

The Plaintiff, Jaquar & Co Pvt Ltd, being the registered proprietors of ARTIZE and TIAARA (both having device variants), alleged that their marks were infringed by the defendant, Ashirvad Pipes Pvt. Ltd's registered ARTISTRY mark and unregistered TIARA mark. The Plaintiff filed a suit before the Single Judge, praying for an injunction against the Defendant. The Plaintiff had also filed a rectification petition for the removal and cancellation of the Defendant's ARTISTRY mark before filing the suit.

The Plaintiff submitted that they were the prior user of ARTIZE and TIARA since 2008 and 2016 respectively. The Plaintiff alleged that the usage of the impugned marks in allied and cognate goods was an indication of the malafide adoption of the marks by the Defendant. The Plaintiff asserted that the Defendant was intending to create a false association by using the impugned marks.

The Defendant submitted that they were the registered proprietors and, therefore, there can be no claim for infringement, and at most, a claim for passing off could be alleged. They submitted that the mere existence of a prior mark did not ipso facto assume malafide adoption on their part. They relied on the Pianotist test and the judgement in Lakshmandhara to state that a mark must be considered in consonance with all the surrounding factors and that the class of consumers for

mail@lexorbis.com | www.lexorbis.com

luxury goods were discerning consumers. They claimed that the petition was not maintainable because the Plaintiff's rectification application was pending and stated that the civil court must find valid grounds to doubt the validity of the mark permitting the Plaintiff to plead infringement.

The Plaintiff replied stating that infringement must be assessed on the basis of initial interest confusion since a consumer must be not seen as though having the opportunity to compare the marks side by side. They further submitted that the judgement in Raj Kumar Prasad allowed for an injunction to be sought against a registered mark if the Plaintiff pleaded invalidity of the Defendant's mark.

The Defendant asserted that the claim for infringement was made on the sole ground of priority of the Plaintiff's mark. They stated that although rectification petitions were filed, the Plaintiff was required to file an application under Section 124 of the Act for the court to find that valid ground exists to challenge the validity of the Defendant's mark, which would, in turn, give way to an allegation of infringement. They stated that since such an application was not filed, the Plaintiff could at most allege passing off.

Analysis of the Case

The Court noted that the validity of the Plaintiff's registration was not a pre-requisite for an infringement claim and that only the requirements under the section needed to be satisfied. The Court caveated the statement by stating that the validity of the Plaintiff's registration was a necessary requirement for obtaining relief against infringement. The Court considered the judgment in Raj Kumar Prasad to understand the legal implications and possibility of a registered mark being infringed by another registered mark. The Court observed that Section 28(3) and Section 124(1), when read together, permitted a suit for infringement against a registered mark. The Court also noted that they were empowered to grant interlocutory orders in the intermediate period between the filing of the suit and receipt of findings against the validity of the infringing mark.

The Court delved into the similarities between the marks and held that usage of a device does not divert from the phonetic similarities between the words, which are the prominent part of the marks. The Court noted that the arguments on consumers of luxury goods being discerning consumers when the marks were phonetically similar, and the trade dress used had identical colour combinations was deeply flawed and required evidence. The Court stated that a consumer was one of average intelligence and imperfect memory, and therefore, marks must be analysed from this perspective. The Court went on to test initial confusion and held that a consumer does not have the opportunity to compare infringing marks side by side;

hence, if, at first glance, a consumer begins to wonder about the probability of an association between the infringing and infringed mark, the deceptive similarity was established.

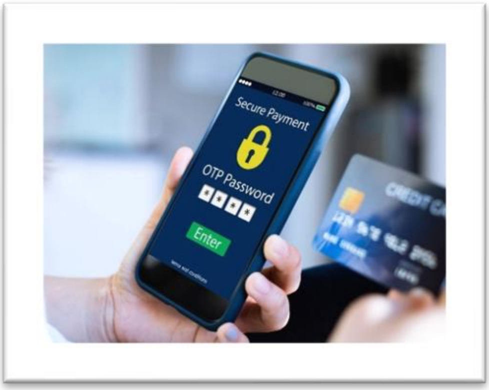
The Court held that there was deceptive similarity between the marks and that the conditions under Section 29(1) and 29(2)(b) were satisfied. The Court noted that prima facie, there was ample evidence in support of the validity of the Plaintiff's mark, and therefore, the Plaintiff was eligible for relief under Section 28. The Court granted an injunction in favour of the Plaintiff.

66. Delhi High Court Halts Fraudulent Exploitation: Razorpay vs. Deceptive Associates

Case: Razorpay Software (P) Ltd. v. John Doe [CS(COMM) 269/2024]

Forum: Delhi High Court

Order Dated: April 2, 2024



Order: Plaintiffs alleged that Defendant 1 was perpetrating fraud on the public by creating a false association with them, resulting in grave financial losses to the public. Delhi High Court restrained Defendant 1, and all persons acting on their behalf, from using plaintiffs' trademarks or logos, including, 'RAZORPAY', or and/or any deceptive variants thereof which were identical and/or similar to plaintiffs' "Razor" trademarks in any manner, thereby amounting to infringement or passing off of plaintiffs' trademarks.

Background

The plaintiffs were payment gateway service providers specialising in developing application programme interfaces for various financial products and other digital financial services, such as payment and payroll processing. Plaintiff 1, Razorpay Software (P) Ltd., was incorporated in 2013, and Plaintiff 2, its group company, was established in 2014. since 2013, plaintiffs have offered a fast, affordable, and secure way for end-to-end online payments under the trademark 'RAZORPAY'.

Plaintiff 2 obtained registrations for the trademarks 'RAZORPAY', 'RAZORPAY X', 'RAZORPAY CAPITAL', , , , and several other formative variants thereof, in classes 9, 35, 36, 38 and 42, in respect of electronic payment

 mail@lexorbis.com | www.lexorbis.com

and financial transaction services, design and development of computer hardware, business administration, and telecommunications. Plaintiffs jointly operated the domain name “www.razorpay.com”, which was registered in the name of Plaintiff 2.

In January 2024, plaintiffs received multiple complaints against a financial scam operated by Defendant 1 on the pretext of providing the consumers a job with plaintiffs. As per the account of one of the aggrieved persons, the modus operandi of Defendant 1 was that an unsuspecting consumer was first approached on the WhatsApp platform by Defendant 1, falsely representing themselves as a recruiter of "Razor Company Ltd." and offering a part-time job with the said company for extra income. No such company existed as per the information available on the Ministry of Corporate Affairs website.

During the investigation, plaintiffs received information regarding the operation of the website "https://www.razorrq.vip/" that incorporated 'RAZOR' in the domain name and displayed the trademarks Razor and Razorpay on the webpage, which was identical/deceptively similar to plaintiffs' 'Razor' marks. The user interface of the plaintiffs' original website was imitated using this domain name. Plaintiffs also found the domain names "https://www.razorrw.vip", "http://razorrm.vip/", and "http://razorrt.vip" with similar design and manner of use of plaintiffs' trademarks. However, the same were currently inoperative.

Analysis, Law, and Decision

The Court opined that prima facie Defendant 1 was unauthorizedly using plaintiffs' trade mark “RAZORPAY”/ Razorpay or parts thereof in conjunction with their mark "RAZORPAY" to lure members of the public into remitting significant amounts of money on the pretext of securing a job with plaintiffs and earning returns. Defendant 1 was misrepresenting themselves as being employed or associated with plaintiffs and targeting unwary persons.

The Court noted that to render an impression of authenticity, Defendant 1 was also circulating a forged Guarantee Agreement that mentioned plaintiffs' trademarks, trade name, registered address, Corporate Identity Numbers, and signatures of their founder. The impugned domain names, Telegram channels, and WhatsApp accounts used the registered Razor marks without the plaintiff's consent and had even emulated the make and design of the plaintiffs' website, which further accentuated the likelihood of confusion among the target public.

Thus, the Court thus passed the following directions:

- Defendant 1 and all persons acting on their behalf were restrained from using plaintiffs' trademarks or logos, including "RAZORPAY" Razorpay or Razorpay and/or any deceptive variants thereof which were identical and/or similar to plaintiffs' "Razor" trademarks in any manner, thereby amounting to infringement or passing off of plaintiffs' trademarks.
- Defendants 2 to 5 Domain Name Registrars were directed to block/suspend access to the respective domain names.
- Defendant 7, Meta Platforms INC, was directed to block/remove the Facebook pages available at various URLs.
- Defendants 9 and 10, Ministry of Electronics and Information Technology and Department of Telecommunications and Ministry of Communications and Information Technology, respectively, were directed to issue necessary directions to the telecom service providers and internet service providers to block websites hosted on the impugned domain names.
- Defendant 6, WhatsApp LLC, and Defendant 8, Telegram FZ-LLC, were directed to block/delete unauthorised WhatsApp accounts and Telegram channels/groups, respectively.

67. Use of Identical Mark by Subsequent Registered Proprietor is Passing-Off

Case: M/s P M Diesels Pvt Ltd vs M/s Thukral Mechanical Works & Others [C.O. (COMM.IPD-TM) 667/202]

Forum: Delhi High Court

Order Dated: April 2, 2024

Order: Recently, the Delhi High Court disposed of two civil suits, one rectification petition and 10 writ petitions against the trademark registrations filed by PM Diesels for registering the mark FIELDMARSHAL in 10 Indian languages. In a dispute that had been simmering for the past 40 years, the earliest suit filed with respect to the disputed trademark "FIELDMARSHAL" was instituted vide suit no. 2408/1985 titled M/s P M Diesels Pvt Ltd vs M/s Thukral Mechanical Works. Thereafter, cross-suits were filed, and multiple proceedings were initiated over the years to claim ownership of the trademark FIELDMARSHAL.

Background

The earliest registration of the word mark FIELDMARSHAL in favour of the plaintiff is vide Registration no. 224879 dated 16th October 1964. P M Diesels claims continuous use since May 1963. In 1982, the Plaintiff company M/s P M Diesels Pvt Ltd had filed for registration of the trademark FIELDMARSHAL as a word mark, a logo containing the alphabets FM and as a stylised mark which was duly advertised in the trademark journal in May 1982 mentioning description of goods as Diesel engines not used in land vehicles and parts thereof, including electric motors and pumps included in class 7 and claimed continuous use since 1965. The plaintiff furnished numerous documents to substantiate these claims.

The plaintiff learned of using the mark FIELDMARSHAL in 1982 and sent a cease-and-desist notice to the defendant. However, as the defendant continued to use the mark, the plaintiff eventually instituted suit no. 2408/1985 titled M/s P M

Diesels Pvt Ltd vs M/s Thukral Mechanical Works against the defendant to assert their right over the mark FIELDMARSHAL.

In the meantime, the defendant vide Assignment deed dated 30th May 1986 obtained the mark FIELDMARSHAL, which was earlier registered by M/s Jain Industries on 13th May 1965 with a user claim since January 1963, i.e. prior to the date of use claimed by PM Diesels. Based on this assignment, the name of Thukral Mechanical Works was recorded as the lawful owner of the mark FIELDMARSHAL in the records of the Trademark Registry and was upheld by the Registrar of Trademarks, the courts and IPAB in subsequent proceedings over the years.

The plaintiff moved a cancellation petition to remove the defendant's marks on the grounds that the defendant cannot prove the use of the mark since 1963 while the plaintiff has evidence to demonstrate continuous use. The mark FIELDMARSHAL may have been registered by Jain Industries but was not used, and the company was defunct. The purchase of the mark by the defendant was motivated by the intent to claim the use of FIELDMARSHAL to benefit from the goodwill and reputation that the mark had in the market by the continuous efforts of the plaintiff since 1963. The plaintiff was aggrieved when the defendant also opposed the applications for registration of FIELDMARSHAL in Indian languages.

Analysis of the Case

All the above writ petitions, civil suits, and rectification petition were disposed of by the Delhi High Court by order dated 2nd April 2024 to resolve the long-standing dispute between the parties. The learned Judge examined all the evidence on record and summarised the stand of the parties in her judgement to clarify that while the defendant had purchased the mark from the erstwhile registered owner, Jain Industries, in effect, the defendant had failed to establish continuous use of the mark FIELDMARSHAL before 1988.

On the contrary, the evidence on record clearly shows the use of the mark by the plaintiff since the 1960s. Numerous extracts of advertisements from leading newspapers in regional languages and invoices from different dealers, manufacturers, distributors, etc., established extensive continuous use of the mark by the plaintiff concerning centrifugal pumps and diesel engines. Thus, the argument given by the defendant that the plaintiff's use of the mark FIELDMARSHAL is limited only to diesel engines does not stand scrutiny.

Further, the defendant has admitted that they have no documentary evidence to substantiate the use of the mark by their predecessor in interest, M/s Jain Industries, who were primarily a dal and flour mill and not into the manufacture or sale of centrifugal pumps. The name FIELDMARSHAL is mentioned only at the base of one flour mill machine and does not suggest that the machine itself was being sold. The evidence on record also suggests that while the defendant was selling centrifugal pumps, the use of the name FIELDMARSHAL was not found on any documents before the 1980s that show names such as Varun, BMS or DPF, which was also substantiated by dealers, distributors and agents operating in the market.

The plaintiff learned of the alleged existence of duplicate centrifugal pumps under their brand name in the early 1980s and initiated requisite legal action. As such, despite some unsubstantiated claims by both parties, the plaintiff cannot be said to have acquiesced to a willingness to co-exist with the defendant. Moreover, after the plaintiff filed the case to stop passing off duplicate FIELDMARSHAL centrifugal pumps, the defendant approached the proprietors of M/s Jain Industries in 1986, which was defunct and purchased the trademark as per the assignment deed dated 30th May 1986. Since the mark was not being used by Jain Industries, the argument of continuous use cannot be accepted.

The plaintiff has successfully established consistent prior use of the mark with substantial exports to countries like Sudan, Iraq, Iran, Syria, Thailand, West Germany, etc., as well as domestic sales, as evidenced by the statements of accounts and advertisements in several languages, such as Tamil, Telugu, Urdu, Punjabi, Bengali, and English, in addition to brochures from the 1970s depicting FIELDMARSHAL centrifugal pumps.

Since the initial suit filed by the plaintiff was for passing off, the concept of cognate and allied goods is ingrained in it, even if the words are not expressly mentioned. The farmer who purchases the FIELDMARSHAL brand of diesel engine and centrifugal pumps is likely to assume the submersible pump or other allied goods are also manufactured by PM Diesel since not just the class of products but the trade channels and the end user are also identical.

Moreover, the learned single Judge also took note of the fact that the defendant had filed an application for registration of the mark FIELDMARSHAL in 1983 for centrifugal pumps, which they eventually withdrew in 1987 as they could not furnish sufficient documentary evidence of use and the mark was being opposed by the plaintiff.

Thus, having pursued the matter for 40 years, the plaintiff can in no way be said to be guilty of delay, laches, or acquiescence as it has diligently pursued several legal proceedings that include oppositions, rectifications, cancellation petitions, suits for passing off, writ petitions, etc.

Moreover, mere registration of the mark by Jain Industries without use does not create goodwill in their favour. The goodwill is generated by extensive continuous use, as demonstrated by the plaintiff. Reliance was placed on the decision of the Supreme Court in N.R. Dongre vs Whirlpool (1996) 5 SCC 714 and Neon Laboratories vs Medical Technologies Ltd (2015) 10 SCR 684, wherein it was held that the use of an identical mark by a subsequent registered proprietor would still constitute passing off. The adoption of the mark FIELDMARSHAL by the defendant is, therefore, not honest concurrent use, and in fact, the timing of the assignment of the mark by Jain Industries itself creates doubt regarding the intention of the defendant.

Decision of the Court

Based on the foregoing analysis, a permanent injunction was granted against the defendant for using the mark FIELDMARSHAL, and the cross-suit filed by the defendant was dismissed. The registration of the mark FIELDMARSHAL bearing no. 228867 dated 13th May 1965 in class 7, which the defendant has obtained by assignment from Jain Industries, was ordered to be cancelled and removed from the register of trademarks. All the ten writ petitions filed by PM Diesel against the defendant for registering their mark in regional languages were also allowed, with instructions from the trademark registry to issue registration certificates to the plaintiff within one month of the date of the order. The court also recognised the substantial cost incurred by the plaintiff in this prolonged legal battle and granted the actual cost of litigation to be paid to the plaintiff by the defendant.

68. Protecting Intellectual Property in the Fashion Industry

Case: M/S Reflect Sculpt Private Ltd. & Anr vs Abdus Salam Khan [CS(COMM) 278/2024]

Forum: Delhi High Court

Order Dated: April 03, 2024

Order: In a recent ruling by the Delhi High Court over an injunction application filed by Plaintiffs against the Defendant, infringement of their intellectual property rights in the fashion industry was alleged. Under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, the Court granted an ex-parte ad-interim injunction in favour of the Plaintiffs, restraining the Defendant from manufacturing, selling, advertising, or promoting counterfeit garments, which were deemed to be replicas or substantial imitations of the Plaintiffs' original artistic works.

Plaintiff No. 2, Gaurav Gupta, a renowned international fashion designer known for his distinctive sculpture-like garments, embroidery techniques, and unique draping styles, began his career 18 years ago after studying at a prestigious art institute in London. He holds copyright in his sketches, which serve as the basis for the handcrafted garments produced by Reflect Sculpt Private Ltd. Plaintiff No. 2 also holds exclusive publicity rights for his name 'GAURAV GUPTA' and has applied for trademark registration. The Plaintiffs, through significant marketing efforts, have established a strong reputation for their designs, which prestigious platforms and celebrities like Beyonce and Aishwarya Rai Bachchan have endorsed.

The Plaintiffs alleged that the Defendant is manufacturing and selling counterfeit garments, replicating the Plaintiffs' unique designs under the name 'Designer Salam Studio.' Defendant's activities extend to social media, including YouTube and Instagram, where he promotes his products using Plaintiff's mark 'GAURAV GUPTA'. This infringement on the Plaintiffs' copyrights, registered designs, and trademark rights has led to filing the present suit to safeguard their statutory rights.

mail@lexorbis.com | www.lexorbis.com

Court's Observations and Ruling

Upon considering the submissions made by the Plaintiffs, the Court noted the striking similarities between the Defendant's products and the Plaintiffs' original designs. It found that the Defendant's actions constituted a blatant replication of the Plaintiffs' artistic works, thereby infringing their copyrights and registered designs. Additionally, the Court deemed the Defendant's use of the Plaintiff's trademark 'GAURAV GUPTA' in advertisements an infringement under the Trade Marks Act.

In light of the prima facie case made by the Plaintiffs, the Court granted an ex-parte ad interim injunction to prevent further harm to the Plaintiffs' interests. The injunction restrained Defendant from manufacturing, advertising, or selling counterfeit garments resembling Plaintiff's designs. Furthermore, the Defendant was prohibited from using the Plaintiffs' trademark in any promotional activities.

To preserve evidence of infringement, the Court appointed Mr Rakesh Kumar Sharma as the Local Commissioner to visit the Defendant's premises and seize any impugned products. The Local Commissioner was tasked with conducting a search, seizure, and inventory of infringing materials, with assistance from the Plaintiffs and their counsel.

Conclusion

The Court's order signifies a robust protection of intellectual property rights in the fashion industry. By granting the injunction and appointing a Local Commissioner, the Court has taken decisive steps to safeguard the Plaintiffs' creative works and trademarks from unauthorised use and exploitation. This ruling underscores the importance of upholding intellectual property laws to foster innovation and creativity in the fashion sector.

69. Kubota Corporation vs. Kaira Agros - A Case of Trademark Infringement and Passing Off

Case: Kubota Corporation vs Kaira Agros & Ors [CS(COMM) 273/2024]

Forum: Delhi High Court

Order Dated: April 03, 2024

Order: The Plaintiff, Kubota Corporation, was founded in 1890 and is now headquartered in Japan. The Plaintiff is engaged in manufacturing, distributing, and selling various goods, including, inter alia, agriculture goods—such as cultivator machines for rice cultivation—and construction equipment—such as power shovels for construction purposes.

Plaintiff has been using several logos and trademarks for their products; over the years, Plaintiff's products have gained enormous reputation and goodwill globally, and Plaintiff has steadily expanded their global operations. In 2012, they established the "Kubota Identity", a global corporate principle, and adopted a new brand statement logo/ trademark For Earth, For Life Kubota. Furthermore, Plaintiff secured several registrations in India under the Trade Marks Act, 1999.

The Plaintiff's Indian subsidiary, founded in 2008 as Kubota Agricultural Machinery India Pvt. Ltd. (KAI), has emerged as a major player in the Indian agricultural machinery industry. KAI has launched several products, such as tractors, rice transplanters, combine harvesters, power tillers, and implements and attachments. The Plaintiff asserted that they have copyright concerning the product catalogues, drawings, and images of these products.

Defendant No. 1-Kaira Agros, through its proprietor – Mr. Rajagopal Vasantha (Defendant No. 2), is engaged in similar goods, business and services as that of Plaintiff, i.e., manufacturing of farming and agricultural equipment such as rice transplanters, harvesters, etc. Defendant No. 2, a former employee of Plaintiff, is alleged to have dishonestly connived with Defendant No. 1 and misused Plaintiff's confidential information, including but not limited to the industrial drawings of Plaintiff's agricultural equipment/ machinery, such as rice transplanters.

Submission by Plaintiff:

Plaintiff submitted the Defendants' use of the trademark 'For Nature, For Future Kaira', comprising of the tagline "For Nature, For Future" placed along with the Defendants' mark 'Kaira', is deceptively similar to the Plaintiff's trademark 'For Earth, For Life Kubota' and is highly likely to create confusion, thus amounting to infringement. While Plaintiff has no objection to the Defendants' use of their trademark/ tradename 'Kaira', however, Plaintiff's grievance pertains to the tagline "For Nature, For Future', which is deceptively similar to the Plaintiff's tagline, "For Earth, For Life". Furthermore, the deceptive similarity between the two marks is accentuated by the use of a similar tagline in conjunction with the Defendants' mark 'Kaira', which deploys a similar colour combination and placement of the elements. Such stark resemblances between the two marks risk causing confusion among consumers and within trade circles, potentially leading to erroneous beliefs of association with Plaintiff's brand. This constitutes an infringement of the Plaintiff's registered mark. To demonstrate the deceptive and conceptual similarities between the two competing marks, reliance is placed on the following comparison chart:

Plaintiff Company's Trademark	Defendant No.1's Impugned Mark
For Earth, For Life Kubota	For Nature, For Future Kaira

The Plaintiff stated that the Defendants' device mark '

', embossed on Defendant No. 1's combine harvester, is deceptively similar to the

Plaintiff’s trademark ‘HARVES KING'. The Defendants' use of a similar colour scheme and an overlapping 'tick' mark clearly evidences dishonesty on the part of Defendant No. 1. Because these marks are used in respect of an identical category of goods, such use amounts to an act of passing off. A side-by-side comparison of the marks is represented as follows:

Plaintiff Company's Trademark	Defendant No.1's Impugned Trademark
HARVES KING	CONTRAC KING

Plaintiff further submitted that Defendant No. 1’s product catalogue accompanying their rice transplanter, when compared to Plaintiff's, is a blatant imitation and an exact replica. It was further submitted that Defendant No. 1’s intent to pass off their products as that of the Plaintiff is also evident from the fact that Defendant No. 1 has represented images of the Plaintiff Company’s Ride-On rice transplanter of the Plaintiff company on their Indiamart page as well as on their website, which also amounts to infringement of the Plaintiff's copyright in the image of their Ride-On rice transplanter.

Moreover, Defendant No. 1's website and Indiamart page also depict Plaintiff's trademark/ trade name 'Kubota', further corroborating Plaintiff's infringement and passing off claims. In support of the aforenoted submissions, reliance is placed on screenshots of Defendant No. 1's website and Indiamart page.

Based on the various aforenoted acts of infringement and passing off, Plaintiff asserted that the Defendants have clearly attempted to ride upon Plaintiff's well-established goodwill and reputation. He argued that the manner of infringement and passing off, as elaborated above, is clearly indicative that Defendant No. 2, a former employee of Plaintiff, had access to the confidential information of Plaintiff, which they have now utilised for the manufacture of lookalike products. Such duplication could not have been possible without access to the confidential information comprising of the Plaintiff's drawings of the products in question. Defendants are thus guilty of infringement under Sections 29(4) and 29(2)(c) of the TM Act, infringement under Section 55 of the Copyright Act, 1957, and passing off.

Court's Analysis and Ruling

The Court considered the Plaintiff's contentions and stated that the marks For Earth, For Life Kubota a For Nature, For Future Kaira re prima facie deceptively similar, emphasising ecological responsibility and a commitment to a better future. Their parallel structure and interchangeable terms could lead to consumer confusion, especially given their shared industries. Since the Plaintiff's mark is registered, the Defendants' use of the impugned mark amounts to infringement.

Similarly, the marks HARVES KING CONTRAC KING employ a similar stylised font and colour scheme, increasing the likelihood of confusion among consumers. The suffix "KING" in both marks could imply a relationship between the brands, constituting misrepresentation likely to harm the Plaintiff. Therefore, the Defendants' use of the impugned mark prima facie amounts to passing off. Additionally, the Plaintiff has demonstrated copyright breach in their photographs and catalogues.

The Court concluded that the Plaintiff has made out a prima facie case in their favour, with failure to grant an ex-parte ad-interim injunction resulting in irreparable loss to the Plaintiff and the balance of convenience favouring them over the Defendants.

Thus, the Court granted an ex-parte ad-interim injunction in favour of the Plaintiff until the next hearing under the following terms:

- The Court restrained the defendants from using the tagline 'For Nature, For Future' and the impugned device mark. However, they may use the mark 'Kiara' as a standalone.
- The Court further restrained the defendants from using any word mark, trademark, or label identical or deceptively similar to the Plaintiff's trademark 'Kubota' about combined harvesters.
- The Defendants were further directed to immediately remove any reference to the Plaintiff's trademark 'Kubota' from their website, Indiamart page, and any other promotional material.

- Defendants were restrained from using images of the Plaintiff’s products and specified catalogues in relation to their goods.

The Court further appointed a Local Commissioner to visit the Defendants' premises, seize infringing materials, and conduct photography/videography. The Plaintiffs will bear the Local Commissioner's fee and related expenses. The Local Commissioner must file a report within four weeks.

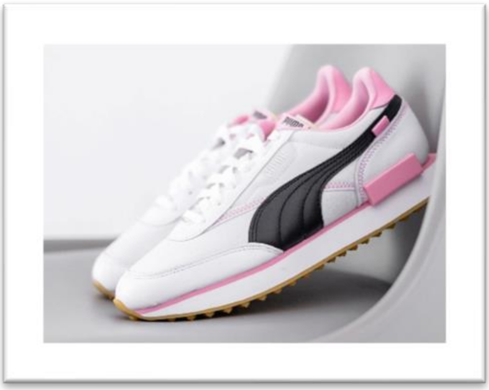
mail@lexorbis.com | www.lexorbis.com

70. Understanding the Legal Battle: Puma SE vs Ashok Kumar Trading As R.K. Industries

Case: Puma SE vs Ashok Kumar Trading as R.K. Industries [CS(COMM) 616/2022]

Forum: Delhi High Court

Order Dated: April 04, 2024



Order: In the realm of trademark infringement and legal battles, the case of Puma SE versus Ashok Kumar Trading as R.K. Industries stands as a testament to the importance of protecting intellectual property rights. This article delves into the key aspects of the judgment delivered by the Delhi High Court on April 04, 2024, shedding light on the facts, issues, arguments, legal analysis, and precedent considerations involved.

The case between Puma SE, a German company, and Ashok Kumar, trading as 'R.K Industries', serves as a quintessential example of trademark infringement and the subsequent legal recourse sought by the aggrieved party. Puma SE, a stalwart in the realm of sports apparel and footwear, initiated legal proceedings against the defendant, alleging infringement of its well-established trademark 'PUMA' and associated logos.

Puma SE, a global entity with over 70 years of history, boasts a significant presence in the sports apparel market, catering to athletes and enthusiasts alike. The 'PUMA' brand, coined in 1948, has garnered widespread recognition and endorsement from renowned personalities such as Pele and Diego Maradona, further solidifying its stature as a premier sports brand. With operations spanning more than 20 countries and a workforce exceeding 10,000 employees, Puma SE's global sales for the year 2019 surpassed 5500 million euros, underlining its formidable market position.

The legal foundation of Puma SE's claim lies in its extensive trademark registrations, including the earliest registration in India dating back to 1977. The 'PUMA' mark, along with its variants and associated logos, enjoys protection across various classes, including class 18 for leather articles and class 25 for clothing and footwear, further fortifying the statutory rights associated with the mark.

The crux of the matter revolves around the defendant's alleged production and sale of counterfeit products bearing Puma's trademarks. A field investigation conducted by the plaintiff revealed the defendant's illicit activities, wherein counterfeit garments, including t-shirts and track pants emblazoned with the 'PUMA' mark and leaping cat device, were being manufactured and distributed. Affidavit evidence provided by the plaintiff's brand protection manager substantiated the counterfeit nature of the products through a sample purchase and subsequent analysis, highlighting discrepancies in design and labelling inconsistent with genuine Puma merchandise.

Upon scrutiny of the physical products and supporting documentation, the Court concluded that the defendant's products were indeed counterfeit, lacking essential labelling information and packaging standards synonymous with authentic Puma products. This prima facie evidence bolstered the plaintiff's case for granting an ex-parte ad interim injunction, aiming to halt further infringement and mitigate the damage to Puma SE's goodwill and financial interests.

The defendant's failure to respond to the summons and file a written statement compounded the legal complexities, leading the plaintiff to seek a decree under Order VIII Rule 10 and Order XIIIA of the Code of Civil Procedure.

Despite being served through substituted service, the defendant failed to appear or defend the case. The plaintiff provided evidence through affidavits and physical examination of the counterfeit products, demonstrating the defendant's infringement of Puma's trademarks.

The Court meticulously analysed the legal principles governing trademark infringement, emphasising the significance of protecting intellectual property rights. It referred to previous judgments to establish the standards for granting damages and injunctions in cases of trademark infringement. The Court highlighted the distinction between first-time infringers and repeated infringers, outlining the corresponding remedies and damages.

The bench of Justice Anish Dayal referenced several precedents, including Koninlijke Philips and ors v. Amazestore, Puma SE v. Ashok Kumar (2023 SCC OnLine Del 6764) and Hindustan Unilever Limited v. Reckitt Benckiser India Limited (2014 SCC OnLine Del 490), to elucidate the principles governing damages, injunctions, and punitive measures in trademark infringement cases.

mail@lexorbis.com | www.lexorbis.com

The significance of this case extends beyond the immediate legal dispute, shedding light on the pervasive issue of trademark infringement in today's market landscape. It underscores the imperative for robust enforcement mechanisms and proactive measures to safeguard intellectual property rights, not only for established brands like Puma SE but also for fostering a fair and competitive business environment.

Moving forward, the judgment rendered in favour of Puma SE sets a precedent for stringent enforcement of trademark laws, emphasising the judiciary's commitment to upholding the rule of law and protecting the interests of rights holders. It serves as a deterrent against unlawful activities that undermine the integrity of well-known brands and reaffirms the value of intellectual property as a cornerstone of innovation and economic growth.

In conclusion, the case epitomises the challenges and consequences associated with trademark infringement while underscoring the necessity for vigilance and accountability in preserving the integrity of iconic brands like Puma. As businesses navigate an increasingly globalised marketplace, adherence to trademark laws and ethical business practices remains paramount to fostering trust, innovation, and sustainable growth in the competitive arena of sports apparel and beyond.

71. Striking a Balance: Delhi High Court's Stance on Discovery in Trademark Litigation

Case: Rajesh Jain v. Amit Jain & Another [CS(COMM) 838/2016]

Forum: Delhi High Court

Order Dated: April 4, 2024

Order: In a recent case before the High Court of Delhi at New Delhi, a significant ruling was made in the matter of CS(COMM) 838/2016, where the Plaintiff filed an appeal against the order dated February 20, 2024, which denied their application seeking discovery and production of documents from the Defendants. The Plaintiff contended that the documents in question were crucial for establishing the Defendants' defence regarding the reputation and goodwill of their trademark in question.

The Plaintiff argued vehemently against the finding of the Joint Registrar, contending that the absence of supporting documents in the Defendants' written statement warranted the Plaintiff's right to seek discovery. He relied on the precedent set by the judgment in Shri M.L. Sethi v. Shri R.P. Kapur to assert that the relevance of documents should be assessed based on their ability to shed light on the controversial matter.

However, despite the Plaintiff's arguments, the Court remained unconvinced. The Court clarified that the Defendants have the burden of proof to establish their defence, and the absence of documentary evidence places this burden squarely on them. As the Plaintiff's suit was for trademark infringement and passing off, the burden of proof to establish infringement and passing off rested with them, as per Section 101 of the Evidence Act.

The Court highlighted the principles guiding the decision-making process in such cases, emphasising that the documents sought must be necessary and relevant to the suit's stage. The Joint Registrar's decision underscored the importance of considering the stage of proceedings and the relevance of documents to the matter in controversy. It was noted that the Plaintiff's application sought documents primarily to counter the Defendants' earlier plea, which had already been decided years ago.

Given these considerations, the Court found no grounds to interfere with the Joint Registrar's decision. However, it affirmed the Plaintiff's right to utilise the absence of documents to support their contentions at the appropriate stage of the proceedings.

In conclusion, the judgment clarified the principles governing the discovery and production of documents in legal proceedings, emphasising the necessity for relevance and timeliness. While the Plaintiff's appeal was disposed of, the ruling reaffirmed the parties' rights and obligations in establishing their respective cases before the Court.

72. The Legacy of AMUL: A High Court Decision

Case: Kaira District Cooperative Milk Producers Union Ltd. & Anr. v. D N Bahri Trading as the Veldon Chemical and Food Product & Anr. [C.O. (COMM.IPD-TM) 165/2023 & I.A. 11129/2023]

Forum: Delhi High Court

Order Date: April 08, 2024

Order: Recently, the Delhi High Court decided a rectification petition filed under Sections 47 and 57 of the Trade Marks Act, 1999, by the society Kaira District Cooperative Milk Producers Union Ltd. The Court stated that the trademark 'AMUL' has acquired huge significance and that its protection would transcend all classes, having been declared a well-known mark.

Brief Facts

The rectification petition was filed under Sections 47 and 57 of the Trade Marks Act, 1999 by the petitioner society against the respondent, i.e., D N Bahri Trading, seeking rectification of the Register of Trade Marks by removing the respondent's registered trademark. The petitioner claimed rights in the trademark 'AMUL' in the word mark and various other device marks and formative marks. It further claimed that it is a well-known trademark, as it was declared in 2011.

In view of the above facts, the High Court noted, "To seek rectification of a mark, the petitioner must be able to show that any of the grounds under Sections 9, 11, 47 or 57 of the Act are made out. Without having to draw a comparison with an earlier registered mark, grounds under Sections 9 and 47 of the Act are available to a petitioner to claim that the impugned mark ought not to have been registered on absolute grounds and, if registered, can be removed for reason of non-use. In this case, it is striking that respondent no.1 has produced no document whatsoever which would prove their use since 1957, as claimed."

mail@lexorbis.com | www.lexorbis.com

The Court added that there is not a sliver of documentation, photograph, advertisement, invoice, or other visual or documentary proof to support their assertion that they were indeed using the said mark on some goods.

"Notwithstanding the above, the rectification petition must also be assessed based on other grounds. It would be difficult not to acknowledge, countenance and recognise the huge, significant, unique reputation, goodwill and continuous use that the petitioner has in the trademark 'AMUL'. Not only is the coined word 'AMUL' distinctive for the acronym for Anand Milk Union Ltd. but also has been recognised as a well-known trademark in 2011, therefore getting protection across all classes", it observed.

Furthermore, the Court noted that the word 'AMUL' had been registered since 1956 in other classes, as well as various families of marks, both word and device, in relation to 'AMUL'.

"Regarding respondent no.1's contention of different goods, this Court does not find any merit in the said submission for the reason that the category of goods in which impugned mark has been registered includes mineral and aerated water and other non-alcoholic drinks along with fruit drinks and fruit juices. The AMUL range of products is large and expansive, and as shown by petitioner's counsel, includes the 'AMUL tru' drinks as well, aside from other drinks", it said. Accordingly, the High Court allowed the rectification petition.

73. Preserving Trademark Integrity: Delhi High Court's Landmark Ruling in Crocs Inc. vs. Registrar of Trademarks

Case: Crocs Inc vs The Registrar of Trademarks New Delhi & Anr [C.O. (COMM.IPD-TM) 779/2022 & I.A. 20390/2022]

Forum: Delhi High Court

Order Dated: April 08, 2024

Order: In a recent development on April 8th, 2024, in the case of *Crocs Inc. vs. the Registrar of Trademarks New Delhi & Anr. C.O. (COMM.IPD-TM) 779/2022 & I.A. 20390/2022*, the Delhi High Court granted rectification in favour of *Crocs Inc*. The Plaintiff diligently filed a rectification/cancellation petition under Sections 47 and 57 of the Trade Marks Act, 1999, seeking the removal of the trademark **'CROCKSCLUB'** in class 25 registered in favour of the respondent.

As far as the factual matrix goes, despite persistent and repeated attempts to serve notice on the respondent, including service on their trademark agent, no appearance before the Court has been made on behalf of the respondent. With no challenge to the petitioner's case, the Court was left to evaluate it solely on the substantial evidence provided. The petitioner's counsel emphasised the registration of the mark 'CROCS' in different forms, such as words, designs, and shapes, including registration in class 25, which solidified their argument.

The Plaintiff's counsel also presented evidence, including invoices dating back to 2007, demonstrating substantial sales of the petitioner's products, particularly footwear, across multiple locations in India, articles and online presence showing reputation and goodwill or registration of their domain name since 1996. The petitioner showcased the use of the trademark 'CROCS CLUB' in conjunction with their product, Crocs Footwear, with accompanying visual evidence. Additionally, the use of 'CROCS CLUB' on prominent social media platforms like Facebook and Instagram.

The Court acknowledged previous cases where rectification was granted in favour of the petitioner when the respondent didn't appear. The petitioner based their arguments on Sections 11(1), 47, and 57 of the Act, focusing on the lack of use of the impugned trademark by the respondent and the similarity between the marks. Given the well-established reputation of the petitioner's 'CROCS' products and the resemblance between the marks, the Court, in light of the evidence provided, ordered the removal of the 'CROCKSCLUB' trademark from the Register of Trade Marks. The Registrar of Trade Marks was directed to execute the removal within six weeks from the date of the order. This court decision represents a significant triumph for the petitioner, affirming their legal entitlements and emphasising the critical importance of safeguarding their brand from potential confusion or association with similar trademarks.

The High Court of Delhi's decision in the case of Crocs Inc. vs. Registrar of Trademarks exemplifies a balanced approach to rectifying trademark registrations to safeguard against dilution and misrepresentation in the marketplace. It reflects a commitment to upholding the principles of fairness, equity, and protection of intellectual property rights in commercial disputes.

74. Dominos IP Holder LLC & Anr v. M/S Domino Pizza & Ors

Case: Dominos IP Holder LLC & Anr v. M/S Domino Pizza & Ors [CS(COMM) 303/2024, I.A. 8133/2024]

Forum: Delhi High Court

Order Dated: April 09, 2024

Order: In the ever-evolving landscape of intellectual property rights, clashes over trademarks are not uncommon. One such clash that has garnered attention is the legal battle between Dominos IP Holder LLC & Anr and M/S Domino Pizza & Ors. This case, currently unfolding in the halls of justice, pits two giants in the pizza industry against each other, raising crucial questions about brand identity, market competition, and the protection of intellectual property.

The Background

Dominos IP Holder LLC (**Plaintiff 1**), a heavyweight in the global pizza arena, has diligently cultivated its brand since 1996 in India, crafting a reputation synonymous with quality and reliability. Teamed up with Jubilant Food Works Limited (**Plaintiff 2**), the company has solidified its position as a market leader, serving up piping-hot pizzas to discerning tastes worldwide. On the other side of the legal battlefield stands M/S Domino Pizza & Orson Wells (**Defendant 1**), a newer entrant with its own vision for capturing a slice of the pizza pie market.

At the heart of the dispute lies the contention over trademark infringement and unfair competition. Dominos IP Holder LLC alleges that M/S Domino Pizza & Orson Wells has engaged in practices that not only mimic their branding but also create confusion among consumers. The Plaintiff contends that Dominick Pizza not only used the name “DOMINICK PIZZA” but also replicated the Plaintiff’s registered trademarks, specifically “CHEESE BURST” and “PASTA ITLAIANO,” for their own food offerings, thus faces accusations of capitalising on the goodwill and reputation built by Dominos over the years.

mail@lexorbis.com | www.lexorbis.com

The pre-litigation mediation was also attempted by the Plaintiffs on **4 April 2022,** which had to be closed as a non-starter as Defendant 1 failed to attend the mediation sessions. However, as a consequence thereon, Defendant 1's website, www.dominickpizza.com, was pulled down. In these circumstances, the plaintiffs were under the impression that Defendant 1 was discontinuing its activities.

It was only in June/July 2022 that the Plaintiffs came to know that Defendant 1 was continuing its activities over the online food ordering platform Zomato. The plaintiffs have also placed on record a complaint by a customer, Nitin Warikoo, on Google reviews, on which the customer complained of having been confused between Defendant 1 and the Plaintiffs because of the use of a deceptively similar name. As a result, the Plaintiffs have filed a suit seeking permanent injunctions and damages.

On August 29, 2022, the Court granted an ex-parte interim injunction against Defendant 1, thereby quickly stopping them from using the disputed trademarks and logos, emphasising the possible damage to Respondent's brand reputation. Defendant 2, GoDaddy, being the Domain Name Registrar of www.dominickpizza.com and www.dominickpizzas.com was also directed to block/suspend the said domain names. The Defendants, seemingly aware of the compelling evidence against them, opted not to attend the court proceedings. Considering the lack of cooperation, the Plaintiffs requested a summary judgment to streamline the legal process and save the court's resources.

Delhi High Court's Insightful Observation

The Delhi High Court, in its comprehensive judgement, thoroughly examined the evidence and legal precedents. Relying on the landmark case of ***Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*** and ***K.R. Chinna Krishna Chettiar v. Shri Ambal and Co,*** the court emphasised that when the similarity between marks is evident, no further evidence is required to establish infringement.

The court examined the potential by citing the Pianotist Test for confusion arising from Dominick Pizza's utilisation of trademarks such as "CHEESE BURST" and "PASTA ITALIANO." Although there are some slight differences, the general impression of these marks is remarkably similar to Domino's trademarks. This could potentially confuse consumers and pose a real risk. The court found that the Defendants deliberately chose the mark "DOMINICK," which clearly demonstrated bad faith to free ride on the already established Dominos. This historical reference was seen as a smart move to link the infringing entity with the well-known and respected Domino’s brand, which helped to make the case against Dominick Pizza even stronger.

The court issued a permanent injunction against Dominick Pizza, prohibiting them from using the infringing marks in a range of activities such as advertising, selling, marketing, and any use in packaging, menu cards, and advertising materials. This extensive injunction was designed to safeguard the interests of Domino’s and avoid any additional confusion among consumers. The court ruled that Defendant 1 must pay the significant litigation costs of ₹6,57,564.20, emphasising the seriousness of the infringement.

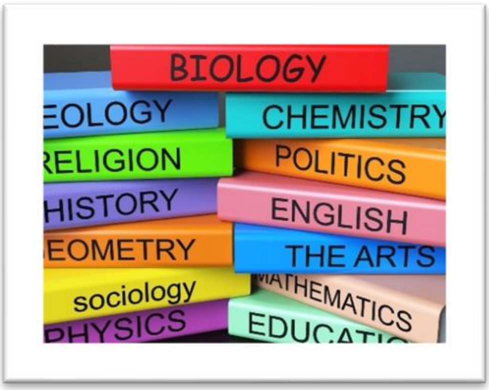
mail@lexorbis.com | www.lexorbis.com

75. Rachna Sagar Pvt Ltd vs Sovereign Mercantile Pvt Ltd & Ors: Trademark Dispute Analysis

Case: Rachna Sagar Pvt Ltd vs Sovereign Mercantile Pvt Ltd & Ors [C.S. (COMM) 304/2023]

Forum: Delhi High Court

Order Dated: April 9, 2024



Order: This case was filed by the Plaintiff seeking inter-alia permanent injunction restraining the Defendant Nos. 1-3 from passing off the trademark “RACHNA SAGAR” and their device mark “ ". In I. A 9200/2023, upon finding a prima facie case, the court vide order dated May 12, 2023, granted an ex-parte ad-interim injunction in favour of the Plaintiff restraining Defendants No.1 and their directors (including Defendants No.2-3) from using the marks “RACHNA SAGAR”/” ". Defendants No1-3 have filed I.A. 17021/2023 seeking vacation of the ad-interim ex-parte injunction order.

Plaintiff’s Contentions

The Plaintiff was incorporated as a company on January 1, 1996, and is now engaged in publishing school textbooks. Plaintiff conceived and adopted the tradename/ mark "RACHNA SAGAR" and device mark " " in 1996 as an essential feature to be used in connection with their business of publication of books. With 27 years of extensive use of the said trademarks through widespread advertisements, the Plaintiff's marks have gained a formidable reputation in the market. Plaintiff also has an online presence and operates through their website- www.rachnasagar.in.

The plaintiff applied for registration of the device mark "RACHNA SAGAR" on November 29, 2021, bearing application no. 5226218, in class 16, and the same is pending registration. Nonetheless, the Plaintiff is the registered proprietor of the trademark "TOGETHER WITH CBSE PARIKSHA" registered on November 27, 2007, bearing registration no. 1624801 in class 16. The plaintiff also has an independent common law right concerning the trademark " ", as the same has been used by the plaintiff since 1996.

The plaintiff contended that Defendant No.1, a company operating in a similar business domain, has registered a mark " " under questionable circumstances, prompting the Plaintiff to file a rectification petition. Plaintiff alleged that Defendant No.1's registration is based on forged documents and lacks authentic evidence of prior usage.

The plaintiff further contended that, given the overlapping nature of their businesses, this could lead to confusion and deception among consumers and industry members.

Defendant's Contentions

Defendant No.1 asserted ownership of the Impugned mark, benefiting from a statutory presumption of its validity. They argued that the mark was honestly adopted and held seniority due to its use by predecessors dating back to 1995. "Rachna Sagar" was initially used by a family-run company, Rachna Prakashan Pvt. Ltd., incorporated in 1995, where Mr. Mukesh Gupta played a pivotal role. Under Mr Gupta's direction, the mark gained significant recognition through published works and subsequent expansions into partnerships and corporations, including Sovereign Mercantile Pvt. Ltd. and May Flower Avantika Publication Pvt. Ltd. It was contended that all entities using the mark did so with Mr Gupta's authorisation.

Defendant No.1 challenges the Plaintiff's claims by highlighting inconsistencies in their actions. They point out that Plaintiff, in response to objections during trademark application, asserted that their mark was distinct from Defendant No.1's, suggesting no likelihood of confusion. This contradicts the Plaintiff's current stance of alleging confusion and deception. Additionally, Defendant No.1 questions the validity of Plaintiff's evidence, arguing that Plaintiff failed to demonstrate substantial use of the "Rachna Sagar" trademark in the relevant period and that the term was primarily used as a tradename, not a trademark.

Defendant No.1 asserted lawful adoption and continuous usage of the Impugned mark since 1995, backed by Mr Mukesh Gupta's involvement across various entities. They challenged the Plaintiff's assertions of confusion and deception while questioning the foundation of the Plaintiff's passing off claim due to alleged deficiencies in demonstrating goodwill and reputation associated with the "Rachna Sagar" trademark.

Court's Analysis and Decision

The Court examined both parties' arguments. Despite lacking official registrations, Plaintiff claims common law rights over the trademark " " due to continuous use since 1996, alleging passing off by Defendants Nos. 1-3. While acknowledging the deceptive similarity between the two logos, the Court scrutinised their designs.

The Court noted that the Plaintiff's logo, with its unique stylised 'r' and distinctive colour scheme, has gained distinctiveness over time. In contrast, Defendants No.1-3's logo bears a striking resemblance, potentially leading to consumer confusion, especially as they operate in similar markets.

The Court stated that Defendants Nos. 1-3 asserted the use of the Impugned mark since 1995, supported by digital copies of books. However, the Court questioned the authenticity of these copies and highlighted the lack of original printed books, casting doubt on Defendants' claims of continuous use and succession and emphasising the necessity of concrete evidence to establish trademark rights. Additionally, discrepancies arise as the evidence provided belongs to entities other than Defendant No.1, further weakening their case.

On the other hand, the Court noted that the Plaintiff presented evidence of their prior use of the trademark, including invoices and original books bearing their mark. This, coupled with their registered trademark since 2007, challenges Defendants' claim of prior use.

The Court concluded that the Defendants' adoption and use of the Impugned marks amount to passing off, confirming the injunction order while awaiting further trial proceedings for a definitive conclusion.

76. Shield of Passing Off when Both Trademarks are Registered

Case: Malcom India Limited vs. Shanthi Udyog Weldsafe Pvt. Ltd and Ors [CS(COMM) 85/2024 & I.A. 5877/2024]

Forum: Delhi High Court

Order Dated: April 10, 2024

Order: In a suit filed by Malcom India Limited, the Delhi High Court explored the legal complexities regarding passing off and trademark infringement, focusing on Section 28(3) of the Trade Marks Act, 1999. The Plaintiff, Mallcom India Limited, is primarily engaged in the business of manufacturing safety shoes under the trademark "TIGER," for which they secured several registrations as early as 2010. The Plaintiff alleged that the Defendant had obtained registration for their trademark "CDTIGER" / C D TIGER in a dishonest and unlawful manner by adopting the dominant elements of the trademark, making it deceptively similar to the Plaintiff's prior registered trademark "TIGER". The comparison is as shown below:

Plaintiff's mark	Defendant's mark
TIGER (wordmark) TIGER TIGER	C D TIGER

The Plaintiff contended that in spite of the stylisation and addition of the letters "C" and "D", the overall impression created by the Defendant's trademark is, in essence, the same, which would create confusion amongst consumers as they identify the trademark "TIGER" as the Plaintiff's, making it a fit case for infringement and passing off. The Defendant, in response, took the shield of honest adoption and claimed that letters "C" "D" was bonafidely adopted as it represents the initials of the Defendants father, and that "Tiger" was an homage to the Defendant's roots in West Bengal. They further claimed that the word TIGER is a commonly used term and has become generic, a defence that was also used by Plaintiff in their own submissions to the Registry.

With respect to the issue pertaining to deceptive similarity, the Hon'ble Court held that the dominant element of the Plaintiff's trademark- "TIGER" is entirely present in the Defendant's subsequently adopted trademark. Hence, it is likely that consumers will mistakenly associate the Defendants' products with the Plaintiff's, which could potentially cause confusion and dilution of the Plaintiff's trademark. The mere addition of the letters "C" and "D" will not improve the overall resemblance that it creates.

Section 28(3) – Proprietors of registered trademarks do not have exclusive rights against each other.

In the present case, despite the Defendant holding a registration for their trademark, the Plaintiff has sought trademark infringement and passing off on the basis of prior adoption. Considering the same, the provision under Section 28(3) of the Trademarks Act,1999 would be invoked. The provision is as follows:

(3*) Where two or more persons are registered proprietors of trade marks, that are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor*.

A reading of Section 28(3) provides that if two registered marks are identical or deceptively similar to each other, the registered proprietors will not have any exclusive rights against each other, and both proprietors will be equally entitled to use the mark. The Court, as directed by this provision, recognised the registration secured by the Defendant.

Therefore, the claims of trademark infringement by the Plaintiff would not hold. However, the mere registration of a trademark does not immunise the registered proprietor from passing it off. In support of this, there have been instances wherein the Courts have acknowledged the common law remedy of passing off available even to a registered proprietor against another registered proprietor of a similar or identical mark.

The Hon'ble Court had unambiguously acknowledged that the Plaintiff is the prior registered proprietor of the trademark "TIGER", which was supported with evidence by way of expenditure on marketing and invoices from as early as 2006 they had furnished before the Hon'ble Court. In light of the same, the Hon'ble Court held that the arguments put forth by the Defendant was not maintainable and that the Defendant ought to have exercised due diligence and a thorough market search before employing the trademark "CD TIGER".

The Hon'ble Court concluded that Plaintiff, being the prior adopter of the trademark, has earned goodwill and reputation due to the continuous and extensive usage over the years, thereby making the subsequent adoption of Defendant's trademark *malafide* and dishonest. It was held that all the elements of the trinity test for passing off are met and that should an injunction not be granted, it would cause irreparable damage to the reputation of the Plaintiff's mark, as it is deceptively similar and will, in all likelihood, cause confusion amongst consumers.

In conclusion, the case highlights the issues involved in trademark disputes, especially involving both trademarks that are registered, the importance of prior registration and the burden of proof in order to establish a strong case for passing off. Consequently, the injunction Order was passed against the Defendant and was directed to restrain from selling, marketing, and dealing in products bearing the registered trademark "CDTIGER", and any use thereof would amount to passing off. They were also directed to deplete the existing stock within 4 weeks of issuance of the Order and take down their domain name www.cdtiger.com.

77. Hershey's vs Atul Jalan - Scope of '*First Sale*' Doctrine in Trademark Infringement

Case: The Hershey Company vs Atul Jalan [CS(COMM) 780/2023, I.A. 21399/2023, I.A. 21401/2023, I.A. 24575/2023]

Forum: Delhi High Court

Order Dated: April 15, 2024

Order: Hershey's sought an injunction as they alleged that Atul Jalan had been selling expired Hershey's chocolates by re-packaging them, which presented a considerable risk to public safety and health. The plaintiff alleged that Atul Jalan had knowledge of the trademarks as well as the packaging of the brand but was still blatantly copying them. They also misrepresented the chocolates as their own. The Court found that the nature of the allegation was serious and granted an interim order in favour of the plaintiffs, along with which they appointed Local Commissioners to seize the expired goods.

Via the interim order, they also directed the Food Safety and Standards Authority of India (FSSAI) to conduct a thorough inspection of perishable goods and ensure that they were not sold further. The Court observed that if the goods were sold, they would cause irreparable damage to the company's prestige and to the public at large.

The Local Commissioners found various expired products of Hershey's chocolates and confectionaries which had not been returned. The defendant did not have the license issued by FSSAI to sell or resell Hershey's products. Moreover, the defendant was hesitant and uncooperative, did not share crucial information like the source of products and financial transactions, and had discrepancies in the history and scope of their business, especially concerning selling food items.

The condition of the products that were found was worn and torn, and their manufacture and expiry dates had either been altered or covered. They found several discrepancies in the pricing of the packages and found that some had their prices altered. In some packages, only the manufacturing dates were present. The packaging had been re-taped, and many had the same lot numbers for different batches of Hershey’s chocolates. The stock of expired products was egregious, and chemicals had been used to wipe off details of the products/ chocolates. Upon asking the defendants, Mr. Atul Jalan and Mr. Mridul Jalan, if they knew that these labels were false and were affixed on top of the original label- they maintained their claim that they had no idea about the same, and sold whatever they received from the unidentified supplier- "AS- IS".

The FSSAI intervened, and the Deputy Director/Central Licensing Authority, FSSAI, took action to seal the defendant's premises due to the large quantity of expired stock and unlicensed operation. Under the Food Safety and Standards Act, an order was made to ensure that none of the products left the unlicensed premises.

Several boxes were found at the second premises, all expired. Some of these boxes were on display, and the others remained unopened. It was also found that the products had new information labelled, including MRP, expiration date, and manufacturing date. This premise was also being operated without a license post, and a show-cause notice was served to the store manager. A discrepancy with respect to the invoices was also found, which indicated that some products had already been sold or were missing. The summary report of the Local Commissioner showed that the stock of the expired products with the defendant was not limited to Hershey's, but it included other brands as well.

The Court, via another order on 10th November 2023, provided a special mandate to the officers of the Department of Food Safety, GNCTD, and FSSAI, which authorised them to seize all expired products, seal the premises in case a large quantity of expired products was found, and directed them to furnish a report within a week after visitation of the premises. The Court further asked that a complaint be registered with the local police station and issued a non-bailable warrant. These Non-Bailable Warrants were then suspended via another order, and the Counsel for the defendant undertook that his client, Atul Jalan, would be present for all the hearings henceforth. The Court directed Atul Jalan to provide details of the source from where they procured these expired products so that any third party involved in similar practices could be investigated and booked.

The Court found that while the present suit was only related to Hershey's, it showcased a bigger problem involving the sale of expired products with new and fake expiry dates running systematically and rampantly. It also appeared that many of the sales and purchases of such expired products were happening on e-commerce platforms, and FSSAI could not file cases and take them up urgently. This was beyond the scope of the present commercial suit but required urgent consideration. Hence, the Court also directed the Crime Branch of the Delhi Police to conduct a detailed investigation into the matter and place the findings in front of the Court.

What remained shocking amidst all this was the stand of the Defendants; they opposed the injunction, claiming that the seized goods were legitimately purchased from a third party. To support this, they submitted invoices as evidence of such purchases. Moreover, they argued that any compliance issues, such as the presence of expired or relabelled products, should be attributed to the supplier rather than to the defendant themselves.

Court's Verdict

While confirming the ad interim injunction, the Court made certain scathing remarks/ observations regarding the defendant and its conduct. At the outset, the Court believed that the defendant's stand of unknowingly purchasing infringing goods from a third party does not absolve them of liability and legal consequences arising from the fact that the counterfeit goods were found at their premises. To defend their position effectively, they must establish the legitimacy of their sources and demonstrate that they conducted due diligence both before and after acquiring the goods to mitigate their liability.

The burden of proof rests squarely with the defendant to ensure their supply chain is transparent and accountable. Simply possessing an invoice is insufficient, especially when confronted with compelling evidence of product tampering and expiry date falsification. The Court went on to state that their attempt to redirect liability to the third-party supplier from whom they allegedly purchased the products would be of no avail as the use of the plaintiff's trademark on altered products would prima facie constitute infringement, as the same falsely suggests that the expired product is produced and sold by the plaintiff.

The Court further elucidated the "first sale" doctrine, under which subsequent sales of the unaltered, genuine articles typically do not constitute trademark infringement because they do not introduce any confusion regarding the origin of the product. However, if a reseller alters a genuine article in a way that could mislead consumers, such as by changing expiration dates, then this would undeniably create confusion about the source and quality of the goods.

Such actions can be seen as creating a "materially different" product, which can fall outside the protection of the first sale doctrine and infringe upon the trademark. In these cases, consumers might believe they are buying a product that is backed by the original manufacturer's reputation and assurances when, in fact, they are not. Such misrepresentation has the potential to damage the plaintiff's brand reputation while also deceiving consumers and endangering public health. Such circumstances justify the grant of an injunction to prevent further misuse of the plaintiff's trademark and protect consumer safety.

The multi-faceted approach taken by the Court in this particular case is remarkable, to say the least. As the suit progressed and shocking details regarding the misconduct of the Defendants came to light, the Court did not shy away from taking *suo moto* action and involving the relevant agencies along with enforcement authorities to ensure that the perpetrators were reprimanded for their wrongdoings, especially since their acts could have an effect on the health and safety of the consumers at large.

78. Analysing Delhi High Court's Decision on the Issue of Return of Plaint Due to Lack of Jurisdiction

Case: Jabir Hussain Trading as MS Hakeem Hotel v. Ali Asgar trading as MS Hakeem restaurant [RFA(COMM) 88/2024]

Forum: Delhi High Court

Order dated: April 15, 2024

Order: In an appeal filed by Jabir Hussain Trading as M/S Hakeem Hotel trading as M/S Hakeem Hotel ("Appellant"/ "Plaintiff") v Ali Asgar trading as M/S. Hakeem Restaurant ("Respondent"/ "Defendant"), the Delhi High Court examined the question of whether a plaint returned under Order VII Rule 10 of the Code of Civil Procedure,1908 ("CPC") is required to be examined solely on the basis of the averments made in the plaint and the documents filed by the plaintiff. The Delhi High Court, on 15th April 2024, held that for the purpose of Order VII Rule 10 of the CPC, only the averments made in the plaint are required to be examined, and the suit was restored before the Commercial Court for further proceedings.

In this case, the appellant appealed to the Delhi High Court after the Commercial Court, vide its order dated 9th November 2024, returned the plaint filed by the appellant on the ground that the Court did not have the territorial jurisdiction to entertain the suit. The appellant sought a permanent injunction restraining the respondent from infringing and passing off its trademarks. The appellant claimed to be the proprietor of the registered trademarks "HAKEEM HOTEL" and "HAKEEM FOODS" under classes 29, 30 and 43, which have had user details since 1971.

mail@lexorbis.com | www.lexorbis.com

The appellant submitted that the respondent opened a restaurant in Bhopal, Madhya Pradesh, called “HAKEEM RESTAURANT” and adopted the trademark “HAKEEM RESTAURANT," keeping in view the immense goodwill garnered by the respondent.

The appellant claimed that the respondent is planning to market and network to operate a physical restaurant/ franchisee in North Delhi. For this purpose, it is actively networking in Pitampura, Shalimar Bagh, Sultanpuri, Khera Kalan, Khera Khurd, North West Rohini, and North Rohini. Further, any customer could book a table at the respondent’s restaurant by using the interactive site from Delhi, and other food delivery service providers are also accepting orders for delivery of cooked food from the respondent’s restaurant.

The Commercial Court examined the question of whether the interactive sites for booking a table or delivery of cooked food could give rise to cause of action in respect of a restaurant operated in the city of Hyderabad and held that the same was covered by the decision of the Delhi High Court in the case of Impresario Entertainment & Hospitality Pvt. Ltd. v. S&D Hospitality: 2023:DHC:3919, wherein it was held that mere interactivity of the website in the forum State did not attract its jurisdiction. Accordingly, the learned Commercial Court returned the appellant's plaint.

The respondent argued that trademarks referred to by the appellant are not registered in favour of the appellant. The trademarks claimed by the appellant are under objection, and the registrations have not been granted. The appellant submitted that the said trademarks are registered in favour of the appellant, and rectification applications have been filed, which are pending.

The main question in this case was whether the plaint returned under Order VII Rule 10 of the CPC is required to be examined solely on the basis of the averments made in it and the documents filed by the plaintiff.

The Delhi High Court referred to the observations of the Supreme Court in the case of Exphar SA & Anr. v. Eupharma Laboratories Ltd. & Anr, and M/s RSPL Ltd. v. Mukesh Sharma & Anr., wherein it was held that a plaint returned under Order VII Rule 10 of the CPC is required to be examined on the basis of the plaint and the documents filed by the plaintiff and without considering the defence raised by the defendant.

Referring to the above principles, the Delhi High Court, in this case, pointed out that the cause of action for the present suit first arose in September 2023 when the plaintiff came to know about the existence of the defendant's restaurant under the impugned marks. The cause of action is a continuous one and continues to subsist till such time the defendant is restrained by an order of injunction passed by this Hon'ble Court from using the marks HAKEEM/HAKEEM RESTAURANT any other mark which is deceptively and confusingly similar to the plaintiff's marks HAKEEM HOTEL, HAKEEM FOODS. The cause of action is arising within the territorial jurisdiction of this Hon'ble Court as the defendant is offering its goods/services through various third-party e-commerce websites/portals/apps viz. Zomato, Swiggy, etc., are well within the territorial jurisdiction of this Hon’ble Court.

The Court also heavily relied on the case of M/s. Allied Blenders & Distillers Pvt. Ltd. v. Prag Distillery Pvt. Ltd. & Anr.: 2017 SCC OnLine Del 7225, wherein there were no averments in the main pleadings, which indicate that any cause of action had arisen in the territorial jurisdiction of Delhi. However, in the paragraph setting out the cause of action, the plaintiff had expressed an apprehension that the defendant would launch the product in Delhi. It was pointed out that substantiation of an averment in a plaint by other material would come later. At the stage of filing the plaint, it is only the averment that has to be made with regard to a material fact, and substantiation is a part of the evidence.

The Court opined that the above case covers the controversy involved in the present case. Accordingly, it was held that the defence raised by the respondent cannot be looked into at the threshold stage for returning the plaint on account of lack of territorial jurisdiction. The question of whether a plaint is required to be returned under Order VII Rule 10 of the CPC is required to be examined solely on the basis of the averments made in the plaint and the documents filed by the plaintiff. Consequently, the order of the Commercial Court was set aside, clarifying that the rights and contentions of the parties were reserved and that the suit before the Commercial Court was restored.

79. Due Process of Law Must be Followed by the Registrar While Examining Requests for Recordal of New Proprietor in Trademark Register

Case: Electronica India Ltd. vs Electronica Hi-Tech Machines Private Limited [Commercial Miscellaneous Petition no. 47 of 2022]

Forum: Bombay High Court

Order dated: April 15, 2024

Order: The order in the case of Electronica India Ltd vs Electronica Hitech Machines Pvt Ltd & Ors arises out of two Commercial Miscellaneous Petitions - CMP No. 47 of 2022 and 51of 2022 filed by the petitioner against the Trademark Registry, Mumbai, for bringing on record the name of the respondent as subsequent proprietor of the mark ELECTRONICA based on their request filed by way of Form 24. The matter arose before the Mumbai High Court, which admitted the plaint to be registered as a suit.

Background

Electronica Hitech Machines Pvt Ltd had moved two Form-24 Applications before the Trademark Registry, Mumbai, to record their name as the subsequent proprietor of the trademarks bearing nos—1313395 and 1313396, which were earlier registered by the partnership firm M/s Electronica since 2004. In 2011, all three partners of the firm M/s Electronica became directors of Electronica Hitech Machines Pvt Ltd when the firm was converted into a Company under the Companies Act. Consequently, Electronica Hitech Machines Pvt Ltd claimed ownership of the trademarks mentioned above.

The petitioner, who uses the tradename Electronica India Ltd, also wanted to register the mark ELECTRONICA and challenged the respondent's use of Electronica in a case instituted in the district court of Pune. In the meantime, in the recordal of name proceedings before the Registrar at Mumbai, the respondent filed

mail@lexorbis.com | www.lexorbis.com

a false affidavit in which they did not disclose the fact that the petitioner had filed any such case disputing their right to use the name ELECTRONICA.

The petitioner, pursuing the matter in Pune court, learned that the Trademark registry in Mumbai had entered the name of the respondents as the owner of the two registered trademarks as successor in interest vide order dated January 25 2018. However, when the petitioner, by way of an RTI application, asked for a copy of the order dated January 25, 2018, by which the name of the respondent was put on record, he was given a communication dated May 18, 2018. On further, on examining the records, it was found that there were two versions of the Letter dated May 18, 2018 and even had two different signatures on them. The petitioner questioned the logic behind multiple orders being passed against the same request of the respondent by the Registry. All these discrepancies prompted the petitioner to file the two instant writ petitions before the High Court seeking the removal of the name of the respondent, which had been recorded by the Registrar of Trademarks.

On the part of the Respondents, Mr. Kamath argued that on the conversion of the Partnership firm to a company under Part IX of the Companies Act, the assets of the partnership firm were automatically transferred to the Respondent company as successor in interest, and there is no transfer taking place since there is no transferor or transferee. As such, there is no need for any instrument or document to cause or substantiate the transfer. As such, the transmission is by operation of law and not through any agreement or transfer deed. Thus, when an application is made under Section 45 of the Trademarks Act, there is no requirement to examine any other documents to record the name of the company in place of the partnership firm. Just the Certificate of Incorporation of the Company is sufficient to establish the existence of the successor in the interest of the partnership firm. Accordingly, the Registrar was right in recording the name of the respondent as the new owner of the two trademarks.

He further argued that if the Registrar did not record the company's name as the subsequent proprietor, then the marks would exist in a vacuum as the Partnership Firm no longer exists and has been converted into the Respondent Company in terms of the procedure under Part IX of the Companies Act. Thus, if the order is set aside, the respondent will suffer real prejudice.

After duly considering the arguments put forward by both parties, the learned judge opined that the recordals of the name of the Respondent Company in place of the erstwhile Partnership Firm could not be considered an automatic transfer. The Registrar had asked the Respondent company to furnish an affidavit regarding any disputes with respect to the Trademarks in question, but the Respondent Company did not disclose the dispute going on with the petitioner herein.

Further, the petitioner had also tried to approach the Registrar independently, but his submission was not taken on record. Above all, there is no Speaking Order by the Registrar that can suggest that these aspects have been duly examined and deliberated upon before passing the order to bring the name of the Respondent Company on record.

As such, the Hon'ble Judge disposed of the petitions by ordering that the recordal of the name of the Respondent Company in the register of Trademarks as the subsequent owner of the impugned trademarks stands cancelled, and the Registrar shall examine the case afresh, taking into account all aspects such as the outcome of the case before the Pune District Court and the appeals in the matter which have been filed against the orders of the Pune District Court.

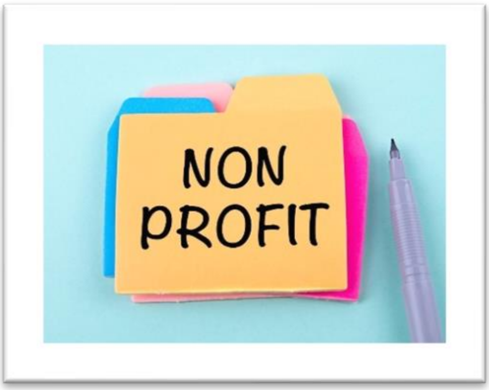
The Registrar shall examine the dispute pertaining to ownership of the trademarks from the beginning and give the petitioner an opportunity to express his reservations against the recordal of the name of the respondent company. After duly examining all the points, the Registrar shall issue a Speaking order duly recording the reasons for the decision to register the name of the petitioner or the respondent herein, which will conform with Section 45 of the Trademarks Act 1999. Both the petitions were disposed of by this common order without any order regarding the costs of litigation.

80. In Defence of Identity: Heifer Project International's Legal Victory

Case: Heifer Project International v. Heifer Project India Trust, [CS(COMM) 542 of 2018]

Forum: Delhi High Court

Order Dated: April 23, 2024



Order: Heifer Project International-Plaintiff filed a present suit seeking a permanent injunction against the defendants, thereby preventing them from using any trademarks and logos that were deceptively similar or nearly identical to the plaintiff. Delhi High Court opined that the present case was a classic 'triple identity' instance.

The impugned trademarks, as were the areas of operation, and the segments of the public they targeted were nearly identical. Therefore, the defendants' use of these nearly identical and deceptively similar marks was certain to cause deception and confusion among the public.

Thus, the Court opined that the defendants' continued utilisation of the 'Heifer' mark post-revocation constituted a clear violation of the plaintiff's intellectual property rights. Accordingly, the Court granted a decree of permanent injunction restraining Defendant 1 or any other person acting for and on their behalf from infringing the plaintiff's trade mark or any part thereof and/or any other name that was deceptively similar to the trade mark 'Heifer' and/ or the leaping device  /  or any other deceptively similar trade mark.

Background

In 1953, the plaintiff was incorporated as a non-profit corporation under the Arkansas Non-profit Corporation Act of 1993. Originally, the plaintiff was incorporated under the laws of the State of Indiana, USA and was the surviving corporation following a merger between HPI, Inc. and Heifer Project International, Inc. in 1997. The plaintiff conducted several projects in over 51 countries, including India, and carried out various charitable projects, including disaster rehabilitation, environmental protection, peace, etc.

In 1953, the plaintiff adopted a unique and uncommon word, 'Heifer', as its corporate name and continued to use the same uninterruptedly in connection with its trade names, corporate name, and trademarks. Subsequently, Plaintiff adopted two trademarks, 'Heifer International' and 'Heifer Project', regarding its activities. Further, they adopted a device mark of a leaping cow, which was placed in the left-hand top corner of the 'Heifer International' trade mark and a pictorial mark having the shapes of several animals, namely a cow, a goat, etc., in an oval device ' ’ was also used jointly with ‘Heifer International’ (collectively referred as ‘plaintiff’s marks’).

The plaintiff also held the copyright of these artistic creations, which extended globally and also within India. Further, the plaintiff registered four 'Heifer' trademarks with the Indian Trade Mark Office, ensuring comprehensive protection of its intellectual property. The said marks were granted registration during the pendency of the present suit.

Defendant 1 was a non-profit charitable trust formed on 24-12-1992, with its headquarters in New Delhi. It operated under the name 'Heifer Project—India Trust' but was widely recognised as 'Heifer Project India.' In 1997, Defendant 2 became associated with Defendant 1 after assuming the role of 'Country Director—India' and was simultaneously appointed as the 'Managing Trustee'.

Plaintiff granted Defendant 1 permission to utilise the 'Heifer' and 'Heifer Project' names and associated logos. This authorisation was contingent upon a broad agreement that Defendant 1 could employ these trademarks and logos if they operated harmoniously and cooperatively with the plaintiff's mission and facilitated the plaintiff's activities within India. In return, Defendant 1 was obligated to regularly report on the progress and financial details of the projects financed by the plaintiff.

It was contended by the plaintiff that in 2002, Defendant 2 began to deviate from his contractual obligations, showing a marked reluctance to adhere to the plaintiff’s basic requirements for reporting and accountability. Thus, his contract to serve as the Country Director for India was not extended beyond 30-06-2003. However, Defendant 2 maintained his role as Managing Trustee, during which he directed the trust's operations in a whimsical and arbitrary manner.

On 09-10-2003, Defendant, through its letter, notified Defendant 1 that it would be suspending all project funding in India. Plaintiff explicitly instructed Defendant 1 to cease the use of the 'Heifer Project' trade mark, trade name, and logo. Defendants were further instructed to return all materials, cash, and other properties belonging to the plaintiff. However, despite these instructions, the defendants persisted in their use of the plaintiff's marks.

Thus, the plaintiff contended that the defendants were infringing their registered trademarks and illegally usurping the enormous goodwill and reputation built by them since 1953. Further, the defendants had no right to use/apply for the registration of the impugned marks or to carry on any business activities thereunder.

Analysis, Law, and Decision

The Court observed that the pleadings and documents in the present case unequivocally established the plaintiff as the rightful owner and proprietor of the 'Heifer' trade mark, trade name, and corporate identity, encompassing logos and other associated marks. Further, the Court noted the objective of Defendant 1, which specifically entailed Defendant 1 working in harmony and cooperation with the plaintiff and facilitating its working in India. The Court opined that given the plaintiffs' uncontested trade mark rights and the objectives outlined in Defendant 1's trust deed, it was clear that Defendant 1's use of the plaintiff's trade marks without explicit permission constituted an infringement of those trade mark rights.

Further, regarding the defendants' reliance on their FCRA license as proof of their autonomy, the Court opined that there was sufficient evidence to show that a relationship with the plaintiff was established from the very inception of Defendant 1, and it continued for a stretch of time. Thus, the Court opined that even if it was accepted that Defendant 1 was an independent legal entity, this did not negate the fact that a relationship existed between the plaintiff and Defendant 1, which could be characterised as a licensor and licensee, specifically concerning the lawful use of the plaintiff's trademarks.

The Court opined that the present case was a classic instance of 'triple identity'. The impugned trade marks were nearly identical, as were the areas of operation and the segments of the public they targeted. Therefore, the defendants' use of these nearly identical and deceptively similar marks was certain to cause deception and confusion among the general public. The Court opined that the defendants had persistently engaged in activities that unlawfully exploited the plaintiff's reputation and goodwill. This defiance violated the agreement and also misled the public and relevant stakeholders regarding the nature of the defendant's affiliation with the plaintiff.

The Court opined that the defendants further compounded their infringement by falsely representing their relationship with the plaintiff. They insinuated to the public and stakeholders that they remained affiliated with the plaintiff, thereby undermining the plaintiff's brand/trade mark. The Court opined that the defendants lacked any legal right or justification to use contested marks or apply for registration of identical marks for conducting any business activities.

The Court opined that it was unequivocally clear that the defendants were engaged in the infringement of the plaintiff's trade mark, trade name, and corporate identity. Thus, the Court opined that the defendants' continued utilisation of the 'Heifer' mark post-revocation constituted a clear violation of the plaintiff's intellectual property rights. Accordingly, the Court granted a decree of permanent injunction restraining Defendant 1 or any other person acting for and on their behalf from infringing the plaintiff's trade mark or any part thereof and/or any other name that was deceptively similar to the trade mark 'Heifer' and/ or the leaping device / or any other deceptively similar trade mark.

The Court directed Defendant 1, or anyone acting on their behalf, to hand over to Plaintiff all goods, visiting cards, letterheads, packaging and promotional material, catalogues, stationery and any other material bearing the impugned trademarks or any other deceptively similar trade mark. Further, Defendant 1 should recall all the products, marketing, promotional and advertising materials bearing the impugned marks or any other deceptively similar trade mark.

The Court also directed Defendant 1 to deliver to the representatives appointed by the plaintiff the destruction of all products, labels, signs, prints, packages, moulds, visiting cards, letterheads and advertisements in its possession or control bearing the plaintiff's marks. The Court awarded the plaintiff nominal damages of Rs. 3,00,000 and directed Defendant 1 to pay this sum.

mail@lexorbis.com | www.lexorbis.com

81. Resemblance and Proximity: The Evidence for Deceptive Similarity and Confusion

Case: Punam Flutes v. Mahesh Chand Gupta and Anr. [C.O. (COMM.IPD-TM) 162/2021]

Forum: Delhi High Court

Order Dated: April 23, 2024

Order: The Delhi High Court recently decided on a petition to cancel a trademark due to alleged phonetic similarities and overlapping business areas. The Court, in their determination, focused on how consumers would perceive the similarity between the marks, noting that consumers tend to notice similarities more than differences.

Facts of the Case

The Petitioner, Punam Flutes, the registered proprietor of PUNAM FLUTES / PunamFlutes filed a cancellation petition against Mahesh Chand Gupta for filing PUNAM under Class 15 for musical instruments. The Petitioner stated that they had been carrying out their business since 2004 and adopted the mark PunamFlutes in 2018 by filing for applications in Class 15, 42 and 45, apart from having filed applications for POONAM, PUNAM, PUNAM FLUTES, and PUNAM FLUTES — Subhash —. They also have a copyright registration for PunamFlutes under No. A-132023/2019.

The Petitioner argued that the (i) Respondent's mark had not been used since the date of registration on November 21, 2019, (ii) the mark was deceptively similar to their own, and (iii) the mark was being used for similar goods, thereby increasing

mail@lexorbis.com | www.lexorbis.com

the possibility of confusion. The Petitioner provided evidence showing their sales began before the respondent's, arguing that the respondent's mark should be cancelled under Section 57 of the Trademarks Act, 1999.

Decision of the Court

The Court compared the marks and held that the prominent part of the Petitioner’s mark was PUNAM, while the word FLUTES and the pictorial representation were merely descriptive. This meant that the Petitioner intended for the masses to identify their products with PUNAM as the source identifier. The Court observed that the Respondent’s mark included the whole of the Petitioner’s mark and covered similar goods.

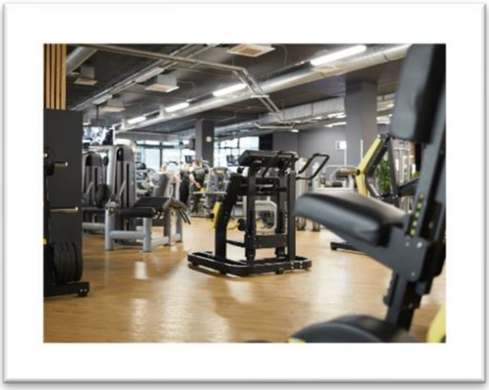
Considering the prior use of the petitioner’s mark, the likelihood of consumers focusing on overall similarities rather than details, and the identical nature of the goods, the Court concluded that the respondent’s mark "PUNAM" was likely to cause confusion. The Court held that the striking feature of the Petitioner’s mark was PUNAM and that the usage of PUNAM in identical or similar goods by the Respondent, which the Court succinctly termed as resemblance and proximity, meant that the Respondent’s registration was liable to be cancelled.

82. Trademark Tussle: Powerhouse Gym Flexes Legal Muscle in Bombay High Court

Case: Powerhouse Licensing LLC. & Anr. Vs. Anand Rai & Anr. [Commercial Miscellaneous Petition (L) NO.22068 OF 2022]

Forum: Bombay High Court

Order dated: April 24, 2024



Order: In a recent legal showdown at the Bombay High Court's Commercial Division, the fitness giant Powerhouse Gym flexed its legal muscle in a trademark dispute that underscores the value of brand recognition and intellectual property rights in the fitness industry.

The case, filed as a Commercial Miscellaneous Petition with Interim Application, pits Powerhouse Licensing LLC. & Anr. as the petitioners against Anand Rai & Anr. as respondents. The petitioners sought relief under Section 57 of the Trademarks Act, 1999, aiming to rectify, cancel, and remove the respondent's trademark "POWERHOUSE GYM" from the register of trademarks.

The crux of the petition lies in the petitioners' claim of being the rightful proprietors of the "POWERHOUSE GYM" label. With a legacy dating back to 1974, Powerhouse Gym has grown into one of the most esteemed health club organisations globally, boasting over 300 licensees across 39 states in the USA and expanding its reach to 20 countries worldwide.

Petitioners emphasised their extensive use and promotion of the "POWERHOUSE GYM" marks through trademark registrations and common law rights acquired over decades of exclusive usage. Notably, the petitioners also hold copyrights for the artistic layout and design of the POWERHOUSE GYM logo.

The legal battle escalated when the petitioners discovered a competing gym operating under the name "POWERHOUSE GYM" in Dahisar, Mumbai. Further investigation revealed that the respondent, Anand Rai, owned a Facebook page featuring images bearing the petitioners' trademarked logo.

Despite repeated attempts at service, the respondents failed to appear, strengthening the petitioners' claim of trademark infringement and misappropriation of their brand identity.

In a significant victory for Powerhouse Gym, the Bombay High Court granted interim relief, staying the effect and operation of the respondent's trademark registration pending further proceedings. The court's decision underscores the importance of safeguarding intellectual property rights and upholding the integrity of established brands in the competitive fitness industry.

With the petition now admitted and scheduled for a further hearing on July 3rd, 2024, the legal battle between Powerhouse Gym and its challengers continues, highlighting the enduring significance of brand protection in the modern marketplace.

83. Delhi High Court Finds No Case of Deceptive Similarity in Shivkumar Shankarrao Thakur vs Shiv Biri Manufacturing Company

Case: Shivkumar Shankarrao Thakur and Ors. V. Shiv Biri Manufacturing CO.P.LTD. and Anr. [C.A.(COMM.IPD-TM) 157/2021]

Forum: Delhi High Court

Order dated: April 24, 2024

Order: The Delhi High Court has settled a 20-year legal battle between Shivkumar Shankarrao Thakur and Shiv Biri Manufacturing Company Private Limited regarding the issue of deceptive similarity between trademarks existing in the same class. The present case stands true to the classic test of deceptive similarity by considering key determining elements of the trademark, and the Court upheld the decisions made by the Registrar and the IPAB.

The appellant initiated the present suit challenging the Order dated October 11, 2017, passed by the Registrar of Trade Marks. The Registrar had rejected the appellant's opposition to the Trademark

(TM No.1068067) filed on December 20, 2001, claiming first use since January 01, 1987.

Before this, the appellant had initiated opposition proceedings and appealed before the IPAB against another trademark of the Respondent with TM Application No. 769516, which was filed on September 17, 1997. The opposition and appeal were dismissed as they lacked grounds to be heard. This trademark was registered along with a restriction to limit the sale of goods to states such as West Bengal, Assam, Bihar, Uttar Pradesh, Punjab, Haryana, Delhi, and Rajasthan. That being the case, the appellant argued that the subsequently registered trademark must be subjected to the same restrictions. It was also argued that the respondent could not claim use from January 01, 1987, when the earlier registered trademark was filed on a proposed to-be-used basis and that claiming such user date was done in bad faith.

In response, the respondent contended that the question of imposing a geographical limitation on the subsequent trademark does not hold any merits since the rival trademarks in question are entirely different from each other to the extent that it does not necessitate any further investigation, particularly when these issues were deliberated upon in both oppositions by the Registrar and the IPAB.

As per Section 2(h) of The Trade Marks Act, 1999, the concept of deceptive similarity in trademark is defined as –

A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion.

An important factor in establishing deceptive similarity is whether the trademark is closely similar to an already existing mark such that the public with average intelligence gets confused regarding the source of the good or service. However, the Act does not give comprehensive guidelines for determining what is considered a deceptively similar trademark.

Hence, several judicial interpretations over time have helped in providing further clarity regarding the same, such as *Corn Products Refining Co. v. Shangri-La Food Products Ltd.*, Wherein the Apex Court took into consideration three main aspects, which were:

- The trademark as a whole.
- The manner in which any person of average intelligence would perceive the mark.
- The imperfect recollection any person would have while associating the trademark with the product.

In another case of *SM Dyechem Ltd. V. Cadbury (India) Ltd*., the Court focused on the aspect of "Dissimilarity" rather than the aspect of "Similarity" as a test wherein the Apex Court analysed whether:

- There was no common or unique feature that had been copied.

- The dissimilarity of the elements of the impugned trademark was enough to make the product dissimilar.
- If there were common elements, would one pay more regard to the dissimilar elements while at the same time not disregarding the common parts?

Applying the same principles, the Hon'ble High Court of Delhi concurred with the decisions of the Registrar and the IPAB in dismissing the petitions brought forth by the appellant. It was held that the subject trademark is not similar, let alone deceptively similar, to the Appellant's Trademark. The Court observed that the appellant's trademark 

/  acts as a source identifier and consists of the words 'Lawangi Biris' / Shankar Biri' along with the byline 'S R Thakur Poona City' in English and Hindi, where the packaging has a small imprint saying 'Shankar Biri' with a picture of Lord Shankar. In contrast, the impugned mark has 'No.203 Special Shiv Biri' in English and Hindi printed on the label, with a picture of the director of the company, Zakir Hussain.

Therefore, since the impugned trademark is visually, structurally and phonetically different from the Appellant's Trademark, there is no case of deceptive similarity between the marks. Further, the Court held that the elements of the impugned trademark are dissimilar when compared with the appellant's mark. When judged as a whole, the impugned trademark is unique and distinctive in itself, so it can be identified separately from other trademarks. The artistic representation in the appellant's mark, being the Lord Shiv image, has absolutely no similarity with the image represented in the impugned trademark. It should also be noted that the word elements of the rival marks are significantly different from each other, so they could not cause any confusion to the general public or members of the trade. When there are no common elements amongst the trademarks, which, when viewed as a whole, are also different from each other, the issue surrounding deceptive similarity does not arise.

It was held that the issues encompassing deceptive similarity, such as the geographical limitation and user claim, do not need to be delved into further as there is no deceptive similarity between the marks. In any case, the geographical limitation was placed for an entirely different mark, not the impugned mark, which should not act as a precedent for the subsequently adopted trademark. The Court dismissed the petition and held that a rectification at the behest of the petitioner of the respondent's mark could not be allowed.

mail@lexorbis.com | www.lexorbis.com

84. Dishonest Adoption of a Trademark: Delhi High Court Restrains Defendant from using 'TIGER/TIGER KISSAN PIPE' Trademark

Case: Mr Sanjay Arora v. Jasmer [I.A. 14318/2022 in CS(COMM) 614/2022]

Forum: Delhi High Court

Order dated: April 24, 2024

Order: In a recent ruling titled *Mr. Sanjay Arora v. Jasmer I.A. 14318/2022 in CS(COMM) 614 of 2022*, the Delhi High Court, while deciding an application under Rule XXXIX 1 and 2 of the Code of Civil Procedure 1908, restrained the Defendant Jasmer from using the mark '**TIGER**' or '**TIGER KISSAN PIPE**' or any other mark identical or deceptively similar to that of the plaintiff's registered trademark **TIGER** either as a wordmark or part a logo/device, part of trade dress, domain name, promotional campaign or brochure.

Background

The Plaintiff, Sanjay Arora, sole proprietor of M/s Arora Poly Plast, sought registration for the trademark "

" under no. 3746492 on February 6th, 2018, in Class 17, claiming use since June 17th, 2003. Thereafter, the plaintiff sought registration for the same trademark under no. 3746494 in Class 19, claiming use since June 17th, 2003. The plaintiff has also been granted copyright registration for the artistic work *vide* copyright registration no. A-129594/2019, and the first year of publication was 2003 in India. The defendant was an employee of the plaintiff, but owing to misconduct and theft committed at the office of the plaintiff, the plaintiff sacked him from his job in February 2017.

mail@lexorbis.com | www.lexorbis.com

Subsequently, the plaintiff filed a police complaint against the defendant, stating that he had committed fraud upon the plaintiff by doing business with **TIGER KISSAN PIPES** under the name '**TIGER BRAND'**. An FIR was registered against the defendant under sections 408 and 34 of the Indian Penal Code (IPC). The plaintiff stressed that the said complaint was proof enough that as of 2017, the plaintiff was already using **TIGER BRAND**, while it was applied only on May 25th, 2017. The plaintiff also issued a cease-and-desist notice to the defendant, to which the defendant replied that his mark was different from that of the plaintiff. Thereafter, the defendant filed rectification petitions against the plaintiff's registered trademarks, alleging that the word '**TIGER**' was common to trade. The defendant applied for the registration of the trademark "

" *vide* application no. 3556724, dated May 25th, 2017, in class 19 on a '*proposed to be used*' basis, which was abandoned and was not used. Thereafter, the defendant applied for the registration of the mark "

"*vide* application no. 4314765 on a '*proposed to be used*' basis, which is still in use.

The defendant argued that he applied for its mark only on a *proposed-to-be-used* basis and that the plaintiff had not used the **TIGER BRAND** since 2003, as wrongly claimed by the plaintiff, and had adopted its trademark in February 2018 only after the trademark application was filed by the defendant. The defendant stated that the plaintiff could not claim exclusivity over the word **TIGER**, and in any event, he was using a completely different trade dress for its packaging, along with the device mark. The defendant further admitted that the plaintiff had been using other marks like 'KING', 'KARTIK', 'SHERA', and 'EXPLODE' while working with the plaintiff. The defendant relied upon the invoices of the plaintiff till year 2019, claiming that they did not show the **TIGER** watermark and only post-2019 invoices showed the watermark. The defendant vehemently contended that the plaintiff had tried to fabricate its invoices and interpolated the watermark in order to show that they were actually in use.

The plaintiff, in rejoinder, countered the submissions made by the defendant, by saying that the reliance on the other trademarks containing the word **TIGER** in classes 17 or 19 is irrelevant since only five of the registered users in class 19 for the word '**TIGER**' pertain to pipes and are marginal users, and further, have been registered subsequent to registration of the plaintiff's mark. The plaintiff stated that only one mark in Class 19, i.e., '**TIGER GAON**' by the Applicant KUBER

Tobacco Products Pvt Ltd. In contrast, five marks in Class 17 were registered prior to the registration of the plaintiff's trademark.

The plaintiff placed reliance upon the decision of ***Pankaj Goel v. Dabur India Ltd*** and stated that mere citing of a trademark in the Register of Trade Marks by the defendant was not enough and that the defendant has not been able to *prima facie* prove that other users of the same brand '**TIGER**' had a significant business turnover and posed a threat to the distinctiveness of the plaintiff's mark, and that the plaintiff is not expected to sue every infringer, who does not cause an impact on its business. The plaintiff extensively placed reliance upon the CCTV footage, which was of the year 2014, which evidences that while the process of packaging its products was ongoing in his warehouse, pertaining to the brand '**TIGER**', the defendant was also present in the picture.

<u>Issue:</u>

The main issue before the Court was as to who will be considered as the prior user of the trademark **TIGER**, and who adopted it subsequently.

<u>Analysis:</u>

The Court, after perusal of the records, stated that while the plaintiff claimed use since 2003 with respect to its said trademark, the defendant filed its applications for both of its marks only on a *proposed-to-be-used* basis. The Court further observed that in support of the same, the plaintiff has placed invoices from the year 2005 onwards with the product mentioned as '**AGRICUTURE KISSAN PIPE**', which had the watermark **TIGER BRAND**'. The contentions of the defendant regarding the invoices between the years 2005-2018 produced being scattered, as they did not have the watermark, were rejected by the Court, observing that these invoices were 69 in number, and by selectively picking out invoices which do not have a watermark, the defendant cannot possibly displace the claim of use. The Court perused the video footage produced by the plaintiff to substantiate that at the time of packaging of its products under its trademark, the defendant was an employee of the Plaintiff till February 2017.

The Court, while relying upon the decisions of ***Ishi Khosla v. Anil Aggarwal, Copenhagen Hospitality and Retails and Others v. A.R. Impex and Other, ACL Education Centre Pvt. Ltd. and Another v Americans' Centre for Languages and Another*** and ***Neuberg Hitech Laboratories Pvt. Ltd. v. Dr. Ganesan's Hitech Diagnostic Centre Pvt Ltd***., held that the blatant dishonest adoption by the defendant of its mark cannot be countenanced. The Court also rejected the argument of the defendant as to the mark '**TIGER**' being common to trade and which is used by enormous users by stating that such contention will not come to the rescue of the defendant owing to the dishonest adoption of its mark. The Court further stated that the defendant has failed to produce any documents to establish itself as the prior user to the plaintiff.

Conclusion:

Based on the above analysis, the Court restrained the defendant from using its mark ‘**TIGER**’ or ‘**TIGER KISSAN PIPE/** “

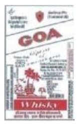
” or any other mark identical or deceptively similar to that of the plaintiff's registered mark '**TIGER**’. Additionally, the Court stated that the defendant must ensure that all existing packaging and promotional material shall be discontinued/withdrawn from distributors/vendors/sales force within a period of 3 weeks.

85. The Spirit of Smoothness Contested: A Legal Battle over Trademark Rights in the Liquor Industry

Case: Great Galleon Ventures Limited vs Champa Prema Tandel [CS(COMM) 343/2023]

Forum: Delhi High Court

Order dated: May 01, 2024

Order: In the commercial litigation case of Great Galleon Ventures Limited vs Champa Prema Tandel Sole Proprietor of Dharmesh Distillery & Anr, having Order dated May 1, 2024 (CS(COMM) 343/2023 & I.As., 10180/2023, 21479/2023, 2032/2024), the plaintiff brought allegations of trade mark infringement, passing off, and copyright violations related to the mark "GOA SPIRIT OF SMOOTHNESS" / 

and its variations. The plaintiff sought to restrain Defendant No. 1 from using the label "GOA BEACH SPIRIT OF SMOOTHNESS," / 

which it argued is confusingly similar to its own trade mark and trade dress.

Great Galleon Ventures Ltd., a subsidiary of the Kedia Group and a significant producer of Indian Made Foreign Liquor (IMFL), holds multiple trade marks, including "GOA" and "GOA SPIRIT OF SMOOTHNESS". The plaintiff asserted that Defendant No. 1 had infringed these trade marks by marketing whiskey under the label 

/ "GOA BEACH SPIRIT OF SMOOTHNESS," which they claim closely resembles their own 

. This case also addresses two applications: one for condonation of delay in filing the written statement by Defendant No. 1 and another seeking to vacate the ex-parte ad-interim injunction granted in the plaintiff's favour.

Regarding the application to vacate the ex-parte injunction, the plaintiff alleged that Defendant No. 1's use of "GOA BEACH SPIRIT OF SMOOTHNESS" constitutes trade mark infringement and passing off. To prove its own superior common law rights in the relied on trade mark, the plaintiff provided evidence of its use of the "GOA" and "GOA SPIRIT OF SMOOTHNESS" marks since 1992 and 2003-04, respectively, and presented substantial sales and market presence as proof. The plaintiff contended that the defendant's use of the mark would lead to consumer confusion, thus amounting to trade mark infringement and passing off.

Defendant No. 1 claimed to have adopted the impugned mark in 2004, inspired by the cultural heritage of Goa, Daman, and Diu, and reintroduced it in 2013. It argued that its operations were confined to Daman and Diu and that its product packaging differed significantly from the plaintiff's. Additionally, Defendant No. 1 argued that the plaintiff's delay in filing the suit should preclude any interim relief and also contested the jurisdiction of Delhi courts, asserting that its operations were limited to Daman and Diu.

The Court undertook a thorough comparison of the labels 

and 

, and concluded that Defendant No. 1's label was a slavish imitation of the plaintiff's, encompassing specific elements such as colour scheme, graphical representation of palm trees, and font styles. The Court opined that the minor differences cited by Defendant No. 1, such as cap colour and bottle shape, were insufficient to prevent consumer confusion. The Court found the overall similarity is likely to deceive consumers into believing that Defendant No. 1's product was associated with the plaintiff. Recognising the Plaintiff's prior and continuous use of the "GOA" marks and the substantial goodwill associated with them, the Court held that Defendant No. 1's reintroduction of the mark in 2013 did not establish concurrent use, especially given the intent to capitalise on the Plaintiff's established reputation.

The Court rejected Defendant No. 1's argument of delay on the part of Plaintiff, stating that significant similarity and clear infringement could not be ignored due to delayed action by the plaintiff. On the issue of territorial jurisdiction, the Court accepted the Plaintiff's argument that the impugned products were being sold in Delhi through unauthorised channels, coupled with the Plaintiff's subordinate office in Delhi, establishing jurisdiction as per the law. The ex-parte ad-interim injunction granted on May 25, 2023, was confirmed by the Court, continuing to restrain Defendant No. 1 from using the impugned mark.

Regarding the condonation of delay, the Court noted that Defendant No. 1 satisfactorily explained the delay due to the time required for gathering necessary documents. Since the delay was within the condonable limit of 120 days, the Court condoned the delay, subject to Defendant No. 1 paying Rs. 10,000 (approximately USD 120) to the Plaintiff. The Court directed the parties to complete the pleadings and scheduled the next hearing for August 1, 2024, before the Joint Registrar.

Conclusion

This judgment underscores the principle that minor variations in product packaging or labels do not eliminate the likelihood of consumer confusion if the overall impression remains deceptively similar. The Court's willingness to condone delays highlights the importance of considering practical challenges faced by litigants. Regarding jurisdiction, the ruling emphasises that jurisdictional objections must be evaluated based on the plaint's assertions, and a clear allegation of sales within the court's jurisdiction can establish a valid cause of action. Crucially, the judgment demonstrates the Court's role in protecting the established goodwill and reputation of a trade mark owner against clear instances of infringement, irrespective of delays in seeking relief.

86. Delhi High Court Restrains Food Delivery Outlets from Infringing Domino's Trademarks

Case: Dominos IP Holders LLC & Anr. V. M/s Dominic Pizza & Ors [CS(COMM) 357/2024]

Forum: Delhi High Court

Order dated: May 02, 2024

Order: In the recent case of *Dominos IP Holders LLC & Anr. V. M/s Dominic Pizza & Ors*, the Delhi High Court issued an *ex parte* ad interim injunction, restraining 13 Defendants from using identical/deceptively similar marks of Plaintiffs and further ordering Defendant Nos. 14 Zomato and Defendant No. 15 Swiggy to take down the weblinks, which were listed on the websites of Defendant Nos. 14 and 15, to operate brand outlets, selling similar products like pizza, etc.

Background:
Plaintiff No. 1 belongs to Domino Group of Companies, which manages the intellectual property rights of Pizza Group of Companies and owns and manages certain intellectual property under the ultimate ownership of Domino's Pizza, LLC. Plaintiff No. 2 - Jubilant Food Works Limited has exclusive rights to operate Domino's franchises in India, operating as a single economic entity with Plaintiff No. 1 for the purpose of protecting intellectual property rights and business under the same in India.

Plaintiff No. 2 runs 1,928 Domino's Pizza outlets in over 407 cities in India, which is the Plaintiffs' biggest market outside of the United States of America. Plaintiffs have a considerable online presence in India, accepting online orders through their website at the domain name www.dominos.co.in, which has been operational since the year 2007. Plaintiffs are the first and prior adopters of the mark "Domino's" since the year 1965, conducting operations in more than 90 countries. Out of various registrations, the earliest registration of the word "DOMINOS" is vide Registration No. 463304, which dates back to November 19th, 1986.

mail@lexorbis.com | www.lexorbis.com

Plaintiffs are aggrieved by unauthorised use/adoption of identical/deceptively similar trademarks/tradenames in the form of the following marks, such as ***"Dominic Pizza", "Dominek's Pizza", "Dominek Pizza", "Domics Pizza", "Dominick Pizza", "Domnick Pizza", "Dominic's Pizza", "Dominics Pizza", "Dominic's Pizza", "Dominik Pizza", "Domnik Pizza"*** (hereinafter referred to as "*the impugned marks*") Plaintiffs pointed out that Defendants had taken an unfair advantage of the search results which are returned upon typing the first string of letters of Plaintiffs' tradename and mark 'DOM', 'DOMI', 'DOMIN', and 'DOMINO', all of which led to suggestions of Defendants' outlets enlisted on the platforms of Defendant nos. 14 and 15. Plaintiffs also pointed out the instances of consumer confusion wherein consumers made complaints about the products that were supplied by Defendant Nos. 1 to 13, which were orders on the belief that they were ordered from Plaintiffs.

Analysis:
After considering the above, the court passed an order of *ex parte* ad interim injunction, restraining Defendant Nos. 1 to 13 from using their impugned marks. The injunction order will come into effect w.e.f. June 1st, 2024. The directions were given in order to allow Defendants to change their names/tradenames/trademarks as soon as possible, but not later than June 1st, 2024.

Conclusion:

The present order reflects the significant importance of how business owners are vigilant nowadays, particularly regarding their brand protection and safeguarding their reputation. Not only does such brand protection help maintain your reputation, but it also plays a pivotal role in maintaining a healthy competitive edge in the market. More particularly, in today's era, with the advancement of technology and changing landscape, brand owners must adopt efficient strategies, more particularly in the form of strict due diligence and compliance, in order to prevent themselves from such illegal and unlawful activities. Efficient and effective brand protection and management not only helps a business maintain its consistency but also helps create loyalty and trust among consumers.

87. Trademark Dispute: VANS Inc. USA Challenges IVANS Registration

Case: M/s Vans Inc. USA v. FCB Garment Tex India (Pvt.) Ltd. [C.O. (COMM.IPD-TM) 161/2021 & I.A. 15763/2022]

Forum: Delhi High Court

Order dated: May 02, 2024

Order: The plaintiff- M/s Vans Inc. USA, filed two cancellation/rectification petitions under Sections 47, 57 and 125 of the Trade Marks Act, 1999, seeking removal from the Register of Trade Marks of the following marks:

PARTICULARS	1ST IMPUGNED MARK	2ND IMPUGNED MARK
WORD MARK	'IVANS'	'IV ANS NXT'
APPLICATION NO.	1109073	1849768

The Petitioner- M/s Vans Inc. USA, founded by Mr. Paul Van Doren on March 16, 1966, in California, USA, opened the first VANS store with business associates, deriving its brand name from its founder. By 1979, VANS had 70 stores in California and had expanded nationally and internationally through dealers. In 1980, they began trading shoes for various sports and later introduced clothing such as t-shirts, hats, caps, and sunglasses due to the brand's growing reputation. Claiming a permanent presence in major Indian cities, VANS launched approximately 100 exclusive stores and retail outlets. The Petitioner has obtained registrations in the said marks, which are tabulated as follows:

 mail@lexorbis.com | www.lexorbis.com

Trademark	Application No.	Class	Label/Logo	Status
VANS	574910	25	Word Mark	Registered
DEVICE	2252452	18, 25, 35		Registered
VANS (LABLE)	574911	25	VANS	Registered

During the proceedings, VANS' trademark, 'VANS,' was declared a well-known trademark as of February 19, 2024. The company launched its products in India in 2011 and holds copyrights for original artworks associated with its trademarks under Section 40 of the Copyright Act of 1957. VANS operates globally through its website, www.vans.com, regarding its goods and services.

Prosecution History:

Vide order dated 18th June 2020, the IPAB had stayed the operation of the 1st impugned mark. This was challenged before this Court in W.P.(C) 9010/2020, which was disposed of with the liberty to respondent no.2 herein to approach the IPAB by way of an appropriate application. Respondent no.1 challenged it further by LPA 383/2020, which was also disposed of with a request from the IPAB to decide respondent no.2's application.

Submissions on behalf of the Petitioner:

Petitioner sought cancellation of the impugned registered marks inter alia on the following grounds:

The Petitioner alleged contravention of Section 11(1)(b) of the Act on several grounds: firstly, asserted its trademark as an "earlier trademark"; secondly, claimed identical or similar goods; thirdly, alleged likelihood of confusion in the public; and fourthly, asserted a likelihood of association with its trademark. The Petitioner contended that the impugned marks are phonetically, visually, and structurally similar, differing only by the prefix 'I'. Both parties operate in the same Class dealing with apparel/garments, with the respondent's application dating back to 1992, preceding the Petitioner's in 2002. The Petitioner argued that the impugned marks are deceptively similar to its own and thus ineligible for registration under Section 11.

The Petitioner criticized the Trade Marks Registry for a faulty examination report, noting that its trademarks were not cited as per Rule 33 of the Trade Marks Rules, 2017. This rule mandates a search among earlier trademarks to identify identical or deceptively similar marks, which was allegedly violated. Other trademarks opposed by the Petitioner were abandoned subsequently.

Regarding Section 12 of the Act, the Petitioner argued it does not apply, asserting that respondent no.1 cannot claim honest concurrent use since they failed to establish honesty and concurrent use conditions. The Petitioner emphasised respondent no.1's lack of justification for adopting the mark 'IVANS', alleging dishonesty, especially given their constructive notice of the Petitioner's prior registration dating to 1992, preceding respondent no.1's 2002 application. The Petitioner concluded that the impugned marks closely resemble its registered marks and should be rectified or cancelled from the Register.

In summary, the Petitioner contended that respondent No. 1 adopted the impugned marks in bad faith, deliberately intending to capitalise on the Petitioner's established reputation, arguing for rectification of the impugned marks from the Register.

Submissions on behalf of Respondent No.1:

In response, respondent No. 1 addressed the following points:

- Not Deceptively Similar: Respondent No. 1 argued that the IPAB's stay order was issued without their hearing, followed by the abolition of the IPAB, preventing a final hearing. They contended that the Petitioner's trademark 'VANS' and respondent no.1's 'IVANS' were not deceptively similar, citing numerous differences. For this, a tabulation was provided, which is reproduced as follows:

Trademark	IVANS	VANS
Logos	IVANS IVANS	VANS
Packaging		 

- These differences included the basis of origin and language (Hindi vs. English), pronunciation (two syllables vs. one syllable), logos, packaging, and the nature of products—Respondent No. 1 focuses on men's apparel while the Petitioner is renowned for footwear. They supported their stance with the case law F. Hoffmann-LA Roche & Co. Ltd. v. Geoffrey Manners & Co. Pvt. Ltd.
- No Omission by the Registrar: Respondent No. 1 asserted that the Registrar's search found no deceptively similar mark, indicating no confusion with the Petitioner's marks. They argued that registration was granted following due procedure, with no grounds for removal unless fraudulent. They provided a list of trademarks containing 'VANS' to support their claim, referencing Bindal Toys v. Gemini Toys.
- Prior Usage of the Respondent's Mark: Respondent no.1 clarified that they had been using 'IVANS' since 1999, while the Petitioner entered the market in 2011. They emphasized that the Petitioner's 1992 application was on a 'proposed to be used' basis, finalized in 2006, and published in 2005, after which respondent no.1's mark was unopposed when published in 2006. They presented invoices and promotional materials from 2002 as evidence of their continuous use.
- Product Differentiation: Respondent No. 1 highlighted their exclusive focus on men's apparel, contrasting with the Petitioner's emphasis on footwear until expanding into apparel in 2006. They cited M/s. Nandhini Deluxe v. M/s. Karnataka Cooperative Milk Producers Federation Ltd., to support their argument.
- Acquiescence and Waiver: Respondent no.1 claimed they openly and publicly used 'IVANS' since 1999 without objection, with cumulative sales exceeding Rs. 130 Crores over the last five years. They invoked Section 33 of the Act, stating the Petitioner's cancellation petition came after 16 years of registration and unopposed use for 20 years.

mail@lexorbis.com | www.lexorbis.com

- Difference in Price Points: They provided a comparative chart of price differences between their products and the Petitioner's, underscoring distinctions in market positioning.

Respondent no.1 asserted that their mark 'IVANS' was dissimilar to 'VANS', rendering Section 12 inapplicable. They argued for the legitimacy of concurrent use, given their prior usage and the Petitioner's alleged acquiescence.

Court's Analysis

After pursuing the documents on record and appreciating the respective contentions of the parties, the Court opined that the rectification of the impugned marks ought not to be permitted inter alia for the following reasons:

- Prior Use and Registration: Respondent no.1's trademark 'IVANS' was filed in 2002 and granted in 2007, with claimed use since April 1999. while the Petitioner, as per their petition, predominantly deploys it for shoes. The narrative provided by the Petitioner bears out that the origin of the brand is essentially for shoes, although an averment is made that clothing has been introduced for sports such as motor-cross, surfing, and skateboarding, as well as certain other accessories like t-shirts, hats, caps, bags, hoodies, and sunglasses.
- Product Differentiation: Petitioner's registrations primarily feature shoe-related designs and patterns, underscoring their focus on footwear. In contrast, respondent No. 1 exclusively deals in men's apparel and disclaimed any intent to enter the footwear market.
- Chronology of Use: Petitioner launched products in India in 2011, despite their 1992 application; their mark was granted in 2006 and published in 2005. Respondent no.1, applying in 2002 and claiming use since then, substantiates their market presence with invoices from 2002 onwards and promotional activities from 2008.
- Legal Precedents: The principles of 'first in the market' and common law rights, emphasized in Neon Laboratories Ltd. v. Medical Technologies Ltd. and S. Syed Mohideen v. P. Sulochanabai, support respondent no.1's claim of prior usage and established rights.
- Product Distinctions: The comparative table highlights the marks' dissimilarities in presentation, packaging, and market positioning, which underscore the products' distinct customer bases and price points.
- Global Appreciation Test: Applying the AMPM Fashions Pvt. Ltd. v. Akash Anil Mehta principles, the Court considered the overall consumer

opinion and commercial linkage, determining no likelihood of confusion between the marks.

Hence, the Court dismissed the petitions, finding respondent No. 1's trademark registrations valid and rejecting Petitioner's claims for rectification. In light of this decision, pending applications were dismissed.

mail@lexorbis.com | www.lexorbis.com

88. Analysing the Delhi High Court's Judgment in Tesla Inc. vs Tesla Power India

Case: Tesla Inc vs Tesla Power India Private Limited & Ors. [CS(COMM) 353/2024]

Forum: Delhi High Court

Order dated: May 02, 2024

Order: The present suit, Tesla Inc. vs Tesla Power India Pvt Ltd & Ors (Order dated May 2, 2024), was filed by the plaintiff against the use of their registered trademark TESLA by the Defendants. The matter came up before the Delhi High Court, which admitted the plaint to be registered as a suit.

Background:

Tesla is a well-known international brand that is registered in the USA and has filed for several Trademark registrations in India under classes 12, 25, 36, 37, 39, and 42 relating to electronic batteries, automobiles, charging equipment, electric vehicles, allied financial and software services, apparel and clothing, solar panels and solar energy equipment, car accessories etc. The plaintiff has similar trademark registrations in several countries across the world and also a presence on the internet through its various social media handles and its website, www.tesla.com.

In April 2022, the plaintiff came across the website of the defendant, www.teslapowerusa.com, which mentioned defendant no. 1, i.e. Tesla Power India Pvt Ltd as well as its US counterpart Tesla Power USA LLC, registered in the USA and is Defendant no. 2 and various newspaper and online advertisements showcasing that the product was similar, i.e. electrical vehicles (EV), EV charging equipment and ancillary apparatus. Accordingly, a cease and desist notice was duly sent to the Defendants in April 2022, but despite some communication, the Defendants never stopped using the name TESLA in their advertisements, due to which the plaintiff filed the present suit for a permanent injunction against the Defendants to restrain them from using the TESLA mark in any form on any goods

mail@lexorbis.com | www.lexorbis.com

and services being rendered or advertised by the defendants. Full-page advertisements from leading Indian daily newspapers showing the TESLA logo and name in association with automotive parts and electric vehicles were also put on record by the plaintiff.

Defendant no. 3, Mr. Kavinder Khurana, was present in person and also through counsel and confirmed that he was the CEO of Defendant No. 1 and a Director of Defendants No. 2 and 5. At the same time, Defendant No. 4 has been closed as the business has been shifted to the India entity, i.e. Defendant No. 1. Defendant No. 3 clarified on behalf of all the defendants that they were into business of "Lead Acid Batteries" and had no business pertaining to Electric vehicles or automobiles. The advertisements cited by the plaintiff were issued as part of a marketing alliance with an Electric Vehicle manufacturer named E-Ashva.

Defendant No. 3, through his counsel, put on record the Undertaking on behalf of the Defendants to refrain from the use of the TESLA mark and logo in any form in any advertisements, promotional materials, or for the manufacture or marketing of any e-vehicles or use the same in any joint promotional campaign during the pendency of the present suit. The same was taken on record by the Learned Judge.

The representatives of the Defendants further put on record certain documents, tried to explain their bona fide, and sought time to file their response.

The learned Judge ordered the matter to be listed before the Joint Registrar for completion of pleadings and admission denial of documents before listing before the court for further hearing. However, even before completion of pleadings, the plaintiff reapproached the court on May 28, asserting that there had been sale of scooters by the defendants in violation of order dated May 2, 2024 and the undertaking given before the court to refrain from indulging in any marketing and sales activities for e-vehicles.

The investigator's report along with the images of scooter, the details of the store and the brochure were handed over to the defendant's counsel who sought time for seeking instructions. The court granted time of two days for filing affidavit before the court. The defendant handed over certain documents on the next date i.e. 30.05. 2024 but since the same were still not on record, the court ordered the same to be filed and instructed the counsel to ensure adherence by the defendant of the undertaking given in court.

On July 4, the parties agreed to refer the matter to mediation and was accordingly listed before the Mediation Centre of the Delhi High Court on July 18, 2024. The parties have accepted to amicably resolve the issue and report to the court with the terms of settlement when the matter is listed before the court again on September 18, 2024.

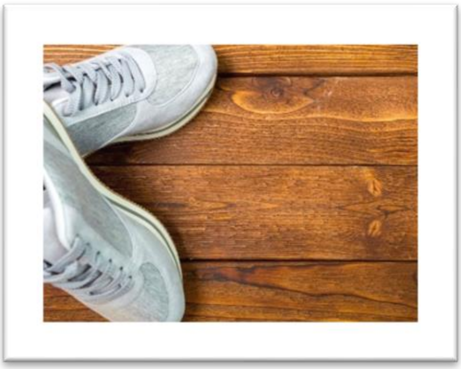
mail@lexorbis.com | www.lexorbis.com

89. ‘NEBROS’, Wins Initial Round in Trademark Dispute With ‘ABROS’

Case: Abros Sports International Pvt Ltd vs Ashish Bansal and Ors. [CS(COMM) 702/2022]

Forum: Delhi High Court

Order dated: May 02, 2024



Order: The present case involves a trademark dispute at the preliminary stage filed by the plaintiff, Abros Sports International Private Limited, a company incorporated in 2020. It received rights under the mark 'ABROS' by assignment deed in 2021 from its predecessor. The predecessor operated under a proprietorship named M/s Narmada Polymers and conceived and adopted the mark ‘ABROS’ in 2017. On the other hand, the defendants, accused of violating the plaintiff's trademark rights, operate their business under the mark "NEBROS" and are registered on a proposed to-be-used basis in 2020.

Background

The defendants are trading under the mark 'NEBROS' for footwear products, which the plaintiff contended was misleadingly similar to their mark ‘ABROS’. In its previous order, the Court restricted the defendant’s commercial operations and online sales to specific states until further orders were made. Contrary to its previous order and further while deciding the question of interim injunction between the plaintiff and defendant, the Court decided in favour of the defendant, despite the plaintiff’s contentions of successfully building the brand, 'ABROS', in the footwear market since 2017 and proof of several trademark registrations and extensive promotional efforts over the years under said mark.

This rejection of the plaintiff's relief of interim injunction against the defendant resulted from the Court's analysis of better trademark rights of the defendant with evidence of prior use of the mark ‘NEBROS’ than the plaintiff’s as a footwear brand. The decision further weighed more in favour of the defendants due to unrebutted claims of the plaintiff in light of the fact that the predecessor of the plaintiff dealt primarily in the soles of shoes and did not operate as a shoe brand.

The plaintiff is an Indian company incorporated in February 2020, and its origin can be traced back to a proprietorship run by Anil Sharma known as M/s Narmada Polymers. Anil Sharma officially assigned the rights to the 'ABROS' trademark to the plaintiff on January 15, 2021, by a deed of assignment. Subsequently, the plaintiff had been actively engaged in producing and commercialising footwear, providing a diverse range of products such as athletic shoes, sandals, and slippers for individuals of both genders. Their online operations are functional through the website www.abrosshoes.com, created in June 2020.

The plaintiff's brand 'ABROS' was supported by a conceptual narrative, in which the letter 'A' represents Anil Sharma's name, and 'BROS' represents 'brothers', symbolising family involvement in the business. The lawsuit claimed substantial sales figures and spending in advertising and marketing, which was evidence of its well-established brand in the market. The defendants, specifically Ashish Bansal and Shyam Ji Sharma, marketed footwear under the brand name 'NEBROS', which the plaintiff contested and challenged for being deceptively similar to its registered mark 'ABROS' and led the plaintiff to pursue legal actions.

On the other hand, the Defendants claimed the term ‘NEBROS’ to be a coined term derived from the name of the defendant and his paternal uncle, who was running his business in the name of ‘*Nice Footwear*’ and was one of the biggest distributors of footwear in Ahmadabad. Since the paternal uncle had also mentored the defendants, they adopted the letters 'N' and 'E', and since they were brothers, they coined the word 'NEBROS'. To add to its stance, the defendants proved the user by showing invoices for September 2020 issued by Nice Footwear, carrying their mark ‘NEBROS’, prior to the proof of use rendered by the plaintiff. The balance of convenience and principles of trademark law operated in favour of the defendant, and overall, the Court found no confusion and visible difference in the analysis of the two marks and their usage on the products, which is also depicted herein below:

Plaintiff’s Product	**Defendants’ Product**

Contentions of the Parties

The plaintiff asserted that the defendant's use of the mark "NEBROS" constituted an infringement upon their registered trademark "ABROS". The plaintiff substantiated their claim by highlighting the phonetic resemblance between the two marks and arguing its previous utilisation in the market. In addition, they emphasised their much higher net sales revenue generated in 2020 and 2021 than the defendant mark, which indicated a more substantial influence on the market and acknowledgement under the brand name "ABROS".

The plaintiff relied on various legal precedents such as ***Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories, AIR 1965 SC 980***, ***Amritdhara Pharmacy v. Satya Deo Gupta, 1962 SCC OnLine SC 13***, which dealt with a test of a man of average intelligence and imperfect recollection while analysing disputed trademarks. Emphasis was drawn to the point that the marks ‘ABROS’ and ‘NEBROS’ were phonetically similar and that there existed every likelihood of confusion between the two marks.

However, the defendant rejected these allegations by providing an explanation for the genesis of their trademark "NEBROS". They indicated that the mark “NEBROS” was formed from personal and family business associations, demonstrating that there was no intention to violate or cause misunderstanding. They highlighted that their mark ‘NEBROS’ obtained no opposition to their registration, suggesting that the trademark authorities acknowledged the uniqueness of its mark.

They also drew attention to the fact that the predecessor of the plaintiff was a leading manufacturer of soles of shoes and not shoes, and the use of the brand 'ABROS' on shoes started much later, which made the fact the defendant honestly adopted the mark ‘NEBROS’ undoubtedly clear. They also highlighted disparities in the visible and phonetic characteristics of the two disputed marks “ABROS” and “NEBROS”. The argument from the counsel of both parties gave rise to the necessity of meticulous legal analysis of trademark rights, determination of pre-existing usage, and the probability of customer misunderstanding.

Court Analysis

The Court determined that the marks ‘ABROS’ and ‘NEBROS’ did not possess considerable similarities in terms of sound, appearance or structure. The defendants have used the mark since September 2020, before the plaintiff's verified use in 2021. Furthermore, the plaintiff's assertion of past use of the mark by its predecessor-in-interest M/s. Narmada Polymers remained unproved and further lessened by the defendant's challenge on the scope of Narmada Polymers' operations merely carried on as a manufacturer of soles of shoes. The balance of convenience was found to be in favour of the defendants, with facts that no opposition was raised by the plaintiff to the defendant's registration of the mark ‘NEBROS’, nor was the plaintiff's mark reflected in the trademark examination report.

The Court relied on the exposition in **Swiss Bike Vertriebs GMBH Subsidiary of Accell Group v. Reliance Brands Ltd. (RBL) 2024: DHC:1884**. In the realm of subjective analysis of Section 29, the Court briefly touched on the concepts of "deceptively similar", "likely to cause confusion", and "likely to have an association", stating they are not exclusive to each other but rather be inextricably intertwined principles and concepts. The Court found no visual, structural or phonetic similarity between the two disputed marks “ABROS” and “NEBROS” and opined that the commonality of the word ‘BROS’ did not have the capacity to trigger confusion even in a person of average intelligence and imperfect recollection.

Conclusion

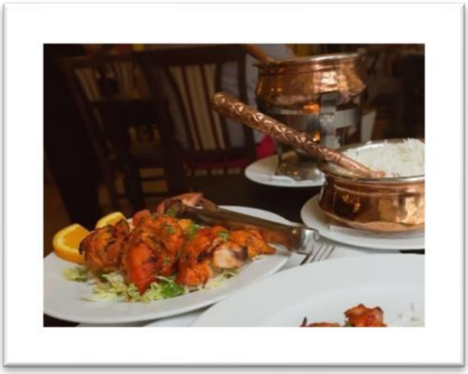
The Court's decision to reject the plaintiff's application for an interim injunction against the defendant's use of the mark 'NEBROS' was based on the defendant's proven "prior use", lack of similarity between the disputing marks and use of distinct device/logo by the disputing parties. The Court concluded that restricting the defendant from using their registered mark 'NEBROS' would cause unjust damage to their business after considering their prior use and no scope of confusion even to a person of average intelligence and imperfect recollection. The Court resonated with the global appreciation test laid down in **AMPM Fashions (P) Ltd. v. Akash Anil Mehta 2021 SCC OnLine Del 4945** and concluded at a prima facie stage that the marks 'ABROS' and 'NEBROS' are phonetically, visually distinct from each other, giving doors to defendants to continue using mark 'NEBROS' without restriction until a contrary final decision in the matter.

90. Court Rules in Favor of "KARIM'S" in Trademark Infringement Case Against "KARIN'S"

Case: Karim Hotels Pvt Ltd & Anr V. Nizamuddin & Anr [CS(COMM) 241/2018 & CCP(O) 86/2012, I.A. 15255/2012]

Forum: Delhi High Court

Order dated: May 03, 2024



Order: The plaintiffs, proprietors of the registered trademark "KARIM'S," filed a suit contending that the defendants, by using a nearly identical mark "KARIN'S," were infringing their trademark and passing off their goods as those of the plaintiffs. The defendants joined the proceedings but failed to file written statements while the plaintiffs presented their evidence. Once the trial concluded, the matter was presented before the Delhi High Court for final adjudication.

Plaintiff's Contentions

Plaintiff No. 1 is the registered proprietor of the trademark "KARIM'S," renowned for Mughlai cuisine since 1913. The trademark, initially adopted by Mr Haji Karimuddin, was passed down to his descendants. In 1987, his heirs established Karim Hotels Pvt. Ltd. to expand their business. Plaintiff No. 1 registered the trademark on December 24, 1998, in class 29 and has since secured multiple registrations for stylised variants of their trademarks. Plaintiff No. 1 also claimed copyright protection for the artistic works comprising these labels.

It was claimed that the continuous use of the "KARIM'S" trademark has built significant goodwill and reputation. Plaintiff No. 1 grants licenses for commercial use of the trademark, including to Plaintiff No. 2, Karim's Mughlai Foods, owned by Mr. Asifuddin. Plaintiff No. 2 leased premises from Defendant No. 2, agreeing that Defendant No. 1 (son of Defendant No. 2) would receive 12% of the restaurant's sales. The agreement also stipulated that the "KARIM'S" trademark and goodwill would remain with Plaintiff No. 2.

When the business did not meet expectations, Plaintiff No. 2 terminated the lease by paying a severance fee. A Cancellation Agreement on November 1, 2009, prevented Defendant No. 1 from using the "KARIM'S" trademark or any similar mark.

In November 2010, Plaintiffs discovered that Defendant No. 1 was using a similar mark, "KARIN'S," along with Plaintiff's trademarks, for a restaurant at the lease premises. This included copying signboards and menu cards and falsely claiming descent from Mr Haji Karimuddin.

Plaintiff No. 1 issued a cease-and-desist notice on November 22, 2010, temporarily stopping the activities. However, on April 23, 2012, the plaintiffs found that the defendants had resumed operations, leading to this suit.

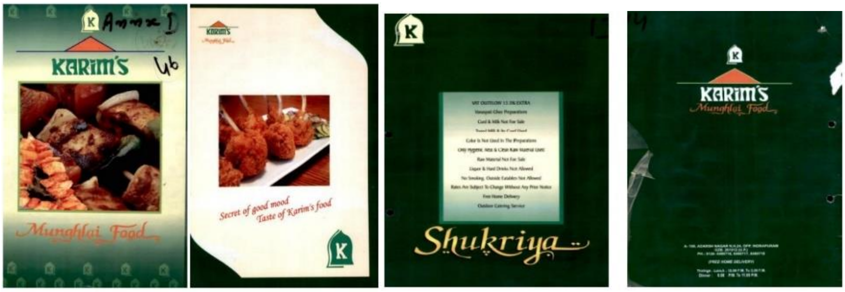
Relevant Proceedings before the Court

On May 18, 2012, an ex-parte ad-interim injunction was granted, restraining the defendants from using Plaintiff No. 1's trademark at the lease premises. A Local Commissioner was appointed to seize goods bearing the trademark. Both defendants were served with summons but did not file written statements, and therefore, their right to contest was closed on January 22, 2013.

Local Commissioner's Report

The Local Commissioner executed the commission on May 26, 2012, at the lease premises. Upon arrival, it was observed that the restaurant was displaying the "KARiM'S" trademark on its glass door and signboards. Photographs of the premises and trademarked items were taken. Seized items included 21 menu cards, 3587 menu leaflets, and one cash bill, all sealed in a carton. Copies of the newspapers used to date the photographs were also included.

The photographs of the infringing goods seized from the Defendants' premises, annexed with the Local Commissioner's Report included:



Defendants' Position

Although the Defendants filed no written statement, they submitted short affidavits stating their positions:

Defendant No. 1:

1. Defendant No. 2 owns the premises at A-169, Adarsh Nagar, NH-24, Ghaziabad, UP. Defendant No. 1 ran a restaurant on an oral lease of Rs. 20,000 per month.
2. A franchise agreement with the Plaintiff was later terminated, and Defendant No. 1 received Rs. 10 lakh for the premature termination. After this, Defendant No. 1 entered a different business.
3. Defendant No. 1 invested Rs. 35 lakh into the restaurant but only received Rs. 10 lakh upon termination, resulting in significant financial loss.
4. Defendant No. 1 claimed that Plaintiff frequently offers franchises and then terminates them, causing financial loss to the franchisees.

Defendant No. 2:

1. The restaurant "KARINS" ceased operations in October 2012, and the premises were vacated.
2. Defendant No. 2 is no longer running any business from A-169, Adarsh Nagar, Ghaziabad, UP.
3. After closing the "KARINS" business, Defendant No. 2 asserted that no dispute remained between the parties.

Court Analysis and Findings

The Delhi High Court reviewed the submissions and records to determine the issue of trademark infringement. A visual comparison of the trademarks shows:

Plaintiffs' trademark	*Defendants' trademark*
KARIM'S	KARIN'S
KARIM'S	KARIN'S KARIM'S
K Since: 1913	K
Secret of good mood Taste of Karim's food	Secret of good mood Taste of Karim's food

The Court observed that the trademarks were indistinguishable, with the Defendants replicating all aspects of the plaintiffs' trademarks, including font, design, colour scheme, style, and taglines, used for identical services. This deliberate imitation suggested an attempt to deceive consumers into thinking the defendants' business was still associated with the Plaintiffs. The similarities constituted a clear infringement under Sections 29(1) and 29(2)(b) and (c) of the Trademarks Act, 1999, and also violated the plaintiffs' copyright.

The defendants had not provided a defence, while the plaintiffs had established ownership of the "KARIM'S" trademarks with registration certificates. The defendants had acknowledged this ownership in affidavits and agreements, agreeing not to use the "KARIM'S" trademarks. However, they continued using the trademarks, as evidenced by the Local Commissioner's Report.

Defendant No. 1 claimed a franchise agreement terminated with a payment of Rs. 10,00,000, but this claim lacked evidence and was not presented in a written statement. No Franchise Agreement was produced, whereas the Plaintiffs proved the Lease and Cancellation Agreements, showing the Defendants used the marks without authorisation after the lease termination. Therefore, the Court found that the plaintiffs had clearly established trademark and copyright infringement by the defendants.

Relief Granted

Since Defendant No. 2, the owner of the lease premises affirmed that the Defendants no longer use the disputed marks, the plaintiffs waived their claims for damages, rendition of accounts, and delivery up but requested costs to cover litigation expenses.

The Court decreed the suit in favour of the plaintiffs. Regarding costs, Defendant No. 2 argued that Defendant No. 1 conducted the infringing activities despite familial discord. Therefore, the plaintiffs were entitled to recover the actual costs from Defendant No. 1.

Conclusion

This ruling emphasises the importance of protecting intellectual property rights, particularly trademarks. The Court's decision favouring "KARIM'S" highlights the legal protections against unauthorised use and imitation. The Court reaffirms that trademark infringement will not be tolerated by ruling against the Defendants and awarding costs to the plaintiffs. This case underscores the need for vigilance in safeguarding brand identity and serves as a crucial precedent for businesses to protect their intellectual property.

91. Footwear Trademark Clash: The Battle Over 'X' Trade Mark

Case: Relaxo Footwears Limited vs Xs Brands Consultancy Private Limited [CS(COMM) 917/2018 & I.A. 14711/2019]

Forum: Delhi High Court

Order dated: May 03, 2024

Order: Relaxo Footwears Limited (plaintiff) filed a suit seeking a permanent injunction to restrain 'HRX'/'HRX BY HRITHIK ROSHAN' (the defendants) and their associates from manufacturing, selling, advertising, or dealing in footwear, apparel, accessories, and other products using the impugned mark or any mark identical or deceptively similar to the plaintiff's trademark (the 'plaintiff's X mark'). Hon'ble High Court Justice Anish Dayal observed that, given the substantial investment by the defendants in developing their brand to be distinctive, it could not be concluded that the defendants dishonestly adopted the plaintiff's 'X' device mark, as it would not serve any substantial purpose.

The court articulated that *"It would have been a different situation if both the plaintiff and the defendants were using the 'X' device marks purely and simply on their shoes and the packaging without their principal brand names or otherwise listing them as such on online sites without the principal brand names, which is not the case herein. Besides the defendants having been in the market since 2013, i.e., more than a decade, the balance of convenience also leans in their favour."*

Factual Matrix

The plaintiff, a prominent entity in the Indian footwear industry, claims exclusive rights to the 'X' mark, derived from its well-established 'SPARX' logo. They asserted that the 'X' mark had been associated with their footwear products under the 'SPARX' brand since 1976. This case focused on a dispute concerning trademark infringement and passing off, specifically relating to the plaintiff's ‘X’ mark and the defendant's ‘X’ mark within the context of footwear products.

The defendants, associated with the ‘HRX’ brand, adopted a similar ‘X’ mark for their footwear line. They contend that their 'X' mark has been used since 2010 and has always been paired with their principal brand name, ‘HRX’. The plaintiff disputed this, emphasising their prior and extensive use of the ‘X’ mark in connection with their ‘SPARX’ footwear products.

Plaintiff applied for a trademark for ‘X’ in Class 25 on January 25, 2012, and was granted copyright registration for the ‘SPARX’ label on May 27, 2013. The plaintiff extensively advertised its ‘X’ mark across all media and endorsements to claim its valuable goodwill and reputation. The plaintiff contended that the defendant's ‘X’ mark was deceptively similar to the plaintiff's registered trademark for identical goods. The plaintiff's assertions regarding the similarity of the ‘X’ mark were based on the manner of use, placement of identical products, average consumer test, phonetic and conceptual similarity, and identical class of consumers. The plaintiff argued that the defendant's ‘X’ mark would cause confusion and association with the plaintiff's products, eroding the distinctiveness and source identification of the plaintiff's ‘X’ mark. However, the plaintiff did not assert rights in the letter ‘X’ itself but in its stylistic representation, specifically for footwear and related goods.

The defendants' counsel challenged the plaintiff's claims, asserting their rights to the 'X' mark. Plaintiff does not hold exclusive rights over the letter itself and can, at best, assert rights to a specific creative work, which differs from Defendant's 'X'. The defendant argued that the marketplace was saturated with similar marks, and the plaintiff's agreement with another party, Soccer International Pvt. Ltd., to co-exist in the market weakened their claim to exclusivity. The defendants maintained that their 'X' mark was distinct from the plaintiff's and had been associated with their 'HRX' brand since 2010, predating the plaintiff's registration of the mark.

The defendant adopted the mark in 2010 for a fitness-focused lifestyle brand and subsequently applied for a trademark in Class 25 on January 31, 2011. The defendants provided evidence of consistent sales since 2013 through various news articles and promotional materials, demonstrating significant investment in advertising and promoting their brand.

The Hon'ble High Court of Delhi dismissed the application for an interim injunction to restrain the Defendants from using the 'X' mark, noting that both parties used the 'X' device alongside their primary trademarks, 'SPARX' and

'HRX', which prevented consumer confusion. The court emphasised that the plaintiff's claim to monopolise a stylised 'X' device mark was weakened by numerous similar 'X' marks on the Trade Marks Register, including those used by Soccer International Pvt. Ltd., with whom the plaintiff had settled. The court noted minor variations in stylisation are inevitable given the simplicity of the 'X' design. It highlighted that both the plaintiff and the defendants were not using the 'X' mark in isolation but alongside their principal brand names, minimising potential confusion.

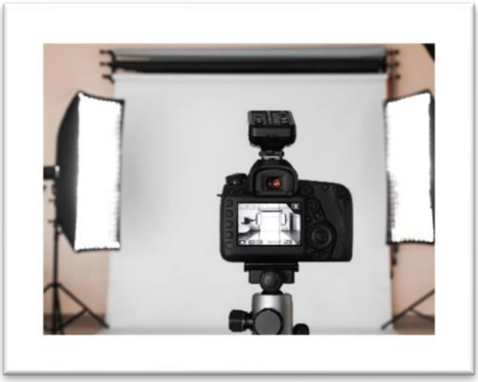
The defendants' earlier trademark application and significant brand investment indicated no dishonest intent. Moreover, the principle of added matter was underscored, highlighting that the primary brand names 'SPARX' and 'HRX' sufficiently distinguished the products to prevent confusion among consumers. Therefore, the Hon'ble High Court's decision denied the interim injunction, allowing the defendants to continue using the 'X' mark in their footwear sales, reaffirming the importance of distinct branding in mitigating trademark confusion.

92. Goodwill and Reputation Transcend Geographical Boundaries

Case: Amit Sood vs Union of India and Ors. [W.P.(C)-IPD 54/2021]

Forum: Delhi High Court

Order dated: May 03, 2024



Order: The writ petition in the case of *Amit Sood vs Union of India and Ors.* was filed against the order of the IPAB in a rectification petition filed by the plaintiff for cancellation of the defendant’s registered mark “ROSHAN”. The petitioner claimed prior use of the mark “ROSHAN” for photo studio and allied services such as photography, with continuous use of more than 75 years. The petitioner's grandfather adopted the mark "ROSHAN STUDIO" in 1960 in Shimla under a partnership deed. On April 1, 2010, the petitioner formed a new partnership deed with his mother and cousin as equal partners. The Panchkula branch was opened in 1995 by the petitioner's father, as “ROSHAN POTRAITS”. Now, the petitioner's cousin manages another branch in Chandigarh and the petitioner's mother manages the Shimla branch, along with a website, www.roshanstudios.com.

Conversely, the defendant claimed to have used the mark “ROSHAN STUDIOS” since 1990, and in 2005, they filed a suit in Panchkula District Court against the petitioner to prevent them from using an identical name, “ROSHAN STUDIOS,” in respect of their store. During the pendency of this suit, the petitioner became aware of the defendant’s registration of the mark ROSHAN in class 42 and accordingly filed a rectification petition for its cancellation before the IPAB on May 16, 2008.

The learned ADJ, in his order, held that the petitioner was indeed the prior user of the mark “ROSHAN” and decreed the suit in his favour. However, considering the defendant's registration, the ADJ held that the order would be effective only after removing the mark from the register as per trademark law. The IPAB, while dismissing the rectification petition, held that the reputation of the Studio did not extend beyond Shimla and Chandigarh even though the plaintiff had filed sufficient proof of continuous use and enormous fame and goodwill by way of letters of appreciation from state dignitaries, international agencies, and administrative institutions.

The IPAB further opined that the word “ROSHAN” denotes “light” and can be used by anyone in photography, thus justifying the defendants' registration. The IPAB did not heed the ADJ's order and the cross-appeals against it filed by both parties before the Punjab & Haryana High Court, which are still pending.

Aggrieved by this order of IPAB dated August 24, 2012, the petitioner filed the present writ petition. The petitioner submitted that the impugned order of the IPAB rests on an untenable premise and that the IPAB erroneously believed that registration of service marks was not permitted before 2003, and therefore, the use before 2003 was not given significance. Such a stand ignores the long period of continuous use since 1960, along with the reputation and goodwill that the petitioner enjoyed before 2003.

Further, the IPAB relied on *Pernod Ricard S.A. vs Rhizome Distilleries Pvt Ltd & Others* of the Madras High Court, which the Supreme Court subsequently set aside as it erroneously held that objections under Sections 9 and 11 cannot be considered in a cancellation petition. Further, the argument that “ROSHAN” means light and can be used by anyone in the photography business was not relied upon, even by the defendants and was included independently by IPAB. The petitioner's grandfather was Roshan Lal Sood; therefore, his photo studio was named “ROSHAN”. In contrast, the defendant's name was Jit Kathuria; as such, the use of “ROSHAN” was illogical unless it was to ride on the goodwill and reputation of the name in Shimla and Chandigarh, both of which are very close to Panchkula.

The Delhi High Court examined all the facts and held that the IPAB had erred in ignoring the findings of the ADJ Panchkula and the goodwill the petitioner and his family had enjoyed since 1960 in terms of various letters of appreciation and continuous patronage. This goodwill and reputation cannot be limited to Shimla, as reputation transcends physical boundaries. Given the reputation of “ROSHAN STUDIOS”, it is difficult to justify the use of the name “ROSHAN PORTRAITS” by the defendants and consider it to be honest concurrent use more so as “ROSHAN STUDIOS” was also a registered member of the Punjab Photographers' Association since 1968-69 and has Sales Tax Registration under East Punjab Act, 1948 since 1970.

The reputation and use of "ROSHAN STUDIOS" by the petitioner and his family is not limited to Shimla but is also evident in Punjab. The defendant's argument that their store has existed since 1992 in Panchkula does not give him prior use rights, given the plaintiff's continuous use since 1960. As such, the defendant could claim ignorance of the reputation and use of the name "ROSHAN" by the petitioner and his family when he adopted the mark.

The Court relied on the decision of the Supreme Court in Laxmikant V. Patel vs Chetan Bhai Shah & Others, where a studio by the identical name MUKTJIVAN was set up a few kilometres away. The Supreme Court had held that such an identical name would create confusion and could result in passing off. The Learned Judge also quoted the case of Dr Reddy's Laboratories Ltd vs Reddy Pharmaceuticals Ltd MANU, wherein the Court dealt with the common surname, i.e. Reddy, but still protected the rights of the petitioner on the grounds of being exclusively associated with the petitioner and had accumulated considerable goodwill and reputation in the pharmaceutical industry in India and abroad.

Finally, the Court relied on the Triple Identity Test and concluded that the services, geographical area, trade channels, and target audience were similar. As such, the case for infringement and passing off was made out in favour of the petitioner and against the defendant. Thus, the Court set aside the IPAB order and ordered the cancellation of the respondent's registered mark bearing no. 1324435 in Class 42 for the word "ROSHAN" and ordered the same be removed from the Register of Trademarks within 30 days.

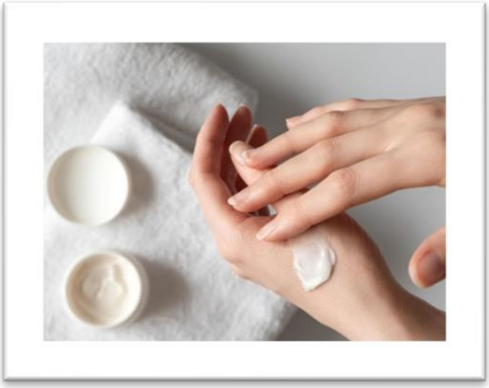
mail@lexorbis.com | www.lexorbis.com

93. Beiersdorf AG v. Hindustan Unilever Ltd.: Comparative Advertising and Trademark Disparagement Case

Case: Beiersdorf AG v. Hindustan Unilever Ltd. [I.A. 7636/2021 in CS(COMM) 300/2021]

Forum: Delhi High Court

Order dated: May 09, 2024



Order: Plaintiff- Beiersdorf AG filled this suit seeking permanent injunction restraining infringement of trademark, unfair trade practice, disparagement, dilution and damages against defendant alleging dishonest conduct by using the signature elements of the distinctive look trade dress of plaintiff's 'NIVEA' products.

Plaintiff's submission:

Plaintiff claimed that one of its most famous and recognizable product packaging is under the brand 'NIVEA' in a flat can of cream with a distinctive blue colour design and brand 'NIVEA' written in white. The distinctive blue colour is identified as 'Pantone 280C' and used as a source identifier. Subsequently plaintiff's 'NIVEA' mark was adopted, used and promoted extensively in other forms such as , , , and various others.

Plaintiff applied and obtained registrations for 'NIVEA' trademark and variants in more than 175 countries in various classes. 'NIVEA' was first registered in 1943 in India in class 3 and subsequently was registered in various other classes.

mail@lexorbis.com | www.lexorbis.com

Plaintiff stated that ‘NIVEA’ was declared a well-known trademark by this Court in CS(OS) No. 1164/2001 titled as Beiersdorf A.G. v. Ajay Sukhwani & Anr., vide order dated 14th November, 2008.

The core issue concerns the distinctive trade dress claimed by the plaintiff for its 'NIVEA'/ products, featuring the brand name over a specific blue background (Pantone 280C), originally developed for 'NIVEA Crème' in 1925. In 2021, the plaintiff discovered that the defendant was engaging in marketing activities where their sales representatives demonstrated a cream in a blue tub similar to the plaintiff's 'NIVEA Crème' packaging (minus the sticker), alongside the defendant's product 'Ponds Superlight Gel'.

The plaintiff alleged that during these demonstrations, the defendant's representatives applied both products to customers' skin, followed by using a magnifying glass to assert that the blue tub product left an oily residue compared to the defendant's product. This was viewed by the plaintiff as disparaging their product, prompting them to issue a cease-and-desist notice on June 19, 2021, and subsequently file a lawsuit on July 5, 2021. Despite initially seeking withdrawal of the lawsuit upon believing the defendant had ceased the contested activity, the plaintiff reversed course after the defendant confirmed in a January 23, 2024 order that the activity had not been halted. This led to the reinstatement and further contestation of the withdrawal affidavit by the plaintiff.

Defendant’s submission:

The Defendant addressed the Plaintiff's allegations of disparagement by introducing a video as evidence, showing the Defendant's field marketing team in malls demonstrating the application of 'Ponds Super Light Gel' on one hand of consumers and another cream from a blue container on the other. This demonstration aimed to compare the products' oily residues using a magnifying glass, with no accompanying verbal communication in the video.

The defendant highlighted the absence of verbal claims during the activity, which the Plaintiff did not contest in their replication. defendant argued that while comparative advertising is legally permissible, disparagement of a competitor's product or brand is not. defendant emphasized that the activity merely sought to compare the merits of two different creams in terms of oily residue, without explicitly naming or targeting any specific competing brand. Even if the video implied comparison with 'NIVEA' or any other brand, defendant contended it did not constitute disparagement but rather a lawful comparison of product characteristics.

The defendant further countered the Plaintiff's claim of exclusive rights over the blue colour or 'Pantone 280C' shade, illustrating various other moisturizers in similar blue packaging marketed by third parties. Defendant argued that both products, despite their different formulations, serve the common purpose of moisturization and hence are comparable. Regarding the Plaintiff's reference to past litigation involving the use of blue colour, defendant asserted that each case must be evaluated on its own merits rather than past disputes.

Submissions in Rejoinder:

In response, plaintiff reiterated that defendant's use of a blue-colored jar for cream comparison was unwarranted, given previous prohibitions against such use in ten other instances. They emphasized defendant's own admission in their written statement that plaintiff's 'NIVEA crème' is a heavy cream, unsuitable for all skin types, contrasting it with defendant's 'Ponds Superlight Gel', which is a light, non-sticky gel suitable for all skin types. Plaintiff argued that defendant's comparison of the heaviest cream against the lightest gel was misleading, akin to comparing a 'running shoe' with a 'trekking shoe' or 'chywanprash' with an 'herbal paste'. They contended that defendant intentionally used a blue jar, a distinctive feature of plaintiff's product, instead of a neutral colour, solely to emphasize the lighter consistency of their own product.

Analysis:

The recent judgment in Wipro Enterprises provides a comprehensive overview of the jurisprudence on comparative advertising in India. The court underscores that advertising should not target a competitor's product solely on the basis of its market share. Even indirect references that clearly identify a competitor's product are considered as targeting. Comparative advertising enjoys protection under Article 19(1)(a) as commercial speech, but it must be truthful and not misleading.

Puffery, characterized by exaggeration and embellishment, is an exception, but it should not mislead the average consumer. While advertisers can claim their product's superiority, denigrating a competitor's product is strictly prohibited.

Courts are advised to consider the overall impression on the average consumer rather than engaging in overly literal interpretations. Factors such as the intent behind the advertisement, its manner, and its storyline are crucial in determining whether it promotes the advertised product or disparages a competitor's product.

Each case of comparative advertising necessitates a nuanced evaluation based on its unique factual context, including considerations like product association, consumer perception, and the intent behind the comparison.

The Colour Blue:

Court noted that the distinctive blue colour ('Pantone 280C') of plaintiff's 'NIVEA Crème' is a recognized 'source identifier' developed in 1925 and protected by multiple trademark registrations. This colour, integral to plaintiff's product identity, has been upheld in legal disputes such as RSH Global, emphasizing its association with 'NIVEA' despite broader trade dress considerations argued by the defendant.

Instances cited, including international legal disputes and advertising complaints, indicate defendant's awareness of this association. Market surveys post-litigation confirm consumer recognition of the dark blue tub with 'NIVEA'. Court precedents like Parle Products (P) Ltd. v. J.P. and Co. and Colgate Palmolive Co. & Anr. v. Anchor Health and Beauty Care (P) Ltd. underscore the legal significance of colour in branding and consumer perception.

Defendant's knowledge:

The Court noted that the knowledge of defendant about Pantone blue colour being associated with plaintiff is evident from various instances cited by plaintiff in India and abroad. Having been locked in litigation, suffered injunctions, and received complaints on this very issue in other countries, there was no reason why defendant had to choose a similar blue colour tub for comparison in order to promote their own product.

Intent and objective:

Defendant's decision to use a distinctively blue, unlabelled tub for their cream product raises critical questions regarding their intent and objective. By opting for this approach, defendant leaves consumers without any specific information about the cream being compared, such as its consistency or brand identity. This undermines the fundamental premise of comparative advertising, which requires a clear identification of the product being compared against.

The absence of answers from defendant regarding these choices suggests potential deception and implies disparagement. Courts in India, as evidenced in cases like Reckitt and Colman of India Ltd. v. M.P. Ramchandran & Anr., have consistently held that generic disparagement without specific brand identification can still constitute a violation. This principle, underscored in para 111(ii) of Wipro Enterprises, dismisses the argument that comparing with a generic category rather than a specific branded product mitigates disparagement claims.

Defendant's strategy to use an unlabelled blue tub implies an attempt to associate with plaintiff's distinctive colour without clear comparative intent, a tactic frowned upon by previous legal precedents.

The comparative as presented:

The Court further noted that the Defendant's comparison of their "Ponds Superlight Gel" with plaintiff's "NIVEA Crème," despite their acknowledgment that gel-based moisturizers are lighter and less sticky compared to cream-based ones, is misleading. This comparison implies superiority in a feature intrinsic to gel products, such as non-stickiness, over a cream that serves a different purpose. The absence of verbal communication in the advertisement exacerbates this issue, leaving consumers to interpret the comparison without clarity.

Such misleading comparisons between dissimilar products have been criticized in both Indian legal precedents and international cases like Bernard Food Industries, Inc. v. Dietene Company. These cases emphasize the potential to mislead consumers and harm competitors by diminishing their market perception unfairly.

Defendant's failure to use a differently coloured tub for their heavy cream or provide clear context for their comparison raises significant concerns about the fairness and accuracy of their advertising practices.

Puffery or disparagement:

Black's Law Dictionary defines disparagement as, “A derogatory comparison of one thing with another; or a false and injurious statement that discredits or detracts from the reputation of another's character, property, product or business.”

The Court found Defendant's claim that their comparison didn't denigrate plaintiff's product is unconvincing. Comparing a product that leaves a heavy, oily residue to dissimilar ones misleads consumers. Courts require ads to avoid misleading comparisons— ‘apples to apples, oranges to oranges.

In creams, ‘stickiness’ is often viewed negatively. Implying a non-sticky product is superior suggests ‘stickiness’ is undesirable, unsupported by evidence of its benefits. Consumers seek ‘hydration’ and ‘moisturization’, not ‘stickiness’.

Therefore, defendant’s argument that stickiness or oily residue isn’t inherently denigrating is unacceptable. Their comparison’s basis was that the blue tub cream left an oily residue, using ‘stickiness’ pejoratively.

Disparagement hinges on the overall message conveyed. In Colgate Palmolive (supra), a TV commercial wasn’t directly disparaging but misled due to inaccurate voice-over, requiring corrective action for truthfulness.

Dabur India v Colortek (supra) upheld the Supreme Court’s stance that false, misleading, unfair, or deceptive advertising isn’t protected under commercial speech. While hyperbole may be allowed, it must not include untruthful claims.

Despite claims of no precedents on in-mall marketing campaigns, this Court asserts laws apply universally to print, digital, and TV ads, including personalized and interactive in-mall campaigns. These can subtly disparage through body language, gestures, conversations, or suggestive indications, warranting a lower threshold for assessing misleading conduct.

Conclusion:

Based on the foregoing analysis, this Court finds that the defendant's comparative advertising, explicitly or implicitly associating plaintiff’s ‘NIVEA’ products with defendant’s ‘Ponds’ products, is prima facie misleading and disparaging. Such actions have caused irreparable harm to the plaintiff’s reputation and business.

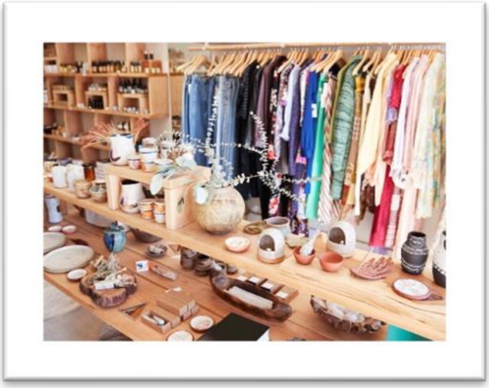
Therefore, the defendant, including their directors, wholesalers, distributors, partners, proprietors, agents, or assignees, are hereby restrained from engaging in the impugned activity or any similar marketing/advertising activities that compare plaintiff’s ‘NIVEA’ products with defendant’s products under the ‘Ponds’ trademark, whether explicitly, implicitly, or by association, which may disparage or denigrate plaintiff’s products or business.

94. Understanding Trademark Infringement and Passing Off Through the Lens of Fabindia vs Fab India Emporium Order

Case: Fabindia vs Fab India Emporium [CS(COMM) 394/2024]

Forum: Delhi High Court

Order dated: May 15, 2024



Order: In the current fast-moving and dynamic economy, protecting Intellectual Property stands tall as one of the cornerstones for businesses to protect their brand identity and reputation. Trademarks play a pivotal role in these rights as they serve as a unique identifier of the origin and quality of goods and/or services. Trademark disputes arise when similar trademarks lead to confusion among consumers, potentially diluting the distinctiveness of a brand. Trademark infringement disputes often serve as litmus tests for the robustness of intellectual property laws. One such legal tussle is the **Fabindia vs Fab India Emporium case**, which not only underscores the importance of brand protection but also elucidates the complexities inherent in navigating the intricate web of trademark law.

<u>Brief Synopsis of the Case</u>

The plaintiff (Fabindia) – is an Indian retail company specialising in the production and sale of a wide range of handcrafted products. The plaintiff has extended its presence across India by establishing retail outlets in major cities and creating an online presence. The company was incorporated in 1960 and has been selling its products under the name 'FABINDIA'. The plaintiff also has secured several registrations for the 'FABINDIA' mark(s). In January 2024, the plaintiff became aware of the defendant's store, Fab India Emporium, in Delhi which operated in a similar industry segment.

The core contention of the conflict is regarding the use of the "FABINDIA" trademark, thereby creating confusion among consumers and diluting the distinctiveness of their brand identity. Alleging trademark infringement and passing off, Fabindia stated that Fabindia Emporium was leveraging the "Fabindia" name without authorisation, thereby encroaching upon its established brand identity and causing potential confusion among consumers.

To support their allegations, the plaintiff has provided evidence in the form of invoices from the defendants, highlighting the fact that the defendants are not just infringing on the mark but also conducting sales under the brand name.

The plaintiff contended that the 'FABINDIA' mark had acquired distinctiveness, reputation, and goodwill over time. The plaintiff has contended that the use of a similar/identical mark would likely cause confusion among consumers, which would lead to irreparable damages for the plaintiff. Therefore, the plaintiff sought an immediate *ex-parte ad interim* injunction.

Order Passed

The Court analysed the arguments set forth by the plaintiff and took cognisance of the fact that the plaintiff has a long-standing reputation with the 'FABINDIA' mark. The defendant's action was likely to damage the reputation of the plaintiff. Therefore, the Court was satisfied that the plaintiff had made out a *prima facie* case and granted the *ex-parte ad interim* injunction.

The Court granted the reliefs that –

a. The defendant or any person acting on behalf of the defendant is restrained from using the 'FABINDIA' mark.
b. The defendants were also required to disclose their annual sales since the commencement of their operations under the certificate of a Chartered Accountant. They are also required to disclose the date on which they commenced operations by means of an affidavit.

Implication of the Order

The matter provides insight into the challenges inherent in protecting intellectual property rights in a competitive marketplace. Businesses should proactively monitor the markets for misappropriation of their trademarks. In case a potential infringement is found, they should promptly address the issue to seek relief against trademark infringement and/or passing off to preserve their brand integrity.

There are cases where similar trademarks may coexist in the marketplace, but it is the duty of businesses to ensure that there is a difference between the logos, end products, packaging, etc., to ensure that they are not encroaching upon any other businesses' Intellectual Property Rights.

Conclusion

In essence, the Fabindia vs. Fab India Emporium order incorporated the myriad challenges present in safeguarding intellectual property rights in today's dynamic commercial world. Through precedents and strategic foresight, businesses can navigate trademark disputes to ensure the sanctity of their brand reputation and goodwill.

mail@lexorbis.com | www.lexorbis.com

95. Contractual Missteps and Trademark Infringement in the case of Jamboree Resorts

Case: Jamboree Resorts India LLP & Anr vs Mehul Sharma & Ors [CS (COMM) 404/2024]

Forum: Delhi High Court

Order dated: May 16, 2024

Order: In the case of *Jamboree Resorts India vs Mehul Sharma & Ors* [CS(COMM) 404/2024] vide the order dated May 16, 2024, the Delhi High Court sheds light on intricate dynamics of contractual obligations and trademark protection within the hospitality industry. The case unravels a tangled web of negotiations, misrepresentations, and trademark infringement and also highlights the pitfalls in today's business alliances.

Background of the Case

In the present case, the plaintiff is Jamboree Resorts India, which carries a business of management and marketing of hotels, restaurants, holidays, resorts, etc. In 2013, they adopted the mark "JAMBOREE" and launched the 'JAMBOREE CREEK YOGA', an eco-farm homestay resort that hosts yoga retreats, yoga groups and yoga teacher training and has been using the marks diligently since then.

In November 2023, the Plaintiffs initiated contact with the Defendants and negotiated a Hotel Revenue Sharing Agreement with the Defendant, Signum Hospitality Pvt. Ltd. (SHPL). It was mutually agreed that SHPL would operate the JAMBOREE CREEK YOGA resort, located in Goa, under a revenue-sharing model. However, complications arose during the drafting phase when discrepancies emerged regarding the identity of the operating company.

In an alternative approach, the Defendants recommended that the agreement be signed with Signum Hospitality and Resorts Pvt. Ltd. ("SHRPL"), purportedly a new entity established and managed by SHPL, having its registered office in

mail@lexorbis.com | www.lexorbis.com

Haryana. Despite reservations, Jamboree Resorts acting in good faith, and acquiesced to the defendants' recommendations, the agreement was executed in January 2024.

With the agreement in place, SHPL assumed control of resort operations, rebranding the establishment as "Signum Jamboree Creek Resort." However, as time progressed, it became apparent that the operational standards fell short of Jamboree Resorts' expectations. The concerns regarding mismanagement and discrepancies in SHRPL's credentials prompted Jamboree Resorts to investigate further.

To their dismay, they discovered that SHRPL was non-existent, lacking any registration with the Ministry of Corporate Affairs or the Register of Companies in Delhi & Haryana. In such circumstances, given the non-existence of the second party, the agreement is rendered non-est and void ab initio. Consequently, the 'lock-in' clause of four years contained in the agreement is not enforceable by law.

After multiple unsuccessful attempts to rectify the situation through formal notices to the Defendants, the Plaintiffs were compelled to terminate the agreement via an email dated May 10, 2024. Following this termination, and although it was an unfortunate circumstance, the Plaintiffs, after providing due notice to the Defendants, regained possession of the resort with the assistance of local law enforcement.

Yet, SHPL retained control of online booking accounts, hindering Jamboree Resorts' property utilisation. This unauthorised use of Jamboree trademarks further exacerbated the situation, leading to the present suit. This obstruction not only impeded business operations but also infringed upon Jamboree Resorts' trademark rights, as the unauthorised use of their marks and brand persisted.

Court's Decision

The Court granted an ex-parte injunction in favour of the plaintiffs, and till the next date of hearing, the Defendants and/or anybody acting on their behalf are restrained from using the trademark "SIGNUM JAMBOREE CREEK" and/or any other mark, device, logo or name which is identical or deceptively similar to Plaintiffs' registered JAMBOREE Trademarks which amounts to infringement or passing off.

The Court also directed the Defendants to hand over the usernames, passwords, email addresses, and social media accounts on all third-party portals relating to the

‘SIGNUM JAMBOREE CREEK Resort’ that are currently in their control so that the Plaintiffs can access them.

Conclusion

In the vibrant realm of hospitality, the case of Jamboree Creek Resort stands as a testament to the complexities of business agreements and the ramifications of trademark misuse. The case highlights the importance of proper due diligence when entering such partnerships. The decision in the present case underscored the importance of upholding contractual integrity and safeguarding intellectual property rights in the dynamic landscape of the digital era.

mail@lexorbis.com | www.lexorbis.com

96. Role Of Trial Courts in The Cases of Rectification Petitions Under Section 124 Of Trade Marks Act, 1999

Case: M/S. Lotus Organic Care vs M/S. Aadhar Products Pvt. Ltd. [S.B. Civil Writ Petition No. 18461/2023]

Forum: Rajasthan High Court (Jodhpur)

Order dated: May 16, 2024

Order: The Court's decision in **Lotus Organic Care vs. Aadhar Products Pvt. Ltd.** clarifies the role of trial courts when assessing applications under Section 124 of the Trademark Act, 1999. By focusing on the prima facie validity of the petitioner's pleadings, the Court ensures a fair and efficient adjudication process, balancing the rights of both parties involved in trademark disputes.

Background

In the present case, a writ petition was filed against the order of learned Additional District and Sessions Judge, Mawli, District Udaipur, where the petitioner (Lotus Organic Care) of the present petition filed an application under Section 124 of the Trademark Act, 1999 for staying the suit proceedings on the ground that the petitioner proposed to file a rectification application against the Trademarks [DECIDE (Registration no.:1961814) &  (Registration no.: 2551769)] of the respondent of the present petition, which was rejected and dismissed. This came after the respondent of the present petition filed a suit of infringement and passing off against the petitioner of the present case.

Contentions of the Petitioner

mail@lexorbis.com | www.lexorbis.com

The petitioner argued that the trial court failed to assess the prima facie validity of their submissions, both in the written statement and the application under Section 124. They contended that the Court erred in not acknowledging the potential invalidity of the respondent's trademark, as raised in their defence.

Contentions of the Respondent

The respondent opposed the petitioner's claims, asserting that the trial court adequately addressed the issue and concluding that the petitioner failed to establish the prima facie validity of their arguments. They argued that the petitioner's submissions were insufficient to support the claim of trademark invalidity under Section 124.

They also argued that Section 124 is applicable only in cases where a suit for infringement of the trademark is under consideration. In the present case, since the plaintiff preferred a suit for infringement as well as passing off, they prayed that the trial court may be allowed to proceed with the infringement/passing off suit proceedings on the issue framed with respect to the prayer for passing was concerned.

Observations by the Court

The Court examined Section 124(1)(ii) of the Trademark Act, emphasising that in pending suits, the trial court must prima facie satisfy itself regarding the alleged invalidity of the trademark in question. It was noted that the trial court correctly considered the petitioner's pleadings but concluded that the learned trial court was not required to measure the sufficiency or insufficiency of the evidence or other factors for adjudicating the factum of the success or failure of the rectification application. Since the rectification proceedings were required to be undertaken at a different forum and the parameters for the same would stand on different footings, the learned trial court was only required to record prima facie satisfaction with respect to the pleadings made in support of the invalidity of the trademark of the plaintiff.

Decision of the Court

The Court was satisfied with the petitioner's pleadings and found them sufficient to show that the application preferred under Section 124 was required to be accepted. The writ petition was allowed, the order of the trial court was quashed, and infringement proceedings were stayed. The petitioner is allowed to file the rectification application as per law.

Conclusion

The Court's decision underscores the procedural aspect of Section 124 applications. It clarifies that the trial court's role is not to delve into the merits of the rectification application itself but to determine whether the petitioner's pleadings prima facie support the claim of trademark invalidity. This ruling reaffirms the principle that the sufficiency of evidence and other factors related to rectification proceedings are not within the trial court's purview at this stage.

mail@lexorbis.com | www.lexorbis.com

97. Mahalaxmi vs Venus Home Appliances: A Significant Step Towards Resolving the Dilemma Around Section 124 of the Trade Marks Act, 1999

Case: Mr. Amrish Aggarwal, trading as M/s Mahalaxmi Product v. M/s Venus Home Appliances Pvt. Ltd. & Anr [CO (COMM.IPD-TM) 258/2022]

Forum: Delhi High Court

Order dated: May 17, 2024

Order: In the case of *Mr. Amrish Aggarwal, trading as M/s Mahalaxmi Product v. M/s Venus Home Appliances Pvt. Ltd. & Anr.*, brought before the Division Bench of the Delhi High Court, the question by the Ld. Single Judge that whether "*after the abolition of the Intellectual Property Appellate Board (IPAB), there is no requirement of staying a civil suit during pendency of a rectification petition, even where the rectification petition is instituted under Section 124 of the Trade Marks Act,1999, could be sustained, in view of Section 124 (2)?"* was framed for consideration of the Court, while doubting the correctness of its views expressed in ***Sana Herbals Pvt. Ltd. vs. Mohsin Dehlvi (Sana Herbals).***

Section 124 of the Trade Marks Act, 1999 (the Act) envisages that *proceedings in a suit for infringement or passing off being stayed if it be found that proceedings for rectification of the trademark have been initiated or were pending on the date when the suit comes to be instituted.* Thus, the section contemplates situations where either the defendant or the plaintiff were to raise an issue of invalidity of a mark and envisions a plurality of contingencies dependent upon whether a rectification action had already been initiated on the date when the suit proceedings commenced or were to be raised in the course thereof. In all such eventualities, **the statute contemplates the suit proceedings being placed in abeyance.**

The Single Judge had *prima facie* found the view laid down in ***Sana Herbals case,*** as untenable, which was that since both the rectification application as well as the

mail@lexorbis.com | www.lexorbis.com

suit would come to be tried by the High Court, after the abolition of IPAB, the possibility of any conflict would stand obviated and *thus there would be no requirement of staying the suit proceedings until disposition of the rectification petition.*

The court observed that the view laid down in Sana Herbals was not only untenable but also contrary to the judgements relied upon by it in coming to its conclusion in the present case, i.e. ***Elofic Industries (India) v. Steel Bird Industries***, further affirmed in ***Puma Stationer P. Ltd and Anr vs. Hindustan Pencils Ltd.***, as well as in ***Patel Field Marshal Agencies v. P.M. Diesels***.

To summarise the facts of the matter, the Respondent/Plaintiff (Venus Home Appliances Private Limited) had instituted an action for infringement and passing off against the Petitioner/Defendant (Mahalaxmi Products) before the Additional District Judge (the authority exercising the powers of the designated Commercial Court), wherein it was alleged that the Petitioner was infringing the "Venus" mark of the Respondent. While filing its written submissions and during the pendency of the suit, the Petitioner challenged the validity of the asserted "Venus" mark and instituted an application under Section 124(1) of the Trade Marks Act 1999 (the Act) for framing of an issue regarding invalidity of the "Venus" mark and for adjournment of the proceedings by three months in order to enable the Petitioner to file a rectification petition. Even while the said application was pending, and even before the Commercial Court could render an opinion on prima facie tenability, the Petitioner moved the High Court to file the present rectification petition.

The first issue before the Court was ***'whether such a rectification petition could be filed at all, even before the Commercial Court had satisfied itself as to the prima facie tenability of the challenge which was raised.'***

In this the Court noted that while the Petitioner had pre-emptively filed the rectification proceedings, the same cannot be dismissed as 'not maintainable' merely because it has been filed in advance of any issue being framed by the learned Commercial Court acting on the tenability or framing of an issue, during the ongoing suit proceedings.

The Court relied upon ***Elofic***, wherein a rectification petition was filed simultaneously with the filing of a written statement. At the time when the matter arose, the applicable provision in law was Section 111 of the Trade and Merchandise Act, 1958 (TMAA 1958). Paras 10 and 42 of the judgement in Supreme Court in **Patel Field Marshal vs. PM Diesels Ltd** recognises that Section

111 of the TMAA 1958 is in *pari materia* with Section 124 of the Act, 1999, and the same law would apply mutatis mutandis to Section 124 of the present Trademarks Act, 1999.

Further, the Division Bench in ***Puma Stationer***, also approvingly cited Elofic, and stated that the rectification cannot be dismissed as not maintainable merely because it has been filed in advance of an issue being framed by the learned Commercial Court.

The second issue, and also the main question which had resulted in doubting the correctness of the view laid down in Sana Herbals case, was '**if the rectification petition could be filed during the pendency of a suit or before an issue could be framed by the Court as to the tenability of the rectification petition, whether the same would *ipso facto* result in a stay of the suit proceedings?'**

It is imperative to note that the Court in the ***Sana Herbals*** case justified its decision on the premise that with the abolition of the Intellectual Property Appellate Board (IPAB), rectification proceedings are also to be decided by the High Court and in a way effectively held Section 124 (2) of the Act to be no longer applicable, and hence no need of staying the suit proceedings in case of a rectification petition being framed.

In concluding the above view as laid down in Sana Herbals to being contrary to the plain text of the statute, the Court relied upon the plain language of Section 124(2) of the Act, which envisages an order providing for stay of suit proceedings as a *necessary corollary* to the filing of the rectification proceedings and in this the statute does not even confer any discretion in a court to stay suit proceedings or refusing to place its proceedings in abeyance. In other words, Section 124(2) of the Act considers the stay of the suit proceedings to be, in fact, an ***'inexorable legislative consequence'*** to the filing of a rectification petition.

The Court also noted as below:

a) The conscious decision of the Legislation to retain Section 124(2) in the Act cannot be overlooked, as the same cannot be an incidence of legislative oversight.

b) Section 124(2) clearly envisages stay of the suit, pending disposal of the rectification proceedings, even where the rectification proceedings are instituted by the High Court.

mail@lexorbis.com | www.lexorbis.com

c) No requirement of any orders being passed by the Court for the suit to be stayed.

d) Any decision of the Court that there is no requirement to stay the suit would be directly contrary to Section 124 (2). Thus, conclusively, it is obvious that the order in Sana Herbals is contrary to the law as laid down under Section 124(2) of the Act.

The Court, in fact, believed ***Sana Herbals*** as contrary to the judgement in ***Puma Stationer***, which dealt with an identically worded Section 124. In ***the Puma Stationer decision, it was held that*** '***once a rectification petition is filed, stay of the pending suit, at least qua infringement is mandatory though the suit can proceed so far as passing off is concerned'***.

The Court concluded that the obligation to stay proceedings in contingencies spoken of in Section 124 (1) of the Act does not stand obviated consequent to the abolition of the IPAB and in so far as once a plea of invalidity is raised, either by a plaintiff or a defendant, proceedings in the suit must necessarily be placed in abeyance awaiting the outcome of the rectification petition.

Further, the statute laid down in Section 124 (2) of the Act, combined with a plain reading of sub-sections (i) and (ii) of Section 124 (1) of the Act, establishes a legislative mandate operating upon the suit court to stay its hands and place proceedings in abeyance, if it be informed of the institution of a rectification petition and until its final disposition. The only additional factor is the prima facie tenability of the rectification petition. Also, it held that the view in Sana Herbals, that after the abolition of IPAB, both the suit and rectification petition would come to be tried by the High Court and always before the same bench of the High Court, is highly presumptuous and incorrect in law.

In delivering its final verdict, the Court thus set aside the decision in ***Sana Herbals*** and held that the stay proceedings are to be necessarily set aside while awaiting the outcome of a rectification petition and considered the views of the senior counsel that Section 124 of the Act is essentially structured to avoid spectre of conflicting decisions and multiplicity of proceedings and the obligation to stay proceedings is manifest in the Legislature having consciously used the expression *"shall stand stayed until final disposition of rectification proceedings"*.

98. High Court's Ruling: Trademark Dispute Takes a Procedural Turn

Case: Casablanca Apparels Pvt Ltd vs Polo Lauren Company LP & Anr. & Anr. [C.O. (COMM.IPD-TM) 68/2024]

Forum: Delhi High Court

Order dated: May 21, 2024

Order: In a recent ruling by the Delhi High Court has significantly developed the case of Casablanca Apparels Pvt Ltd vs. Polo Lauren Company LP & Anr. The court presided over by Hon'ble Justice Anish Dayal, delivered an order on May 21, 2024, concerning the maintainability of a rectification petition filed by the petitioner, Casablanca Apparels Pvt Ltd.

The petitioner sought rectification of the respondent's trademark 'POLO', registered under no. 1277784 in class 25. However, an issue of maintainability arose due to a suit, CS (COMM) 523/2022, filed by the respondent, Polo Lauren Company LP, against the petitioner before the District Judge (Comm Court-02), South District, Saket Court, New Delhi.

The respondent had obtained an ex-parte ad interim injunction against the petitioner in the aforementioned suit on September 6, 2022, which was subsequently confirmed by an order dated October 22, 2023. During the pendency of this suit, the petitioner moved an application under Section 124(1)(b)(ii) of the Trade Marks Act, 1999, seeking invalidity of the respondent's mark and approached the High Court for rectification of the register.

However, the court noted that the application under Section 124(1)(b)(ii) was still pending before the Trial Court, scheduled for arguments on July 8, 2024. The respondent refuted the petitioner's contention that the proceedings under Section 124 do not preclude them from approaching the High Court for rectification.

The respondent pointed out that the Trial Court had yet to reach a conclusion regarding the prima facie tenability of the rectification plea. Citing recent jurisprudence, the court emphasized that the Trial Court must evaluate the plea's prima facie tenability and stay the suit proceedings accordingly if further examination is warranted.

In light of these considerations, the Delhi High Court concluded that the rectification petition was not maintainable at this stage and dismissed it. However, the petitioner was granted liberty to pursue the application before the Trial Court, with the court refraining from making any observations on the case's merits.

The ruling has rendered pending applications infructuous and underscores the importance of procedural compliance in trademark disputes. As the legal battle continues, stakeholders await further developments in this ongoing saga of intellectual property rights.

99. Recognition of International Exhaustion of IP Rights in India

Case: Seagate Technology LLC vs Daichi International [CS(COMM) 67/2024]

Forum: Delhi High Court

Order dated: May 21, 2024

Order: In a landmark judgment, the High Court of Delhi has recognised the principle of international exhaustion of IP rights. In the case of ***Seagate Technology & Western Digital vs Daichi International & Ors. [May 24, 2024]***, where two manufacturers of Hard Disk Drives (HDDs), Seagate and Western Digital (WD), initiated a case of infringement against Daichi International and various other resellers on account of them selling their refurbished HDDs after removing their trademarks from it. These HDD manufacturers supply their HDDs to various Original Equipment Manufacturers (OEMs) for installation as part of laptops, desktops and other equipment. The HDDs have a lifespan, as prescribed by the manufacturers, and the HDDs are unserviceable by the manufacturers after the said period. The HDDs, however, still retained functionality, and when used equipment is sold and discarded globally, consignments of these end-of-life HDDs are refurbished by various entities and sold to consumers. These refurbished HDDs are typically used for either assembled desktops or surveillance cameras.

Submissions by Parties

Seagate and WD submitted that these end-of-life HDDs could not be sold as refurbished products since the removal of their brand name from the product amounted to impairment, which was not permitted as per Sections 30(3) and 30(4) of the Trade Marks Act, 1999. It was argued that these goods, which bore a registered trademark, were not lawfully acquired and were sold in the market or otherwise dealt with. Moreover, even if they were lawfully acquired, the condition of the goods had been changed or impaired after they were put on the market, and, therefore, cause of action arose in favour of the registered trademark owners. The

mail@lexorbis.com | www.lexorbis.com

various issues raised before the Court, including the importation and sale of refurbished HDDs by the defendants, infringe on the plaintiffs' trademark rights under the Trade Marks Act; the defendants' actions fall within the exceptions provided in Section 30(3) and Section 30(4) of the Trade Marks Act, the Principle of International Exhaustion of Rights applies in this case.

Submissions by Amicus Curiae

The Amicus Curiae highlighted that simply removing branding does not immediately eliminate infringement and that it is essential to provide a clear notification to avoid customers' misunderstanding and deception. The Amicus cited U.S precedents to demonstrate that refurbishment is allowed if there is sufficient transparency, guaranteeing that the brand's standards of excellence are not affected. Additionally, Amicus emphasised that reconditioning a product while removing its marking could still be considered impairment or infringement, provided it is evident that the item in question is no longer connected to the originating brand. Amicus suggested revealing the primary producer to uphold authenticity and prevent customer deception.

Analysis

The Court, after analysing various policies such as the Foreign Trade Policy, 2023 and international case laws on the point of exhaustion and importation, held that Seagate and Western Digital failed to demonstrate any rule, regulation, or policy that prohibits the import of discarded HDDs or equipment into India. The Court held that simply terming an HDD as an "end of life" didn't imply that it lost its functionality since it is not a perishable product. The import of end-of-life HDDs was held not to be illegal since no policy was found that prohibited, restricted or discouraged such imports. The Foreign Policy 2023, adverted to by the plaintiff, was found to be determinative on the point, and therefore, the imports were held to be legal.

On the question of the sale to Refurbished HDD, it was held to be legitimate since the defendant's purchase from the importer was legitimate, under invoice and GST payment. The Court further held that a sale and purchase taking place through a formal invoice with tax being paid to the Department of Revenue would prima facie indicate that there was no attempt by either the importer or the Refurbisher to hide the transaction or not disclose the same, or indulge in some surreptitious activity.

The Court further held that the Government in India has encouraged the 'Right to Repair', rather than banning the refurbishing market altogether. The Court held that such a step has been taken to address the needs of individuals from all economic strata. The Court further referred to 'Right to Repair' portal of the MCA, which serves as a single platform to provide necessary information on repair and maintenance of products to consumers.

On the issue of infringement under section 30(3) & 30(4) of the Trademarks Act, 1999, the Court held that Section 30(3) is premised on three conditions: first, that the goods in question bear a registered trademark; second, that these goods are lawfully acquired by a person; and third, sale of these goods in the market or otherwise dealing those goods by that person.

Assessing these three pre-conditions, the Court held that it is obvious that the goods originally bore a registered trademark of the plaintiffs and, therefore, there is no cavil in that regard. On the issue of lawful acquisition, the Court observed regarding importation that there is no law, regulation, or policy presented to the Court that prohibits such importation of end-of-life products and subsequent sale thereof. On the third pre-condition, the Court held that the Refurbisher's sale of the goods without the mark should preclude them from taking a defence under Section 30(3).

Conclusion

Therefore, considering the above and other judgments, the Court held that if there is no illegality in import and the original trademark of the manufacturer was in place, the goods could be sold along with a "full disclosure", and the Court laid down detailed guidelines for "Full Disclosure":

(i) Packaging to identify the source of the product.

(ii) Reference to the original manufacturer is to be made through their word mark and not the device mark.

(iii) Packaging must specify that there is no original manufacturer's warranty.

(iv) Packaging must specify that the product is "Used and Refurbished'.

(v) Statement regarding the extended warranty by the Refurbisher.

(vi) Packaging must reflect an accurate description of the features.

(vii) All of the above should also be complied with by the defendants in terms of promotional literature, website, e-commerce listings, brochures, and manuals.

mail@lexorbis.com | www.lexorbis.com

100. Bombay High Court Grants Relief to Pidilite in a Trademark and Trade Dress Infringement Matter

Case: Pidilite Industries Limited vs Dubond Products India Private Limited [I.A. (L) NO.11255 OF 2021]

Forum: Bombay High Court

Order dated: May 21, 2024

Order: In an interim application filed by Pidilite Industries Ltd. ***("plaintiff"),*** *the plaintiff is seeking a temporary injunction to prevent* Dubond Products India Pvt. Ltd. ***("defendant")*** *from infringing the plaintiff's registered trademarks* ***LW*** *and* ***LW+.*** *The Bombay High Court, in this order dated May 21, 2024, granted relief to the plaintiff.*

The plaintiff approached the court claiming that the mark DR. FIXIT was honestly and independently conceived and adopted by the plaintiffs in 2001. One of the oldest products within the umbrella of DR. FIXIT marks is sold under the registered marks LW and LW+.

The plaintiffs contended that the defendant has not only mimicked their unique design, distinctive layout and original label but has also copied the colour scheme of blue and yellow, and grey bottles thereof, which is identified by the public at large and is enough to cause confusion in the minds of the public. The plaintiff also said that labourers, construction workers and illiterate consumers rely upon the trade dress, including the colour scheme of the product; thus, any colourable imitation thereof by any person is bound to cause confusion in the minds of the public, retailers, dealers and consumers. The plaintiff relied on comparing the rival products and features, comparing the actual similarities between the plaintiff's product and the defendants.

On the other hand, the defendant's counsel claimed that the defendant presented letters from various stockists and distributors stating that there hasn't been any confusion caused by the alleged similarity in their products. He also asserted that the plaintiff hadn't provided any evidence of actual confusion. Therefore, the

mail@lexorbis.com | www.lexorbis.com

plaintiff's concerns are unfounded and lacking in merit. The defendant's counsel also argued that since the plaintiff didn't oppose the trademark registration for HYDROBUILD LW, which was granted on July 5, 2018, the defendant should be considered the rightful owner of both HYDROBUILD and HYDROBUILD LW trademarks. He also stated that HYDROBUILD LW has been used continuously and uninterruptedly since 2009.

Therefore, there is no likelihood of any confusion between HYDROBUILD LW and the Plaintiff's LW+ mark. He further argued that the plaintiff's trademark registration for "PIDIPROOF LW" in 1996 explicitly stated that it wouldn't grant exclusivity over the letters "LW", which means the plaintiff cannot claim exclusive rights over "LW" alone. He emphasises that the plaintiff has only used "PIDIPROOF LW" since 2000, not just "LW" on its own. "LW" stands for liquid waterproofing, and any use of it should be viewed in the context of this disclaimer. Even if the trademarks in question are deemed similar, they could be seen as coexisting peacefully.

The court noted that the defendant's application for registration of the marks "HYDROBUILD LW" and "HYDROBUILD LW POWER" were filed after the plaintiff had been using the "LW" mark for some time. It determined that the defendant's use of "LW" with their marks would likely infringe upon the plaintiff's trademark rights, especially considering the similarity of the goods. The court emphasised that slight variations in appearance or colour placement didn't negate infringement. It also found that the defendant's intention to deceive or confuse the public was evident, citing established legal precedent that the likelihood of confusion was enough for an infringement claim, not necessarily actual instances of confusion.

The court noted inconsistencies in the defendant's claim of prior use of "HYDROBUILD LW POWER". It concluded that there was a clear likelihood of confusion among consumers, ruling in favour of the plaintiff. Further, had the marks HYDROBUILD LW or HYDROBUILD LW POWER been in use since 2009, there would have been no reason for the defendant to make an application for HYDROBUILD in 2010 on a "proposed to be used basis".

The court also found an inconsistency between the user of the mark HYDROBUILD and HYDROBUILD LW POWER, which is alleged to have been used since 2009. Hence, the court prima facie found the marks to be similar, and there is the likelihood of confusion among the public at large and class of consumers. Considering the findings, the court rejected the application for a stay of the said judgment, which sought *a temporary injunction to prevent the unauthorised usage of the plaintiff's registered trademarks **LW** and **LW+**.*

101. Delhi High Court Grants Ex-Parte Injunction in Trademark Dispute

Case: Sumil Chemical Industries P Ltd vs UK Crop Sciences P Ltd [CS(COMM) 432/2024]

Forum: Delhi High Court

Order dated: May 24, 2024

Order: In a recent development in the Delhi High Court, the case of Sumil Chemical Industries Pvt Ltd vs. UK Crop Sciences Pvt Ltd has taken a significant turn with the issuance of an ex-parte ad-interim injunction. The order, passed by Hon'ble Mr Justice Sanjeev Narula on May 24, 2024, comes as a response to allegations of trademark infringement and passing off concerning agrochemical products.

The plaintiff asserted that they manufacture and trade various agrochemical products, including fungicides. Their trademarks, "COSAMIL," "COSAMIL-DF," and "COSAMIL GOLD," have been in use since 2009 and are registered under classes 01 and 05.

The dispute arose when the plaintiff discovered the defendant's application to register the mark "

" in class 05 for insecticides, herbicides, and fungicides, filed in March 2021. The plaintiff contended that this "COSAMIN" mark is similar to their registered trademarks and could lead to consumer confusion.

mail@lexorbis.com | www.lexorbis.com

Despite issuing cease-and-desist notices, the defendant failed to respond, prompting the plaintiff to file a suit seeking to restrain the defendant from using the impugned mark. Upon hearing the arguments presented by the plaintiff, the court found merit in the plaintiff's contentions.

The Delhi High Court observed that the phonetic, visual, and structural resemblance between the plaintiff's trademarks and the defendant's "COSAMIN" or “

” could confuse consumers. Given the nature of the products involved, any confusion regarding the source of goods could seriously affect agricultural produce safety.

Consequently, the court granted an ex-parte ad-interim injunction restraining the defendant from manufacturing, selling, advertising, or dealing in products under "COSAMIN" or any similar mark until the next hearing.

The case has been listed for further proceedings on October 25, 2024, marking a significant development in the two parties' ongoing legal battle. As the matter progresses, how the court will adjudicate the complex issues surrounding trademark infringement and passing off in the agrochemical industry remains to be seen.

102. The Triumph of Himalaya Global Holdings over its "LIV.52"

Case: Himalaya Global Holdings and Rajasthan Aushadhalaya Pvt Ltd [CS(COMM) 433/2024]

Forum: Delhi High Court

Order dated: May 24, 2024

Order: The legal battle between Himalaya Global Holdings and Rajasthan Aushadhalaya Private Limited culminated in a significant court order on May 24, 2024. This case has attracted considerable attention due to its implications on intellectual property rights, corporate competition, and the pharmaceutical industry in India. In this article, we will delve into the background of the case, the arguments presented by both parties, the Court's ruling, and its broader implications.

Himalaya Global Holdings is a renowned multinational company specializing in health and personal care products, including herbal and Ayurvedic medicines. Rajasthan Aushadhalaya Private Limited, a smaller but prominent player in the Indian market, also produces Ayurvedic medicines. The dispute arose when Himalaya Global Holdings accused Rajasthan Aushadhalaya of infringing on its registered trademark, "LIV.52", and engaging in unfair competition practices.

The crux of the lawsuit was Himalaya's claim that Rajasthan Aushadhalaya had been using a packaging design and branding under the mark "LIV-333" that closely resembled its own "LIV.52", thereby causing confusion among consumers. Himalaya argued that this not only diluted its brand but also misled customers into buying products they believed were from Himalaya.

Himalaya Global Holdings, the plaintiff in the legal dispute, asserted several key arguments against Rajasthan Aushadhalaya Private Limited. Firstly, they claimed that Rajasthan Aushadhalaya's product packaging under their branding "LIV-333" closely resembled their own "LIV.52", using similar colours, fonts, and design elements. Himalaya argued vehemently that this similarity constituted a clear case of trademark infringement. Moreover, Himalaya presented compelling evidence, such as market surveys and expert testimonies, to support their claim of consumer confusion. They contended that consumers were mistakenly associating Rajasthan Aushadhalaya's products with their own, which they argued had detrimental effects on their brand's reputation and sales. Additionally, Himalaya accused Rajasthan Aushadhalaya of unfair competition practices.

They alleged that Rajasthan Aushadhalaya intentionally replicated their branding to capitalize on Himalaya's well-established market presence and goodwill, thus gaining an unfair advantage in the market. To further establish the distinctiveness and enormous goodwill of their registered trademark "LIV.52", the plaintiff relied on various holdings of the Court in the judicial precedents "Himalaya Drug Company v. M/S. S.B.L. Limited" [2012 SCC OnLine Del 5701] and "Himalaya Wellness Company & Ors V. Abony Healthcare Limited Through its Directors & Anr." [CS(COMM) 476/2021], where the Court was clearly of the view that the plaintiff's mark "LIV.52"is distinctive and has garnered enormous goodwill over a long period of time due to its continuous usage. It is pertinent to note that a cease-and-desist notice was sent by the plaintiff on January 17, 2024. However, no response from the defendant was received. In addition to that, defendants were also served in advance through email on May 21, 2024; however, no one appeared on their behalf on the date of the hearing.

Following a thorough review of the evidence and arguments presented by both parties, the Court rendered a comprehensive verdict on May 24, 2024. The Court determined that there existed significant similarities between the packaging of Himalaya Global Holdings and Rajasthan Aushadhalaya's products. It observed that while certain elements could be considered generic within the Ayurvedic industry, the overall visual impression of Rajasthan Aushadhalaya's packaging closely resembled Himalaya's, potentially leading to consumer confusion. This constituted a clear case of trademark infringement as per the Court's assessment.

Secondly, the Court validated Himalaya's assertion regarding consumer confusion. It found the market surveys and expert testimonies submitted by Himalaya to be credible, highlighting a substantial likelihood that consumers could mistakenly perceive Rajasthan Aushadhalaya's product under their branding "LIV-333" as affiliated with or endorsed by Himalaya.

On the issue of unfair competition, the Court ruled decisively in favour of Himalaya, concluding that Rajasthan Aushadhalaya's practices did not adhere to fair competition principles. It emphasised the importance of conducting business within legal boundaries and without misleading consumers, underscoring the need for equitable practices in competitive markets.

As part of its ruling, the Court issued an ex parte ad interim injunction requiring Rajasthan Aushadhalaya to immediately discontinue using the disputed packaging and branding “LIV-333”. Additionally, Rajasthan Aushadhalaya was directed to compensate Himalaya for the losses incurred due to trademark infringement and resulting consumer confusion. The specific amount of damages would be determined in a subsequent hearing, contingent upon detailed financial assessments.

The court order in this matter carries significant implications for the pharmaceutical and broader consumer goods industry in India. Several key takeaways from this case include:

1. Stricter Enforcement of Trademark Laws: The ruling reinforces the need for companies to adhere strictly to trademark laws and avoid any practices that could potentially infringe on the intellectual property of others. This is particularly important in industries where branding plays a crucial role in consumer decision-making.

2. Consumer Protection: The judgment highlights the Court's role in protecting consumers from being misled. By ruling against practices that cause consumer confusion, the Court aims to ensure that consumers can make informed decisions based on clear and distinct branding.

3. Encouragement of Fair Competition: While the Court supports competition in the market, it sets a precedent that such competition must be fair and within legal bounds. This helps create a level playing field for all companies, regardless of their size.

4. Corporate Responsibility: The case reminds larger corporations to use their market power responsibly and not misuse legal frameworks to eliminate smaller competitors. At the same time, it warns smaller companies against unfairly leveraging the goodwill of established brands to boost their own market presence.

The court order in the case of Himalaya Global Holdings vs Rajasthan Aushadhalaya Private Limited on May 24, 2024, marks a significant moment in the ongoing evolution of trademark law and competition policy in India. It underscores the judiciary's commitment to protecting intellectual property rights and maintaining a fair, competitive environment. This case will likely serve as a reference point for future disputes in similar domains, providing clarity and guidance on the standards and expectations for corporate conduct in the marketplace.

103. High Court of Delhi's Rigorous Analysis of Trademark Duel: MPL V MLP

Case: Galactus Funware Technology Pvt. Ltd. v. M/s MLP and Others. [CS(COMM) 440/2024]

Forum: Delhi High Court

Order dated: May 27, 2024

Order: The plaintiff, Galactus Funware, filed a commercial suit for a decree of permanent injunction restraining the defendant MLP and all those acting for and on their behalf from using the plaintiff's several registered trademarks, device mark "MPL" and related websites. MPL is one of the most reputed online platforms, including real money gaming, rummy, poker, Ludo, fantasy sports, etc., and other casual and board games. They spent about 305 crores of Indian rupees in the previous financial year advertising, marketing, and promoting the brand worldwide. As a result, they have accumulated 800 crores in turnover on the journey. MPL has registered its mark in several classes since 2018, but M/S MLP acts as a threat by copying the plaintiff's mark and gaining financial benefits online.

The grievance is directed towards the defendants for establishing websites with domain names incorporating either 'MPL' along with their logos or 'MLP,' which bears a deceptive resemblance to the plaintiff's domain. Furthermore, the defendant has replicated the plaintiff's website and mobile application, resulting in consumer confusion and free ride over the plaintiff's brand name to gain economic profits. Millions of users use these online gaming platforms for leisure and money-making ventures. Utilizing a confusingly similar logo, website, or app structure tricked consumers and severely damaged the original trademark owner's business. The main objective behind registering a mark or logo is to protect their goods and services from trespassing over it.

Up on this dispute, plaintiffs have made out prima facie case and granted an ex parte ad interim injunction till the next hearing date. The balance of convenience lies in favour of the plaintiffs, who are likely to suffer irreparable harm if the injunction is not granted. The court held that to restrain the defendant from using the plaintiff's trademark 'MPL', 'MOBILE PREMIER LEAGUE', including the trademark 'MLP'/logo and any other mark identical or deceptively similar to plaintiff's trademark in relation to online gaming including through impugned websites and apps namely or all listings on social media websites or doing any other act amounting to infringement of plaintiffs' registered trademarks and/or passing off.

The court's ruling prohibits the defendant and anyone working for them from copying, altering, or distributing copies of the plaintiffs' works, including the literary and artistic works found in the content of the defendant's official websites, www.mpl.live, www.mplgaming.in, and www.mplpoker.com, as well as any other works that are substantially similar to them on the contested websites and applications. In order to remove the listing of the "MPL" MOBILE PREMIER LEAGUE APK mobile application available on websites, certain defendants are also instructed to lock, prohibit access to, and suspend the contested websites and apps. The Department of Telecommunications and the Ministry of Electronics and Information Technology are directed to block access to the Impugned Websites and Apps. The website/URL/social media handle shall be taken down within 36 working hours upon information given by plaintiffs to the respective DNRs/platforms and an affidavit listing these infringing websites/URLs/ social media handles.

Delhi High Court's order emphasises the significance of safeguarding well-established trademarks and the legal remedies available to companies facing trademark infringement issues. This ruling will likely establish a precedent for similar cases in the future, reinforcing the protection of intellectual property rights in India. Furthermore, the decision serves as a cautionary note to businesses, highlighting the importance of conducting thorough due diligence when choosing brand names to avoid infringing on existing trademarks.

104. Lighthouse Learning Pvt. Ltd. v. Manju Malhotra and Ors.

Case: Lighthouse Learning Pvt. Ltd. vs Manju Malhotra and Ors. [CS(COMM) 438/2024]

Forum: Delhi High Court

Order dated: May 27, 2024

Order: On May 27, 2024, in a legal case heard at the Delhi High court, Lighthouse Learning Pvt. Ltd. brought forth a dispute against Manju Malhotra & Ors. (CS (COMM) 438/2024 IA 30385/2024). The plaintiff sought relief by requesting a temporary injunction against Manju Malhotra to prevent them from utilizing the trademark "EURO KINDERGARDEN" and any device marks that bore deceptive resemblance to the plaintiff's duly registered trademark. In response to the plaintiff's plea, the Delhi High Court granted the temporary injunction, thereby prohibiting Manju Malhotra from engaging in any activities or practices that could potentially infringes upon the plaintiff's intellectual property rights.

As far the factual matrix goes, Lighthouse Learning Pvt. Ltd., the plaintiff in the case, has been actively involved in the operation and management of a chain of preschools under the brand name 'Eurokids' since 2001. The company is the registered proprietor of the trademark 'EUROKIDS Preschool' and two device marks 'buddy' and a caricature of a rabbit. The defendant, originally a franchisee of the plaintiff's brand, entered into an agreement granting them the license to operate preschools under the plaintiff's brand.

Despite the agreement's expiration, the defendant continued operating the preschools. Subsequently, the plaintiff sent legal notices to the defendants, demanding that they cease using the plaintiff's trademarks. They also pursued other measures, such as mediation, to resolve the issue. However, the defendants claimed that they were no longer operating preschools under the plaintiff's

mail@lexorbis.com | www.lexorbis.com

trademarks and informed the advocates of the plaintiff that their preschools were now named “EURO Kindergarten” and had also applied for trademark registration for the same. The plaintiff then initiated a pre-litigation mediation, which was also unsuccessful.

Afterwards, the plaintiff appointed another franchisee which starts to operate near the schools of defendant. The Plaintiff claims that the deceptive similarities between the marks are causing market confusion between the competing brands.

The Court observed that the trademarks and device marks of defendants are similar to those of the plaintiff, lacking distinctiveness. Additionally, the court took into account the previous relationship between the plaintiff and the defendant. Given that the defendant operates the new preschool in the same location and has adopted the term “EURO” along with their brand, the device marks as part of their brand, the court found evidence of malafide and dishonest intent. This situation likely to result in consumer confusion. Furthermore, the Court observed that although the defendant’s bunny device is not exactly the same as that of the plaintiff’s, since both are used in the context of preschools, is likely to cause confusion in the market, misleading the consumers into believing there is an affiliation with the plaintiff’s services. Given the above observations, the court established a prima facie case in a favor of the plaintiff and issued an ex parte ad interim injunction against the defendant.

According to Section 29(2)(b) of the Trademarks Act, 1999, if an unauthorized person uses a mark similar to a registered trademark for services covered by that trademark causing public confusion and creating the impression of an association with the registered trademark, it constitutes infringement. This was clearly applicable in this case, where the defendant’s use of a similar trademark for identical services led to consumer confusion. The Delhi High Court’s decision highlights the importance of protecting trademarks to maintain their integrity and distinctiveness.

105. Delhi High Court Quashes Forgery Case Filed by Anchor Health Against Colgate Palmolive

Case: Colgate Palmolive Company Ors v State of NCT Anr [CRL.M.C. 1991/2012 & CRL.M.A. 1470/2013]

Forum: Delhi High Court

Order dated: May 28, 2024

Order: In a significant legal development concerning trademark dispute between two dental care giants, the Delhi High Court has quashed a forgery case filed by Anchor Health and Beauty Care Pvt. Ltd. against Colgate-Palmolive (India) Ltd. The case revolved around allegations of forged documents related to trademark registration. This article delves into the intricacies of the case, the court's rationale, and its broader implications.

The legal tussle between Anchor and Colgate began when Colgate instituted a suit (CS(OS) 1709/2005) before the Delhi High Court alleging trademark infringement by Anchor. The core issue was the use of a red and white color combination on toothpaste packaging, which Colgate claimed was a registered trademark. Anchor countered this claim, asserting that Colgate's registration certificate was forged. Thus, a complaint before Metropolitan Magistrate (MM) alleging forgery was filed by the Anchor stating that the documents submitted by Colgate in the suit, including the certificate of registration for Trademark No. 1223059 and its certified copy for use in legal proceedings, were forged and never issued by the Trade Mark Registry. The MM took cognizance of the complaint and summoned accused persons including Colgate company and its directors as well as a deputy registrar of the Trade Marks Registry, who was stated to be in collusion with Colgate. The Colgate challenged the summoning order as well as complaint before the Delhi High Court invoking its inherent powers and jurisdiction.

It was essentially contended by Colgate that the entire case hinges on errors made by the Trade Mark's Registry. To substantiate this Colgate submitted that an application for registration was filed with Trade Marks Registry by it for "Colgate

Strong Teeth Carton" in the color combination of red and white. It was highlighted that the errors were committed by the Trade Mark Registry on two occasions i.e., initially when the Trade Mark No. 1223059 was published in "black and white" in the Trade Mark journal, despite the application and approval being for a red and white color combination. Subsequently, when a certified copy for legal proceedings was issued with the correct red and white combination. It was argued that these errors were inadvertent, and that Colgate and its directors should not face prosecution for these errors. The allegations against them were argued to be baseless and frivolous, and hence the Colgate prayed that the summoning order and complaint should be quashed.

Whereas the Anchor highlighted several notable details and omissions in advertisement published in the Trade Marks journal for Trade Mark No. 1223059 such as:

1. It clearly stated it is an advertisement before acceptance under Section 20(1) of the Trade Marks Act.

2. The advertisement included the allocated number (1223059) and the date (14.08.2003).

3. It provided full particulars of Colgate, the Trade Mark applicant.

4. It described the goods for which the Trade Mark is applied and the class of goods.

5. The packaging carton image in the advertisement was in black and white, and not in color.

6. There was no claim regarding the specific shade of red and white applied to the carton.

7. A disclaimer stating that the splash colors yellow and blue do not form part of the mark and are only to embellish the carton was missing from the advertisement.

Anchor hence argued that the Registrar of Trade Marks issued the certificate of registration without proper procedure and therefore, denied Anchor the opportunity to oppose Colgate's application when it was advertised.

It was contended by Anchor that in suit, the Colgate filed a purported certified copy of Trade Mark registration no. 1223059 "for use in legal proceedings". This certified copy should have been an exact replica of the original certificate, but it was a fabricated version. The document was a two-page composite: the first page did not display the Trade Mark and only referred to an annexed representation, while the second page showed a colored copy of the packaging carton in red and white. These two pages were grouped to create the impression that the document was a true copy of the registered Trade Mark.

Anchor also highlighted the fact that during the pendency of the suit, another document purporting to be a certificate for use in legal proceedings was submitted. This document consisted of three pages:

1. First Page: A covering letter dated 28.02.2006, signed by the Deputy Registrar.

2. Second Page: Mentioned the Trade Mark registration and referred to another annexure, stating it was a true copy of Registration number 1223059.

3. Third Page:

    - Upper Half: Included the registration number 1223059, application details (Colgate), registration date, certificate number, Trade Mark type, word mark, goods description, classification of goods, and a note under 'conditions and limitations' stating that the mark consisted of a particular shade of red and white applied to the carton, while the splash colors yellow and blue were not part of the mark but served to embellish the carton.

    - Lower Half: Reproduced the exact replica of the black and white advertisement before acceptance, without any color claim or disclaimer.

Hence, it was argued that the documents were fabricated and forged.

Interestingly, Anchor had also filed an application, while making same allegations as in forgery complaint, under section 340 of the Code of Criminal Procedure, 1973 (Cr.P.C.) in the suit seeking preliminary enquiry by the Court in respect of the evidence and document produced by Colgate.

Anchor also filed a writ petition against Trade Marks Registry for quashing of the registration certificate issued in favour of the Colgate. In the reply filed by the Registry it was admitted by it that the advertisement was published in black and white and did not reflect any color combination of red and white.

The Delhi High Court's analysis cantered on the validity of the documents in question and the procedural propriety of the trademark registration.

The court took note of the reply filed by the Trade Marks Registry in the Writ petition of Anchor and observed a noteworthy fact that the Registry did not deny the issuance of the documents filed by Colgate in the suit, which were claimed to be forged by Anchor. And that the documents were signed and sealed by the Deputy Registrar of the Trade Marks Registry, a person authorized to do so. Thus, the court held that it was incumbent upon the MM to conduct an inquiry from the office of the Trade Marks Registry to ascertain whether the alleged forgery is reflected in the records of the department.

The court observed that the case of the Anchor was not that the seals used in the copy or the signatures of the issuing authority had been forged. But it was that the copy of the registration certificate was not in conformity with the advertisement of the application. And to prove this, the same needs to be verified from the records of the registry. The Court relied upon the judgment of the Supreme Court in *Mohd. Ibrahim and others v. State of Bihar and another* to hold that the case of the Anchor that certified copy of the certificate issued by the registrar in collusion with Colgate would amount to forgery was not made out. As such to make out a case of forgery, it is not sufficient to prove that a document has been made or executed dishonestly or fraudulently. There is a further requirement that it should have been made with the intention of causing it to be believed that such a document was made by the authority of a person by whose authority he knows that it was not made. Applying this principle, the Court held that the forgery was not made out.

The High Court also noted the bar under section 195(1)(b) of the Cr.P.C., which prohibits any court from taking cognizance of any offence of giving false evidence in court, which is punishable under section 193 Indian Penal Code, et al., except on complaint on that behalf made by that court. The Court was of the view that since an application under section 340 Cr.P.C. for preliminary enquiry on similar allegations of giving false evidence [which if allowed will lead to the filing of a complaint by that court in terms of section 195(1)(b)] is already filed by the Anchor, therefore bar of section 195(1)(b) will apply, and the complaint will not be maintainable. It relied upon the judgment of the Supreme court in *M/s Bandekar Brothers Pvt. Ltd. v. Prasad Vasudev Keni* to hold that an inquiry under section

340 cannot be separated from the alleged forgery of documents as the foundational fact for initiation of prosecution for offence under section 193 IPC would be establishing the fact that the documents are forged. Thus, the Court quashed the complaint and the summoning order.

The Delhi High Court's decision to quash the forgery case has several implications:

1. Trademark Litigation: This judgment underscores the importance of procedural correctness in trademark registration and the use of such documents in litigation. It sets a precedent that procedural irregularities do not necessarily constitute criminal forgery.

2. Burden of Proof: The ruling highlights the burden of proof required to substantiate claims of forgery. Allegations must be supported by concrete evidence, especially in cases involving complex legal and procedural issues.

3. Legal Strategy: For companies involved in trademark disputes, this case emphasizes the need for meticulous legal strategy and documentation. Companies must ensure that their legal submissions are beyond reproach to avoid similar challenges.

4. Judicial Precedents: The decision aligns with existing judicial precedents regarding the definition and proof of forgery. It reinforces the principle that merely procedural lapses without fraudulent intent or actions do not constitute forgery.

Conclusion

The Delhi High Court's decision to quash the forgery case filed by Anchor against Colgate marks a crucial juncture in trademark litigation. It not only resolves a long-standing dispute between two major companies but also provides clarity on the legal standards for proving forgery in the context of trademark registration. As businesses navigate the complex terrain of intellectual property rights, this judgment serves as a reminder of the importance of adhering to procedural norms and the rigorous requirements for substantiating allegations of criminal conduct.

106. Delhi High Court Priorities Public Interest in Federated Hermes Trademark Infringement Case

Case: Federated Hermes Ltd vs John Doe & Ors. [CS(COMM) 454/2024]

Forum: Delhi High Court

Order dated: May 28, 2024

Order: In a significant ruling on May 28, 2024, the Delhi High Court granted an ex-parte ad-interim injunction in favour of Federated Hermes Ltd., a prominent investment firm, in a case against unknown defendants operating under the alias 'John Doe'. The order, aimed at curbing the misuse of Federated Hermes' trademarks and logo, underscores the court's commitment to protecting the public interest and the integrity of established businesses.

The Plaintiff is a company incorporated in England and Wales and a subsidiary of Federated Hermes, Inc.; The Plaintiff is a company incorporated in England and Wales and a subsidiary of Federated Hermes, Inc., which together carry on business as a single economic entity under the name/mark "FEDERATED HERMES" and logo Federated Hermes which are registered in various countries across the globe. The company's registered copyright logo is vital to its brand identity and marketing efforts. Their services span various asset classes, including equities, fixed-income, multi-asset, alternative/private markets, and liquidity management, available through mutual funds, ETFs, and other investment vehicles.

The dispute emerged in March 2024, when the Plaintiff received an email about a WhatsApp group named “Federated Hermes – VIP 02”, engaged in fraudulent stock trading activities using the company’s name and logo. Defendant 1, in the present case, impersonated one Mr Pankaj Tibrewal, claiming to be Federated Hermes’ representative, and offered fake classes, stock investment classes and VIP accounts via a mobile application named ‘FHT’. Thereby, the Plaintiff filed a suit to permanently restrain the defendants from passing off their services as those of the Plaintiff. The Plaintiff presented compelling evidence, including WhatsApp screenshots and fake marketing materials, illustrating the defendants' fraudulent activities aimed at deceiving investors. The court acknowledged the strong prima facie case established by Federated Hermes. It noted the potential for irreparable harm to the Plaintiff and the public if the injunction was not granted.

The court ordered that Defendant 1 and all others acting on its behalf be restrained from selling, offering for sale, or advertising directly or indirectly in any services using the trademark or logo. The order also prevents the Defendants from using the trademark or logo of FEDERATED HERMS as a part of any domain name, website, mobile app, promotion or any business activities. MeitY and DoT, who are impleaded as Defendant 3 and Defendant 4, respectively, are ordered to block websites controlled by Defendant 1, emphasising stopping further activities that might be detrimental to Plaintiff and the general public.

In conclusion, the Delhi High Court's decision highlights the judiciary's proactive stance in safeguarding the public from deceptive practices and protecting the intellectual property rights of established businesses. By granting interim relief, the court has emphasised the importance of maintaining the credibility and trust associated with well-known trademarks. This ruling serves as a precedent for similar cases, reinforcing the need for vigilance and swift action against fraudulent activities in the digital age.

107. Who wore the ARMOUR better?

Case: Under Armour v. Anish Agarwal [I.A. 23362/2023 in CS(COMM) 843/2023]

Forum: Delhi High Court

Order dated: May 29, 2024

Order: In a recent judgment, the Delhi High Court refused Under Armour Inc. an injunction but imposed limitations on Anish Agarwal & Anr. (the defendant) for the mark ARMOUR.

In the year 1996, Mr. Kelvin Plank, a 23-year-old football player, founded Under Armour, Inc. ("**the Plaintiff**"), which is primarily engaged in the business of manufacture, distribution and sale of a variety of goods, including casual apparel, sports apparel and other related products. Mr. Kelvin Plank also founded the mark UNDER ARMOUR and commenced his business in Washington, D.C., which subsequently gained a reputation in America and thereafter worldwide. The founder's unique selling proposition was to make t-shirts using moisture-wicking synthetic fabric to keep athletes cool, dry, and light.

The plaintiff is the registered proprietor of the marks "UNDER ARMOUR" and the device mark UNDER ARMOUR both in Class 25 ("**plaintiff's marks**").

In 2004, the plaintiff applied for its first trademark in India, being UNDER ARMOUR in Class 25. Thereafter, in 2017, the plaintiff, under its mark UNDER ARMOUR, officially entered the Indian market through Amazon Fashion and, in 2019, launched its first retail store at DLF Promenade Mall in Vasant Kunj, Delhi. As of 2021, the plaintiff claimed to have more than 23 stores under the mark UNDER

mail@lexorbis.com | www.lexorbis.com

ARMOUR spread across 16 cities with further expansion plans that included a strong online presence.

The plaintiff is also the registered proprietor of the marks ARMOUR, UNDER ARMOUR, and their formative marks in several jurisdictions worldwide. However, it is an admitted position that the plaintiff never applied for registration for the word mark ARMOUR in India.

Issue

The plaintiff's essential grievance is that Defendant No. 1, which is engaged in the manufacture and sale of identical goods, i.e. clothing and footwear, is using the marks , " " , " " , (“**impugned marks**”) and that Defendant No. 2, a company of which Defendant No. 1 was the Director, adopted the mark "AERO ARMOUR" as part of its trade name.

<u>Plaintiff's Submissions</u>

The plaintiff *inter alia* submitted that:

1) The impugned marks are exact replicas are similar in terms of the overall get-up, structure and representation of the plaintiff's marks, and that the defendant's device mark is written in the same manner and font as the plaintiff's mark ;
2) The plaintiff had gained knowledge of Defendant No.1 in October 2022, when the defendant applied for the registration of the mark AERO ARMOUR under no. 5398267 in class 25, which the plaintiff had subsequently opposed and the defendant, in its counter statement, had claimed the marks to be dissimilar;
3) The defendants were also operating the domain name/website www.aeroarmour.store on which their goods are available for sale;
4) There was dishonest adoption of the impugned marks by the defendant that was evident from the following and as depicted in the image herein below:
    a. How the marks are used on some products was engineered to confuse consumers.

b. The defendant used the short form "ARMR," a peculiar and significant aspect of the plaintiff's products, as part of its "AERO ARMR."

c. The defendant had also copied the plaintiff's font style.

The plaintiff further submitted that:

a. The mark UNDER ARMOUR must be seen as a whole, and the defendant's impugned marks must be compared for deceptive similarity;

b. The marks were being used in respect of identical goods, namely apparel, hence the likelihood of confusion was evident;

c. The plaintiff's marks that contained the word ARMOUR had an extremely distinct reputation; hence, there existed a possibility of association with the plaintiff;

d. The initial interest test for the likelihood of confusion is applicable as a customer with imperfect recollection would be in a '*sense of wonderment*' as to whether the defendant's product is a part of the plaintiff's portfolio;

e. The Defendants' product was priced at a much lower cost than the cost of the plaintiff's product (*e.g. Rs. 799 vs Rs. 2000*), thereby amounting to dilution of the plaintiff's brand;

f. The plaintiff was diligent in protecting its trademark and had filed several opposition, rectifications and suits against other ARMOUR marks in India;

g. The plaintiff relied upon the principle laid down by the Hon'ble Supreme Court in *Amritdhara Pharmacy v. Satya Deo Gupta, AIR 1963 SC 449,* and submitted that the overall impression was the critical factor.

h. The plaintiff relied upon *South India Beverages Pvt. Ltd. v. General Mills I.A. 23362/2023 in CS(COMM) 843/2023 Page 14/65 Marketing, 2014 SCC OnLine Del 1953,* which stated that *the anti-dissection rule, which is applied to composite marks is not antithetical to the dominant mark rule*;
i. The word "UNDER ARMOUR" was coined and adopted arbitrarily in respect of a product and was therefore entitled to a high degree of protection;
j. The balance of convenience favoured the plaintiff as the plaintiff was a prior registrant of 2004, compared to the defendant, who had an adoption application of 2022 on a proposed to-be-used basis.

<u>Defendants' Submissions</u>

The defendants *inter alia* submitted that:

1. The plaintiff's case was based on its word and device mark UNDER ARMOUR registered in India and that the plaintiff had obtained registrations of its word mark ARMOUR in several countries but had not registered the word mark ARMOUR in India. Hence, the plaintiff had no dominance or proprietorship of the word ARMOUR;
2. There was gross suppression by the plaintiff as it had not filed its reply to the examination report issued by the Trade Mark Registry under the mark UNDER ARMOUR wherein the plaintiff had differentiated its mark from the various prior cited ARMOUR marks on the ground that the marks when viewed as a whole were visually and structurally different from the plaintiff's trade mark UNDER ARMOUR. The defendant relied upon *Cadila Health Care Limited v. Cadila Pharmaceuticals Limited, (2001) 5 SC 243* for the same and submitted that the plaintiff was estopped from taking a contrary position from its stand that its marks should be seen as a composite whole.
3. The defendant's goods were military-inspired clothing, different from the plaintiff's sports and casual apparel.
4. The defendant had honestly adopted the mark, as in 2020, Defendant No. 1, an aeronautical pilot, started a sole proprietorship under the name "*The Accessories*" and received a UDYAM registration certificate. Thereafter, it was in 2021 that the defendant realised the potential of the apparel market based on the theme of aviation, the army, defence forces, and patriotism in India. It was only after ascertaining that no other trader was using the same trademark the defendant conceptualised the brand AERO

ARMOUR, wherein the word AERO was derived from the word *Aeronautics* to signify the Applicant's background of a qualified pilot and the word ARMOUR was chosen *for metal coverings historically worn in battle by soldiers*, thereby connoting the theme of defendant's products that was inspired by the armed forces. Further, Defendant No. 1 also conceived a logo that combined the elements of a shield, aeroplane and stripes indicative of military and aviation ranks, which was part of the brand's core theme.

5. Defendant No. 2 was a company incorporated in 2022, and Defendant No. 1 was one of its directors.
6. Defendant No. 1 applied for the mark AERO ARMOUR under no.5398267 in class 25 on April 06, 2022, on a *proposed to-be-used basis*, pending due to the opposition filed by the plaintiff and other third parties.
7. The Defendant, as of April 06, 2022, was the registered proprietor of the device mark on a '*proposed to be used basis*' under No. 5398244 in Class 25.
8. The defendant referred to its website, which exhibited several products with a particular emphasis on t-shirts indicating a specific regiment of the Indian Army. It was admitted that certain products may have had the tradename "AERO ARMOUR" on the top, but substantially many of these T-shirt products or apparel did not have the mark "AERO ARMOUR" on top even though it was being used as part of their trade name.
9. The defendant enlisted the marks containing the word ARMOUR existing on the records on the Registry and submitted that the mark ARMOUR was not distinctive; it was a common mark in Class 25 and was registered as a word or device mark by multiple brands. The defendant also drew the Court's attention to third-party marks that were filed with disclaimers, which gave no exclusive rights to use the word ARMOUR.
10. The defendant *inter alia* further submitted that its mark had acquired a huge reputation and goodwill as its products were based on patriotism and love for India; that its products were promoted on the defendant's website https://www.aeroarmour.store and were available for sale on Amazon India and Myntra; that its products were of high quality, affordable, and had served more than 1,50,000 customers across India; that it was the first fashion brand to create a collection inspired by Kargil War, the Operation

Bright Star of the Indian Air Force; and had participated in multiple events such as Aero India, Chennai Defence Expo, Indian Kargil Marathon Honour Run and Dubai Air Show; that it had supplied its products to the Aviation Cell of IIT, Kharagpur and the Indian Institute of Management; that it was the official partners of the Hollywood '*Devotion*'; and that it was awarded the "*Emerging Brands Award*" by Shiprocket.

11. The defendant submitted that the plaintiff did not have right over "ARMR" and that there existed no likelihood of confusion in its abbreviation of ARMR, as the word ARMOUR was reduced to ARMR to match the letter count with "AERO" and to give better symmetry.
12. The defendant presented several examples and submitted that the placement of a mark on the sleeves was not unique to any particular brand but a common industry practice carried out by several brands.

13. The defendant also submitted that the plaintiff's products were relatable to various sports categories, such as running, golf, and basketball. In contrast, the defendants' products were relatable to categories of aviation, nautical, and travel, which were different categories and were discernible from their websites' images.
14. The significantly different pricing of the plaintiff's products and the Defendants' products reflected the different positions of brands in different segments of the market, which would not confuse an average consumer with average intelligence and imperfect recollection and that the balance of convenience was in favour of the defendant as the plaintiff gained knowledge of the defendant's mark in October 2022 but had filed the suit in November 2023.

<u>Submissions of the Rejoinder</u>

The plaintiff *inter alia* submitted that:

1. The plaintiff was vigilant and regularly filed opposition against several marks in India, including the word ARMOUR.
2. Moreover, the plaintiff's issue was the overall comparison of the mark, namely UNDER ARMOUR v AERO AMROUR. Therefore, the issue of ARMOUR being common to the trade or being registered by several persons was irrelevant. The plaintiff relied upon *South India Beverages,*

which held that the anti-dissection rule is not inconsistent with the dominant mark rule and that the dominant part of the mark was "ARMOUR" as there existed an entire ARMOUR family of marks *inter alia* "ARMOURVENT", "ARMOURFLEECE", "ARMOURBITE", "ARMOURBLOCK".

3. The plaintiff also relied upon the principles laid down in *Amritdhara Pharmacy v. Satya Deo Gupta, AIR 1963 SC 449*, which held that the overall impression was important.
4. With regard to delay, the plaintiff submitted that the defendant applied for its mark on April 06, 2022, and the plaintiff opposed the same on October 25, 2022.
5. With regard to estoppel, the plaintiff had taken a position on the composite mark in reply to the examination report, and estoppel was only applicable *inter se* between the parties.
6. The plaintiff submitted that the pleas of the price difference were rejected by *South India Beverages*, leading to the mark dilution of its trademark.
7. The plaintiff, because the identical goods were casual apparel, placed its reliance on the initial interest confusion test as enunciated in *Google LLC v. DRS Logistics (P) Ltd., 2023 SCC OnLine Del 4809.*
8. The plaintiff was vigilant and took suitable actions when the business expanded and began affecting its business. The plaintiff was not obligated to take action against every mark on the Register.
9. The plaintiff also submitted that ARMOUR was coined and assumed distinctiveness in its favour, and the defendant's plea that ARMOUR was not distinctive is belied as the defendant itself had applied for registration of the mark AERO ARMOUR. Hence, the defendant was estopped from contending the same.

Court Analysis and Order

The Court held that the plaintiff was not entitled to an injunction *inter alia* for the following reasons:

1) The Court, while deliberating if ARMOUR was the dominant part of the plaintiff's mark UNDER ARMOUR, observed that the plaintiff had not applied for registration of the mark ARMOUR in India despite having applied and obtained registrations of the same in other countries and; that the plaintiff was also the proprietor of various formative marks such as ARMOURBLOCK, ARMOURVENT, ARMOURBITE.
2) The Court observed that the plaintiff, in its reply to the examination report, stated that when compared as a whole, the prior cited marks were visually

and structurally different from the plaintiff's mark UNDER ARMOUR. Given the plaintiff's stand and the absence of a registration of the mark ARMOUR and whilst relying upon the ruling in *Vardhaman Buildtech Pvt. Ltd. v. Vardhman Properties Ltd., 2016 SCC OnLine Del 4738* that stated that a trade mark registration does not grant exclusive rights in a part of the mark, opined that the plaintiff could not claim proprietorship of the mark ARMOUR.

3) The Court observed that the plaintiff, in its rejoinder itself, was pressing upon the overall comparison of the composite marks, namely UNDER ARMOUR v AERO ARMOUR, and that ARMOUR was common to the trade was not relevant, even though the 'anti-dissection-rule' was not consistent with the 'dominant mark rule' as per South India Beverages. The Court also relied upon the judgment of *Under Armour v. Aditya Birla Fashion dated April 20, 2023, 2023: DHC: 2711*, wherein the Court had opined that ARMOUR was not the dominant part of the plaintiff's mark UNDER ARMOUR.

4) The Court further examined the marks in *toto* and did not dissect them in accordance with the principles laid down in *the Amritdhara* and Pianotist Co. Application, which stated that the overall similarity must be considered, as well as all the circumstances of the case must be considered. To assess similarity, the Court relied upon the *Global Appreciation Test* mentioned in *ABROS Sports International (P) Ltd. v. Ashish Bansal, 2024 SCC OnLine Del 3165,* and *AMPM Fashions (P) Ltd. v. Akash Anil Mehta, 2021 SCC OnLine Del 4945*. It opined that all aspects such as strength, similarity between the marks, intent, nature of goods, possibility of confusion, nature of the consumer and market presence must be considered.

5) The Court relied upon the holistic appreciation test and observed that the kernel and soul of the defendant's mark, target consumer, market presence, and unique selling proposition is that of casual wear, inspired by icons of the Armed Forces informally termed as military-inspired clothing. The Court further observed that Defendant No.1, being an aeronautical pilot, had started the business in 2020 and adopted the mark AERO ARMOUR wherein AERO refers to the aeronautical part of the Armed Forces and ARMOUR is associated with the military aspect, especially the armour worn by armies in the past and present. The Court also relied upon the WhatsApp chat between the defendant and his creative designer, which mentioned that 'the brand would be associated with the aviation and armour category', which formed 80-85% of the defendant's business.

6) The Court further observed that the defendant had honestly adopted its marks and that the products of the defendant were inspired by armed forces for the following reasons:

   a. The design of the defendant's logo combined the elements of a shield, aeroplane and stripe that indicated the military and aviation ranks; that the defendant's device has no resemblance and is dissimilar with the plaintiff's ;
   b. The defendant's tagline "WEAR YOUR VALOUR" and "WEAR YOUR PRIDE" celebrates the idea of heroism and bravery;
   c. The designs present on the defendant's goods t-shirts are related to the armed forces;
   d. The defendant's supply is to institutions associated with the armed forces or to the aeronautical/defence industry;
   e. The defendant's manner of promotion of its products and business is based on the same theme such that the defendant has participated in multiple events such as Aero India, Chennai Defence Expo, Indian Kargil Marathon Honor Run and Dubai Air Show;

7) The Court also observed that the Defendant’s ARMR was used on very few products initially and was not in use, and the defendant had given an undertaking that the defendant did not intend to use ARMR.

8) The Court further observed that although the goods of the plaintiff and defendant were identical, the critical differentiation between them was that the plaintiff was selling sports apparel. In contrast, the defendant sold causal apparel, creating different market channels and sets of consumers and buyers. A customer who would purchase the defendant's product would do so for its iconic Indian theme imbued with patriotic fervour or a desire to associate with Indianness. In contrast, the plaintiff's products

would appeal to a sportsperson. Hence, the purchasing journey of a person for both products will be different, and today, customers are informed customers and not ignorant customers.

9) The Court also relied upon *Ashok Chandra Rakhit* and rejected the plaintiff's attempt to monopolise the apparel market and exclude all other brands, especially when the Registrar had provided disclaimers for other ARMOUR marks.
10) The Court, relying upon the *P.P. Jewellers case*, observed that the difference in pricing of the products of the Plaintiff and the Defendant (Rs. 2000 v Rs. 799) reflected that the brands operated in different segments and that one must advert to this aspect in relation to the sophisticated consumer as well.
11) The Court also observed a complete lack of evidence of actual confusion filed by the plaintiff.
12) The balance of convenience was in favour of the defendant, which had commenced its business in 2021, made a significant turnover since then, and had a reasonable presence as it supplied to reputed institutions.
13) The Court further distinguished the Aditya Birla judgment, stating that the word Street was written in imperceptibly small font size as compared to ARMOUR; that the goods of the Plaintiff and Defendant were of sportswear; that there was extensive use of ARMR in Street Armour such as *inter alia* STRT ARMR, ATREET AEMOR; ARME DEPT; and that none of the above factors existed in the present suit.

Conclusion

Given the above, the Court held that the plaintiff was not entitled to an injunction. However, the Court, based on the submissions made by the defendant, imposed the following limitations on the defendant: the defendant was prohibited from using ARMR, from using the mark AERO ARMOUR on the sleeve; that pending the suit - the defendant would not venture into or market their goods as sportswear; that the defendant would be permitted to use its device mark . on the front of the apparel but was prohibited from using the word mark AERO ARMOUR.

mail@lexorbis.com | www.lexorbis.com

108. Who is the Prior User?

Case: Jindal Industries Private Limited v. Jindal Sanitaryware Private Limited & Anr. [CS(COMM) 251/2023]

Forum: Delhi High Court

Order dated: May 31, 2024

Order: In a recent case, the Delhi High Court set aside an *ad-interim* injunction order that was passed in favor of the Plaintiff - Jindal Industries Private Limited and held the Defendant - Jindal Sanitaryware Private Limited to be the prior user of the mark 'JINDAL'.

Background and Facts of the Case:

In 2023, Jindal Industries Private Limited ("**Plaintiff**"), filed a trade mark infringement suit, to restrain Jindal Sanitaryware Private Limited & Anr. ("**Defendant**") from using any of the Plaintiff's marks

or any marks deceptively similar to the mark 'JINDAL' for Poly Vinyl Chloride ("**PVC**") pipes.

The essential grievance of the Plaintiff was: that the Defendant was not the registered proprietor of the mark 'JINDAL' in Class 17 for PVC pipes and was the registered proprietor of the mark 'J-PLEX' for PVC pipes but was using the mark JINDAL for PVC pipes; and; that the Defendant was a recent user whilst the Plaintiff was a prior user and is registered proprietor of the mark JINDAL since September 01, 2006. The Defendant, however, was unable to substantiate its user claim and merely asserted that it was a registered proprietor of a device mark 'JINDAL'.

The Delhi High Court vide its Order dated May 09, 2023, held that the suit was a prima facie case of trade mark infringement; that the Defendant No. 1 was a recent,

mail@lexorbis.com | www.lexorbis.com

subsequent user and proprietor of the mark JINDAL for PVC pipes; that the balance of convenience was in favor of the Plaintiff; that Defendant would suffer no damage if injuncted from using the mark JINDAL and passed an *ad-interim* injunction Order under O. XXXIX Rule 1 and 2 of the Code of Civil Procedure, 1908, ("**CPC**") in favor of the Plaintiff thereby restraining the Defendant from using the Plaintiff's abovementioned marks and any mark deceptively similar to JINDAL.

Thereafter, the Defendant filed an application under O. XXXIX Rule 4 of CPC, claiming that the Defendant was engaged in the business of sanitary and bathroom fitting, PVC and PPR pipes since many decades; that the Defendant adopted and was using of the mark JINDAL, in respect of sanitaryware and bathroom fittings in PVC pipes, since July 01, 2006; that the Defendant was using the mark JINDAL as a part of the primary, essential and distinctive part of the family name; that Defendant no. 1 was started as a partnership firm by the father of Defendant no. 2, Sh. Lal Chand; and is presently a sole proprietorship under Defendant no. 2, Shri Ram Niwas Jindal; and that in 2009, Defendant no. 2 incorporated the company, under the name and style of 'Jindal Sanitaryware Private Limited'(Defendant no.1), prior to which defendant no. 1 had been permitted by defendant no. 2 use of their registered mark JINDAL

Issue

The issue in the present suit is as to who is the prior user of the mark JINDAL with respect to PVC pipes in Class 17.

Plaintiff's submissions:

The Plaintiff *inter alia* submitted that:

i. The Plaintiff was using the mark JINDAL since 1981 for galvanized iron pipes and was the registered proprietor of the word mark JINDAL since September 01, 2006;

ii. Defendant No. 2, under its pending mark 'JINDAL' 

filed an affidavit dated July 09, 2010 claiming use since 2006-2007, but failed to substantiate such use with any bills; under the mark

mail@lexorbis.com | www.lexorbis.com

in Class 17 filed an affidavit dated October 01, 2022, with the earliest bill of December 14, 2010; applied for the mark in class 17 claiming use since July 01, 2006 wherein the Plaintiff's mark was cited as a conflicting mark. However, the Defendant, did not produce any invoice indicating such use or claim priority against the Plaintiff's mark but abandoned the above application on the grounds that its mark is identical and similar to the Plaintiff's registered mark and is in respect of same or similar goods;

iii. Defendant No. 1 in 2020 filed an application for the mark on a *proposed to be used basis* but pursuant to an opposition filed by the Plaintiff, the Defendant No. 1 amended the application to claim use since October 01, 1997, without any substantial documentary evidence;

iv. The Defendants' sales figures are from the year 2007, and the invoices of the year 2006, do not bear goods of class 17;

v. The defendants had admitted that they commenced business of pipes and fittings under the mark 'J-PLEX' in 2007;

vi. The Defendant could not avail of the defense under Section 35 of the Act, as Defendant No.2 in its application bearing no. 606858, had mentioned his father Sh. Lal Chand Jindal's surname as "Gupta" and not "Jindal.

Defendant's submissions

The Defendant *inter alia* submitted that:

i. The Defendant and its sister concerns had been using the mark JINDAL, since 1981 in respect of goods in classes 11 and 20, sanitary and bathroom fittings, sanitary pipes and storage tanks; and; since 2006 for PVC pipes and fittings in class 17.

ii. The Plaintiff had concealed and suppressed the following facts:

   a) The Plaintiff was aware of the use of the mark JINDAL by the Defendant, by virtue of several opposition proceedings between the parties filed in the years 2009 and 2010, for the defendant's mark 'JINDAL' in class 11 and for Plaintiff's marks JINDAL under nos. 1522441 and 1522442 filed by the Defendant and its sister concern Jindal Plast (India), respectively.

b) The Plaintiff under its mark 'JINDAL' and the label in class 17, (applied on a '*proposed to be used*' basis in September 2006) filed an affidavit dated May 11, 2009, which stated that the Plaintiff would be launching goods under the mark JINDAL *very shortly*, thereby indicating that the Plaintiff had not commenced any business under the mark JINDAL for the goods falling in class 17.

c) The Plaintiff pursuant to noticing the user of the Defendant's application, filed applications, under nos. 1522441, 1522442, 1522447, 1787420, 2697386, 2697387 claiming use of the mark 'JINDAL' to April 01, 2006, prior to the defendant's use of July 01, 2006.

d) The Plaintiff in the reply to the examination report for the mark under application nos. 1787420 in Class 17 and 1856072 in Class 11, pleaded dissimilarity of the marks and the goods covered under the Plaintiff's mark and the Defendant No.2's cited mark 'JINDAL' .

iii. The Defendant further relied upon the Plaintiff's website records and submitted that the Plaintiff's first use of the mark JINDAL in class 17 is since 2022-2023 which is after that of the Defendant's use of 2006.

iv. The Defendant also relied upon several registrations of the mark JINDAL existing on the Trade Mark Registry, filed by various entities and submitted that that the plaintiff cannot claim exclusivity of a mark JINDAL.

v. The Defendant also relied upon partnership deed dated October 16, 2007 which clearly stated the name of the father of defendant no. 2 as Shri Lal Chand Jindal.

Observation and Analysis of the Court

The Court observed that the Plaintiff's word mark JINDAL applied on March 12, 2014 bearing no. 2697386 and mark bearing no. 1787420 dated February 19, 2009, both in class 17 and both claiming use since April 01, 2006, relied upon by the Plaintiff, stood on a thin ground as the Plaintiff had originally applied for the same marks under application nos. 1483834 and 1483835 on September 01, 2006 on a *proposed to be used basis* which was subsequently amended to claim use since April 01, 2006. The Court observed that the Plaintiff as an afterthought had revised the user of the mark once in 2009 and then in 2014 but failed to file any documentary evidence showing use of the mark JINDAL as of April 2006 or even subsequently.

The Court observed that the Defendant claimed use of the mark JINDAL, since 1981, in classes 11 and 12 for sanitary and bathroom fittings, and relied upon its registered device marks bearing no. 861968 in class 11 and bearing no. 792571 in class 20 and; since 2006, for PVC pipes and fittings, in class 17.

The Court assessed the following Plaintiff's documents, that were relied upon by the Defendant; and observed that the Plaintiff's use of the mark JINDAL for PVC pipes was since the year 2022:

i) The Plaintiff's affidavit dated May 11, 2009 filed in support of the amendment of user in the class 17 application, stated '*will start the use of said trademark in connection with the said goods very soon'*; which was a clear admission by the Plaintiff that the mark JINDAL was not in use till 2009 *thereby* vitiating the amendment of user of 2006;

ii) The Plaintiff's undated brochure which contained a logo stating "*60 years since 1962*" which indicated that the brochure was of the year 2022. The said brochure also stated that Jindal Hissar, a leading manufacturer of GI pipes had taken a step ahead by manufacturing and introducing Super Strong Lead-Free uPVC column pipes, thereby concluding that prior to 2022, the Plaintiff had not manufactured PVC column pipes;

iii) The Plaintiff's website of 2021-2022 that contained the annual report dated June 04, 2022, but did not mention PVC products as a part of the Plaintiff's portfolio;

iv) Invoice dated February 06, 2020 which made no mention of PVC as a part of the Plaintiff's products but the invoice dated April 06, 2022 mentioned uPVC;

v) The Plaintiff, in its reply to the examination report for its marks under no. 1787420 and under no 1856072, pleaded dissimilarity of its marks from the Defendant's cited marks , , which contained 'JINDAL'.

vi) A co-existence agreement dated May 23, 1989, between the Plaintiff and a third party Jindal (India) Limited filed in suit no. 1257/1988, for the mark JINDAL in respect of steel pipes, barred the Plaintiff from asserting its exclusivity of the mark on later adopted product being PVC pipes.

vii) The Plaintiff's application under no. 152242, opposed by Jindal Plast (India) was subsequently abandoned, is relevant since Defendant no. 2 is the current proprietor of Jindal Sanitary Works, and in 2005, Defendant no. 2 started the partnership firm Jindal Plast (India).

The Court also assessed the Defendant's following documents which indicated that the Defendant was the prior user of the mark JINDAL.

i. The Central Sales Tax Registration Certificate issued in the name of M/s Jindal Sanitary works is dated April 16, 1981, that showed that plastic products were being sold in 1981.

ii. A license by Bureau of Indian Standards dated June 23, 2010, for permission to use their standards on UPVC pipes to the licensee being Jindal Plast (India).

mail@lexorbis.com | www.lexorbis.com

iii. Invoices issued by Jindal Sanitary Works, dated April 16, 1981 that showed the presence of PVC sanitary goods and the current defendant no. 1; dated December 14, 2010 and dated December 27, 2010 that showed the presence of Chlorinated Polyvinyl Chloride ("CPVC") Pipes; and invoices of 2013 -2014 for plumbing pipes using the HSN classification no. 39172390

In view of the above, the Delhi High Court held that the Defendant, who had JINDAL as a part of its trade name, was the prior user, manufacturer, seller of PVC materials, pipes under the mark JINDAL, which is prior to the Plaintiff's prima facie established use of 2022.

The Court also held: that in view of the Opposition filed by Defendant no.1 under Application no. 1522441, the Plaintiff had knowledge of the Defendant since 2010; that the Plaintiff cannot monopolize the use of 'JINDAL' in respect of PVC pipes and tubes in view of the several JINDAL marks available on the register, the Plaintiff's co-existence agreement and the Plaintiff's dissimilarity pleadings.

The Court further relying upon Jindal Industries Private Limited vs Suncity Sheets Private Limited, held that the Plaintiff assertion that a "name" cannot be used as a trademark when Section 35 is read with Section 29 (1) of the Act, did not hold much water.

The Court held that the balance of convenience falls in favour of the Defendant, since prima facie the Defendant was using the mark 'JINDAL' for 13 years, and as a part of their family name 'JINDAL' which was evident from the partnership deed dated October 16, 2007, which stated the name of Defendant's father name as Shri. Ram Niwas Jindal

In view of the above, the Court set aside the ad-interim injunction order dated May 9, 2023 and allowed the Application under Order XXXIX Rule 4, CPC.

109. Appellate Court Upholds Restraining Order Against Name That Capitalises on Trademark and Goodwill of Other Coaching Institutes

Case: Emerge Classes Private Limited vs Kashmir Institute of Excellence and Others. [FAO No.18/2024]

Forum: Jammu & Kashmir and Ladakh High Court

Order dated: June 07, 2024

Order: The present order arises out of the appeal filed in Emerge Classes Pvt Ltd vs Kashmir Institute of Excellence & Ors (Order dated June 7, 2024) against the order dated May 16, 2024 passed by the Additional District Judge, Srinagar, on an application filed by the respondents against the appellant, restraining them from using trademark including the logo and device "EMERGE- INFINITY and BEYOND", "KIE", "Emerge – KIE HOPE MISSIONe- Infinity and Beyond" and any combinations or variants of these words.

Background of the Matter

The respondents in the instant appeal were the plaintiffs before the trial court and enjoy a good reputation as coaching institute(s) for various competitive exams. More particularly, Plaintiff No. 1 has been the registered owner of the trademark KIE, i.e. "Kashmir Institute of Excellence," also used as their brand name since 2013. Plaintiff No. 2 imparts coaching to students under "Mission e Coaching Classes" and owns the trademark registration for their brand name "Mission e". Plaintiff No. 3 operates as Hope Classes. All these three plaintiffs came together to constitute Plaintiff No. 4, named "EMERGE KIE HOPE MISSIONE PVT LTD", to start operations together in January 2024.

This new entity applied for the registration of the trademark "EMERGE" with the intent to operate the coaching classes as a combined entity and not pursue teaching

mail@lexorbis.com | www.lexorbis.com

activities through their erstwhile individual coaching institutes. Thus, they were collectively using the name "EMERGE – KIE HOPE MISSIONe – Infinity and Beyond." There was considerable interest in the media and the student community, and around 4000 students enrolled for the Scholarship test conducted for seeking admission to the new Institute, which enjoys the goodwill and reputation of its constituent erstwhile coaching institutes.

In April 2024, the plaintiffs became aware of coaching classes started in Srinagar under the name "EMERGE Infinity and Beyond- powered by KIE". Thus, it was evident that the intent of this Institute was to use the same name to create an impression that it was operating under the aegis of the company floated by the plaintiffs. They were also using identical logos to mislead students and even started a social media page by the name EMERGE SRINAGAR to mislead students while also adding the words "Powered by KIE" to capitalise on the goodwill of KIE. The plaintiffs, therefore, filed a suit before the ADJ, Srinagar, to restrain the respondent from using the marks of the plaintiffs for similar services, i.e. coaching classes and to claim damages for the loss being caused by the activities of the defendant.

The defendant, on his part, without filing any written statement, chose to only reply to the application seeking injunction by stating that plaintiffs 1, 2 and 3 had constituted the new entity, Plaintiff No. 4 and were no longer using their individual marks, and therefore, KIE could be used by them. The defendant further argued that there was no exclusivity granted to the plaintiffs in respect of the word EMERGE, so there was no reason for preventing the defendant from using the same.

The trial court examined the documents on record and the averments made by both parties and concluded that the plaintiffs had successfully demonstrated that they were the prior users of the marks that were being blatantly copied by the defendants. Vide order dated May 16, 2024, the trial court restrained the defendant from using the marks, logos and devices that were under dispute in the suit during the pendency of the proceedings.

Aggrieved by this order, the defendant appealed before the High Court of Jammu and Kashmir at Srinagar. In the appeal, the appellant highlighted the fact that the respondent's company, EMERGE KIE HOPE MISSIONE PVT LTD, was registered only on April 10, 2024, and as such, their business was still in the inception stage. Thus, the claims to prior use and goodwill could not be substantiated as the erstwhile constituents of this new entity had ceased to operate independently. As such, they found the injunction passed by the trial court unjustified. Further, since the service was being rendered to students who were educated, there was no likelihood of confusion and, therefore, craved indulgence of the appellate Court for vacating the injunction granted by the trial court.

Analysis by the Court

The Hon'ble Judge took note of the fact that since both the appellant and the respondent entity were newly constituted, the trademarks in question were not registered in their respective names. Therefore, as per Section 27(2) of the Trade Marks Act, a case for passing off was applicable as the services of both parties were identical. Relying on the Supreme Court Judgment in *S. Syed Mohideen vs P. Sulochana Bai (2016) 2 SCC 683*, it was held that the rights of the prior user were superior to rights granted by registration. The same was affirmed in *N.R. Dongre vs Whirlpool Corporation (1996) 5 SCC 714*.

The Learned Judge further observed that goodwill in the business is the deciding factor in passing off. If the goodwill is compromised by the use of a deceptively similar trade name, logo, device, etc., then the right of the prior user must be protected. Examining the instant case, the learned Judge reviewed the advertisements and opined that the appellant started operating only in April 2024. In contrast, the respondents had been operating since 2013 and had formed the amalgamated entity in January 2024. While the amalgamated entity may have come up only a few months ago, the collective goodwill of the constituent coaching institutes was advertised by the parties and led to 4000 students appearing for the scholarship test for registration with the newly amalgamated Institute.

Thus, the trial court was right in concluding that prima facie, goodwill existed in the respondents. The two brand names and logos also looked similar, with the same words used in an almost similar manner, thus making them deceptively similar. The use of the words "powered by KIE" also gave the impression of affiliation with KIE, which was registered by Plaintiff No. 1 in 2013.

Decision by the Court

The plaintiffs claimed to have assigned their goodwill and trademarks to the new entity, so using their erstwhile names by the new entity was justified. However, it cast doubt as to the intention of the appellant in using a name that is an amalgam of the names of the three plaintiffs and the new entity they have formed. As such, all ingredients of passing off were met, and the trial court was justified in granting a temporary injunction against the appellant.

The Court also highlighted the settled law that if the trial court has not taken an arbitrary or capricious stand, there is no reason for the appellate Court to interfere with the order. The appeal was accordingly dismissed, and the restraint order of the trial court was upheld.

110. Metro Brand Ltd. Protects 'METRO' Trademark: Legal Analysis

Case: Metro Brand Ltd. v. MKCE Master Franchise India Pvt. Ltd. [INTERIM APPLICATION (L) NO.21905 of 2023]

Forum: Bombay High Court

Order dated: June 11, 2024

Order: In a recent ruling dated 11th June 2024, the High Court of Judicature at Bombay addressed the matter of Metro Brand Limited, the Plaintiff, against MKCE Master Franchise India Private Ltd., the Defendant, in the context of Commercial IPR Suit (L) No. 21617 of 2023.

The Plaintiff, Metro Brand Limited, sought relief through an Interim Application, petitioning for an injunction to restrain the Defendant from infringing on their registered trademark and engaging in activities that could lead to confusion regarding their brand identity. Despite being served through courier and notified of court proceedings, the Defendant did not appear before the Court.

Background and Allegations

Metro Brand Limited, a prominent retailer in footwear, bags, accessories, and leather goods, claimed extensive usage and registration of the trademark "METRO" since its establishment. Plaintiff alleged that Defendant MKCE Master Franchise India Private Ltd. had adopted marks similar to "METRO" for various products, including clothing, footwear, and accessories.

Legal Proceedings

The Plaintiff presented evidence of their long-standing use and registration of the "METRO" trademark since 1977, initially under a partnership and subsequently as a public limited company. They asserted that the Defendant’s adoption of similar marks constituted trademark infringement and passing off.

Court's Decision

After considering the arguments and evidence presented by the Plaintiff, the court found a prima facie case in favour of Metro Brand Limited. The Court observed that the Defendant's marks prominently featured "METRO," identical to the Plaintiff's registered trademark, suggesting potential infringement.

In its ruling, the Court granted an ad-interim injunction as requested by the Plaintiff, restraining the Defendant from using marks including "METRO KIDS COMPANY," "METRO KIDS," and others deemed deceptively similar to the Plaintiff's registered marks. The Court emphasised the Plaintiff's substantial goodwill and the potential irreparable harm if the injunction were not granted.

Conclusion

The Court's decision underscores the importance of protecting established trademarks against unauthorised use and highlights the legal principles governing trademark infringement cases. The matter will be revisited on July 24, 2024, when further proceedings, including the Leave Petition, will be considered.

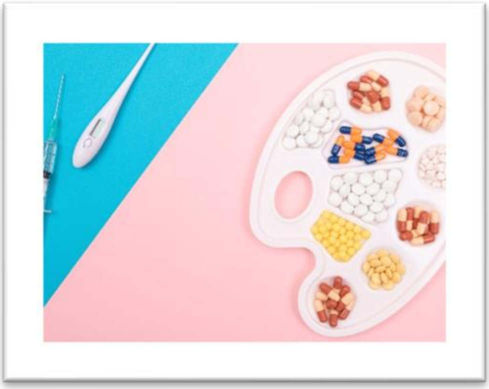
This ruling is a significant development in the ongoing legal battle between Metro Brand Limited and MKCE Master Franchise India Private Ltd., reflecting the judiciary's commitment to upholding intellectual property rights in commercial disputes.

111. Ex Parte Interim Injunctions Safeguard Plaintiff's Interests

Case: Ajanta Pharma Limited vs Prahem Laboratories LLP [Interim Application (L) No. 14508 of 2024]

Forum: Bombay High Court

Order dated: June 12, 2024



Order: The Bombay High Court decided on the importance of passing an *ex parte* order in a petition involving alleged phonetically similar trademarks. Ajanta Pharma, the petitioner, filed a suit against Prahem Laboratories, seeking an *ex parte* order without notifying the defendant due to the nature of the impugned mark, its trading channels, and the products sold under it.

Ajanta Pharma, a well-established manufacturer, marketer, seller, and exporter of medicinal products, has sold its goods in over 30 countries. He owned the registered trademark "ZAHA" under Class 5, which treats bacterial infections in adults and children. The mark was also registered in other jurisdictions, including Iraq, and has been in use since 2000 in various Asian, African and Middle Eastern countries. The plaintiff had invested significantly in promoting and marketing its products globally.

In April 2024, the plaintiff learned about the defendant's mark "ZARA" for products under Class 5, specifically for treating bacterial infections in adults and children. The plaintiff also noted that the defendant's products under the mark "ZARA" were also available in Iraq, overlapping with the plaintiff's market.

The plaintiffs argued that the defendant's mark ZARA were phonetically, structurally, visually, and aurally close and, by extension, deceptively similar to the Plaintiff's ZAHA mark. The plaintiffs claimed that merely replacing "H" with an "R" was inconsequential and did not distinguish the marks due to the obvious phonetic similarities and the identical goods sold under the rival marks. The plaintiff stated that the defendant's packaging also featured the number "500", which was used to denote the dosage near the impugned mark ZARA, among other phonetic, visual, and structural similarities.

The plaintiffs asserted that the possibility of confusion was inevitable, misleading the general public into believing that the goods bearing the ZARA mark originated from the plaintiff. The plaintiff stated that the general public, members of the medical profession, and others acquainted with the plaintiff's products were likely to be confused upon seeing the defendant's products bearing the impugned mark and also wrongly believe them to be originating from the plaintiff not only due to the phonetic, visual, and structural differences but also because the spheres of operation were overlapping in terms of both goods (treatment of bacterial infection in adults and children) and exporting countries (Iraq).

The plaintiff relied on the judgement in Cadila Pharmaceuticals and stated that in an action for infringement, there was no discrimination between goods manufactured for sale in the Indian subcontinent and goods manufactured for export, reflected in paragraphs 49 to 57 of the judgment.

The plaintiff pled that the order must be passed ex parte because if the defendant received notice of the plaintiff's application for interim relief, they were likely to remove existing stock of the goods bearing the impugned mark from their factories or storage houses and dump them in the market thereby flooding the market with the goods bearing the impugned mark. Further, it was also stated that the defendant may destroy their accounting books; therefore, a grant of interim relief in the absence of notice to the defendant was paramount.

The Court was of the opinion that upon consideration of the rival marks, the goods, and the trading channels, a prima facie case was made out for granting ex parte relief against the defendant due to the mark's ability to cause confusion and a likelihood of deception. The Bench agreed that serving notice would be counterproductive and granted interim relief, restraining the defendant from selling, manufacturing, and marketing products under the “ZARA” mark.

mail@lexorbis.com | www.lexorbis.com

112. Pharmaceutical Showdown: The Glenmark Pharma's ZITA-MET and XIGAMET Saga

Case: Glenmark Pharmaceuticals Ltd. vs. Gleck Pharma (OPC) Pvt Ltd. & Ors. [INTERIM APPLICATION (L) NO.30450 OF 2023]

Forum: Bombay High Court

Order dated: June 13, 2024

Order: The Bombay High Court recently granted an ad-interim injunction in favour of the plaintiff in a trademark infringement case of *Glenmark Pharmaceuticals Ltd. vs. Gleck Pharma (OPC) Pvt Ltd. & Ors.* The plaintiff is a company engaged in manufacturing, marketing, and selling pharmaceutical preparations under the trademark "ZITA-MET", registered in class 5 for anti-diabetic drugs. The plaintiff's drug bearing the said trademark was comprised of the molecule Sitagliptin, which was later changed to Teneligliptin and Metformin. The plaintiff also claimed to have used their trademark since 2013. In August 2020, the plaintiff discovered the impugned trademark "XIGAMET" filed by the Defendant in February 2020 on a "*proposed to be used*" basis.

The defendant also manufactured and sold anti-diabetic drugs under the said trademark comprising the molecule Teneligliptin. Further, in August 2020, the plaintiff filed an opposition against the impugned application. In a surprising turn of events, Defendant No. 1 filed a suit in the Court of Srinagar under Section 142 of the Trade Marks Act, 1999 ("the Act") for a groundless threat against the plaintiff. By an ex-parte order, the Srinagar Court passed a temporary injunction against the plaintiff, restraining them from interfering with the manufacturing, distribution and sale of the defendant's product "XIGAMET". Subsequently, the Srinagar Court discontinued the order.

The plaintiff in the present case submitted that from a bare perusal of the two rival marks, there is no manner of doubt that the rival marks are phonetically, aurally and visually similar. It was further submitted that both the marks contained an

mail@lexorbis.com | www.lexorbis.com

exact number of letters and syllables, further leading to the likelihood of confusion amongst the general public. The plaintiff relied on several landmark judgements, including ***Cadila Health Care Ltd. Vs Cadila Pharmaceuticals Ltd.,*** wherein it was observed that where medicinal products were involved, the test to be applied for assessing the violation of trade mark law was not the same as in cases involving non-medicinal products and that the Court needs to apply a stricter approach to adjudge the possibility of slightest of confusion between two marks. The plaintiff also denied the attempt of the defendant to dissect the plaintiff's trade mark "ZITA-MET" into "ZITA" and "MET" and the impugned trade mark "XIGAMET" into "XIGA" and "MET" and stated that the same was violative of the anti-dissection rule. The plaintiff further placed emphasis on the fact that the goods sold under both sets of rival marks were anti-diabetic drugs used for treating the same ailment, and confusion between the said drugs could potentially cause harmful side effects on the consumers.

On the other hand, the defendant submitted that the present case was not maintainable on the grounds of multiplicity of proceedings and abuse of law. The Defendants also claimed that this Court did not have jurisdiction to adjudge the case as the Defendants were not manufacturing, selling, or stocking their products within the territorial jurisdiction of this Court. The defendant further submitted that various medicines were being sold in the market with the suffix "met". The defendant while relying on various judgements also pointed out one such drug named “Sitamet" being sold with the exact combination as that of the plaintiff's drug and a prior registration than the plaintiff. Further, during the course of the pleadings filed in the opposition matter, the defendant failed to disclose the first date of use of the impugned trademark "XIGAMET". However, when the defendant filed its evidence in support of its application, the plaintiff observed that the Defendants were selling medicinal preparations bearing the impugned trademark.

The Court primarily relied on the *Cadila case and held that* the defendant's impugned mark "XIGAMET" was deceptively similar to the plaintiff's registered trademark "ZITA-MET". Firstly, both the marks were word marks which were phonetically and structurally similar as they contained the same number of letters and syllables. Further, the goods under both the marks were also used in respect of the same kind of products. The Court also observed that it was not to speculate as to whether there was a probability of confusion between the marks. The mere existence of the slightest probability of confusion in the case of medicinal product marks required that the use of such marks be restrained.

Thus, the Court granted an ad-interim injunction to the plaintiff. The Court also held that no question of abuse of power or maintainability of the present case arose. The Court further stated that it is the Defendants who have failed to showcase *bona fide* intention to adopt the impugned mark. The Court also relied upon the case of *Medley Laboratories (P) Ltd., Mumbai and Ors. Vs Alkem Laboratories Limited* and observed that once the Court concludes that the rival trademarks were deceptively similar, the other factors, viz. the packing being different, the number of tablets contained in the competing packaging were not the same, prices were not identical and/or the goods being sold on doctor’s prescription were altogether irrelevant and immaterial.

113. Pidilite Industries Limited vs Astral Limited – An Attempt to 'Contain' Confusion and Misuse?

Case: Pidilite Industries Limited vs Astral Limited [INTERIM APPLICATION (L) NO.13706 OF 2024]

Forum: Bombay High Court

Order dated: June 13, 2024

Order: In a recent design infringement case brought before the Bombay High Court, the Court has granted an ad interim injunction in favour of the Plaintiff, Pidilite Industries Limited, restraining the Defendant, Astral Limited, from selling its 'Solvobond' cement products in containers identical/similar to the plaintiff's registered M-SEAL PV SEAL containers.

The plaintiff contended that the defendant has flagrantly copied its registered design of Coex plastic containers of M-SEAL PV SEAL products and is deceiving the public at large by passing off its solvent cement products in containers identical to the container design of the plaintiff.

In granting an ad interim injunction to the plaintiff, the Court noted that the plaintiff's registered design is not just a trade variant but a unique and original work of art that ought to be shielded from infringement and passing off by the defendant.

Brief Facts

The plaintiff was incorporated in 1969 and is a manufacturer of construction bonding chemicals/materials and additives and offers a wide range of sealants and adhesives under its 'PV SEAL' brand, which is a pipe glue and a chemical compound/adhesive used for joining/fusing various kinds of plastic pipes. Since 2015, the plaintiff's M-SEAL PV SEAL products bearing distinctive PV SEAL labels are sold openly, extensively, continuously, and in an uninterrupted manner in distinctive tin containers having unique and distinctive shapes, sizes, contours and configurations. In 2018, the plaintiff transitioned from tin containers to Coex plastic containers for its solvent cement products sold under the mark M-SEAL PV SEAL, which was introduced in the market in 2019, while the tin containers were slowly phased out, such that since 2023, only the Coex tin containers are being used by the plaintiff.

In this background, the main issue arose when, in or about 2024, the plaintiff came across a range of solvent cement products manufactured and/or sold by the defendant under its brand/mark 'SOLVOBOND' in containers which, allegedly, were an imitation of or deceptively similar to the plaintiff's distinctive 'M-SEAL PV SEAL' registered design container in shape, configuration, caps including vertical lines and extended ridges thereon and multiple grooves below the cap connecting to the seal of the container.

Plaintiff's Submissions

The plaintiff submitted that the defendant's impugned container was an obvious imitation of its registered container design and given the identical similarity between the rival designs and in the absence of a plausible explanation by the defendant for how it chanced upon/adopted the impugned container design, an order of injunction must ensue. Additionally, it was claimed that the defendant purposefully opted to replicate the plaintiff's design even though it had its own designs. The Court was presented with physical samples of both Plaintiff's and Defendant's containers and found that they were, in fact, largely identical.

The plaintiff asserted that its container design was prior and registered and that the design's novelty and originality resided in its overall shape and configuration, which created a visually appealing and distinctive design when viewed as a whole. Also, it was the first in the market to use the distinctive M-SEAL PV SEAL design on a plastic container for solvent cement products, which appealed to the eye. Also, it is not a mere trade variant as none of the prior art produced by the defendant in its reply is anywhere close/similar to the plaintiff's distinctive M-SEAL PV SEAL container design. It was also submitted by the plaintiff that 'mosaicing' is not permissible, and while comparing the designs of containers, the same cannot be broken down into parts, which the defendant has sought to do in this case by comparing individual elements/features of the plaintiff's containers with other prior designs/patents/products.

Defendant's Submissions

The defendant did not try to defend itself against the plaintiff's contention regarding the similarity between the rival containers but rather argued against the enforceability of the plaintiff's registered container design, submitting that it was not ‘visually appealing’ as per requirements of Section 2(d) of Designs Act, 2000 and only a mere trade variant of already known and prior published trade designs. The defendant also contended that there was ‘nothing unusual’ or ‘capricious’ or ‘catchy’ about the plaintiff's container design and additionally argued that the plaintiff's design application being, subsequent to its Patent Application for the container design, lacked novelty.

Court’s Decision

Based on the above, the Court concluded that the plaintiff's container design is both distinctive and visually appealing when considered as a whole. The Court observed, “The cap contains a unique pattern of vertical lines and elongated ridges around the outer surface, and multiples grooves below the cap connecting to the seal. The container has a distinctive, unique ring. The edge of the bottle has a unique design. There are unique edges at the shoulder and bottom of the container. All these ingredients taken together do appeal to the eye.” The Court also relied on sub-section (1) of Section 11 (A) of the Patents Act, 1970, read with Rule 24 of Patent Rules, 2000 and Section 16 of Designs Act, 2000 and noted that filing of the Plaintiff's Patent Application before its Design Application is inconsequential as the design remained confidential and didn’t constitute prior publication.

The Court further dismissed the argument of the defendant that the plaintiff's design was not new and original and submitted that the plaintiff's design is validly registered and not a trade variant of existing/known designs and, in fact, the defendant had failed to demonstrate that there is any prior design or one very similar to it that precedes the plaintiff's design or that the plaintiff has merely created a trade variant. The Court noted that the plaintiff's design cannot be segregated or dissected into separate integers. The test of 'appeal to the eye' has to be considered for the design as a whole, and the prior art and prior publications produced by the defendant, when compared as a whole, are neither deceptively similar nor identical to the plaintiff's design as applied to its containers.

In this, the Court placed its reliance on Frito-Lay North America Inc. vs. Balaji Wafers Pvt. Ltd. (2020 Bom) and noted that a bare perusal of the cited designs and the plaintiff's registered design would show that they are, in fact, substantially dissimilar. The features of the plaintiff's design taken together or as a whole are not present in any of the prior cited designs. For a design to be a trade variant, this

Court would have to conclude that the unique features of the plaintiff's design are minor or inconsequential in nature, which is not the case.

The Court concluded that a prima facie case of design infringement had been made out by the plaintiff against the defendant, whose design elements did not constitute substantial variations and were, in fact, similar to the plaintiff's registered design container. It also noted that if the injunction is not granted, then grave loss, harm, and prejudice will be caused to the plaintiff as the defendant will continue to use the impugned container with the plaintiff's design. Hence, in granting interim relief to the plaintiff, the Court has laid down the importance of safeguarding creative designs in business.

114. Analysis of the Judgment in the Case of Trademark Infringement and Passing Off: AROKYA vs. AROGYA DHAN

Case: Hatsun Agro Product Ltd vs Praveen Kumar [Civil Suit (Comm.Div.) No.147 of 2023]

Forum: Madras High Court

Order dated: June 14, 2024

Order: In a recent judgment, the plaintiff, Hatsun Agro Product Limited, sought an ex-parte decree against the defendant for infringing upon their registered trademark "AROKYA" by using the mark "AROGYA DHAN". This case was brought before the Madras High Court under the provisions of the Code of Civil Procedure, 1908, the Trademarks Act, 1999, and the Commercial Courts Act, 2015. The judgment highlights significant aspects of trademark law, including issues of infringement, passing off, and the concept of well-known marks.

Factual Background

The plaintiff, Hatsun Agro Product Limited, is India's largest private-sector dairy company and a market leader in the dairy processing industry. The company's origins trace back to 1970 when Mr. R.G. Chandramogan established a partnership firm, M/s. Chandramohan & Co., for manufacturing and selling ice cream. Due to the business's success, the company was incorporated in 1986 as Hatsun Foods Private Limited, later renamed Hatsun Milk Food Private Limited, and finally converted to a public limited company named Hatsun Agro Product Ltd. in 1995. The company operates under several brands, including "AROKYA," "ARUN," "HATSUN," "IBACO," and others, gaining significant reputation and goodwill over the years.

The plaintiff has used the trademark “AROKYA” for milk and related products since 1994, securing multiple trademark registrations under various classes. The brand’s extensive sales promotions and advertisements across multiple media channels have bolstered its market presence in Tamil Nadu, Telangana, Karnataka, Andhra Pradesh, Goa, Maharashtra, and Puducherry. The registration of “AROKYA” by the Trademark Registry indicates no prior similar marks at the time of its registration, establishing the brand’s uniqueness and strength in the market.

In 2021, the plaintiff discovered that the defendant was selling salt under the mark “AROGYA DHAN,” which the plaintiff claimed was deceptively similar to “AROKYA.” A cease-and-desist notice was issued on October 15, 2021, but the defendant continued using the disputed mark. The plaintiff asserts that the addition of “DHAN” to “AROGYA” does not significantly differentiate it from "AROKYA," leading to consumer confusion and potential damage to the plaintiff's brand.

The plaintiff further alleges that the defendant’s use of “AROGYA DHAN” is unauthorised, as the defendant is neither the registered proprietor of the trademark nor has been granted permission by the plaintiff to use it. The Trademark Registry had previously refused the defendant's application for “AROGYA DHAN” on March 8, 2019, leaving the defendant without a valid trademark registration. The similarity between the plaintiff’s milk products and the defendant’s salt, both being edible and sold through similar channels, exacerbates the likelihood of public confusion.

Despite the plaintiff issuing another cease-and-desist notice on October 11, 2022, the defendant failed to respond or cease using the mark. The plaintiff then initiated pre-institution mediation under the Commercial Courts Act, but the defendant did not participate, resulting in a non-starter report from the State Legal Services Authority.

The plaintiff’s argument was that the defendant’s use of “AROGYA DHAN” dilutes the distinctiveness and prejudices the reputation of its renowned “AROKYA” trademark. The continuous use of the infringing mark by the defendant, despite notices and legal action, constitutes an ongoing violation of the plaintiff’s intellectual property rights. The plaintiff contends that the defendant’s adoption of the mark was dishonest, intended to pass off their products as those of the plaintiff.

Due to the defendant not filing a written statement, the court set the defendant ex-parte on April 16, 2024. The plaintiff's suit seeks to protect its trademark from infringement and passing off, emphasizing the significant harm caused by the defendant's actions.

Legal Provisions Invoked

The plaintiff invoked several legal provisions in their suit:

1. Order VII Rule 1 of the Code of Civil Procedure, 1908: Pertains to the contents of the plaint.

2. Order IV Rule 1 of the Madras High Court Original Side Rules: Relates to the procedure for filing suits in the original jurisdiction of the High Court.

3. Sections 134 and 135 of the Trademarks Act, 1999: Deal with the jurisdiction of courts and the reliefs in cases of trademark infringement.

4. Section 7 of the Commercial Courts Act, 2015: Concerns the establishment of commercial courts and their jurisdiction.

Plaintiff's Claims

The plaintiff sought several remedies from the court. They requested a permanent injunction to restrain the defendant from using "AROGYA DHAN" or any similar mark, thus preventing further infringement and passing off. They also sought a declaration recognising "AROKYA" as a well-known trademark under the Trademarks Act, 1999. Additionally, they demanded the defendant surrender and destroy all products bearing the infringing mark. The plaintiff further requested the court to direct the defendant to provide an account of profits earned through the sale of infringing products and to pay these profits to the plaintiff. Lastly, they sought Rs.3,00,000/- as damages for the acts of infringement and passing off.

Court's Findings

The court examined the evidence presented by the plaintiff, including the testimony of Mr. P. Vivek, Deputy Manager-Legal and Authorized Signatory of the plaintiff company, and various documentary proofs. The defendant did not file a written statement and was set ex-parte, meaning the case was decided without their participation.

The court found that the plaintiff had successfully proved their case of trademark infringement and passing off. The defendant's mark "AROGYA DHAN" was deemed deceptively similar to the plaintiff's renowned mark "AROKYA", likely to cause confusion among consumers.

Judgment and Decree

Based on the evidence and legal principles, the court ruled in favour of the plaintiff and granted several reliefs. The defendant was permanently restrained from using the mark "AROGYA DHAN" or any other mark deceptively similar to "AROKYA." They were directed to surrender and destroy all products and materials bearing the infringing mark. The court ordered the defendant to provide an account of profits earned through the infringing mark and pay these profits to the plaintiff. Additionally, the defendant was directed to pay Rs.3,00,000/- as damages to the plaintiff, and the plaintiff was awarded the costs of the suit.

Conclusion

This judgment highlights several important aspects of trademark law. The recognition and protection of well-known marks are crucial as they enjoy broader protection against infringement and dilution. Courts are inclined to grant injunctions to prevent ongoing or potential harm to the trademark owner's reputation and goodwill. This judgment in the case of Hatsun Agro Product Limited vs. the defendant concerning the marks "AROKYA" and "AROGYA DHAN" highlights the stringent protection available to trademark owners under Indian law. It reinforces the principle that any mark deceptively similar to a prior trademark, causing confusion or association, constitutes infringement and passing off. The court's decision to grant comprehensive reliefs, including permanent injunction, destruction of infringing goods, and accounting of profits and damages, emphasises the judiciary's proactive stance in safeguarding intellectual property rights. This case serves as a significant precedent for future disputes involving trademark infringement and passing off, reaffirming the robust legal framework protecting trademarks in India.

115. Navigating Intellectual Property and Free Speech: Insights from the Dabur vs. Dhruv Rathee Case

Case: Dabur India Ltd. v. Dhruv Rathee and Ors. [CS-COM/474/2024]

Forum: Calcutta High Court

Order dated: June 18, 2024

Order: After nearly a year of litigation, a dispute between Dabur India Limited ('Dabur') and YouTuber Dhruv Rathee reached a resolution on June 18. Dabur had filed a lawsuit to protect its intellectual property rights against a YouTube video by Dhruv Rathee referencing 'Real', one of Dabur's products. The case was settled before a Single Judge Bench presided over by Justice Krishna Rao, who approved an agreement between the parties. The settlement included the removal of all 'Real' trademarks, copyrighted content, labels, packaging, and advertisements from the contested video. Additionally, Dhruv Rathee agreed to blur the packaging of Dabur's Real fruit juice in his future videos.

Brief Facts

On February 14, 2023, Rathee published a video analysing the health benefits of packaged fruit juice products. In response, Dabur swiftly filed a petition with the High Court, alleging that Rathee's video 'disparaged' its product and unfairly compared soft drinks to ready-to-serve fruit juices, potentially discouraging consumers from choosing the latter. Dabur also claimed that Rathee used excerpts from their advertisements and intentionally obscured their registered mark/logo, 'Real Fruit Power', causing reputational harm. Despite Dabur's request to remove the video, Rathee declined.

On March 15, 2023, the Court determined that Dabur's product 'Real' was specifically targeted, denigrated, and discredited in the disputed video, establishing a strong prima facie case on its merits. Consequently, the Court ordered Dhruv Rathee to only repost the video after removing all references to Dabur's product

mail@lexorbis.com | www.lexorbis.com

'Real' and refrain from using the trademark, copyrighted content, trade dress, packaging label, and logo associated with the 'Real' brand.

By an order dated February 29, 2024, the Court suggested that the parties resolve the disputes in the suit by blurring or removing fruit juice packets alleged to resemble Dabur's products. In response, Dhruv Rathee proposed via email on March 15, 2024, to blur or use generic fruit juice packaging, asserting his rights to freedom of speech, expression, and fair comment. Dabur accepted this proposal in principle, as conveyed in their email dated March 19, 2024. Subsequently, Dhruv Rathee submitted a video featuring the proposed generic fruit juice packaging on June 12, 2024, to replace the packaging deemed similar to Dabur's. Dabur agreed that these changes should be implemented throughout the contested video, ensuring the removal of any references to 'Real' trademarks, copyrighted content, labels, packaging, or advertisements.

Understanding the Conflict and Nuances

In the video of the defendant, the video unfairly compares carbonated soft drinks with ready-to-serve (RTS) fruit beverages. Also, it contrasts fresh fruit juices unfavourably with RTS fruit beverages. Its overall effect is to broadly criticise all packaged fruit juices. Additionally, the video suggests that consuming packaged fruit juices may contribute to type 2 diabetes and could lead to hair loss and other health issues. It advises against consuming these juices and strongly recommends against giving them to children. Furthermore, it directly references products sold under the brand name 'Real' owned by Dabur.

This case raises questions about copyright, fair use, and trademark law's intersection with freedom of speech and expression. In the order dated March 15, the Court observed that Article 19(1) of the Indian Constitution guarantees freedom of speech and expression, including disseminating information through any medium or platform. Emphasising the importance of consumer access to information, the Court acknowledged this right within constitutional bounds. However, the judge also highlighted the limitations on this freedom under Article 19(2), particularly in cases where the legality of published information is contested. The judgment underscored the need to balance the consumer's right to information against a manufacturer's right not to be unfairly criticised or ridiculed.

Decision of the Court

The Court observed that Dhruv Rathee had consented to universally removing any mention or use of 'Real' as previously stated in the impugned video. Additionally, he raised no objections to the video being uploaded, published, and/or broadcasted with these modifications. Furthermore, both parties agreed that maintaining the lawsuit and related applications pending would not be beneficial, leading the Court to dismiss the case based on the settlement mutually agreed upon by Dhruv Rathee and Dabur.

Analysis

Under Section 52(1) of the Copyright Act, 1957, using copyrighted material for research, criticism, review, or reporting current events is not considered infringement. The controversy sparked the question of whether the defendant's video could be a research-based review or criticism, an analysis of health claims made by companies selling packaged fruit juices, or a journalistic report video.

The Court tried to balance the intention of an individual and the power of multinational companies; in a previous hearing dated April 03, 2023, the Calcutta High Court expressed dissatisfaction with Dabur India’s efforts to remove all URLs of a video by YouTuber Dhruv Rathee concerning Real fruit juice. Justice Ravi Krishan Kapur emphasised to Dabur that the Court would require evidence of Rathee's malicious intent before issuing such an order. This underscores the Court's impartiality, indicating a commitment to safeguarding freedom of expression rather than automatically favouring large corporations. The Court's position reflects a balanced approach, ensuring that individuals are not unfairly silenced. The bench asserted, "I cannot permit a multinational corporation to pursue such a case against an individual," clearly affirming its stance.

Another aspect to be noted here is that the case was filed for trademark and copyright infringement and not for defamation. Where the defences could be truth, fair comment, or true report, in the present case of infringement, there could be no such defences except fair use.

Conclusion

This case is a missed attempt to interpret the infringement of copyright and discuss the ambit of freedom of speech and expression vis a vis Copyright and Trademark laws in a deeper sense and providing a clearer balance, especially in today's world where content creators are on the rise and is becoming one of the primary sources of disseminating information in public. This case prompts us to reconsider the delicate balance between safeguarding intellectual property rights and preserving the freedoms of speech and access to information. When it comes to FMCG products, it comes to advertising regulations, whether these companies are disseminating the correct information about their products or not.

This case prompts a deeper exploration of how copyright, trademark, and advertising laws can harmonise with constitutional protections of free speech, fostering an environment where innovation and expression can thrive while safeguarding corporate interests responsibly.

Ultimately, the Dabur vs. Dhruv Rathee case invites ongoing dialogue on how to navigate these challenges, striking a balance that promotes creativity, transparency, and informed consumer choice in the digital age.

mail@lexorbis.com | www.lexorbis.com

116. The Elephant in the Room: Analysing the Case of Girnar Food & Beverages Pvt. Ltd vs The Registrar of Trademarks and Anr.

Case: Girnar Food & Beverages Pvt. Ltd. v. The Registrar of Trademarks & Anr. [IPDTMA No. 80 of 2023]

Forum: Calcutta High Court

Order dated: June 18, 2024

Order: The main concept of a trademark is that a rational mind can differentiate between the business and goods of different proprietors. Trademarks play a crucial role in establishing and protecting brand identity. The recent High Court ruling in the case of Girnar Food Beverages Pvt. Ltd. vs. The Registrar of Trade Marks & Anr. has set a significant precedent in Indian trademark law. The case garnered significant attention for its nuanced interpretation of Section 17 of the Trade Marks Act, 1999 (the **Act**), particularly regarding prior use and the protection of distinctive elements within a composite trademark. This article explores the background, legal analysis, and far-reaching implications of this judgement, emphasising the balance between protecting established brands and preventing consumer confusion in the marketplace.

Background

Girnar Food and Beverages Pvt. Ltd. (the **Appellant**) filed an appeal under Section 9 (1) (1) of the Act, challenging the registration of a similar mark by Bicrampore T.E (the **Respondent**). The dispute is centred on using the "JUMBO" mark by the Appellant and the "HATHI MARKA UTTAM CHAI" mark by the Respondent, featuring prominent elephant devices. The Appellant claimed prior use and substantial goodwill for their "JUMBO" brand, which contains a device mark – the word 'JUMBO' with five artistic 'elephants'.

The Appellant argued that the Respondent's mark was deceptively similar and likely to cause confusion among consumers since the Respondent had applied for the registration of the mark "HATHI MARKA UTTAM CHAI," which translates to Elephant Mark Superior Tea and includes an artistic 'elephant'.

Key Findings and Rulings

1. Prior use and Goodwill: The Court analysed the arguments and evidence, such as the sales figures, trademark registrations, etc., provided by the Appellant and found that they had used the "JUMBO" mark and its variants since 1985.

2. Deceptive Similarity: The Court evaluated the marks to determine the likelihood of confusion among consumers and the marketplace. The Court states that the word 'Hathi' is synonymous with JUMBO, and both rival labels had elephants as an added artistic work. According to the Court, this was likely to cause confusion in the minds of the consumers since the marks are deceptively similar.

3. Concurrent use: The Court acknowledged that the Appellant has used his mark since 1985. On the other hand, the Respondent has filed their application on a user claim since 1970 but has not produced any evidence to corroborate the same. The invoices submitted by the Respondent were dated 2002.

Court's Judgement

The Court passed an *ex-parte* judgement which underscores the importance of safeguarding brand identity against potential consumer confusion and fortifies the legal framework governing the registration and protection of composite trademarks. The ruling further highlighted the need for a rigorous assessment of consumer perceptions and prior use, emphasising the pivotal role of Section 17 of the Act. The Section states that registration of a composite mark confers the exclusive right to the mark as a whole and not to individual elements unless separately registered. This helps in protecting the integrity and identity of established brands.

Justice Krishna Rao emphasised that the prominent and dominant feature of the Appellant's mark was the elephant device, which occupied more than 50% of the label and was the attractive element that was central to consumer recognition. The Court noted that Respondent's mark also featured an elephant, which could mislead consumers and the market as they would presume its association with the Appellant.

The Court also stated that the Registrar had failed to appreciate the intention of Section 17. The main purpose of the Section was to prevent the monopolisation of common/non-distinctive elements and not to allow the registration of deceptively similar marks that could cause consumer and marketplace confusion.

Implications for Trademark Law

The overarching implications of the judgment are as follows:

1. It provides for a clear understanding of the intention and application of Section 17, particularly with respect to the protection of distinctive elements within a composite mark.

2. It fortifies the protection granted to a well-known/acquired distinctiveness mark against deceptively similar or identical marks, which may cause consumer confusion. It ensures proprietors that the reputation and goodwill built by the established brands are statutorily protected.

3. It reinforces the idea of consumer protection as the case highlights the need for businesses to maintain distinctions in the brands as it is a pivotal element for fair competition.

Conclusion

By addressing the nuances of Section 17 and protecting the distinctive elements of a trademark, the judgment not only strengthens the rights of trademark proprietors but also upholds the interests of consumers in the marketplace. This case will be a critical reference point for legal professionals and businesses navigating the complexities of trademark registration and enforcement in India.

117. Calcutta High Court Grants Injunction to SRMB Srijan Private Limited in Trademark Matter

Case: SRMB Srijan Private Limited vs Uma Shankar Jaiswal [CS-COM 224 of 2024]

Forum: Calcutta High Court

Order dated: June 25, 2024

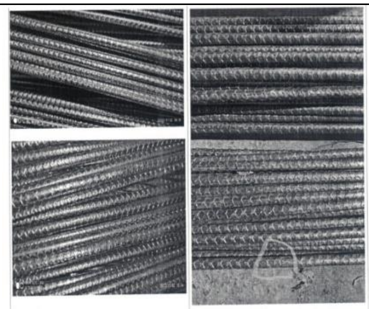
Order: The Calcutta High Court, in an undefended suit, granted an injunction, thereby restraining Uma Shankar Jaiswal (the defendant) from advertising, manufacturing, marketing, and selling TMT Bars/Torkari and rods with the X-Ribs mark/pattern/get-up/trade dress.

Facts of the Case

SRMB Srijan Private Limited (**the plaintiff**) is a well-known company involved in manufacturing, selling and distributing construction material, including Thermo-Mechanically Treated bars (**TMT bars**), torkari bars, wires and grills. Since 2001, the plaintiff has been manufacturing, selling and distributing IS: 1786 grade steel bars - TMT bars under the trademark X-RIBS, wherein the TMT Bars have a distinctive surface pattern that is the letter 'X' embossed at regular intervals over the entire surface and length of the TMT bar. Each bar has two series of 'X' patterns, embossed diametrically, opposite to each other, wherein on one side of the series, the brand name "SRMB" is embossed in a regular style at the 'X' intervals and tensile strength and grade of Fe 415, Fe 500, Fe 550 or Fe 415D, Fe 500D, Fe 550D or Fe 600D is embossed, and on the other 'X' series embossed on the opposite side of the bar is a running 'X' series.

The plaintiff is also the registered proprietor of the word mark X-RIBS bearing number 1304153 since August 20, 2004; SRMB 3D device bearing the X-ribs mark under number no. 3406258, since September 20, 2020; and SRMB 500+ X-Ribs under registration no. 1835790 since June 17, 2019.

mail@lexorbis.com | www.lexorbis.com

Plaintiff's TMT bars	Defendant's TMT Bars
	

Sequence of Events

Date	**Event**
January 2020	The plaintiff came across TMT bars bearing identical and deceptively similar mark X-Ribs being manufactured, advertised and sold by the defendant.
January 16, 2020	The plaintiff, vide its cease-and-desist notice, informed the defendant of its ownership, prior adoption, and superior rights in the mark X-Rib and its use since April 2001.
February 4, 2020	On receiving no reply, the plaintiff sent another notice addressing the same issue.
February 12, 2020	The plaintiff received a reply from the defendant asking for 15 days to solve the problem.
February 13, 2020	In its rejoinder, the plaintiff requested that the defendant provide a detailed reply by February 27, 2020.
February 25, 2020	In its reply, the defendant stated that its TMT bars were sold under the registered mark Laxmi Trading Company (LTC) and that the X-ribs appearing on its TMT bars and the plaintiff's TMT bars were entirely different.

March 17, 2020	The plaintiff sent another letter reiterating its stand taken in its notice dated January 16, 2020, and called upon the defendant to cease and desist from using and applying the X-ribs surface pattern on the TMT bars manufactured by the defendant.
March 25, 2020	The defendant, vide its reply, informed the plaintiff that it would not use the expression X-ribs as a trademark with respect to the TMT bars manufactured by the defendant.
April 04, 2020	The plaintiff, vide its email, clarified that the plaintiff requested the defendant to cease and desist from using the X-ribs surface pattern on the TMT bars, and the defendant's assurance vide its letter of March 25, 2020, was inadequate for concluding the dispute between the parties.
April 11, 2020	In its reply, the defendant contended that the mark X-ribs was not a distinctive expression, was common to the trade, and did not give an exclusive right to the plaintiff to restrain others from using the said mark.

Issue

The present suit relates to the plaintiff's trade dress rights in the unique and distinctive patterns formed by artistic linings subsisting on the TMT Bars manufactured by the plaintiff under the trademark X- RIBS.

Plaintiff’s Submissions

The plaintiff claimed that due to their common law rights, they had the exclusive right to use the X-Ribs pattern/trade mark/ trade dress on its TMT bars; that the shape/mark on the defendant's goods was fraudulent and was a deceptive imitation of plaintiff's prior shape mark present on the surface pattern Plaintiff's X-ribs/Torkari/TMT bar (**Plaintiff’s goods)**; that the defendant had wrongfully, illegally used and applied the X Ribs shape mark/pattern on its TMT Bars in an attempt to pass off and associate and connect its TMT Bars with the plaintiff and the plaintiff's goods and its business as well as to appropriate the goodwill of the plaintiff in relation to the said mark/shape/trade dress. The plaintiff further submitted that the X rib pattern/shape used by the defendant caused immense damage to the goodwill and reputation of the plaintiff and that the said ingredients were the classic trinity under the law of passing off.

Court Analysis and Order

The Court, whilst relying upon ***C.N. Ramappa Gowda***, opined that the Court can invoke the provisions of Order VIII Rule 10 of the Code of Civil Procedure, 1908 (**CPC**) to curb dilatory tactics adopted by the defendants who do not file written submissions by pronouncing a judgment against the defendant. However, while doing so, the Court must be cautious and judge the contents of the plaint and the documents on record to be of unimpeachable character such that no further evidence is required to prove its contents.

The Court held that present suit was an undefended suit as the defendant had failed to appear in the matter at both the interlocutory application hearing as well as in the present proceedings despite notices being served upon the defendant; and also held that the present suit was a fit case for invoking the provisions of Order VIII Rule 10 of CPC as there was no written statement on record and that the Court was satisfied with the plaintiff's averments, supporting documents and Affidavit filed by the plaintiff.

The Court, whilst relying upon the ***Royal Bank of Scotland*** for adjudicating infringement and on ***Pianotist*** for the test of comparison of the rival marks as well as on the settled law that the marks should not be meticulously compared side by side as it was not possible for a consumer to have such an opportunity to do the same held: that there existed a similarity in the marks of the parties; that the defendant had cleverly used the trade mark X-Ribs on its TMT Bars; that the defendant had applied the plaintiff's registered X-Ribs mark on its TMT Bars; and that the defendant had infringed the plaintiff's registered trade mark under Section 29(4)(a)(b) and (c) of the Trade Mark Act, 1999.

The Court, whilst relying upon Erven ***Warnink*** and ***Cadila*** held that the defendant had indulged in the offence of passing off, as the defendant had attempted to dupe the general public by using an identical mark X-Ribs in respect of TMT Bars, which violated the plaintiff's statutory and common law rights, and that such usage would inevitably lead to loss of revenue and goodwill. The Court also directed the defendant to pay costs of Rs. 1,50,000/- to the plaintiff.

118. Common Law Rights on a Higher Pedestal Than Statutory Rights?

Case: Dongguan Huali Industries Co. Ltd. vs Anand Aggarwal and Ors. [CS(COMM) 229/2023, I.A. 3085/2024, I.A. 3114/2024]

Forum: Delhi High Court

Order dated: July 1, 2024

Order: In the case of Dongguan Huali Industries Co. Ltd. v. Anand Aggarwal and Ors. brought before the Delhi High Court, the Court emphasised that a registration can by no means obliterate prior existing common law rights in a trademark established through actual use and accrued goodwill in the market.

The Issue

The Plaintiff, Dongguan Huali Industries Co. Ltd., contested the validity of the registration for the mark HUALI obtained by the Defendant, Anand Aggarwal, and sought a permanent injunction against the Defendant's use and registration of the same mark, asserting that it was the prior user of the mark HUALI, and the Defendant's registration of the same mark does not lessen the Plaintiff's entitlement to protect its trademark under common law principles of passing off.

Facts of the case

The Plaintiff, incorporated in China in 1995, is among the largest manufacturers of furniture components, accessories and related goods being marketed under the trademark “HUALI”, a combination of two terms “HUA” meaning FLOWER, and “LI” meaning WORLDWIDE REPUTATION. The Plaintiff first adopted the trademark HUALI in 2004 internationally and subsequently in 2007 within India, which also prominently features in its trade name and its registered domain name – ‘dghuali.com’, thus serving as the Plaintiff’s distinctive source identifier for which the Plaintiff has also sought statutory protection apart from asserting robust common law rights in the same. Apart from various international registrations, the

Plaintiff applied for registration of the mark HUALI in India under Application No. 2777522 in class 20 dated July 21, 2014, which currently stands Opposed by the Defendant and has another registration for the mark HUAFULI under application no. 2842353 in class 20.

Interestingly, the Defendant, had also applied for registration of the trademark HUALI for identical goods bearing application no. 3925098 dated August 24, 2018, which was previously filed on 'Proposed to be used' basis, but the Defendant changed its user claim to August 24, 2008, shortly prior to opposing Plaintiff's application no. 2777522. The Defendant thereafter withdrew the said application and re-applied the mark HUALI under no. 4146654 on April 13, 2019, with use claim of August 24, 2008, which was granted registration. The said application was filed on the same date on which the Defendant opposed the Plaintiff's application no. 2777522 but kept it concealed so that its validity couldn't be questioned by the Plaintiff.

Objections to Defendant's Registration

The Trade Mark Registry had initially raised objections to the Defendant's registration citing the Plaintiff's pending application no. 2777522 and questioning the Defendant's use claim, to which the Defendant claimed that it had evidence to corroborate its prior use date of August 24, 2008.

Upon coming across the Defendant's infringing activities in Oct 2022, the Plaintiff had filed police complaints reporting Defendant's use of the mark HUALI fearing inferior quality goods being sold under false impression and illegal association with Plaintiff, however no appropriate legal action was taken, hence the Plaintiff filed the present suit.

The Plaintiff asserted that registration by Defendant was both dishonest and with malice based on a fictitious user claim, to hinder the Plaintiff's registration of the mark HUALI which was being used by it since before for identical goods and thus would cause harm to the Plaintiff and its associated goodwill.

The Defendant challenged the Plaintiff's contention by arguing its delay in filing the suit having been well aware of the Defendant's and business collaboration with it and also other contradictions in the evidence of use submitted by Plaintiff as well as the fact that HUALI being a laudatory term cannot claim acquired distinctiveness in China.

The Plaintiff and Defendant both acknowledged use of identical mark for identical goods, thus the likelihood of confusion was evident invoking the principle of 'one mark, one source'. The Court thus analysed the case keeping in mind the criteria for passing off laid down in Reckitt & Coleman Products Ltd. v. Borden Inc., i.e. goodwill, misrepresentation and damage.

The Court in its analysis deciphered that there were temporal anomalies in the evidence presented by the Defendant to corroborate its prior use claim, hence the same was fabricated and forged. The evidence in form of invoices predating the official existence of the Defendant's both entities rendered them prima facie unreliable. Moreover, it also averred that even though the Defendant was the registered owner of the HUALI mark, the same does not negate the Plaintiff's ability to pursue a passing off action as a registration does not confer immunity from challenges, particularly when allegations of passing off are substantiated by evidence of prior use.

The Court relied on Section 34 of the Act, which states that the registration does not give rise to the right to interfere with or limit the rights of prior users of the mark and Section 27(2) of the Act, which permits passing off actions regardless of a mark's registration status underscoring the importance of protecting common law rights based on prior use.

The Court also relied on the Supreme Court's judgment in S. Syed Mohideen v. P. Sulochana, wherein it was affirmed that registration does not preclude an action for passing off. Thus, registration while providing statutory protection does not confer an absolute right, but rather is contingent upon respecting prior user's established rights.

The Court evaluated the documents presented in evidence by the Plaintiff along with its global engagement with HUALI mark since 2004, demonstrated through participation in international exhibitions, along with substantial goodwill and sustained efforts to expand recognition and market presence both globally and in India, thus prima facie establishing Plaintiff's prior use since 2007 within India via its subsidiary companies. On the other hand, considering the anomalies in evidence of Defendant, and errors in invoices suggested systematic attempt to mislead public rather than mere mistakes, creating serious doubts on the integrity of the Defendant's claims. The Court inferred that there were chronological inconsistencies in documents presented by the Defendant, which were falsified with a potential wilful deceit or fraudulent intent to establish backdated history of the Defendant's early use of the mark HUALI. The retrospective claim of early use was intentional to challenge Plaintiff's prior application, which was also met with an objection under Section 11(2) of the Act referencing the Defendant's registration.

Conclusion

The Court concluded that the Defendant not only failed to provide a reasonable explanation for adopting the mark HUALI but also contradicted themselves in their defence. Furthermore, the Plaintiff has seniority in the usage rights of the trademark HUALI due to its prior adoption, widespread use, recognition, genuine efforts to expand business.

The Court thus imposed injunction against the Defendant's use, production, selling, exporting, offering for sale, advertising/displaying directly or indirectly and/or marketing of goods under the trademark HUALI, stating that the creation of false association through fabrication of documents was a deliberate and dishonest strategy leading to disruption of the goodwill and reputation of the Plaintiff.

119. Infringing Pharmaceutical IP Has Legal Side Effects

Case: Zuventus Healthcare Limited vs Zaventis Health Care Private Limited [CS (COMM) 545/2024]

Forum: Delhi High Court

Order Dated: July 5, 2024

Order: The plaintiff was engaged in the manufacturing and marketing of medicinal and pharmaceutical preparations, with a wide network of dealers, distributors and stockists through which it manufactured and marketed its range of products. It had extensive manufacturing facilities across India with an R&D centre in Pune.

The plaintiff submitted that it had adopted its trademark Zuventus and its tradename Zuventus Healthcare Limited and used them continuously and openly since 2002 in the course of its commercial activities. The plaintiff was the sole and exclusive adopter and user of the trademark and tradename in the sector. Because the products manufactured and sold by the plaintiff had borne the trademark and tradename during the previous 20 years, they had acquired a secondary meaning exclusively associated with the plaintiff.

The plaintiff had obtained registration of the mark Zuventis as a word mark, device mark and logo in classes 1, 2, 3, 5, 10, 16, 19, 25, 29, 30, 31, 32, 35, 37, 37, 38, 39, 40, 41, and 42. The plaintiff, as the originator and owner of the device mark had used it on every product and on its website. The device was an original artwork within the definition in section 2(c) of the Copyright Act, 1957. The products of the plaintiff bearing its trademark and tradename were available in many countries other than India, making the trademark and tradename well-known to the public in those nations.

The plaintiff became aware of the illegal and unauthorised adoption of the mark, Zaventis Health Care, by Zaventis Health Care Private Limited in advertisements.

The plaintiff submitted that the defendant’s trademark was visually, structurally and phonetically similar to its registered trademark.

The plaintiff filed an opposition in October 2023 with the Registrar of Trademarks against the defendant’s application for the mark Zaventis Health Care Private Limited. The counter-statement filed by the defendant relied on false and frivolous grounds, failing to justify the use of its trademark. The plaintiff argued that the adoption by the defendant was dishonest from the outset.

The Delhi High Court unsurprisingly found that the plaintiff had established a prima facie case for the grant of an injunction. As the plaintiff would suffer irreparable loss, the court accepted that the interim injunction should be granted even though the defendant had been given no notice of the proceedings. The balance of convenience was in favour of the plaintiff. The court also ordered that the plaintiff did not have to submit the dispute to pre-litigation mediation under section 12A of the Commercial Courts Act, 2015

Pending a further hearing, the defendant’s directors and all third parties in the chain of infringement were restrained from using Zaventis in whole or part as a trademark and a domain name. They were also restrained from using any other mark, name or domain name identical or deceptively similar to the plaintiff’s marks, devices and website. The injunction encompassed pharmaceuticals and medicinal products which would infringe or pass off the plaintiff's registered trademark, tradename and copyright.

The decision has confirmed the commitment of courts to uphold intellectual property rights, particularly in the pharmaceutical industry. Courts have always shown a determination to protect the health of the public from ineffective and deleterious products. This is the latest in a long line of cases upholding established trademarks, condemning infringement and reinforcing the importance of brand integrity and consumer trust. It is a useful reminder that businesses must be cautious when designing, adopting and using trademarks. Courts will ensure fair competition and protect innovation. Blatantly infringing intellectual property will have severe consequences.

120. Use of a Registered Trademark as a Part of Domain Name Amounts to Trademark Infringement

Case: Sonoo Jaiswal & Ors. v. Oracle America Inc. [FAO(OS) (COMM) 98/2024]

Forum: Delhi High Court

Order Dated: July 9, 2024

Order: In a significant ruling concerning the use of a registered trademark as part of the domain name, the Division Bench of the Delhi High Court dismissed the present appeal titled Sonoo Jaiswal & Others v Oracle America Inc and affirmed the ruling of the Single Bench which held Sonoo Jaiswal & Ors. (hereinafter referred to as "the Appellants/Defendants") liable for infringement of the registered trademark "JAVA" in the name of Oracle America Inc. (hereinafter referred to as the "Respondent/Plaintiff")

The Respondent/Plaintiff is an American corporation, which is a part of the Oracle group of companies, operating in over 175 countries. The Respondent/Plaintiff claims to have secured registrations for the mark "JAVA" as well as various formative marks in India and internationally, and its use pertains to a variety of goods and services in relation to computer hardware and software. The Respondent/Plaintiff also claimed that its trademark "JAVA" is a "well-known" trademark. The Respondent/Plaintiff had filed a suit against the Appellant/Defendants from providing marketing or advertising, directly and indirectly any services and/or goods under the trademark JAVATPOINT and logo java T point, which amounts to infringement and passing off of its goods/services as that of the Respondent under its "JAVA" trademarks. Additionally, the Respondent/Plaintiff also sought for the transfer of the impugned domain name www.javatpoint.com to itself and permanently blocking and deleting of the social media accounts of the Appellants. The Respondent/Plaintiff also sought decree for delivery of the infringing products and rendition of accounts,

mail@lexorbis.com | www.lexorbis.com

sum of ₹2,00,01,000/- as damages for loss of sales, reputation and goodwill of its trademarks resulting from the activities of the Appellants/Defendants.

The Appellants filed a joint written statement in response to the suit filed by the Respondent/ Plaintiff, by stating that Appellant Nos. 2 and 3 are an educational institution, which was established thirteen years ago with an object of educating students and youngsters about software development and all the coding languages, by providing lectures and tutorials. The Appellants have stated that they have been continuously extensively and uninterruptedly providing lectures and tutorials to students free of costs with the sole object of educating them about programming and coding languages. The Appellants submitted that JAVA is a technology which comprises both a programming language as well as a software platform, and therefore, the name of programming language cannot be considered as a trademark, since JAVA is a generic word, and that the Respondent cannot monopolize the same.

The Ld. Single Judge held in favour of the Respondent/Plaintiff, observing that the use of the impugned mark JAVATPOINT amounts to infringement of JAVA trademark, and that mere addition of the word ‘tpoint’ as a suffix to the trademark JAVA did not make any material difference as JAVA was the dominant part of the corporate name. The Single Judge observed that use of the impugned mark as part of corporate name as well as domain name amounted to infringing use. The Bench further rejected the contentions of the Appellant/Defendants that JAVA being a programming language cannot be protected as a trademark. The Single Judge observed that the Appellants use of the impugned mark was not referring to a programming language in a descriptive or educational context, rather the impugned mark was adopted as a trademark, which amounted to infringement of the Respondent’s mark JAVA. The Respondent stated before the Single Judge that had the Appellant’s use of the impugned mark been descriptive of their knowledge, proficiency in or use of the JAVA programming language, they would not have any objection, but it was not so in the present case, to which the Ld. Single Bench agreed.

The Appellants submitted that they have changed their corporate name, and they are confining the present appeal to challenge the impugned order to the extent it interdicts the Appellants not to use JAVA as part of impugned domain name www.javatpoint.com. The Appellants stated that the domain name was an address which was not used as a trademark, and therefore the question of infringement of domain name with the Respondent’s trademark did not arise. The Appellants stated that the use of JAVA mark was reasonably necessary to convey to the general public that the Appellants were offering courses in JAVA language. The Appellants further stated that the term JAVA was only used to indicate the content of courses offered by it and there was no such presumption that they were misrepresenting themselves as the Respondent/Plaintiff.

The Division Bench referred to the Supreme Court decision of Satyam Infoway Ltd. v. Siffynet Solutions (P) Ltd. and observed that the use of a domain name, which is used to provide an address for the computers on the internet had now developed a mode of carrying out commercial activity, which is capable of distinguishing the trade as well as services available to the potential users on the internet, and the principles of trade mark law, particularly the aspect of passing off, will also be applicable in the context of the use of the domain name. The court stated that any use of a trademark as a part of the domain name is likely to indicate an association between the proprietor of the trademark and the proprietor of the domain name. The court further observed that such use of a trademark as a part of the domain has the propensity to mislead the users that the sources of the goods and services covered by the trademark would be accessible by the domain name, which covers such trademark.

The Bench thereafter referred to the decision of the Hon'ble Madras High Court in the case of Consim Info Pvt. Ltd. v. Google India Pvt. Ltd which talked about the role of the Internet Corporation for Assigned Names and Numbers (ICANN), which administers internet names and address system, and which further forbids registration of domain names which are identical or confusingly similar to another person's domain name/mark.

Lastly the Bench made a reference to a passage from McCarthy on Trade Marks and Unfair Competition which stated:

"Could a Domain Name be an Infringement of Someone Else's Trademark? Trademark or service mark infringement under the federal Lanham Act can occur if a domain name similar to someone else's previously used trademark is used without permission in a commercial sense, such as in connection with the sale, offering for sale, distribution or advertising of any goods or services in a context that is likely to cause confusion, mistake or deception. Commercial use of a domain name might also trigger the anti-dilution provisions of the Lanham Act. Egregious and bad faith uses of another trademark as a domain name might also be in violation of the federal Anti-Cybersquatting Protection Act (ACPA)."

Applying the above observations, the Bench held that the use of a registered trademark as a part of a domain name would fall within the scope of infringement under Section 29(5) of the Trade Marks Act, 1999. Further the Bench held that use of a mark, which indicates any association or is likely to cause confusion in respect of similar goods would amount to infringement under Section 29 (2) of the Act. Accordingly, in the present case, the Division Bench affirmed with the ruling of the Single Bench and held that the use of the mark "JAVA" as a part of impugned domain name was clearly meant to serve as an identifier of the Appellants and its services, which amounted to infringement under Section 29(5) of the Act. Consequently, the Bench dismissed the appeal.

121. Trademark Tussle for QSS

Case: Quality Services and Solutions Pvt. Ltd. vs QSS Inspection and Testing Pvt. Ltd. [INTERIM APPLICATION (L) NO. 13265 OF 2024]

Forum: Bombay High Court

Order dated: July 9, 2024

Order: In a recent legal dispute pertaining to trademark infringement in the matter of **Quality Services and Solutions Pvt. Ltd. & Ors. *v.* QSS Inspection and Training Pvt. Ltd. & Ors.**, the plaintiff accused the defendants who were its former employees and franchisee of unlawfully using the 'Quality services and Solutions' trademark and its Logo . The plaintiffs, QUALITY SERVICES AND SOLUTIONS PRIVATE LIMITED AND OTHERS, confined not only to filing a suit for infringement by the defendants, QSS INSPECTION AND TESTING PRIVATE LIMITED AND OTHERS, but also for the copyright infringement along with passing off, under Section 29 of the Trademarks act, 1999, Section 55 of the Copyrights act, 1957 and Section 27 of the Trademarks act, 1999 respectively.

The plaintiff no. 1 is a leading multinational company in the field of inspection, testing and certification and it had adopted the trademark QUALITY SERVICES AND SOLUTIONS and the artistic logo first and has been extensively using both since 1999. The plaintiffs through the instant suit seek urgent interim and injunctive relief on the contention that they have been the prior users of the mark as an established and well reputed business across 14 states, since

1999, which was a creation of the plaintiff's employees and also being the first owner of the copyright. The defendant no. 2 joined as an employee in one of its branch offices which was later converted into a franchisee. Thereafter, the defendant no. 4 by virtue of a Memorandum of Understanding (MOU) entered into in 2004, had limited rights to utilise the trademark that was created and used by the plaintiffs. As a result of climbing the institutional ladder, the defendant no. 2 was promoted to the position of the Managing director, however, there was a cessation of this position as the previously appointed directors (also the plaintiffs) acquired a much higher number of shares of the business. In 2023 when the Plaintiff decided to apply for registration of the QSS logo it first came to know of a similar mark already filed by the defendant when their mark was cited as an objection in its Examination Report. The Plaintiffs immediately addressed a cease-and-desist notice to the defendants when they became aware of this and in their reply, the defendants falsely contented that their adoption of the mark/ logo was honest and bona fide. What transpired was that defendant no 2 while still being the Managing director of plaintiff no. 1 had acquired registration of the Plaintiffs QSS logo. The defendants include former associates who allegedly misused QSS's intellectual property rights, registering for the mark that was used by the plaintiffs along with the creation of the website/ domain name identical to that of the plaintiffs.

In defence, the Defendants argue QSS's prior knowledge of their actions without objection constitutes acquiescence and waiver, barring their false infringement claims and that their adoption of the disputed mark was bona fide. It was also asserted that the Memorandum of Understanding (MoU) between the parties as the employer and employee for the grant of limited rights was abandoned due to lack of fees and partnership since 2007 and 2010 respectively.

The Court's decision hinges on balancing these claims and defences under trademark and copyright laws, emphasizing the need to protect QSS's intellectual property rights while considering procedural requirements like pre-institution mediation under the Section 12(A) of the Commercial Courts Act, 2015. The Court discussed the interpretation of Section 12A of the Commercial Courts Act while referring to ***Chemco Plastic Industries Pvt. Ltd. vs. Chemco Plast,*** , emphasizing the need to consider the plaintiff's perspective on the urgency of interim relief, along with the case of *Patil Automation Private Limited v. Rakheja Engineers Private Limited*, wherein it was established that there may be exceptions to Section 12A when there is a suit filed for an urgent interim relief .

Considering all the facts and circumstances of the case, the Court granted interim relief favouring the plaintiff, halting the defendants from using the plaintiff's trademark and logo pending further proceedings. The Court also acknowledged the plaintiff's strong case on trademark and copyright infringement, citing the historical relationship and permissive use of QSS's intellectual property under an MoU. It criticized the defendants' actions, including applying for trademarks while in positions of authority at the plaintiff company, as indicative of a conflict of interest. Despite objections over mandatory mediation under Section 12A, the court justified urgent relief based on the plaintiff's presented facts, rejecting the defendants' claims of acquiescence and waiver due to potential irreparable harm.

The Court's interim relief in favor of QSS highlights the strength of their infringement case and the significance of prior dealings between parties in assessing trademark disputes and conflicts of interest.

122. Battle For the Brand: Jindal (India) Ltd.'s Legal Crusade for Trademark Integrity

Case: M/s Jindal (India) Ltd. v. M/s Rawalwasia Steel Plant Pvt. Ltd. [CS(COMM) 554/2024]

Forum: Delhi High Court

Order dated: July 9, 2024

Order: Imagine a scenario wherein a trusted brand that we as consumers have known for decades suddenly finds its unique identity and reputation threatened by a new and strikingly similar competitor. This is more than just a hypothetical predicament for Jindal (India) ltd., a company that has been a cornerstone of the Indian steel industry since 1952; it is a serious legal battle.

In the bustling landscape of the Indian steel industry, where brands compete with one another for recognition and market share, trademarks act as guardians of the brand identities and reputation. This principle is illustrated in the recent clash between the two industrial titans: Jindal (India) Ltd. and Rawalwasia Steel Plant Ltd. This high-stakes dispute is being decided upon in the Delhi High Court and centers on the alleged infringement of Jindal trademarks that threatens to blur the distinctive identity of one of India's most venerable names in the steel industry.

Jindal (India) ltd. (the '**Plaintiff**') has accused Rawalwasia Steel Plant Ltd. (the '**Defendant**') of adopting trademarks that are akin to their own which would mislead the consumers and dilute the brand's long-standing goodwill.

As the Plaintiff sets foot into the courtroom armed with a century's worth of brand legacy and legal rights, the stakes could not be higher. The case delves deep into trademark law and examines the delicate balance between competition and infringement. The case is a compelling narrative that talks about corporate vigilance, legal strategy and the relentless pursuit to protect one's rights.

BACKGROUND OF THE CASE

The Plaintiff is a company engaged in the business of producing and selling goods under the trademarks “JINDAL, ” ”, and “JINDAL with the device of the map of India. The Plaintiff is the registered proprietor of these trademarks and also holds copyright in the artistic works associated with these trademarks. The Plaintiff has been continuously using these marks since 1952. These trademarks are *prima facie* distinctive of the Plaintiff’s goods and have also become a house mark with the passage of time.

The Plaintiff cam across the Defendant, who had adopted a similar trademark “HINDJAL”, “ ” for their products – galvanized and black steel tubes and pipes. The Defendant had applied for the registration of the mark on “proposed to be used” basis.

The Plaintiff had claimed that the Defendant was using a mark which was deceptively similar to their registered trademark and this could lead to consumer confusion and tarnish the Plaintiff’s established business reputation.

The Plaintiff served the defendant with the present plaint to which the Defendant had responded stating that they had withdrawn the application for the infringing marks and had not used them commercially. Despite this, the Plaintiff sought an injunction to ensure that the Defendant would not use or reapply for the infringing marks in the future.

KEY LEGAL CONCEPTS

The dispute dealt with the concepts of trademark infringement and passing off. The Plaintiff drew a comparison between their marks and the Defendant’s:

PLAINTIFF/APPLICANT'S TRADEMARK	DEFENDANT/RESPONDENT 'S TRADEMARK
JINDAL	***HINDJAL***
	
	

a. **<u>Trademark Infringement:</u>** the Plaintiff argued that the Defendant's mark was strikingly similar to its registered trademark, visually and structurally. The Plaintiff submitted substantial evidence to prove their claim that there is a similarity between the two marks, and this would lead to confusion among the consumers.

b. **<u>Passing off:</u>** The Court evaluated the claim of passing off. The Plaintiff had to prove that they have established goodwill in the market, which would be hampered by the Defendant's misrepresentation which leads to consumer confusion, and the Plaintiff suffered damages as a result. The Plaintiff successfully demonstrated their market presence and the harm that may be caused by the Defendant's actions.

<u>COURT'S FINDINGS</u>

The Court concluded that the Defendant's actions constituted both trademark infringement and passing off. It emphasized the importance of protecting registered trademarks which inturn help protect the business goodwill. The court's judgment set a precedent for similar cases, reinforcing the need for businesses to diligently protect their trademarks and avoid infringing on others' rights.

CONCLUSION

The case plays a critical role in emphasizing the crux of trademark law, which is, safeguarding brand identity and consumer trust. It showcases the fact that established companies must take proactive steps in protecting their trademarks and conduct thorough due diligence to avoid any potential threat of infringement and passing off claims. This case serves as a valuable reminder of the legal and commercial significance of trademark protection.

mail@lexorbis.com | www.lexorbis.com

123. Bombay High Court Shields 'JUPITER' Brand: Landmark Interim Injunction in Healthcare Trademark Dispute

Case: Jupiter Life Line Hospitals Ltd. v. Jupiter Hospital & Institute of Vascular Surgery [INTERIM APPLICATION (L) NO.20307 OF 2024]

Forum: Bombay High Court

Order dated: July 9, 2024

Order: In a recent ruling on July 9, 2024, the High Court of Judicature at Bombay granted an ex-parte ad-interim injunction in favor of Jupiter Life Line Hospitals Limited, a notable player in the healthcare industry. This order restrains the defendant, Jupiter Hospital & Institute of Vascular Surgery, from using the trade name "JUPITER" or any deceptively similar variations thereof.

The plaintiff, Jupiter Life Line Hospitals Limited, secured registrations of the trademark "JUPITER" in relation to a wide array of healthcare and related services under Registration Nos. 1675980 and 4708864 in Classes 42 and 44. The plaintiff inaugurated its first multi-specialty tertiary care hospital under the "JUPITER" brand in 2007/2008, followed by another hospital under the same brand in 2017. Over the years, the plaintiff has invested substantial resources in popularizing its brand, earning significant goodwill and reputation.

In December 2023, the plaintiff discovered that the defendant, Jupiter Hospital & Institute of Vascular Surgery, was using the "JUPITER" trademark in relation to its healthcare services in Bengaluru, including operating websites with domain names incorporating "JUPITER." Despite a cease and desist notice sent by the plaintiff, the defendant continued its use of the contested trademark, leading to the present legal action.

The central issue in this case revolves around the alleged infringement of the plaintiff's registered trademark "JUPITER" by the defendant. The plaintiff contends that the defendant's use of the "JUPITER" mark and related domain names causes confusion and deception among the public, potentially associating the defendant's services with those of the plaintiff. Additionally, the plaintiff argues that the defendant's actions amount to trademark infringement and dilution of their brand's distinctiveness.

The plaintiff's counsel, presented a compelling case, emphasizing the long-standing use, recognition, and goodwill associated with the "JUPITER" trademark. The plaintiff highlighted several points to substantiate their claims that the plaintiff has legally registered the "JUPITER" trademark and has been using it continuously and extensively in relation to its healthcare services since 2007/2008. Further contested that the plaintiff provided evidence of substantial business under the "JUPITER" brand, including annual turnover figures, advertisement expenses, and numerous awards and accolades received over the years.The Plaintiff highlighted that an instance of actual confusion was cited, where an insurance payment intended for the plaintiff was wrongly credited to the defendant, underscoring the likelihood of public confusion. The plaintiff issued a cease and desist notice to the defendant in December 2023, which was ignored, further aggravating the situation.

After careful consideration of the plaintiff's submissions and supporting evidence, the court found a prima facie case for the grant of ex-parte ad-interim relief. Justice R.I. Chagla noted that the defendant's use of the "JUPITER" trademark and related domain names in connection with similar services was likely to cause confusion and deception among the public. The court acknowledged the plaintiff's concern that the defendant might destroy or alter evidence if notified of the application for interim relief, justifying the need for an ex-parte order.

The court granted the ex-parte ad-interim injunction, restraining the defendant from using the "JUPITER" trademark or any deceptively similar variations, pending the final disposal of the suit.

124. Delhi High Court granted Ex-parte ad interim injunction against Maersk Pharma Private Limited

Case: A.P. Møller Mærsk A/S & Anr vs Maersk Pharma Private Limited [CS(COMM) 555/2024]

Forum: Bombay High Court

Order dated: July 9, 2024

Order: Plaintiff is one of the largest shipping companies in the world and involved in a wide range of activities in the fields of logistics, energy, retail and manufacturing since the year 1904. Defendant has recently set up business in the name, Maersk Pharma Private Limited.

The Plaintiff filed an infringement suit to protect the name of their well-known trademark and corporate name 'MAERSK' against the Defendant for allegedly using the impugned mark Maersk Pharma Private Limited. The Hon'ble Delhi High Court allowed the Interim Application (IA) for exemption of institution of pre litigation mediation and granted injunction against the Defendant.

The Plaintiff came across the Defendant using the mark 'MAERSK' as dominant and prominent part of the business name Maersk Pharma Private Limited. It was found that the Defendant had deliberately adopted the mark 'MAERSK' ever since 27.04.2023. In this regard, the Plaintiff issued a cease-and-desist notice on 29.02.2024 to the Defendant and the Defendant refuted all averments of Plaintiff on 14.03.2024. Further the Plaintiff counter replied on 22.03.2024 to the Defendant's reply.

Plaintiff No.2 contended that they are operating in India through various subsidiaries such as Maersk Global Service Centres (India) Private Limited, Maersk Training India Private Limited, Maersk Line India Pvt. Ltd., Maersk Training Services India Private Limited, etc. Further the Plaintiff No.1 is the registered owner of various trademarks such as MAERSK, MAERSK LINE, etc in class 1, 4, 6, 7, 9, 11, 12, 35, 36, 37, 38, 39, 40, 41, 42 and 45 that are valid and

mail@lexorbis.com | www.lexorbis.com

subsisting. Additionally, vide a License Agreement dated 10.05.2012 the Plaintiff No.1 has granted exclusive right to the Plaintiff No.2 to use the trademark 'MAERSK' in India. It was inferred that the Defendant company was incorporated on 27.04.2023 vide the company incorporation certificate. However, the Defendant company aims to commence its business operations with effect from December 2024. This means the Defendant has not still started to use the impugned mark. But the Defendant has imitated the prior adopted and registered mark of the Plaintiffs in the impugned company name.

The Hon'ble Delhi High Court after hearing the arguments, held that the Plaintiff's mark 'MAERSK' was adopted more than seven decades ago thereby the mark has distinct presence in the market. This being the case, the Plaintiff's mark is recognised worldwide and has become well known mark. It was further held that the Plaintiff's mark is not only prior adopted but also prior registered. Court while comparing the rival marks, found that there is no iota of difference inter se as both the impugned trade name and the impugned mark of the Defendant are merely derivates of trade name and the trademark belonging to the Plaintiffs. As such, there is a strong likelihood that both members of the trade as well as members of the general public associate and identify the said trade name and the trademark 'MAERSK' with only the Plaintiffs. The same can lead to confusion in the mind of a person having average intelligence with imperfect recollection. It was also observed by the Hon'ble court that the Defendant intended to ride upon goodwill and reputation of the Plaintiff. Therefore, the court held "in case if the defendant is not restrained by way of an ad interim ex-parte injunction, there is a likelihood of the plaintiffs suffering irreparable harm, loss, injury and prejudice which it cannot be compensated in terms of money."

125. Vesi Vs Nu - The Legal Battle for the Design of the Bottle

Case: Pramit Sanghvi & Ors. vs Energy Beverages Pvt. Ltd. & Anr. [CS(COMM) 87/2024]

Forum: Delhi High Court

Order Dated: July 10, 2024

Order: The case of Pramit Sanghavi & Ors. v. Energy Beverages Pvt. Ltd. & Anr. (CS(COMM) 87/2024) represents a significant instance of intellectual property (IP) litigation in India. It specifically concerns the alleged infringement and/or piracy of design and highlights the evolving jurisprudence around the protection of industrial designs in India under the Designs Act, 2000. The case was decided on July 10, 2024, by the Hon'ble Justice Saurabh Banerjee in the Delhi High Court.

The plaintiffs, led by Pramit Sanghavi, sought an ad-interim injunction against Energy Beverages Pvt. Ltd. (defendant no. 1) and another entity (defendant no. 2) restraining them, from manufacturing, selling, offering for sale, stocking, advertising, directly or indirectly dealing in the impugned products "NU" natural mineral water Bottles having a design identical to or a design being an obvious imitation of the designs of the plaintiff No.1, amounting to infringement of the plaintiffs registered designs and passing off of the defendants' goods as that of the plaintiffs. The plaintiffs also sought a direction to the defendants to immediately stop using the infringing product and take down all references/goods similar to the plaintiff 's registered design from its website, social media account and other e-commerce platforms.

Background

The plaintiff no.1 had applied for and successfully secured registration in respect of the ornamental unique design of the Bottles, which is unique and novel. The core issue revolved around the similarity between the plaintiffs' registered design for their premium water bottle branded Vesi and the design of the defendant's

 mail@lexorbis.com | www.lexorbis.com

"NU" branded water bottles. The plaintiff no. 1 holds registered designs bearing nos. 281573 (registered on March 16, 2016) and 311139 (registered on October 17, 2018) under Class 09-01, both of which pertained to the design of bottled water containers. The plaintiff no.1 and plaintiff nos. 2 and 3 are in a licensing arrangement. The plaintiff no.1, a Director of plaintiff no.2, has been appointed as the authorized representative of both plaintiff nos.2 and 3. The plaintiff nos.2 and 3 are market leaders in the packaged natural mineral water industry.

The plaintiffs learnt that the defendants were infringing the registered design nos. 281573 and 311139 of the plaintiff no.1 during a market survey conducted on 14.01.2024. The plaintiffs, argued that the defendants have imitated the registered design nos. 281573 and 311139 of the plaintiff no.1 and are liable for piracy thereof under *Section 22* of the Designs Act, 2000 as also infringing the registered designs of the plaintiffs.

Plaintiffs' Argument

The plaintiffs contended that the design of their bottles was not only novel but had achieved substantial recognition in the marketplace. They further argued that their registered designs had unique features that distinguished them from other bottled water containers. The plaintiffs also presented evidence of their market presence, including gross sales figures over the last five years and expenditures on advertising and promotion, which demonstrated their position as leaders in the market.

The plaintiffs also highlighted that the defendants had only begun using their "NU" branded water bottles in May 2023, which is very subsequent to the plaintiffs' design registrations. The plaintiffs contended that the defendant's bottle was identical and deceptively similar to their own, thus creating confusion among consumers and leading to unfair competition in the market.

Defendants' Argument

The defendants, represented by two separate counsels, put forward several defences. Defendant no. 1 admitted that they had launched their product in May 2023 but denied any design infringement. They contended that there are significant differences in the overall appearance, structure, and functionality of their bottle design from that of the plaintiffs.

The defendants further argued that the elements of the plaintiffs' design were commonly used in the industry and could not be monopolized by one party. They

mail@lexorbis.com | www.lexorbis.com

asserted that their design was developed independently and through proper research, which did not infringe upon the plaintiffs' rights.

The defendants also pointed out that design registrations, unlike trademarks, are on a self-declaration basis and there is no scope of pre-grant opposition before the registration. Therefore, they argued that the validity of the plaintiffs' registered designs could not be presumed and requested the court to cancel the registration of the plaintiffs' designs under Section 19 of the Designs Act, 2000.

The defendants based on a comparison further submitted that the design of the defendants cannot be regarded as either an obvious or a fraudulent imitation either of the registered design nos. 281573 and 311139 of the plaintiff no.1, so as to constitute "piracy" within the meaning of section 22(1) of the 2000 Act. The defendants also argued that since the bottles of the defendants are offered and sold under different name, label and appearance from those of the plaintiffs' bottle, there is no chance of any customer being confused between them.

Legal Framework

Section 4 of the Designs Act, 2000 provides that a design cannot be registered if it is not new or original or such which has not been disclosed to the public anywhere worldwide, including India or by use or any other way at any point of time prior to the date of filing any industrial process or the same is not significantly distinguishable from the known designs or combination thereof.

Sections 22 and 19 of the Act deal with the infringement (or piracy) of designs and the cancellation of design registration, respectively.

In this case, the plaintiffs claimed infringement under Section 22(1), arguing that the defendants' design was a fraudulent imitation of their registered designs. The defendants, on the other hand, filed a counterclaim seeking the cancellation of the plaintiffs' design registrations under Section 19(1)(c) and 19(1)(e), on the grounds that the designs lack originality.

Court's Observations

After hearing both sides, the court carefully analysed the designs in question. Justice Banerjee emphasized that for an article to qualify as an industrial design, it must appeal to the eye and is to be judged solely by the eye. The court examined both the plaintiffs' and defendants' bottles and agreed that to the naked eye, the two designs appeared strikingly similar. The court was of the view that the bottle of the defendants is a replica of the plaintiffs. Minor alterations in the defendants' bottle design, the court noted, were cosmetic and insufficient to distinguish the two products.

Court's Ruling

Though the defendants have raised the defence of prior art, the same has not been substantiated with any material or documents. Same is the case with respect to having conducted independent research and prototype processes. The defendants, thus, have not been able to discharge the burden of proof on them calling upon this Court for cancellation of either/ both registered design nos. 281573 and 311139 involved herein as there is no substantive ground(s) made by them.

Since the plaintiff no.1 is the proprietor of both registered design nos. 281573 and 311139 and they are being used by the plaintiffs, the plaintiffs, as per the settled law must be granted protection [***DART Industries Inc. & Anr. vs. Polyset Plastics Pvt. Ltd. & Ors.*** 2018 SCC OnLine Del 10229

In its ruling, the Delhi High Court granted an ad-interim injunction in favour of the plaintiffs, restraining the defendants from manufacturing, selling, or promoting the impugned product bearing the contested design. The court held that the plaintiffs had successfully established a prima facie case of design infringement and were likely to suffer irreparable harm if the defendants were not restrained. The balance of convenience, the court noted, also lies in favour of the plaintiffs, as allowing the defendants to continue using the contested design could lead to confusion among consumers and unfair competition in the market.

The court further directed the defendants to remove all references to the infringing product from their website, social media platforms, and other online channels until the case was resolved.

Conclusion

The decision in Pramit Sanghavi & Ors. v. Energy Beverages Pvt. Ltd. & Anr. underscores the importance of protecting industrial designs in India, particularly in the context of consumer goods such as bottled water. The court's ruling affirms that registered designs, when duly obtained, must be respected and that any unauthorized imitation, however minor, can result in legal consequences.

This case serves as a cautionary tale for businesses looking to enter competitive markets, where design elements play a crucial role in distinguishing products. It also highlights the need for companies to conduct thorough due diligence when developing new products to avoid infringing on the IP rights of others.

126. The Legal Canvas: Asian Paints and the Art of Trademark Defence

Case: Asian Paints Limited vs John Doe and Others [CS(COMM) 563/2024]

Forum: Delhi High Court

Order dated: July 11, 2024

Order: In today's dynamic global marketplace, trademarks serve as indispensable assets for businesses, distinguishing their offerings amidst a sea of competitors. More than mere symbols, trademarks embody the accumulated goodwill and reputation that companies cultivate through years of delivering quality products and reliable services. These marks not only assure consumers of consistent standards but also differentiate brands in crowded markets, fostering loyalty and trust. However, the digital revolution has introduced new complexities to trademark protection. The internet's borderless nature facilitates the rapid dissemination of information and products, offering unprecedented opportunities for businesses to reach global audiences. Yet, this same interconnectedness poses significant challenges for trademark owners.

The recent case of *Asian Paints vs. John Doe* before the Hon'ble High Court of Delhi is an example of such challenges. Asian Paints ("the Plaintiff"), a multinational corporation founded in 1942, is renowned for its quality coatings and home decor products, possessing exponential global business and also operated the registered domain www.asianpaints.com since 1997. It was also submitted by the plaintiff that it was ranked 2^{nd} in Asia and 7^{th} amongst the top coatings companies in the world, with a consolidated turnover of INR 291 billion. Further, it is pertinent to note that the plaintiff is a registered proprietor of numerous trademarks of '**asian paints**' (*word*) as also and other formatives, in relevant classes.

mail@lexorbis.com | www.lexorbis.com

The plaintiff had filed a lawsuit against unidentified defendants who were allegedly engaged in fraudulent activities using the plaintiff's trademarks, including operation of infringing websites/domains such as www.asianpaintspartner.in, www.paintsfranchises.com etc., posting fake advertisements on the internet and falsely offering counterfeit products and dealership opportunities under the disguise of Asian Paints' affiliation and sought for pre-litigation exemptions, urgent ad-interim relief and injunctions against the defendants.

Moreover, the plaintiff also discovered that the defendants were issuing fake letters and dealership certificates under the name of the plaintiff's Managing Director and CEO without any authorisation from the plaintiff in order to appear more authentic and to establish a false association/nexus between the two parties. Further, it was also submitted that the defendants operate/use bank accounts to illegally procure money from unwary purchasers in the guise of false association with the plaintiff. All such illegal activities of the defendants not only dilute the distinctiveness of the plaintiff's marks but also cause financial harm by luring unsuspecting individuals into fraudulent transactions. Such activities not only undermine consumer confidence but also impact the economic interests of legitimate businesses such as that of the plaintiff herein.

In this regard, the Hon'ble High Court of Delhi took a proactive step and held that *prima facie*, it was established that the defendants were guilty and could not be allowed to continue such practices. If such activities were not ceased immediately, the same would spread like wildfire with no checks and balances, eventually causing immense harm to the plaintiff in terms of its reputation, goodwill and monetary damages.

Thus, the Hon'ble Court granted an ad-interim *ex-parte* injunction against the defendants and refrained them from using any of the plaintiff's registered marks or any other mark deceptively similar to their marks in any form or manner. Further, the Court also ordered the suspension of operation of all the infringing domain names as cited by the plaintiff. The Court also directed to freeze the illegal bank accounts of the defendants and to furnish the details of the said accounts to the plaintiff. In this regard, the Court also directed the defendants to file their reply within 15 days from the service of the summons, and the next date of hearing in this matter was fixed in November 2024.

In view of the above, it is safe to say that the Court's decision to grant an ad-interim *ex parte* injunction reflects its acknowledgement of the urgent and potentially irreversible damage to Asian Paints' reputation and consumer trust. By issuing the injunction without prior notice to the defendant, the Court emphasises the necessity to prevent further unauthorised use of Asian Paints' trademarks.

This proactive stance does not only aim to stop ongoing deceptive practices but also aims to uphold the integrity and goodwill associated with Asian Paints as a well-renowned brand, along with putting forth a commitment to safeguarding the intellectual property rights of the plaintiff and maintaining public trust in branded products and services. Thus, through utilising legal safeguards, adopting technological advancements, and promoting public awareness, companies can uphold their trademark integrity and maintain a competitive edge in today's interconnected global market.

127. Neither Chill nor Cool to Disparage Competitors

Case: Emami Ltd. v. Dabur India Ltd. [IA No.GA-COM/1/2024]

Forum: Calcutta High Court

Order dated: July 11, 2024

Order: In the recent case of *Emami Limited v Dabur India Limited*, the Calcutta High Court dealt with broadcast content consisting of a disparaging advertisement created by the respondent. The advertisement targeted the petitioner's talcum powder products, labelling them as *sadharan* or ordinary in various outlets, including social and print media.

The petitioner company manufactured and marketed health, beauty and personal care products. It owned well known and recognised brands and trademarks including Dermi Cool and Navratna. The former was put on the market in 1998 as prickly heat powder and has been widely used to provide relief from that condition and its effect on the skin. Dermi Cool powder contained natural ingredients such as menthol and neem, providing antibacterial benefits and ensuring the skin stayed protected and comfortable. Navratna, a talcum powder, was launched in 2006. It was renowned for its cooling properties and was particularly popular in hot and tropical climates.

The container and cap in which Dermi Cool was sold was distinctive and had been registered under the Designs Act, 2000. Ermani had spent more than INR4.32 billion (USD51.45 million) buying the Dermi Cool mark in 1998 and some INR480 million advertising and publicising it. The Navratna trademark had a distinctive green and white getup. The petitioner had obtained registration of the Navratna mark and its getup in 2006 under the Trademarks Act, 1999 (act).

The petitioner objected to a commercial by the respondent for its talcum powder brand, Cool King. The commercial showed Emami's products as ineffective. The respondent also published advertisements in print media with false claims of "defeating heat with up to 12 hours freshness and cooling", which the petitioner claimed were not only factually incorrect but also maliciously intended to buttress the similar claims on television and social media.

The petitioner referred to a particular commercial in which an unhappy looking person was shown holding the petitioner's Dermi Cool container, hot and sweating even after using the product. The respondent called the petitioner's product *sadharan* or ordinary in the commercial.

The petitioner argued that the statements in the advertisement were false and misleading. A comparison of the percentage of menthol in its Navaratna and Dermi Cool products with Dabur's Cool King had revealed that Emami's products either matched or exceeded that in Cool King. Emami contended that Dabur's advertisement was malicious and lacked logical reasoning, with the container in the advertisement deceptively similar to its own protected packaging design. The petitioner claimed that the unique packaging and get up of its products had achieved a secondary meaning and was well-known by consumers and the trade alike.

The petitioner contended that the advertisement eroded the goodwill and reputation of its brand and submitted that the respondent's acts amounted to trade mark infringement under section 29(8) of the act. The petitioner argued that this was malicious, intended to increase sales of the respondent's product. The petitioner relied on the case of *Dabur India Limited v Colgate Palmolive India Limited* as authority for the principle that disparaging competing products by referring specifically to the competitor's product was not acceptable.

The respondent complained that the petitioner had not sent a legal notice giving it a chance to rectify the advertisement. The respondent agreed to remove the offending bottle from its advertisements in print and on television in due course. The respondent submitted that the petitioner's objection was restricted to the bottle in the advertisement and that broadcasting the advertisement itself could not be barred, because it was protected free speech under article 19(1)(a) of the constitution.

The court found that the silhouette in the advertisement and the petitioner's physical products were deceptively similar. The court relied on *Hindustan Unilever Limited v Reckitt Benckiser Private Limited*, which held that it was not permissible to claim that one's goods were superior to a competitor. Emami had made out a prima facie case and the balance of convenience was in its favour. The court issued an injunction restraining Dabur from depicting Emami's containers in their advertisements until further notice.

mail@lexorbis.com | www.lexorbis.com

128. Brand Identity at Crossroads: A Judicial Examination of the possibility of confusion between 'CANDID' and 'CANDEX-B'

Case: Glenmark Pharmaceuticals Ltd. v. Mrs Karlin Pharmaceuticals & exports and ors. [(T) CMA (TM) No.40 of 2023]

Forum: Madras High Court

Order dated: July 12, 2024

Order: The case of ***Glenmark Pharmaceuticals Ltd. v. Mrs. Karlin Pharmaceuticals & Exports Private Limited and Anr***. decided on July 12, 2024, presents a critical discussion on the complexities of trademark disputes within the pharmaceutical industry. The case primarily revolves around the conflict between the Appellant Glenmark's trademark "CANDID" and the Respondent, Karlin Pharmaceuticals' trademark "CANDEX-B."

The dispute originated from the opposition filed by Glenmark Pharmaceuticals against the registration of the trademark "CANDEX-B" by Karlin Pharmaceuticals. Glenmark, the appellant, has been using the trademark "CANDID" since 1978-79 for dermatological products containing a combination of clotrimazone and betamethasone dipropionate. Karlin Pharmaceuticals, the first respondent, filed for the trademark "CANDEX-B" in 1997 on a "proposed to be used" basis for similar pharmaceutical products.

Glenmark opposed the registration on the grounds that "CANDEX-B" was confusingly similar to their well-known trademark "CANDID," which had acquired substantial goodwill and recognition in the market. The Deputy Registrar of Trade Marks, however, rejected Glenmark's opposition and allowed the registration of "CANDEX-B," leading to the appeal before the Madras High Court.

mail@lexorbis.com | www.lexorbis.com

The core issue, in this case, was whether the trademarks "CANDID" and "CANDEX-B" were so similar that their concurrent use would likely cause confusion or deception among the public, particularly given that both marks were used for dermatological products.

Another significant issue was whether Karlin Pharmaceuticals could claim the defense of honest and concurrent use under Section 12 of the Trade Marks Act, 1999. This defense is available when a later user has been using the trademark honestly and concurrently with the earlier user, without causing confusion in the market.

The case also raised the question of the strength and protectability of trademarks that are derived from generic drug names or names of diseases. The contention was whether such trademarks could be considered weak and therefore afford less protection against similar marks.

Court's Analysis

The Court first examined Karlin Pharmaceuticals' claim of honest and concurrent use. It was noted by the Court that Karlin's use of "CANDEX-B" began only after filing the application in 1997, which could not be considered concurrent with Glenmark's use of "CANDID" since 1978-79. The Court emphasized that for a defence of honest and concurrent use to be valid, the use must be prior to the date of application and not merely subsequent. As such, the defence of honest and concurrent use was rejected.

On the issue of trademark similarity, the Court undertook a detailed comparison of the two marks. The judgment highlighted that in cases involving pharmaceutical products, the likelihood of confusion must be assessed with particular caution due to the potential public health implications. The Court acknowledged that both "CANDID" and "CANDEX-B" were derived from the name of the condition 'candidiasis', making them descriptively linked. However, it was noted that Glenmark's "CANDID" had acquired substantial goodwill over decades of use, which made any similar mark, especially one used in the same product category, highly likely to cause confusion.

The Court disagreed with the Deputy Registrar's conclusion that the suffix "-B" in "CANDEX-B" sufficiently distinguished it from "CANDID." It was determined that the public could easily confuse the two products, especially considering that

mail@lexorbis.com | www.lexorbis.com

both were used for similar dermatological conditions. Thus, the likelihood of confusion was deemed significant.

The judgment also addressed the strength of the trademarks in question. The Court referenced its previous rulings, including the case of *Indian Immunologicals Limited v. IPCL Laboratories Private Ltd.*, where it was established that trademarks derived from generic drug names or disease names are inherently weak. However, in this instance, the Court underscored that despite the generic nature of the root word "CANDID," the long-standing use and recognition of Glenmark's mark had elevated its distinctiveness, thereby warranting stronger protection against similar marks like "CANDEX-B."

Conclusion

The Glenmark vs. Karlin case serves as a pivotal example of how trademark disputes in the pharmaceutical sector are not merely about brand identity but are intrinsically linked to broader regulatory and consumer protection concerns. The Court's analysis goes beyond surface-level similarities and delves into the underlying principles of public safety, brand equity, and market dynamics. The decision reveals how the judiciary navigates the complex terrain where commercial interests intersect with public health imperatives. By emphasizing the importance of clear brand differentiation, the ruling sets a nuanced precedent, suggesting that in industries where consumer trust and safety are critical, the threshold for proving potential confusion must be rigorously applied. This case thus reflects the judiciary's evolving approach to balancing corporate interests with the need to protect consumers from inadvertent harm, particularly in fields where the stakes are inherently high.

129. Appellate Court Upholds That Procedural Errors Cannot Be a Ground For Cancellation Of A Registered Trademark

Case: Loreal India Pvt Ltd vs Rajesh Kumar Taneja Trading as Innovative Derma Care and Anr. [RFA(OS)(IPD) 2/2023 & CM APPL. 23440-41/2023]

Forum: Delhi High Court

Order dated: July 15, 2024

Order: The present order of the Division Bench of the Delhi High Court dated 15th July 2024 arises out of the appeal filed by ***Loreal India Pvt Ltd (Appellant) vs Rajesh Kumar Taneja Trading as Innovative Derma Care and Anr***. (***Respondent).*** The Appellant sought cancellation of the trademark CLARIWASH (the "impugned mark") registered in the name of the Respondent. The Division Bench dismissed the petition filed by the Appellant and upheld the order of the Single Judge dated 23rd March 2023 on the ground that the impugned mark is not deceptively similar to the trademarks of the Appellant and the registration of the impugned mark cannot be cancelled due to faulty examination report issued by the Registrar of Trademarks.

Case background

In this case, the Appellant had filed a cancellation petition seeking removal of the trademark 'CLARIWASH' registered under No.1950938 in Class 03 in respect of the toilet and cosmetics preparations in the name of the Respondent from the Register of Trademarks ("Registrar"). The Appellant is engaged in manufacturing and selling a wide range of hair care, skin care, toiletries and beauty products. The Appellant submitted that it is the registered proprietor of various trademarks with the word "CLARI" as a formative mark. The CLARI formative marks were adopted in the year 2009 by the Appellant's predecessor, Cheryl's Cosmeceuticals Private Limited (CCPL) and had obtaining the registration of the trademark CLARI-FI in the year 2011. In the year 2013, CCPL was acquired by the Appellant and, the reputation and goodwill pertaining to various 'CLARI' formative marks was also transferred to the Appellant.

The Respondent applied for registration of the trademark CLARIWASH in Class 03 in the year 2010, claiming usage of the impugned trademark since 2009. The Registrar of Trademarks had erroneously conducted a search for the trademark CHARIWASH and not CLARIWASH. Later, the impugned mark was correctly published as CLARIWASH. However, in the year 2012, the Registration Certificate was issued incorrectly as CHARIWASH instead of CLARIWASH, and the Respondent filed an application for rectification/ correction of the registered trademark to be read as CLARIWASH and not CHARIWASH. The application was allowed by the Registrar, and the corrected registration certificate was issued in favour of the Respondent for the CLARIWASH mark. The Appellant filed an application seeking cancellation of the impugned trademark based on (i) the prior use of the CLARI formative marks, (ii) the clerical error of CHARIWASH instead of CLARIWASH during the examination of the Respondent's mark; (iii) The Appellant's CLARIMOIST marks were similar to the CLARIWASH mark and the Registry ought to not have granted registration to the Respondent.

The learned Single Judge dismissed the application for removal of the impugned trademark from the Register of Trademarks. The learned Single Judge opined that the Respondent could not be faulted for an error committed by the Registrar in issuing the faulty examination report. The learned Single Judge also found that there was no similarity between the impugned mark and CLARI-FI so as to result in likelihood of any confusion. In this regard, the learned Single Judge referred to the decision of *Corn Products Refining Co. v. Shangrila Food Products Ltd.: AIR 1960 SC 142*, whereby the Supreme Court, following the anti-dissection rule, had held that competing trademarks have to be examined as a whole and cannot be dissected for the purpose of considering whether the competing marks are similar. The learned Single Judge also did not accept the contention that the entire family of the appellant had a right in respect of the words that include the term CLARI. Further, the Appellant did not have prior use as the first invoice placed by the Appellant is dated 05.12.2013, which was later than the date of the invoice dated 12.05.2010 placed by the Respondent.

Aggrieved by the decision of the learned Single Judge, the Appellant filed an appeal on the main grounds that the learned Single Judge has erred (i) in not appreciating that the erroneous examination of the Respondent's application for registration of the impugned mark and the Respondent's mark was required to be restored before the Registrar for fresh examination and (ii) in holding that the CLARI formative marks of the Appellant including CLARI-FI were not deceptively similar to the trademark CLARIWASH.

The Analysis and Conclusion

The Division Bench opined that although it cannot be disputed that there was a procedural error in conducting the examination, the registration of the mark CLARIWASH in favour of the Respondent is not required to be cancelled. In coming to this conclusion, the Division Bench observed that the principal purpose of conducting the search is to ascertain whether there were any identical or deceptively similar trademarks in respect of the same goods or services. Thus, unless it is established that the trademark CLARIWASH is identical or deceptively similar to the trademark in respect of similar or identical goods which were on record, at the material time, the registration of the impugned trademark cannot be faulted. The object of the examination is to ensure the compliance of the provisions of the Trademark Act, 1999 ("Act"). Thus, the registration of the trademark CLARIWASH cannot be cancelled, unless it is prima facie established that the registration of the trademark falls foul of the provisions of the Act.

In addition, at the material time, the Appellant's predecessor, CCPL, was using the two marks CLARI-FI and CLARIMOIST, which included the word CLARI with user claim since 2009. The Court also opined that the Appellant's CLARI-FI and CLARIMOST marks were not similar to the CLARIWASH mark and thus could not be grounds for cancellation. The Court also based its decision on the fact that the Respondent had enjoyed the registration of the mark for over 14 years, and the Appellant had failed to file an opposition against the application when it was published. Therefore, the court concluded that the cancellation of the mark would unfairly prejudice the Respondent's rights in the CLARIWASH mark. Consequently, the Division Bench of the Delhi High Court upheld the decision of the Single Judge and dismissed the appeal.

mail@lexorbis.com | www.lexorbis.com

130. Delhi High Court Continues Rigorous Examination of Trademarks, Trade Dress, and Designs in the Pharmaceutical Industry

Case: Abbott Gmbh & Ors vs Tcsol Biopharma & Ors [CS(COMM) 573/2024]

Forum: Delhi High Court

Order Dated: July 16, 2024

Order: In the recent case between Abbott Laboratories and TCSOL Biopharma & Ors., the Delhi High Court issued a significant judgment, granting interim relief to the plaintiffs and protecting the well-established intellectual property rights of Abbott, particularly concerning their flagship pharmaceutical product, THYRONORM. This case sheds light on the intense scrutinization and adjudication of trademark, trade dress, and design infringement in the highly regulated pharmaceutical sector, where even slight confusion can have serious public health implications.

Background: The Parties Involved and Their Stakes

Abbott Laboratories, a global leader in the pharmaceutical and healthcare industry, has been a pivotal player in India's healthcare sector through its subsidiaries Abbott India Limited and Abbott Healthcare Private Limited. Abbott's product portfolio in India includes several well-known pharmaceutical products, with THYRONORM, a medication used to treat hypothyroidism, being one of its bestsellers. Introduced in 1999 by Abbott's predecessors, THYRONORM is recognized as the market leader in its segment. According to the plaintiffs, THYRONORM has acquired and enjoyed substantial goodwill and reputation over two decades of continuous use, supported by significant investments in marketing and brand promotion. The plaintiffs presented robust sales data to underscore the commercial success of THYRONORM, with total sales of INR 5,348 crore in the fiscal year 2022-2023 alone in India. Over the past ten years, the plaintiffs claimed to have invested over INR 157 crore in promoting the brand within India.

The dispute arose when the plaintiffs discovered that the listing of the defendants' infringing product under the name L-THYRONEU on the e-commerce website IndiaMart which, according to the plaintiffs, closely resembled THYRONORM in both name and appearance. The plaintiffs alleged that the defendants not only adopted a confusingly similar trademark but also replicated Abbott's distinctive pink and white trade dress and the overall design of the THYRONORM bottle, including the flip-top cap, for which Abbott holds a design registration.

Legal Framework: Trademark, Trade Dress, and Design Protection

The plaintiffs' case was based on three pillars of intellectual property law, including trademark infringement, trade dress infringement, design infringement, and passing off.

Firstly, it dealt with Trademark Infringement. Abbott claimed that the defendants' use of the mark L-THYRONEU was phonetically similar to their registered trademark THYRONORM, thereby infringing their rights under the Trade Marks Act, 1999. They argued that the defendants' mark was likely to deceive or cause confusion among consumers, particularly given the nature of the products and the identical target market.

The second point of contention was the Trade Dress Infringement. The plaintiffs emphasized the distinctiveness of THYRONORM's packaging, specifically the pink and white bottle with a flip-top cap. They asserted that the trade dress of the defendants' product, with the same colour combination of white and pink, was structurally similar to the plaintiff's trade dress, thereby misleading consumers into believing that they were purchasing the plaintiffs' product.

The case meandered through trademarks to Design law as well and dealt with Design Infringement. Abbott further contended that the defendants had unlawfully adopted the design of their product packaging, for which they had obtained design registration under the Designs Act, 2000. The plaintiffs had registered the design of the flip-top cap under Design Registration No. 323851001, granting them exclusive rights to the use of this specific design. The defendants' replication of this design was a clear violation of the plaintiffs' design rights.

Lastly, the plaintiffs held the defendants guilty of Passing Off of riding upon the trademark, trade dress and design. The plaintiffs alleged that the defendants' actions constituted passing off, as they were attempting to benefit from the goodwill and reputation associated with THYRONORM by marketing a deceptively similar product under a similar name and packaging.

The Court's Evaluation: Comparative Analysis and Legal Precedents

In considering the plaintiffs' application for an interim injunction, the Court conducted a detailed competing comparison between the two competing products, focusing on both the visual and phonetic similarities between THYRONORM and L-THYRONEU. The Court agreed with the plaintiffs that the defendants' mark was phonetically similar to THYRONORM, creating a high likelihood of confusion among consumers, particularly in the pharmaceutical sector, where brand recognition is crucial for consumer safety.

Furthermore, the Court noted the striking similarity in the trade dress of the two products. The defendants' use of the pink and white bottle with a flip-top cap was found to be a deliberate attempt to replicate the plaintiffs' distinctive packaging, leading to a direct infringement of Abbott's design registration and trade dress rights. The Court referred to several key legal precedents that established the principles governing trademark and trade dress infringement in the pharmaceutical industry.

In *Cadila Health Care v. Cadila Pharmaceuticals Ltd*., the Supreme Court of India emphasized the need for heightened scrutiny in cases involving pharmaceutical products, given the potential public health risks associated with consumer confusion. Similarly, in *Heinz Italia v. Dabur India Ltd.*, the Court highlighted the importance of protecting the distinctive packaging to avoid any possibility of confusion. Given the nature of the products involved and the likelihood of confusion, the Court held that the balance of convenience was in favour of the plaintiffs. The Court also acknowledged that if the defendants were allowed to continue using the impugned mark, trade dress, and design, it would cause irreparable harm to the plaintiffs' business and reputation.

Injunctive Relief: A Cautionary Message to Stakeholders in the Pharma Industry

In light of these findings, the Court granted an ad interim *ex-parte* injunction in favour of the plaintiffs, restraining the defendants from manufacturing, selling, or offering for sale, advertising any pharmaceutical products that used the pink and white trade dress or any mark deceptively similar to THYRONORM and design of cap as registered by the plaintiffs. The defendants were also directed to remove all listings of their infringing product LTHYRONEU from e-commerce platforms IndiaMart within 72 hours of the order. the Court further appointed a Local Commissioner to visit the premises of the defendants prepare an inventory and seize all the infringing products and other infringing materials bearing impugned trade dress, impugned cap design and any mark deceptively and confusingly similar to THYRONORM.

The Court's order is a strong reaffirmation of the legal protection afforded to trademarks, trade dress, and designs in the pharmaceutical industry. It sends a clear message to the stakeholders in the pharmaceutical industry that any attempt to imitate or replicate the established goodwill and reputation of a market leader will be met with stringent legal consequences.

Conclusion: Protecting Intellectual Property in the Pharmaceutical Industry

The case of Abbott Laboratories vs TCSOL Biopharma & Ors. highlights the critical importance of intellectual property rights in the pharmaceutical sector, where the protection of trademarks, trade dress, and designs is not only a matter of business interest but also public safety. The Court's decision underscores the need for vigilance in protecting distinctive marks and packaging, particularly in an industry where consumer trust and health is paramount. For pharmaceutical companies, this case serves as a reminder of the necessity of registering and enforcing their intellectual property rights at every stage. From obtaining design registrations to vigorously protecting trademarks and trade dress, companies must be proactive in safeguarding their assets against infringement.

131. Delhi High Court Grants Ex Parte Ad Interim Injunction in Favour of Pidilite Industries in Trademark and Design Infringement Case

Case: Pidilite Industries Limited vs John Doe(S) /Ashok Kumar(S) & Ors [CS(COMM) 586/2024]

Forum: Delhi High Court

Order Dated: July 19, 2024

Order: In a recent trademark and design infringement case brought before the Delhi High Court, the Court issued an ex parte ad interim injunction in favour of the Plaintiff, Pidilite Industries Limited, restraining the Defendants, John Doe(s) /Ashok Kumar(s) & Ors, from manufacturing, authorising the manufacture, selling, importing, exporting, retailing, distributing, marketing and/or using or dealing in the products identical and/or deceptively similar to the Plaintiff's trademarks DR FIXIT and ARALDITE either as a trademark, trading name, domain name or as a part of the packaging, artwork, get-up, layout, designs or in any manner whatsoever.

Brief Facts

The Plaintiff, founded in 1959 and incorporated under the Companies Act, 1956 is a leading entity in the adhesives, sealants, construction chemicals, hobbies colours, and polymer emulsions sectors in India. The Plaintiff has developed a strong reputation, with brands such as FEVICOL, DR.FIXIT, ARALDITE, and FEVIKWIK becoming synonymous with quality and reliability in both the Indian and global markets, is a recipient of several prestigious awards and enjoys significant social media presence across various platforms.

The Plaintiff holds numerous trademark registrations for DR.FIXIT (word mark per se) and ARALDITE (word mark per se) as well as DR FIXIT and ARALDITE

mail@lexorbis.com | www.lexorbis.com

distinct label/packaging, including design registrations for DR. FIXIT containers in which its products are sold. These registrations provide comprehensive protection for its products across various classes and categories.

In April 2024, the Plaintiff became aware of counterfeit products being available for sale across various wholesale markets in Delhi NCR and Uttar Pradesh regions and being visually identical to the Plaintiff's products.

The Plaintiff sought to implead unknown Defendants (John Doe) to account for unknown entities associated with the Defendants' counterfeiting activities, as it lacked complete information regarding the full network and source of counterfeiters. By doing so, the Plaintiff aimed to avoid premature disclosure of identities and prevent hindrance to any potential search and seizure operations.

Plaintiff's Submissions

The Plaintiff submitted that it has obtained trademark registrations for the word marks and distinctive label/packaging of both DR.FIXIT (word mark per se) and DR.FIXIT distinctive label/ packaging thereof as also the trademark ARALDITE (word per se) and ARALDITE distinctive label/ packaging thereof and the design registrations in the name of the Plaintiff.

The Plaintiff alleged that the Defendants were involved in the unauthorised manufacture, sale and distribution of counterfeit products bearing the Plaintiff's well-known trademarks, and that the Defendant's counterfeit products were visually identical to those of the Plaintiff.

The Plaintiff argued that the Defendants were well aware of the Plaintiff and its products, and the infringing counterfeit products were clear evidence of intention of the Defendant to ride upon the goodwill and reputation of the Plaintiff and that any continued sale of these counterfeit goods would cause irreparable harm, loss and injury to the Plaintiff's goodwill and reputation, particularly since its trademarks have been declared well-known under Section 2(zg) of the Trade Marks Act, 1999.

The Plaintiff also highlighted various competing differences between its genuine products and the counterfeit ones, including discrepancies in the packaging, weight, batch numbers, and hazard symbols. It was also noted that the Defendants' counterfeit products lacked the same quality and reliability as the Plaintiff's genuine offerings.

The Plaintiff sought an ex parte injunction to prevent the Defendants (John Doe) from continuing their infringing activities while also seeking the appointment of Local Commissioners to visit the Defendants' premises and seize infringing goods.

Court's Observations and Order

Upon reviewing the arguments and documents presented by the Plaintiff, the Court observed that the Plaintiff had made out a prima facie case for the grant of an ex parte ad interim injunction and granted an ex parte ad interim injunction in favour of the Plaintiff. The trademarks DR.FIXIT and ARALDITE, both in word form and in distinctive packaging, were declared well-known trademarks, and the design registrations of DR.FIXIT containers were valid and subsisting.

The Court further noted that the balance of convenience was in favour of the Plaintiff and against the Defendants (John Doe), and there was a likelihood of irreparable harm, loss and injury to the Plaintiff should the injunction not be granted. In addition to the injunction, the Court allowed the Plaintiff's application to appoint Local Commissioners to visit the Defendants' premises and seize counterfeit products.

132. Protecting the Design of Volvo 9600 Buses: VE Commercial Vehicles Limited vs. Jaswant Industries and Ors.

Case: VE Commercial Vehicles Limited v. Jaswant Industries & Ors [CS(COMM) 582/2024]

Forum: Delhi High Court

Order Dated: July 19, 2024

Order: In the present order, the plaintiff sought a permanent injunction against the defendant for allegedly infringing upon their registered designs pertaining to the Volvo 9600 buses. Despite an agreement by the Defendant to cease manufacturing or selling identical designs, the defendants continued to violate the terms of the agreement, prompting the plaintiff to seek relief from the court.

Background:

The Plaintiff, VE Commercial Vehicles Limited, is a joint venture between Volvo Group and Eicher Motors and serves as the exclusive distributor and manufacturer of Volvo Trucks in India, including the Volvo 9600. The unique design and visual features of Volvo 9600 buses makes them easily distinguishable in the market. The plaintiff claimed ownership over these designs, having secured registrations for them.

The infringement occurred when Defendant No.1, a bus manufacturer, replicated the Volvo 9600 design and supplied these buses to Defendants No.2 and No.3, who used them for private transportation. The defendants went so far as to advertise the buses as "Volvo 9600" on various platforms, including YouTube and Instagram. The plaintiff issued a Cease-and-Desist notice on November 16, 2023, and Defendant No.1 initially agreed to stop the infringing activities but subsequently failed to honor that agreement.

Court's Findings:

The Hon'ble Court had taken into account that on comparing the buses manufactured by the Plaintiff and the Defendant, it was evident that the that the design of the Plaintiff was directly replicated by the Defendant. Specific distinguishing features of the Volvo 9600 buses replicated by the defendants included:

1. V-shaped headlights
2. Top dome over the windshield with marker lamps
3. Hexagonal rear windshield design
4. Placement and design of the Air inlet Grill at the rear end
5. Tail Lamps, Reflectors and Small lamp arrangement at the rear end
6. Beak-shaped door design with glass fragment at the bottom
7. Rear view mirrors identical to the plaintiff's buses

The Hon'ble Delhi High Court, recognizing the clear replication, restrained the defendants from manufacturing, selling, advertising, or dealing with any products that infringed upon the registered designs of the Volvo 9600 buses. Further, the Hon'ble Court appointed the local commissioner to inspect the premises of the Defendant No.2 and 3, record an inventory of the infringed buses, and seal them, including all promotional materials such as advertisements, brochures and packaging material.

Conclusion:

This case highlights the critical role of design registrations in safeguarding businesses' distinctive product designs. By obtaining registration, the plaintiff was able to defend their intellectual property rights effectively. In a similar case of M/S.Whirlpool Of India Ltd. v. M/S.Videocon Industries Ltd where Whirlpool's registered designs were challenged by Videocon, which had secured its own registrations for similar designs. The court in that case ruled against Videocon, emphasizing that minor alterations to existing designs could still lead to infringement, thereby reinforcing the need for vigilance in design protection.

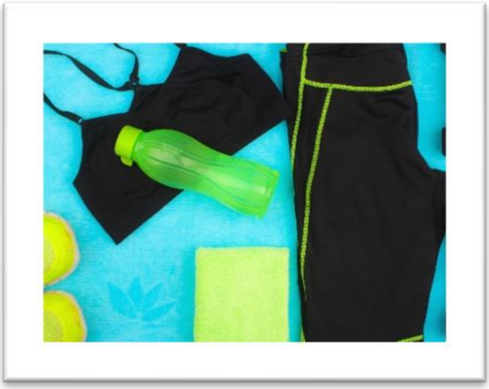
VE Commercial Vehicles' enforcement of their design rights in this case serves as a warning to companies to actively monitor for potential infringements and swiftly act to safeguard their intellectual property.

133. Adidas AG v. Keshav H. Tulsiani & Ors. – A fascinating case of Trademark Infringement masked in Personal Affection

Case: Adidas AG v. Keshav H Tulsaini & Ors. [CS(COMM) 582/2018, I.A. 14215/2019, I.A. 334/2020]

Forum: Delhi High Court

Order dated: July 19, 2024



Order: In a rather interesting case of trademark infringement, brought before the Delhi High Court by Adidas AG (Plaintiff) against a seller of textile merchandise, Keshav H. Tulsian (Defendant), the Court granted a permanent injunction restraining the Defendant from using the mark 'ADIDAS' or any other deceptively similar marks for its textile business. In doing so, the Court set a significant precedent under the Indian trademark law, reinforcing protection of a globally recognized brand Adidas and establishing that unauthorized use of such a well-known brand can lead to severe brand dilution, consumer confusion and irreparable harm to reputation.

Background:

In 1948, Adolf Dassler, the company's creator, joined the first three letters of his surname name, "Das," with his personal name, "Adi." This resulted in the creation of a sports accessories and apparel brand – **Adidas**. Since then, 'Adidas' has become a globally renowned household name synonymous with brand excellence, style, commitment to quality in the production and distribution of sports apparel and accessories. Post subsequent reorganization, the Plaintiff's business is currently known as **Adidas AG**. In India, the Plaintiff has been commercially operating since at least 1980, through its Licensee, M/S Bata India Private Limited and was granted its first Indian registration in 1971 (via its predecessor). Over the years, the Plaintiff has secured multiple registrations for 'ADIDAS' trademark and its variants.

mail@lexorbis.com | www.lexorbis.com

Plaintiff's Contentions

The Plaintiff's grievance arises from the Defendant's adoption of the identical word 'ADIDAS' as a trademark/tradename for its textile business which the Plaintiff opined was in bad faith and with a dishonest intention. The Defendant tried to shed the blame of alleged infringement by stating that adoption of the mark/name "ADIDAS" was rooted in personal affection and devotion towards his elder sister (addressed as "**Adi"** in Sindhi) and the devotion was so profound that he was commonly described as her devotee ("**Das"** in Sindhi). Thereafter the mark ADIDAS applied for registration on May 19, 1987, on 'proposed to be used' basis secured registration under no. 472388 in class 24 on September 29, 2006.

Subsequently, the Plaintiff on discovering the Defendant's business under three related companies (Adidas Weaving Mills, Adidas Textile Industries and Adidas Merchandise Private Limited) initiated a lawsuit against the Defendants for trademark infringement and sought permanent injunctions, damages, and costs arguing that such use by the Defendant of the 'ADIDAS' mark on its products was likely to cause consumer confusion and brand causing irreparable harm to Plaintiff's reputation and goodwill. The Plaintiff had previously opposed the Defendant's marks and had at the early stage of the matter also been granted preliminary injunction restraining the Defendants from trading or dealing with any goods in classes 16, 29, 32, 33 and 34 of the Trade Marks Act, 1999 and for sale of textile piece goods included in class 24 under the ADIDAS mark or its variants amounting to infringement or passing off. The injunction order was maintained as the Defendant's mark 'ADIDAS' in class 24 was cancelled *vide* order dated 24th August 2018 passed by the Intellectual Property Appellate Board (IPAB).

Defendant's Contentions:

Apart from its main rationale for adoption of the word ADIDAS as a means of personal affection for his elder sister, the Defendant contended that:

- Its adoption and use of the ADIDAS mark was prior in India, i.e. since 1987 and no documents were filed by the Plaintiff to demonstrate its prior use combined with no commercial presence of Plaintiff in India hence the Defendant did not seek to capitalize upon the Plaintiff's brand identity.

- The lawsuit by Plaintiff lacked territorial jurisdiction as the Defendant neither resided nor conducted business within the Court's jurisdiction.

- There was evident acquiescence and laches on part of Plaintiff having acknowledged Defendant's use of the ADIDAS mark since 1987 but lack of any infringement suit until 2011.
- Emphasized visual distinction in branding and sufficient textual dissimilarity between its mark 'ADIDAS' (all capital letters) and the Plaintiff's mark 'Adidas' (in lowercase), hence the deliberate stylistic choice mitigated the likelihood of consumer confusion.

Court's Decision

The Court held that Plaintiff's evidence showed its presence in India via its Indian licensee and distributor even before its official presence in 1989 and its products were available in India before 1989 through its subsidiary proving its commercial use. That apart, the Plaintiff adopted the trademark in 1971 and secured registration of its trademark even before the Defendant's registration, making the Plaintiff ex facie prior to the Defendant. Also, the Plaintiff sufficiently established that its products were widely known by Indian consumers travelling abroad. The Court was also satisfied with the Plaintiff's evidence on territorial jurisdiction and was convinced that businesses of both the parties were predominantly present in Delhi. Moreover, the claim that there was a delay in filing the suit for trademark infringement had no rationale. The Plaintiff filed a suit for protecting rights in 2002, where the matter was remanded to the Assistant Registrar. However, there was no record to keep a check on the process and only in 2010, did the Plaintiff get notified that the Defendant's trademark had been registered. The Defendants mark had been registered under Class 24, concerning "textile goods" which too was cancelled in 2018.

The Court rejected the Defendant's claim as unconvincing and lacking evidence and upheld that the Defendant's use of "ADIDAS" infringed upon Plaintiff's trademark rights, as it was identical and adopted for allied nature of goods, and likely to cause consumer confusion. The Court opined that ADIDAS is a coined term with no inherent linguistic meaning and thus unique, hence highly unlikely to have been chosen innocently. This combined with the fact that the Defendant had considerably failed to provide credible justification or evidence to support its claim.

The Court concluded that the Defendant's lack of participation in the proceedings had raised questions about the veracity of its assertion. Being well aware of the Plaintiff's business, the Defendant had failed to substantiate its claims of prior use or honest adoption of ADIDAS mark in India effectively or with credible evidence. Hence, the case was ruled in favour of the Plaintiff and against the Defendant.

The case is significant because it protects well-known companies and legitimate brand owners from possible infringers, preserving the quality and validity of their businesses.

mail@lexorbis.com | www.lexorbis.com

134. Delhi High Court Restrains Defendants from Infringing RummyCircle Mark and Its Variants

Case: Play Games 24X7 Private Limited vs R Y Easy Shop Private Limited & Anr [CS(COMM) 596/2024]

Forum: Delhi High Court

Order Dated: July 29, 2024

Order: The Delhi High Court, in the recent case of Play Games 24x7 Private Limited vs R Y Easy Shop Private Limited, restrained the defendants from using the plaintiff's trademarks Rummycircle/ and any of its formative variants or any other identical/similar mark, including domain name, trade name, logo.

<u>Facts of the Matter</u>

The plaintiff in the case was an online real-money gaming company which specialises in providing skill based online gaming platforms. The plaintiff is one of India's leading online gaming platform providers and is backed by leading marquee investors like Tiger Global and The Raine Group. The plaintiff, in the year 2009, launched an online Rummy playing platform, with a digital upgrade to the country's oldest and most popular skill card game, Rummy, available on Google Play Store and Apple App Store. The plaintiff adopted the trademark 'RUMMYCIRCLE' along with a distinctive device mark which is being used till date. The plaintiff having umpteen number of registrations for their trademarks RummyCircle.com, RummyCircle, etc. in various class 16, 41, 9, 28 & 42 and have spent tremendous time, effort, and resources for promoting and marketing its game under the trademark RUMMYCIRCLE via print media, television, digital, and social media marketing. To support goodwill and reputation of the trademark RUMMYCIRCLE, the plaintiff represented the revenue figures generated from the quantum of ever-growing user base of the game. With such an extensive use and promotion, the RUMMYCIRCLE was argued to be one of largest online rummy platforms of India.

The defendants were engaged in business of online gaming mobile application namely 'VRUMMY'. The defendants had, subsequently adopted the impugned mark VRUMMY which was available for download on the Google Play Store. The defendants were publicizing their game through advertisement films which were similar to the advertisement films of the plaintiff's. The defendants had simply superimposed the trademark VRUMMY of the advertisement films of the plaintiff keeping all other aspects same including misappropriating the plaintiff's brand ambassadors and celebrity endorsers.

<u>Analysis made by the Hon'ble Delhi High Court:</u>

The court conducted detailed analysis of the advertisement films of both the parties and noted that the films of the defendants were indeed capable of causing confusion and deception amongst the minds of any common layman. The court observed that the defendants had mutilated the registered trademark of the plaintiff to misrepresent themselves as the extension of the plaintiff's RUMMYCIRCLE game without any consent/permission from the plaintiff.

The plaintiff's platform was an online real money platform, and the plaintiff had no control over the operations of the defendants and considering growing customer base and wide promotion, the advertisement films would mistakenly be associated with the plaintiffs. It was opined that as both the plaintiffs and the defendants cater to the same sets of customers, using same trade channels, the likelihood of the defendants attracting innocent customers to its platform are huge and allowing further usage of the plaintiff's registered trademark by the defendants was likely to create a scenario of grave confusion and monetary losses to the general public at large.

<u>Ex-parte ad interim injunction order:</u>

In view of the backdrop, that the defendants adopted the impugned mark that is visually, phonetically and structurally identical to that of the plaintiff's registered trademark, the defendants were found guilty of riding upon the trademark/logo/artistic work of the plaintiffs. The defendants had made all their attempts to replicate and come close to the plaintiff's trademark and being the prior adopter, the prior user and the prior registrant of the registered trademark and the *balance of convenience* also lied in favour of the plaintiff. Thus, based on these findings, the court granted *ex parte ad interim injunction* in favour of the plaintiffs and restrained the defendants from reproducing, adapting, mutilating or using in any manner the mark RUMMYCIRCLE/ and its variants.

135. Court Issues Interim Injunction to Halt Crypto-related Fraudulent Activities

Case: Primestack Pte. Ltd and Anr vs John Doe and Others [CS(COMM) 608/2024]

Forum: Delhi High Court

Order Dated: July 29, 2024

Order: The plaintiff, Primestack Pte. Ltd, operates as a Crypto Asset Service Provider (CASP) under the trademark 'CoinDCX.' Since adoption in April 2018, the plaintiff secured several trademark registrations in classes 9, 35, 36, 38, 41, and 42. Additionally, the plaintiff owns the domain 'coindex.com' and has dedicated mobile applications under the 'CoinDCX' mark.

The plaintiff received multiple complaints from several individuals who were deceived by impostors impersonating CoinDCX officials. These impostors not only impersonated the company's representatives but also forged documents to mislead victims and entrap them with part-time job offers. The plaintiff actively addressed these scams by issuing cautionary blog posts. The National Cybercrime Reporting Portal (NCRP) recorded more than 80 complaints related to this issue, and some victims also visited the plaintiff's office seeking refunds for their losses.

Court's findings

The court noted that defendant no.1, an unidentified individual or group, is using e-modes (defendant nos. 2 and 3) to impersonate the plaintiff's officials, offering fake job opportunities and extorting money in the plaintiffs' name. The defendants are conducting these activities on a large scale, which could lead to widespread harm if not halted. The court ruled that the plaintiffs had established a *prima facie* case, with the balance of convenience favouring the plaintiffs. The court further observed that without restraint, the plaintiffs would suffer irreparable harm.

mail@lexorbis.com | www.lexorbis.com

Consequently, the court issued an interim injunction order to restrain the use of the plaintiff's registered trademarks and/or any other deceptively similar mark or variant in any manner or form to prevent further damage. Apart from this, directions to suspend the social media accounts, domain names, phone numbers and bank accounts were issued to social media platforms, intermediaries and Telecom Service Providers as well as banks.

Conclusion

The interim injunction order issued by the court is a necessary measure to prevent further exploitation of the plaintiff's brand and to protect the public from ongoing scams. By restraining the defendants, the court aims to mitigate the immediate threat posed by these fraudulent activities and preserve the integrity of Primestack's operations and reputation. This legal action is crucial in addressing the immediate harm while allowing time for a more comprehensive resolution of the case.

136. High Court Grants Temporary Injunction to Bardhaman Agro Products in "ROSE" Trademark Dispute

Case: Bardhaman Agro Products (I) Private Limited vs Kiran Mallik [G.A. (COM) No. 1 of 2024]

Forum: Calcutta High Court

Order Dated: July 29, 2024

Order: Bardhaman Agro Products (I) Private Limited, operating under the name "Diamond Heritage," filed a petition seeking a temporary injunction against Kiran Mallik. The petitioner has been in the business of selling rice under the trademark “ROSE” since 2001. The trademark includes a pictorial device of a rose and has been extensively used, advertised, and recognised in the market, particularly for rice. The petitioner holds a registration for “ROSE BRAND” in Class 30 of the Trade Marks Act, 1999, which is valid and subsisting. Additionally, the petitioner has various other “ROSE” formative marks and a Copyright Registration Certificate from 2013.

In March 2024, Bardhaman Agro Products discovered that the respondent, Kiran Mallik, had obtained registration for a deceptively similar trademark, “MAMU ROSE,” for rice in Class 30 of the Trade Marks Act, 1999. The petitioner filed cancellation/rectification action against this impugned registration which is pending adjudication. The respondent claimed to have been using the impugned mark since April 2016 but failed to provide any supporting documents, such as invoices or bills, to substantiate this claim.

The petitioner argued that the petitioner is the prior adopter and user of the “ROSE” mark and has acquired exclusive rights over it. The petitioner contended that the respondent's use of the “MAMU ROSE” mark, which is deceptively similar to the petitioner’s mark, infringes on both the trademark and copyright of the petitioner. The petitioner further emphasized that the respondent’s actions were intended to derive illegal benefits from the petitioner’s established reputation, leading to confusion and deception among customers and the trade.

Upon hearing the arguments and reviewing the materials on record, the court observed that the petitioner had provided substantial evidence of its long and continuous use of the “ROSE” mark since 2001. The court noted that the respondent, although having obtained trademark registration for “MAMU ROSE” failed to provide adequate proof of using the mark since 2016. The court recognized that the petitioner, being the prior adopter and user of the “ROSE” mark, has acquired common law rights and that the respondent’s mark is infringing petitioner’s registered rights and it could cause confusion and deception in the course of trade.

In light of the findings, the High Court of Calcutta granted a temporary injunction in favor of the petitioner. The defendant along with his dealers, distributors, agents, and representatives, from manufacturing, selling, distributing, or advertising rice under the “MAMU ROSE” mark or any other mark that is identical or deceptively similar to the petitioner’s registered trademark.

The High Court’s decision reinforces the importance of protecting intellectual property rights, particularly trademarks, in ensuring that businesses can maintain their market identity without the threat of confusion or deception caused by similar or identical marks used by others. The case highlights the court's commitment to upholding the rights of original trademark holders and preventing confusion and unfair competition in the marketplace.

137. Brand Identity and Trademark Conflict: A Review of JPM Industries Limited vs. Jangra Motor JPM Private Limited & Or

Case: Jpm Industries Limited vs Jangra Motor Jpm Private Limited & Ors [CS(COMM) 626/2024]

Forum: Delhi High Court

Order Dated: July 30, 2024

Order: The case between JPM Industries Limited and Jangra Motor JPM Private Limited & Ors highlights the ongoing struggle between established businesses and newer entities over brand identity, goodwill and deception leading to consumer confusion. Such cases often arise when one company alleges that another has used a name, logo, or branding that is confusingly similar, leading to potential market confusion and harm to the original brand's reputation and business.

This article provides a comprehensive analysis of the case, including the background, facts, key legal issues and court decision for businesses.

<u>Background of the Parties Involved</u>

The Plaintiff, JPM Industries Limited, is part of the leading automotive parts manufacturing and marketing group of companies known as JPM GROUP and also JP Minda Group, established by Shri J.P. Minda in the year 1966 and is engaged in the business of manufacture and trade of auto components including electrical components, body parts, control panels etc. It is also the proprietor of the trademark JPM word, stylized, formative, artistic and variants, with its trade name bearing the word/mark ‘JPM’ as its essential features, and the JPM word/mark, and JPM industries for which it has registrations under the Trade Marks Act, 1999. These trademarks are crucial to its brand identity and market recognition.

The Defendant, Jangra Motor JPM Private Limited & Ors, incorporated recently in the year 2022 is in the business of manufacture and trade of electronic two-wheeler vehicles and accessories and adopted the name “EVJPM” (word, stylized and formative), "JPM" as part of its trading name, and domain name – http://wwwjpmescooter.com.

The dispute arose when the Plaintiff came across the Defendant’s impugned trademark “EVJPM” and thereafter opposed it, however due to non-filing of the counterstatement within statutory time period, the same was treated as ‘abandoned’ by the Trade Mark Registry. Thereafter the Plaintiff noticed that the Defendant was marketing its goods of electronic scooters under the impugned mark ‘JPM’ in the physical markets as well as through internet and e-commerce through its website and thus filed a lawsuit against the Defendant alleging that the latter’s use of the "JPM" name infringed on its trademark rights, causing confusion among consumers and potentially harming its brand reputation and goodwill built over the years.

The legal issue was whether the Defendant’s use of the "JPM" name constitutes trademark infringement being identically similar to the JPM trademark of the Plaintiff and adopted for the same line of business. The case also revolves around allegations of unfair competition, wherein the Plaintiff asserted that Defendant’s subsequent adoption and use of the word/mark JPM similar to that of the Plaintiff gives the Defendant an unfair advantage in the market. The observation was made to the fact that the recent adoption by Defendant appears to be a clear attempt to come close to the Plaintiff and ride upon its goodwill and reputation established in and to the already registered ‘JPM’ trademarks, thus causing deception and leading to consumer confusion.

The Court observed that both competing marks are visually, structurally and conceptually same to each other in all respects. The businesses of the parties, their goods involved, the trade channel involved and used by the parties as also the type of customers are all identically similar. The same are in itself sufficient for any of them, including but not limited to those from the general public, to be easily susceptive to deception and confusion. As such, the slight change if at all in the logo is cosmetic as it is in fact nothing, but the ‘JPM’ trade mark of the Plaintiff written in a different manner, which can hardly be of any difference at this stage.

The Court also noted that the Plaintiff is both the prior adopter and prior user of the ‘JPM’ trademarks as also the registered proprietor thereof. As such, the adoption and usage of identically similar impugned ‘JPM’ mark by Defendant needs to be refrained. The Plaintiff has made out a prima facie case for the grant of an ex parte ad interim injunction with the balance of convenience in favour of the Plaintiff and against the Defendants. Additionally, if the Defendants are allowed to continue as it is then there is a likelihood of the plaintiff suffering irreparable harm, loss and injury.

The case of JPM Industries Limited vs. Jangra Motor JPM Private Limited & Ors underscores the importance of trademark protection and the legal challenges that can arise when two companies operate under similar names or branding. The outcome of such cases depends on the specifics of trademark law, the strength of the brand identity, and the potential for consumer confusion.

The decision serves as a reminder for companies with established brands and reputation to operate under strict vigilance and undertake swift legal action to protect their intellectual property. Protecting a brand's distinctiveness is crucial for long-term business success, and companies must be prepared to take legal action to defend their rights. It also highlights the significance of proving ownership, prior use, goodwill and brand reputation in the marketplace while also navigating the complex issues of fair competition.

138. MOBILising Justice: Exxon Mobil's Trademark Victory Over Trademark Infringement

Case: Exxon Mobil Corporation v. Joydeb Saha [CS (COMM) 297/2022]

Forum: Patiala House Court, New Delhi

Order Dated: August 2, 2024

Order: In a significant Judgement dated August 02, 2024, the District Judge (Commercial Court) New Delhi has decreed a permanent injunction in favour of Exxon Mobil Corporation (*hereinafter referred as the Plaintiff or Exxon Mobil*), a global energy behemoth, against Mr. Jaydeb Saha (*hereinafter referred as the Defendant or Saha*), proprietor of M/s Mamani Mobil House, for egregious trademark infringement and passing off. This seminal case underscores the paramount importance of trademark protection and the imperative need for businesses to respect the intellectual property rights of others. The judgment is a testament to the efficacy of trademark law in shielding brand legacy and preventing infringement.

Background

Exxon Mobil, a venerable energy giant with a rich history spanning over a century, had instituted a lawsuit against Saha for unauthorised appropriation of its registered trademark "MOBIL" in his business name. Exxon Mobil had been using the trademark since 1899 and had secured registration in over 163 jurisdictions, including India. The word 'MOBIL' has been a predominant part of the corporate name and trading style of the plaintiff and its predecessor since 1966. The plaintiff has been amongst the top ten in the world on the list of Fortune 500 companies. The Trademark MOBIL was coined and adopted in 1899 with respect to petroleum and related products. In India, the trademark 'Mobil' was registered as early as 1942 and has otherwise been extensively used by plaintiffs since 1907. The plaintiff is also the owner of several domain names featuring the trademark MOBIL, www.mobil.com, www.exxonmobil.com and www.mobil.co.in, which are the host websites for the domain www.mobil.in. The trademark "MOBIL" is synonymous with quality and excellence in the energy industry, and Exxon Mobil has invested significant resources in building and maintaining its brand reputation. Saha’s unauthorised use of the mark "MOBIL" was likely to cause consumer confusion and damage Exxon's reputation.

The Plaintiff’s Case

Exxon Mobil alleged that Saha's use of the mark "MOBIL" as part of his business name, M/s Mamani Mobil House, was unauthorised and infringed upon its trademark rights, and it was likely to cause confusion among consumers and damage Exxon's reputation.

Defendant's Actions

In the 2nd week of November 2021, the plaintiff discovered that the defendant is a proprietorship concern trading as M/s Mamani Mobil House, and Mr. Joydeb Saha is the sole proprietor. The defendant is primarily engaged in the automotive lubricants business and uses Plaintiff's Mobil marks as part of its trade name, M/s Mamani **Mobil** House. Despite receiving a cease-and-desist letter from Exxon Mobil, Saha continued to use the mark "MOBIL" without permission. An investigation revealed that Saha's business was supplying products all over India, including Delhi-NCR.

Plaintiff's arguments

- The plaintiff's testimony remains unchallenged and unrebutted by the defendant, entitling the plaintiff to a decree.

- The plaintiff's trademarks are registered in 163 jurisdictions, including India, and enjoy huge goodwill and reputation worldwide.

- The defendant's use of the mark "MOBIL" as part of their trade name is likely to cause confusion and damage the plaintiff's reputation.

- The Local Commissioner's report provides evidence of the defendant's infringing activities.

- The defendant's use of the impugned marks amounts to fraud and infringement of the plaintiff's registered trademarks under Sections 29(1), 29(2), and 29(5) of the Trade Marks Act, 1999.

- The plaintiff seeks a permanent injunction restraining the defendant from using the impugned trademarks and damages

Court's Decision

The court granted a permanent injunction in favour of Exxon Mobil, restraining Saha from using the mark "MOBIL" or any deceptively similar mark as part of their trade name or any other similar mark. The defendant is also restrained from using any other trademark, trade name, domain name, or email address that is identical or deceptively similar to the plaintiff's "MOBIL" mark. The defendant was also directed to deliver all goods bearing the infringing trademark/label to the plaintiff for destruction and erasure.

The court also awarded exemplary damages of Rs. 1,00,000 (Rupees One Lakh only) in favour of the plaintiff, considering the defendant's blatant refusal to cease business operations under the impugned trade name despite receiving cease-and-desist letters.

The court's decision is based on the plaintiff's successful proof of trademark infringement and the defendant's failure to contest the claims.

Legal Significance

This case reinforces the principle that trademark infringement can cause irreparable harm to a company's reputation and goodwill. The court's decision highlights the importance of trademark protection and the need for businesses to respect the intellectual property rights of others. The ruling serves as a reminder to businesses to prioritise trademark protection to maintain their brand identity and reputation.

Trademark law is designed to protect consumers from confusion and deception. When a business uses a trademark without permission, it can lead to consumer confusion and damage to the reputation of the trademark owner. In this case, Saha's use of the mark "MOBIL" was likely to cause consumer confusion and damage Exxon's reputation.

The court's decision also highlights the importance of registering trademarks. Exxon Mobil had registered its trademark "MOBIL" in over 163 jurisdictions, including India. This registration provided Exxon Mobil with exclusive rights to use the mark and prevented others from using similar marks.

Implications

This ruling serves as a reminder to businesses to respect registered trademarks and avoid unauthorised use. Failure to do so can result in legal action, permanent injunctions, and damages. Companies must prioritise trademark protection to maintain their brand identity and reputation.

Conclusion

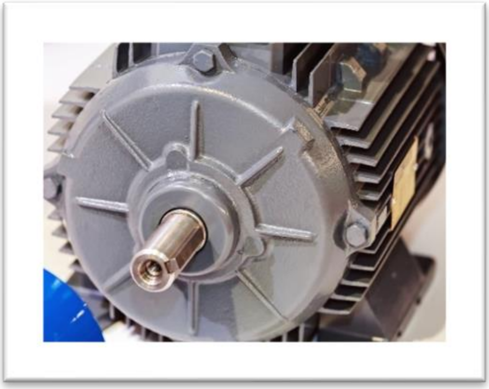
In conclusion, the judgment is a significant victory for trademark protection and brand legacy. The case highlights the importance of respecting intellectual property rights and the consequences of unauthorised use. Businesses must prioritise trademark protection to maintain their brand identity and reputation. The court's decision serves as a reminder of the efficacy of trademark law in shielding brand legacy and preventing infringement.

139. Karnataka High Court Dismisses Appeal in Eureka Forbes Trademark Dispute and Thwarts AMC Scam

Case: Forbes Technovative (P) Limited v. Eureka Forbes Limited [COMMERCIAL APPEAL NO. 18 OF 2024]

Forum: Karnataka High Court

Order Dated: August 2, 2024



Order: Recently, the High Court of Karnataka rejected the appeal that was filed against *the ex-parte order of injunction*, which was made absolute against Forbes Technovative by the Commercial Court. The suit was filed by Eureka Forbes to restrain the defendants from manufacturing, marketing, permitting, and other acts of using or supplying their AMC services, counterfeit filters, motors, electrical spares to anyone by wrongfully using the trademark and passing off the copyrighted work "Eureka Forbes - Your friends for life" "Eureka Forbes Home Store" "Aqua Care" Aqua Guard" "Aqua Sure" which is confusingly similar to their registered trademarks.

The respondent, Eureka Forbes, markets water purifiers, air purifiers, vacuum cleaners and other products and is a registered owner of several trademarks and copyrights. The appellants were stated to be infringing the respondent's trademarks and passing off of the respondent's brand. They were posing as the respondent's service agents, seeking AMC (annual maintenance contracts) from the respondent's existing customers and fixed/offered defective/counterfeit parts. The suit was moved, and an ex-parte injunction order against the appellants was passed, which was thereafter made absolute.

The basis of the appeal was that the injunction order was wrongly confirmed as the appellant was an independent entity who was carrying out AMC of water purifiers and purchased filter units from independent manufacturers. Another ground of appeal was that there are separate causes of action with regard to infringement of

mail@lexorbis.com | www.lexorbis.com

trademark, passing off, and use of respondent's database for procuring business by the appellants and such causes of action cannot be included in one consolidated suit.

The respondent's counsel contended that the appellants were indeed infringing the respondent's trademarks, and First Information Reports (FIRs) were registered with regard to the theft of the respondent's database, which contained details of their customers for fraudulent use. It was alleged that appellants were actively deceiving the respondent's customers by pretending to be the respondent themselves or their agents to secure AMCs, and substandard/faulty parts were being used for servicing, which prejudiced the respondent's goodwill and put the health of the general public at risk. It was further pleaded that the appellant also attempted to secure trademark registration for "Forbes Technovative Private Limited", which was rejected.

The High Court took into account both sides' contentions and concluded that the scope of the relief sought in the plaint and its admissibility is to be decided by the Trial Court. However, when deciding the interlocutory application for an injunction, the court can arrive at prima facie satisfaction as to the tenability of the reliefs sought in the plaint.

The High Court observed that the injunction order has been passed by the court in its discretion and the appeal against such order can be admitted, i.e., the Appellate Court may interfere only if the said injunction order is arbitrary, capricious and perverse. However, there was nothing on record to showcase that the Commercial Court had exercised discretion arbitrarily or perversely. Thus, the appeal was not admitted and dismissed.

This order reiterates that an order passed by the court should not be interfered with unless there are justifiable grounds to assess/believe that the order against which an appeal is filed before the Appellate Court was indeed arbitrary, capricious and perverse. However, in case nothing of such degree is demonstrated by the appellant, the order passed by the initial court who had arrived at/passed the same based on their discretion should not be interfered with.

140. Legal Battles in the Digital Age: MY11CIRCLE vs. WWW10XBETTCOM

Case: Play Games 24X7 Private Limited vs Www10Xbettcom & Ors [CS(COMM) 657/2024]

Forum: Delhi High Court

Order Dated: August 7, 2024

Order: In this digital age, the realm of intellectual property law has witnessed a significant increase in cases concerning copyright and trademark infringements. One such notable case involves a prominent online fantasy sports platform, MY11CIRCLE, which has sought judicial intervention against multiple defendants for violations of its intellectual property rights. The plaintiff's claims highlight the seriousness of the issue, particularly in the context of illegal online gambling activities.

The plaintiff, MY11CIRCLE, launched its online fantasy sports platform in 2019, allowing users to earn points based on the actual performance of athletes in various sports, including cricket, football, and kabaddi. The Plaintiff has obtained numerous multi-class trademark registrations under the Trade Marks Act of 1999.

The plaintiff's argument lies in the defendants' alleged use of the MY11CIRCLE trademark and associated promotional materials to mislead users. It is claimed that the defendants employ a "Bait & Switch" tactic, redirecting unsuspecting individuals to unauthorized websites that promote illegal betting and gambling activities, which are explicitly prohibited in India. These websites, the plaintiff argues, offer various games such as dice, blackjack, keno, and baccarat, all of which pose significant financial risks to users and undermine the integrity of sports.

The plaintiff contends that the defendants have unlawfully copied and misrepresented its trademark and copyright on their illegal website, creating a false association with the MY11CIRCLE marks. This replication includes imitating the plaintiff's website and URLs, leading users to believe they are interacting with the plaintiff's official platform. The plaintiff argues that this not only diverts business away from MY11CIRCLE but also causes irreparable harm to its reputation and goodwill.

In light of the plaintiff's claims, the court has granted an interim injunction against the defendants. The injunction restrains them from using the MY11CIRCLE trademark or any similar marks in any capacity, including as part of domain names or in social media. This order extends to any individuals associated with the defendants, including directors, licensees, and franchisees.

Additionally, the court directed the pleaded defendants to disclose basic subscriber information and account registration details related to the infringing activities. Furthermore, it ordered the blocking of domain names associated with the unlawful websites, ensuring immediate action against the online platforms misleading users.

This case underscores the critical importance of protecting intellectual property rights in the digital age, especially against the backdrop of growing online betting activities. The court's decision to grant an interim injunction serves as a vital measure to safeguard the plaintiff's rights and prevent further consumer deception. As this legal battle unfolds, it will likely set important precedents in the realm of trademark protection and enforcement, particularly concerning online platforms and how trademark subsists in their domain names and the implications of fraudulent practices in the gaming industry. The MY11CIRCLE case not only highlights the need for robust legal frameworks to protect brands but also emphasizes the necessity of public awareness regarding the fake websites.

141. Transparency Is What the Court Expects

Case: M/s Deen Dayal Anand Kumar Saraf v. Paras Agarwal Ta M/s Purushottam Agarwal [CS(COMM) 161/2023]

Forum: Delhi High Court

Order Dated: August 8, 2024

Order: In recent case of Deen Dayal Anand Kumar Saraf v. Paras Agarwal trading as Ms Purushottam Agarwal & Co. (2024) before the Delhi High Court, the court dealt with vacation of ex-parte interim injunction order on grounds of suppression of material facts.

The plaintiff, M/s Deen Dayal Anand Kumar Saraf, is a well-established business in the jewellery industry, operating under the registered trademarks “MD” and “MD-70”. The plaintiff's product portfolio includes a wide range of jewellery, including anklets (payals), chains, silver ornaments, and other precious items under the said trademarks. It was alleged that the defendants had infringed upon the plaintiff's trademarks by using marks like “MD Payal”, “MD Star Fancy Payal”, and “MD Star”, which were virtually identical or deceptively similar to the plaintiff's trademarks. The plaintiff approached the court seeking an injunction to prevent the defendants from continuing their infringing activities. On March 28, 2023, the court granted an ex-parte ad interim injunction in favor of the plaintiff. This injunction restrained the defendants from manufacturing, distributing, or selling products under the infringing marks.

The defendants filed an application before the court seeking vacation of the injunction order basing that the plaintiff had concealed material facts while filing the present suit. Specifically, the defendants pointed to a cease-and-desist notice issued by the plaintiff on November 12, 2022 which involved same trademarks and the response sent by defendants on November 30, 2022. Th plaintiff had failed to disclose these correspondences in their plaint. It was argued that the plaintiff’s failure to disclose these facts amounted to suppression of material evidence, which, if known to the court at the time of granting the injunction, could have led to a different outcome. It was contended that the cease-and-desist notice by the plaintiff and the subsequent response by the defendant were directly relevant to the case.

The plaintiff did not deny the existence of the cease-and-desist notice or the defendants' response however responded in their reply to vacation of injunction order application that omission was unintentional since the suit had been filed in haste. The plaintiff contended that the omission had no bearing on the merits of the case and did not materially affect the reliefs sought. Relying on several precedents, plaintiff countered that the failure to disclose the cease-and-desist notice did not constitute fraud.

Court's Analysis

After hearing both sides, the court opined that the plaintiff’s failure to disclose the cease-and-desist notice and the defendants' response was indeed a significant omission. It concluded that it was a fatal act of non-disclosure by the plaintiff when it was seeking grant of an ex-parte ad-interim injunction. The court considered the set precedents in **S.J.S. Business Enterprises (P) Ltd. v State of Bihar & Ors**., **S.P. Chengalvaraya Naidu Vs. Jagannath**, **Canon Kabushiki Kaisha Vs. B. Mahajan and Ors** and **Kent RO System Ltd. & Anr. v Gattubhai & Ors**. which reaffirms the settled position of law that any order/ judgment obtained by suppressing material facts and documents amounts to vitiation of the entire proceedings. The court emphasized that parties seeking equitable relief, such as an injunction, must approach the court with clean hands and disclose all material facts. The plaintiff's failure to do so misled the court ex-parte injunction order was vacated.

The court also noted that despite becoming aware of the omission after the defendants filed their application, the plaintiff did not taken any steps to rectify the situation or amend their pleadings. This inaction further supported the conclusion that the plaintiff had deliberately chosen to withhold the relevant documents to gain an unfair advantage in the proceedings.

The court's decision underscores the importance of full disclosure in legal proceedings, particularly in cases involving interim reliefs like injunctions. It serves as a reminder that parties must present all relevant facts to the court and that any attempt to mislead the court can have serious consequences. This judgment also highlights the judiciary's commitment to ensuring fairness in trademark disputes. While protecting intellectual property rights is essential, the courts are equally vigilant in ensuring that the legal process is not abused. In this case, the court's decision to vacate the injunction sends a clear message that parties cannot use procedural shortcuts to gain an advantage in litigation.

mail@lexorbis.com | www.lexorbis.com

142. Trademark Trials: Navigating the Pitfalls of Insufficient Evidence in Century Plyboards Case

Case: M/S Century Plyboards India Ltd v. M/S Shree Balaji Ply Center [CS (Comm.) No. 1000/2020]

Forum: Tis Hazari Court

Order Dated: August 8, 2024

Order: In the case of *M/s. Century Plyboards (I) Limited vs M/s. Shree Balaji Ply Center (CS (Comm.) No. 1000/2020 CNR No.: DLCT01-004173-2020) decided on August 7, 2024*, M/s Century Plyboards (I) Ltd (Plaintiff) initiated a lawsuit seeking a permanent injunction against M/s Shree Balaji Ply Center (defendant), accusing the defendant of trademark and copyright infringement, as well as of engaging in activities amounting to passing off, which purportedly damaged the plaintiff's business and reputation.

The plaintiff, a prominent entity in the plywood industry, holds registered trademarks under the "CENTURY" brand, including variants such as CENTURY TERRASHIELD, CENTURY TERRAMITE, CENTURY SAFEWOOD, and CENTURY FURNITURE. The plaintiff's flagship trademark, "CENTURY," is extensively used for its range of plywood products and has garnered significant goodwill and reputation across India. The plaintiff also claimed ownership of copyrighted artistic works associated with the "CENTURY" trademark.

The allegations centred on the defendant's purported use of identical or confusingly similar trademarks, specifically "CENTURY," "CENTURYPLY," and "SAINIK," in connection with substandard plywood products, thereby allegedly misleading consumers and undermining the plaintiff's business. The defendant, in its written defence, refuted the claims, asserting that it had never utilised the trademarks "CENTURY," "CENTURYPLY," or "SAINIK," and denied any association with the plaintiff's trademarks.

mail@lexorbis.com | www.lexorbis.com

The plaintiff was called upon and was given several opportunities to furnish evidence in support of its claims and allegations. However, the plaintiff failed to present any evidence. The plaintiff heavily relied on an affidavit from Mr. Khanna, who was the authorised representative of the plaintiff, which alleged the defendant's use of similar trademarks. However, this affidavit contained only second-hand information, lacking any direct or documentary evidence of the supposed infringement. The said deponent also never appeared for witness or cross-examination despite being given several opportunities to appear by the Court.

The plaintiff did not produce any customer complaints, invoices, or other documentation to demonstrate that the defendant was selling products under the disputed trademarks. Further, the plaintiff did not provide clear copies of the trademark registration certificates or any proof of ownership of the "SAINIK" trademark. Additionally, no witnesses were called to corroborate the allegations of trademark infringement or passing off by the defendant.

In matters of trademark infringement and passing off, the onus rests on the plaintiff to establish that the defendant's actions were likely to cause confusion or deceive the public. In the opinion of the Court, the plaintiff failed to meet this burden, as it did not present substantial evidence linking the defendant to the alleged infringing activities.

On the other hand, the defendant also did not present any witnesses or evidence. However, the defendant's stance was bolstered by the plaintiff's lack of evidence, which the Court took into account when evaluating the merits of the case.

The Court dismissed the suit in light of the insufficient evidence and the plaintiff's inability to substantiate its allegations. The plaintiff was not awarded any relief, including the injunction, damages, or litigation costs. The Court also granted the defendant actual costs, subject to the submission of a certificate detailing legal fees and expenses.

Conclusion

The Court's order reaffirmed that the Plaintiffs must present unequivocal and convincing evidence to support claims of trademark infringement, copyright violation, or passing off. Mere allegations without corroborating evidence are insufficient in Court. It was also highlighted that the Affidavits and claims must be substantiated with direct evidence, such as documentation, customer testimonies, or expert opinions, to establish the likelihood of confusion or deception in the marketplace. On the other hand, consistent failure to adhere to court directions, particularly in presenting evidence, can lead to the dismissal of the suit, as courts are not inclined to grant indefinite adjournments. It can also be observed in this case that in commercial litigation, defendants may be awarded actual costs if they successfully defend a suit, especially when the plaintiff has caused unnecessary delays or failed to adequately present its case.

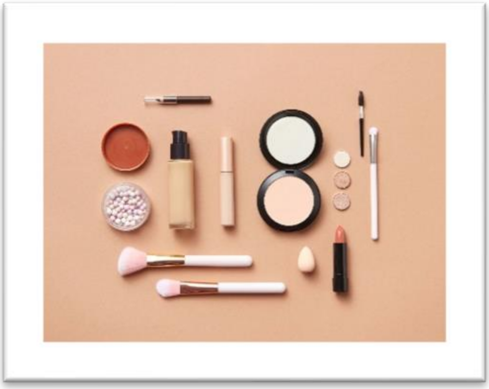
This judgment highlighted the importance of thorough preparation and evidence-based litigation in intellectual property cases, emphasising that plaintiffs must adhere to procedural timelines and substantiate their claims with solid evidence.

143. Permanent Injunction Order Against Counterfeit Goods of The Trademark "Huda Beauty"

Case: Huda Beauty Limited vs M/S Vision Enterprises and Ors [TM/18/2021]

Forum: Patiala House Court, New Delhi

Order Dated: August 9, 2024



Order: In a significant Judgement dated August 9, 2024, the District Judge (Commercial Court), New Delhi, in the case of ***Huda Beauty Limited (the "Plaintiff") vs, M/s Vision Enterprises and Ors*** (the "**Defendants**") decreed a permanent injunction in favour of the Plaintiff, whereby the defendant no.1 was restrained from using the trademark/ label HUDA BEAUTY or any other trade mark/label which may be identical with and/ or deceptively similar to the plaintiff's registered trade mark/label HUDA BEAUTY in relation to similar goods, thereby infringing plaintiff's registered trademarks, copyright and passing off its products as that of the Plaintiff.

The Plaintiff's is a company incorporated under the law of British Virgin Islands and is engaged in the business of manufacturing, distributing and sale of a wide range of cosmetics and beauty products. The Plaintiff's company was founded by Huda Kattan in the year 2010. 'HUDA' being the name of the founder, was always part of the company's corporate name and/or trading style, ever since its establishment. Ever since the establishment of the Company, the plaintiff has been using, trading, manufacturing, marketing, trading, selling its goods under the trademarks/labels HUDA BEAUTY and its variants (the "**Trademark**"). In April 2010, Huda Kattan, the owner of the Plaintiff's company started the beauty-related blog, Huda Beauty, and a YouTube Channel. The contents of Kattan's channels are beauty tutorial-oriented wherein Huda Kattan shares makeup techniques, skincare routines and personal preferred beauty products. In 2011, Huda Kattan launched Huda Beauty Product, which was a collection of false eyelashes. The product was released through Sephora in Dubai. In 2013, Huda Kattan launched a cosmetic line named after her channel, Huda Beauty. In 2015, the Huda Beauty Products were launched in United States.

The trademarks/labels HUDA BEAUTY and its formative trademarks/labels are well known trademarks/labels of the plaintiff and are registered in India under the provisions of **Trade Mark Act, 1999 ("Act"),** in favour of plaintiff, which are valid and subsisting till date. Further, the art works involved in the said trademarks/ labels are original artistic works and the plaintiff holds copyright therein. The Plaintiff's goods bearing the Trademark has been advertised, promoted, displayed, solicited, sold and traded over the world on its website www.hudabeauty.com. The plaintiff also deals in its said goods and business in India through its business partner NYKAA & SEPHORA on www.nykaa.com and www.sephora.nnnow.com. The Plaintiff has been using the said domain name in the course of trade and as proprietor thereof globally and has built up a valuable trade, goodwill and reputation thereunder.

Further, it was submitted that the plaintiff spends huge amount of money in advertising and promotion of its products and the Trademark has acquired enviable reputation and goodwill in the international markets including in India. In addition, the Plaintiff also enjoys trans-border reputation and usageas extending into India and is well known trademark within the meaning of S. 2(1)(zg) of the Act.

The Defendant No.1, M/s Vision Enterprises, imported a consignment of counterfeit products of fake HUDA BEAUTY cosmetics, at the Kolkata Port, West Bengal, which was intercepted and seized by the Defendant No.2 Office of Chief Commissioner of Customs, Kolkata, as the said consignment was found to be in violation of the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007 framed under the Customs Act, 1962, vide notification No. 47/2007 dated 08.05.2007. The Central Board of Indirect Taxes & Customs is Defendant No.3 in this case. On 02.04.2021, Defendant no.2 informed the Plaintiff's about the seizure of the aforesaid consignment being imported by Defendant No.1. The Plaintiff inspected the goods imported and confirmed that the goods were not genuine and were counterfeit goods.

The Plaintiff submitted that Defendant no.1 has dishonestly and malafidely adopted and started using the impugned trademark HUDA BEAUTY and its formative trademarks/labels which are visually, structurally identical and/or deceptively and confusingly similar to the registered trademark of the plaintiff. It has been averred that by doing so, the Defendant no.1 is not only damaging the reputation and goodwill of the Plaintiff company by passing off its substandard

mail@lexorbis.com | www.lexorbis.com

products as that of the Plaintiff company but is also causing financial loss to the plaintiff company by reaping unfair advantage of the repute and distinctive character of the Trademark of the Plaintiff's company. Therefore, the Plaintiff urged that the suit may be decreed in favour of the plaintiff and against Defendant no.1 restraining Defendant no.1 and all others acting for and on its behalf from using the said impugned trademarks/ labels. In addition, Defendant nos. 2 and 3 should be restrained from releasing the impugned goods under impugned trademark/ label HUDA BEAUTY and other variants imported and confiscate the counterfeit goods.

The Court examined the issue of jurisdiction and observed that Defendant no.1 has been soliciting, networking, offering to sell and is supplying the impugned goods bearing the impugned trademarks to the dealers and distributors in the markets of New Delhi. The Defendant is committing the act of infringement and passing off in New Delhi by making clandestine and surreptitious sales and distribution. The Plaintiff is also carrying on its said goods and business under its said Trademark in New Delhi markets through its exclusive dealers and distributors SEPHORA & NYKAA Thus, the cause of action for filing the suit has arisen within the territorial jurisdiction of this Court. The Plaintiff had also proved screenshots from its website www.hudabeauty.com as well as screenshots from the websites (viz. www.nykaa.com and https://sephora.nnnow.com.) respectively showing availability of its goods under the said Trademark for purchase.

Further, the Court opined that the entire testimony of the Plaintiff has remained unchallenged and un-rebutted by the Defendants, therefore, this Court has territorial jurisdiction to try and entertain the suit.

With regard to the relief sought by the Plaintiff for permanent injunction against the Defendant, the Court *inter alia* relied on the principles laid down by the following cases:

The Supreme Court in the case of *Renaissance Hotel Holdings Inc. v. B. Vijaya Sai & Ors* (reported as MANU/SC/0066/2022), observed that in an infringement action, an injunction would be issued as soon as it is proved that defendant is improperly using the plaintiff's mark and no case of actual deception nor any actual damage needs to be proved in such cases.

The Delhi High Court in the case of *Shaw Wallace & Co. Ltd. & Anr. v. Superior Industries Ltd'*. ,2003 (27) PTC 63 (Del), observed that is well settled that in an action for alleged infringement of a registered trade mark, if the impugned marked used by the defendant is identical with the registered trade mark of the plaintiffs, no further questions have been to be addressed and it has to be held that there is indeed an infringement by the plaintiff, he need not prove that the whole of his registered trade mark has been copied, but he can also succeed, if, he shows that the mark used by the defendant is similar to the mark of the plaintiff.

In view of the above principles, the Court examined the facts of the case and observed that the averments made in the plaint are duly supported by the documents and proved during the course of evidence.

Further, in the case of *Amrish Agarwal Vs. M/s Venus Home Appliances Pvt. Ltd*" in CM (M) 1059/2018 dated 27-08-2019, passed by Hon'ble Delhi High Court, it was, inter alia, directed that in trademark infringement matters, the following documents ought to be necessarily filed along with the plaint.

(i) Legal Proceedings Certificate (LPC) of the trade mark showing the mark, date of application, date of user claimed, conditions and disclaimers if any, assignments and licenses granted, renewals etc.,

(ii) If the LPC is not available, at the time of filing of the suit and urgent orders of injunction are being sought, a copy of the trade mark registration certificate, copy of the trade mark journal along with the latest status report from the website of the Trade Mark Registry. This should be accompanied by an averment in the pleadings that LPC is applied for. Specific averment ought to be made that there are no disclaimers imposed on the mark and the mark stands renewed. Any licenses and assignments ought to be pleaded.

In this case, the Plaintiff has relied upon and filed copies of registration certificates and status thereof, which are duly proved by the Plaintiff. As per these documents, it is duly shown that trade mark HUDA BEAUTY is duly registered in favour of plaintiff as trademarks/word marks/ device mark, which are valid and subsisting till date. The Plaintiff also proved some of its registration certificates of its trademark/ label across the globe in British Virgin Islands, Great Britain and Northern Ireland and Singapore etc. In addition, the Plaintiff also proved copy of e-mail sent by Defendant No.2 to the Plaintiff of the impugned goods being imported by the Defendant no.1 along with the approval of the plaintiff's request for the physical inspection of the seized goods and the plaintiff's assessment report in connection with the counterfeit goods. Thus, the Plaintiff was able to establish that the impugned seized goods were imported by Defendant no.1.

The Court opined that the Plaintiff has been able to prove its case on the basis of preponderance of probability and decreed the suit in favour of the Plaintiff and against the Defendant(s) and granted the following relief:-

(i) Defendant no.1 is restrained by itself and also through its individual proprietors/ partners, agents, representatives, distributors, assigns, heirs, successors, stockists and all other acting for and on its behalf from using, selling, soliciting, importing (in any manner or from any other port), exporting, displaying, advertising or by any other mode or in any manner using impugned trademarks / labels HUDA BEAUTY, any other trademarks/ labels which may be identical with and/ or deceptively similar to the plaintiff's said registered trademarks / labels HUDA BEAUTY, thereby infringing plaintiff's registered trademarks, copyright and passing off its products as that of the plaintiff.

(ii) Defendant nos. 2 and 3 are restrained from releasing the infringed seized goods, to Defendant no.1and destroy the infringed seized goods.

The Court's decision is based on the Plaintiff's successful proof of the trademark infringement, the unauthorized import of counterfeit goods and the Defendant's failure to contest the claims. The decision in favour of the trademark HUDA BEAUTY having international presence highlights the importance of registration of trademarks in India. The trademark registration along with the evidence of sales, promotion and marketing of the products bearing the trademark HUDA BEAUTY in India provided the Plaintiff with the exclusive rights to use the mark HUDA BEAUTY and prevented others from using, selling, soliciting, importing, exporting, displaying, advertising the trademarks/labels which are identical with and/or deceptively similar to the Plaintiff's registered trademarks and/or labels in India.

144. No Exclusive Rights Over the Term HOT MIX: Delhi Court Denies Relief in the Trademark Infringement Suit

Case: Mr Sunit Shah v. Sunshine Food Products [CS (COMM) No. 126/2022]

Forum: Karkardooma Court Delhi

Order Dated: August 12, 2024

Order: A Delhi Court recently refused to grant an injunction in the present suit concerning infringement of rights under the trademark SHAH HOT MIX/SHAH (Label)

Facts of the case:

The Plaintiff, Sunit Shah, proprietor of M/s Shah Namkeen had filed the present suit against the Defendant M/s Sunshine Food Products seeking permanent injunction in respect of infringement and passing off trademark, copyright, in respect of the mark/label, as well as damages and other reliefs.

The Plaintiff is in the business of confectionery related items such as cakes, puffs, biscuits, namkeen, etc. since the year 1977. The Plaintiff states to have been operating its business under its trademark/label SHAH/SHAH NAMKEEN/SHAH HOT MIX (Label) openly and extensively without any interruption since 1977. Later, the Plaintiff entered into a partnership with his brother Vinit Shah on 01.07.1982, which was reduced into writing on 11.03.1983 and on 02.02.1984, they applied for registration of trademark SHAH vide Application No. 417009 in Class 30, which was granted registration on 31.08.1989. The partnership got dissolved on 08.06.1995, and the Plaintiff became its sole proprietor and continued the above said business under the above trademarks. Later, the Plaintiff applied for the registration of trademark/label SHAH HOT MIX vide Application No. 2309592 on April 3, 2012, in respect of goods under Class 30, which now stands registered. The Plaintiff further states to have obtained necessary approvals, permissions and certificates from concerned authorities including Commercial Taxes Department, Department of Value Added Taxes and Income Tax Department.

mail@lexorbis.com | www.lexorbis.com

The Plaintiff became aware of the Defendant's use of an identical mark somewhere in the first week of April 2022 in respect of identical goods, i.e. Namkeen. The Plaintiff stated that the Defendant, which is also a partnership firm, had started the use of an identical packaging under the similar trademark/label on very large scale in various States of India including Delhi and East Delhi. The Plaintiff alleged that the Plaintiff's and Defendant's goods are namkeen, etc, falling in Class 30 and the channels of trade are identical.

The Plaintiff further alleged that the impugned packaging is identical and deceptively similar to the overall trademark / trade name of the Plaintiff. The Plaintiff stated to be the prior user of its trademark/label/artistic SHAH HOT MIX, for which it has not given any kind of permission/consent to the Defendant to use the impugned mark/label, similar expressions and/or artistic works. Accordingly, the present suit had been filed by the Plaintiff seeking appropriate reliefs. Additionally, the Plaintiff had also pressed for decree of damages amounting to Rs.50,00,000/-.

The Plaintiff relied upon the judgements delivered in ***Sanofi India Ltd. vs Universal Neutraceuticals Pvt. Ltd***; ***Duke Fashions (India) Pvt. Ltd. vs Girish Hosiery & Ors***; ***United Biotech Pvt. Ltd. vs Orchid Chemicals and Pharmaceuticals Ltd. & Ors***; ***Sona BLW Precision Forgings Ltd. and Anr. vs Sona Mandhira Pvt. Ltd. and Ors***; ***Sona Mandhira Pvt. Ltd. and Anr. vs Sona BLW Precision Forgings Ltd. and Ors***. 2023 SCC OnLine Del 2184

On the other hand, the Defendant filed its written statement in response to the suit filed by the Plaintiff. In its written statement, the Defendant stated that the present suit is filed merely on the basis of a descriptive and common trade name and that the suit suffers from delays and latches. The Defendant stated that the word 'HOTMIX' refers to a kind and characteristic of Bhujia, Namkeen and snacks which is being used by it for more than two decades and even HOTMIX is used by several manufacturers of such products. The Defendant denied the use of the trademark SHAH HOT MIX by the Plaintiff since 01.04.1977 and stated that the registration of the same is subjected to disclaimer "*No exclusive right over the descriptive matters appearing on the label" and as such plaintiff has no right over the word 'HOT MIX' being descriptive in nature and indicating the kind and characteristics of goods*".

The Defendant stated further that it has raised objection under Section 9(1)(a) of the Trade Marks Act (hereinafter referred to as "**the Act**"). The Defendant stated that Hot Mix is one of the variants of namkeen and description, which is basically due to the presence of red chilly, that describes its kind and characteristics. The Defendant further alleged that its mark BC and various labels are duly registered, having acquired immense goodwill and reputation, and are not similar with the trademark SHAH of the Plaintiff.

The Defendant stated that the labels of both the parties are completely different, having own distinctive feature with only common term HOT MIX with glaring material differences, and no person of an average intelligence and an imperfect recollection will be misled or confused due to the word HOT MIX with label SHAH by the Plaintiff and label BC by the Defendant. The Defendant relied upon following decisions- ***ITC Ltd. vs Nestle India Ltd***; ***Lotus Herbals Pvt. Ltd. vs DPKA Universal Consumer Ventures Pvt. Ltd. & Ors***; and ***Superon Scheqeisstechnik India Ltd. vs Modi Hitech India Ltd***

Issues:

The following issues were framed in the present suit:

1. Whether the Plaintiff is entitled for decree of permanent injunction;
2. Whether the Plaintiff is entitled for delivery up of all the impugned goods, packaging material, advertising material, stationery, account books and other incriminating material in possession of the Defendant with directions for destruction of the same?
3. Whether the Plaintiff is entitled for decree of rendition of accounts against the Defendant;
4. Whether the Plaintiff is entitled for damages of Rs.50 lacs or any other amount against the Defendant?
5. Whether the present suit has been filed without any cause of action?
6. Whether the word 'Hotmix' has no trademark value and is a generic word?

Issue No. 1:

The court held that the Plaintiff has failed to prove that the word HOTMIX is solely or exclusively associated with the tradename of the Plaintiff, or that the consumers have come to associate the name with the particular product or service. The court further observed that the word has been used by a number of other manufacturers such as Samrat Snacks Hotmix, Satmola Namkeen Hotmix, PK Hotmix, Deep Hotmix, Umanya Mixture Hotmix, etc, and that the word 'HOT MIX' being a descriptive word, and which is also been used by several manufacturers cannot be given exclusivity.

<u>Issue Nos. 2 to 4</u>:

Having held that the Plaintiff is not entitled to protection of the word HOT MIX and is not entitled for any restraint order or permanent injunction in respect of the word HOT MIX, the court decided the issue nos. 2 to 4 in favour of the Defendant and against the Plaintiff.

<u>Issue No. 5</u>:

The court held that there is no case of passing off as there is significant difference in the trademark SHAH HOT MIX and the goods sold by the Defendant with the trademark BC HOT MIX and that the Plaintiff is not entitled for protection of the word HOT MIX, and thus no case of passing off is made out. Therefore, this issue also went in favour of the Defendant and against the Plaintiff.

<u>Issue No. 6:</u>

The court held that since the word HOT MIX is a generic as well as descriptive term, the Plaintiff cannot claim protection of word HOTMIX in view of the provisions contained in Section 30 of the Act. Hence this issue also went in favour of the Defendant, and against the Plaintiff. The court held that the Plaintiff is not entitled for any injunction as claimed for restraining the defendant for passing off or for a decree of rendition of accounts, damages etc Accordingly, the suit of the Plaintiff was dismissed.

The ruling of the court sets out an important precedent in terms of claiming rights over terms which are generic or descriptive. It is an important principle in trademark law that a generic or descriptive term cannot be trademarked or protected as a trademark, until and unless it has acquired a secondary meaning in connection with its business. Consequently, every trademark owner cannot object to use of a descriptive or generic term by a third party, until and unless its concerned brand has acquired distinctiveness in the market. Filing such frivolous litigation proceedings is an abuse of the process of law and wastes the precious time and money of the concerned parties and the court and should be discouraged.

145. Spectacles in Spotlight: Taarak Mehta Ka Ooltah Chashmah Gets John Doe Order in IP Infringement Case

Case: Neela Film Productions Private Limited vs Taarakmehtakaooltahchashmah.Com & Ors. [CS(COMM) 690/2024, I.A. 36509/2024]

Forum: Delhi High Court

Order dated: August 14, 2024

Order: Recently, in the matter of Neela Film Productions Private Limited vs Taarakmehtakaooltahchashmah. Com & Ors., the plaintiff, approached the Delhi High Court seeking urgent relief for the alleged infringement of their registered copyright and trademark, including the unauthorised sale of infringing merchandise of the plaintiff's show.

Facts of the Case

The plaintiff is a renowned Indian production house with the famous show '*Taarak Mehta Ka Ooltah Chashmah*'. Through its predecessor, Neela Tele Films Pvt. Ltd., the plaintiff has produced several fiction and non-fiction shows since 1998, broadcast on various television channels and OTT platforms. The plaintiff submitted that it owns exclusive rights to all concepts, formats and intellectual property relating to the show. This includes the rights in the title, the format, rights to the characters, characterisations, character mannerisms, characteristic dialogues, voice, dialogue delivery, mannerism and style of the characters, costumes of the characters, the overall look of the character including hair, make-up and costume etc., all underlying literary, dramatic, artistic and musical works, derivative and adaptation rights in respect of the show.

The plaintiff had also applied for and obtained trademark registrations for various marks, including '*Taarak Mehta Ka Ooltah Chashmah*', '*Ooltah Chashmah*', '*Taarak Mehta*', '*Jethaalal*', '*Gokuldhaam*', etc. The plaintiff also owned copyright in its various characters and animations under Section 13 of The

Copyright Act, 1957. Additionally, the plaintiff had also applied for and obtained copyright registrations for the show's characters and various animations.

The plaintiff asserted that they became aware of extensive violations of their rights by numerous individuals across various online platforms. The plaintiff found it challenging to take legal action against each infringer due to the vastitude of the Internet and the advanced technologies, including AI, that facilitated such infringements. As a result, the plaintiff sought to obtain orders against the defendants and any John Doe parties in order to address and restrain the widespread and continuous violation of their rights.

Infringements Identified by the Plaintiff

Defendant No. 1 was operating a website registered with the domain name https://taarakmehtakaooltahchashmah.com/, which features the artwork, characters, and other intellectual property of the plaintiff in the show. Defendants No. 2 to 4 were selling merchandise that featured images and dialogues of characters from the plaintiff's show. They were also using the names of the characters and the name of the show as product titles on their website: https://brokememers.com/collections/tmkoc. Additionally, Defendant No. 2 listed such goods on third-party e-commerce platforms "Amazon" and "Redbubble," selling to international customers, thereby further diluting and tarnishing the value of the plaintiff's intellectual property in the show. Defendant No. 3 sold posters, and Defendant No. 4 sold mugs featuring the images and dialogues of the characters from the plaintiff's show, also using the name of the characters and the show as the product title.

Defendants 5 to 9 are YouTube channels that were publishing videos or images containing AI-generated images or deep fakes of characters from the show. The plaintiff argued that the defendants' actions clearly infringed upon the former's rights to the show's characters by using their image, likeness, and persona to create new images through generative AI without the plaintiff's consent.

Defendants 11 and 12 had developed video games inspired by the television show and were sharing videos of their gameplay. These video games extensively incorporated the show's characters and other key elements, as well as various trademarks belonging to the plaintiff. The plaintiff stated that these video games were clearly adapted from or directly derived from the show.

Defendants No. 14 and 15 were found to be actively uploading videos on their YouTube channel, containing unauthorised reproductions and utilisation of the characters, sets, images, videos, and hashtags that were trademarked properties of the plaintiff's show. This unauthorised usage falsely indicated an association with the show for commercial gains. Defendants 16 to 19 were posting videos on YouTube in which they used the name of the plaintiff's show without permission. They also created animated videos telling stories or riddles using characters and images from the plaintiff's show. The plaintiff claimed that the defendants violated their legal rights to the trademarks and copyrights associated with their show.

Further, Defendant No. 23 was portraying the characters wearing inappropriate clothing. Defendants nos. 20 and 21 were publishing videos on YouTube featuring sexually explicit and vulgar content, using the name and image of the show's characters. The plaintiff claimed that unknown face distortion technology was used to make it seem as though the animated characters were speaking vulgar content and profanities. Defendant No. 21 was also creating brief, animated videos that narrated sexually explicit stories using the names of characters from the show. Additionally, they were also hosting videos containing explicit pictures of the actors from the show, while using the names of the characters.

The plaintiff contended that the defendants were not authorised to utilise the plaintiff's intellectual property in the show. The plaintiff alleged that any actions, including posting, streaming, broadcasting, retransmitting, exhibiting, making available for viewing, downloading, providing access to the public, displaying, uploading, modifying, or publishing any content, goods, or services showcasing the plaintiff's intellectual property in the show, such as the names and images of the iconic characters and iconic dialogues, constituted an infringement of the plaintiff's exclusive rights.

It was further highlighted that the illicit and infringing materials were widely available and easily accessible throughout India, posing a significant challenge for the plaintiff to address these issues in various legal jurisdictions. This unauthorised dissemination not only undermined the plaintiff's intellectual property rights but also resulted in substantial economic and personal losses.

Decision of the Court

Based on the case presented by the plaintiff, the court held that there was a prima facie case by the plaintiff to be granted an injunction against such infringement. It was held that the balance of convenience was also in favour of the plaintiff and against the defendants. Additionally, the court expressed that failing to grant an ex-parte ad interim injunction would result in the plaintiff suffering irreparable loss.

The court passed an order of ex-parte ad interim injunction to restrain Defendant Nos. 1 to 12 and 14 to 21, including any John Doe parties, their owners, partners, proprietors, officers, servants, employees and all others in the capacity of principal or agent, acting for and on their behalf or anyone claiming through by or under it. The court restricted the defendants and any other John Doe parties from hosting, streaming, broadcasting, or in any way making available for viewing and downloading content that infringes on the plaintiff's copyrighted material or registered trademarks, including but not limited to the show's title, characters, format, and any other related materials in the said show. Additionally, the defendants were restrained from offering for sale any goods or services that involved infringement of the plaintiff's copyrights, trademarks, or passing off of the plaintiff's goods and services.

The court further directed defendants nos. 1 to 12 and 14 to 21 to remove any infringing videos, websites or YouTube links within 48 hours. If they failed to do so, the Ministry of Electronics and Information Technology (MeitY) and the Department of Telecommunications (DoT) would be required to instruct the relevant Internet Service Providers/intermediaries to suspend access to all such videos, websites or YouTube links. Additionally, the plaintiff was granted the option to request YouTube to block or suspend all URLs containing infringing content uploaded by the defendants.

The ruling by the Delhi High Court is an important milestone in the fight against digital piracy and the unauthorised use of intellectual property in India. It emphasises the importance of John Doe orders in addressing digital IP infringement, particularly in today's digital landscape, where online infringement is widespread and often carried out by individuals who conceal their identities through pseudonyms or anonymous accounts. The emergence of AI has further underscored the significance of John Doe orders, as the risk of IP infringement is amplified by technologies such as deep fakes and face-morphing.

146. Misleading Conduct Costs AskAAF Trading Company as Court Denies Refund in Trademark Suit

Case: M/S AskAAF Al-Sharq Trading Company vs. M/S Jakhalia Garments & Anr. [CS(COMM) 672/2024]

Forum: Delhi High Court

Order Dated: August 22, 2024

Order: The plaintiff, M/S AskAAF Al-Sharq Trading Company, initiated a suit seeking a permanent injunction to restrain the defendants from infringing upon its registered trademark. The plaintiff also sought relief for passing off, unfair competition, damages, and delivery of infringing materials. The dispute arose when the defendants, M/S Jakhalia Garments & Anr., filed a rectification petition against the plaintiff's registered trademark with the Trade Marks Registry. Subsequently, the plaintiff decided to withdraw the suit after obtaining affidavits from the defendants but later sought a refund of the court fees paid.

The plaintiff's trademark was registered on May 19, 2023, and the defendants filed a rectification petition on July 10, 2024. During the initial hearing on August 9, 2024, the defendants made a statement, agreeing not to use the trademarks in question. The plaintiff, satisfied with this assurance, withdrew the suit on August 16, 2024. Following this, the plaintiff applied for a refund of court fees, relying on previous case law such as Amit Jain v. Mahavir International P. Ltd. (2023), where refunds had been allowed in similar situations.

The Court found that the plaintiff had made several misrepresentations in the plaint, particularly in Paragraph 22, where it falsely claimed that the rectification proceedings fell under the jurisdiction of the Delhi High Court. Despite being aware of these misstatements, the plaintiff chose to withdraw the suit without rectifying them.

mail@lexorbis.com | www.lexorbis.com

The Court also noted that the plaintiff withdrew the suit without notice to the defendants, and no application was made to recall or amend the order of withdrawal. This made the withdrawal final and binding on the parties. The plaintiff, having approached the Court with unclean hands, was found to be dishonest and misleading in its conduct. The Court cited past decisions (Prestige Lights Limited v. State Bank of India and others), which emphasized that no relief can be granted to a party that acts dishonestly or makes false statements before the Court.

The Court dismissed the application for a refund of court fees, imposing costs of Rs. 50,000 on the plaintiff, to be deposited with the Delhi High Court Bar Association's Lawyers Social Security and Welfare Fund. The plaintiff was directed to file proof of payment within three days of making the deposit. The Court also noted that the case law cited by the plaintiff was not applicable, as it did not involve instances where a party repeatedly approached the Court with misleading averments.

147. Prakash Pipes' Goodwill Protected as Court Grants Permanent Injunction, Awards Damages

Case: M/S Prakash Pipes Limited vs. M/S Jaiswal Traders [CS(COMM) 540/2023]

Forum: Delhi High Court

Order Dated: August 29, 2024

Order: M/S Prakash Pipes Limited has been engaged in the manufacturing and trading of pipes since 1980, holding trademarks such as "PRAKASH" and "PRAKASH GOLD." The company has established significant goodwill and recognition in the market, with sales exceeding ₹600 crores over the past two financial years. The plaintiff discovered that M/S Jaiswal Traders was selling infringing products under similar trademarks despite prior acknowledgement and apology from the Defendant. This led the plaintiff to file a suit seeking a permanent injunction and damages.

The plaintiff argued that it is the rightful owner of the trademarks "PRAKASH" and "PRAKASH GOLD," which have been used since 1980, establishing substantial goodwill. They claimed that M/S Jaiswal Traders infringed on these trademarks by selling similar products, causing consumer confusion and engaging in passing off.

The Defendant failed to appear or file a written statement, leaving the plaintiff's claims unchallenged. Although the Defendant had issued a written apology earlier, this did not constitute a formal defence. Hence, the plaintiff sought a summary judgment, emphasising the Defendant's lack of response or defence, and requested damages for the harm caused.

The case primarily revolves around three key legal issues: whether M/S Jaiswal Traders infringed on the registered trademarks of M/S Prakash Pipes Limited, whether the defendants engaged in passing off by misleading consumers, and

mail@lexorbis.com | www.lexorbis.com

whether the court should grant a summary judgment against the Defendant, given their lack of response.

The court found substantial evidence that M/S Prakash Pipes Limited is the rightful owner of the trademarks and has consistently used them since 1980, building significant goodwill. The Defendant's failure to appear or file a defence led to the ex-parte proceeding, further substantiating the plaintiff's claims. The court concluded that the Defendant's use of similar trademarks was likely to confuse consumers regarding the origin of the products, thereby confirming infringement and passing off.

The High Court granted a permanent injunction against M/S Jaiswal Traders, prohibiting them from using the plaintiff's trademarks or any similar marks. Additionally, the court awarded ₹5,00,000 in damages to the plaintiff under relevant sections of the CPC, to be paid by the Defendant within four weeks. The court also ordered that a decree sheet be drawn in favour of the plaintiff.

148. Trademark Clash in Hospitality: Court Rules in Favor of 'SOCIAL' Brand

Case: Impresario Entertainment & Hospitality Pvt. Ltd. vs. Star Hospitality [CS(COMM) 714/2024]

Forum: Delhi High Court

Order Dated: August 27, 2024

Order: Impresario Entertainment & Hospitality Pvt. Ltd, established in 2001, operates several popular restaurants under the "SOCIAL" brand, which has become synonymous with its unique dining and workspace concept. The plaintiff is the registered owner of the trademark "SOCIAL" and its variants across multiple classes, highlighting its extensive business in the hospitality industry.

In contrast, the defendant operates a restaurant named "SOCIAL AFFAIR" in Vadodara, Gujarat. The plaintiff contended that this name closely resembles its trademark and will likely cause confusion among consumers, particularly as both businesses operate in similar markets.

The plaintiff filed an application seeking exemption from pre-litigation mediation, which was granted based on prior case precedents. Additionally, the court allowed the plaintiff time to submit additional documents related to the case, emphasizing compliance with established procedural rules.

The court noted that the defendant's use of "SOCIAL AFFAIR" could mislead consumers into believing there is a connection with the plaintiff's well-established brand.

The court further acknowledged that the defendant's actions might lead to public confusion, particularly as the plaintiff plans to expand its operations in Vadodara.

mail@lexorbis.com | www.lexorbis.com

The plaintiff successfully argued for an ex-parte ad interim injunction, indicating that allowing the defendant to continue using the impugned mark would cause irreparable harm.

Hence, The Court restrained the defendant from using the trademark "SOCIAL" or any similar variations in connection with its business. The defendant was further directed to remove references to "SOCIAL AFFAIR" from all marketing and advertising platforms, including social media and third-party websites.

The defendant is required to file a response to the court within thirty days of service of the notice.

The court's decision aims to uphold the integrity of the "SOCIAL" brand while setting a precedent for future cases in the hospitality industry. The matter is scheduled for further hearings in early 2025, allowing both parties to present their arguments comprehensively.

149. SUPERDRY Wins Legal Battle Against Counterfeiters: Permanent Injunction Granted

Case: DKH Retail Limited vs. Jay [CS Comm 4418/21]

Forum: District Judge (Commercial Court-10), Tis Hazari Courts, Delhi

Order Dated: August 27, 2024

Order: DKH Retail Limited, the proprietor of the SUPERDRY brand, filed a suit for a permanent injunction, alleging trademark infringement, copyright violation, passing off, unfair competition, and dilution of its brand. The plaintiff sought remedies, including damages, rendition of accounts, delivery of counterfeit goods, and destruction of falsified products.

The plaintiff is a global apparel and accessories retailer known for its SUPERDRY brand, characterised by Japanese-inspired graphics, British tailoring, and vintage Americana. The brand operates in 46 countries with over 500 stores and has a significant presence in India since 2012, with 21 retail stores across major cities.

The plaintiff discovered about the defendant's infringing activities during a market survey in October 2021 in Karol Bagh, Delhi. The defendant was found selling counterfeit SUPERDRY products, including jeans and tags, at a warehouse in Karol Bagh. The plaintiff's original products carry distinctive features such as security tags, MRP labels, care instructions, and other specific details that were absent in the defendant's counterfeit products.

The plaintiff claimed that the defendant's counterfeit goods were of inferior quality, tarnishing the plaintiff's brand reputation. Additionally, the counterfeit products lacked key features like security tags, care labels, and proper trademark proportions, further evidencing the substandard nature of the infringing goods.

The court appointed a local commissioner to seize and seal the counterfeit products, resulting in the confiscation of 361 falsified jeans and approximately 150 fake tags from the defendant's warehouse. Despite being served via newspaper publication, the defendant failed to appear in court or file any response, leading to ex-parte proceedings.

The court found that the defendant's counterfeit products bore marks deceptively similar to the plaintiff's registered SUPERDRY trademarks, leading to consumer confusion regarding the origin of the goods. The defendant's use of these marks amounted to an infringement of the plaintiff's statutory rights under Indian trademark law.

The court compared the plaintiff's original products with the defendant's counterfeit goods and concluded that the latter were of significantly inferior quality. This poor quality could harm the plaintiff's brand reputation, built on delivering high-quality designer products.

Based on the local commissioner's report and unrebutted evidence, the court determined that the defendant had stored and distributed counterfeit SUPERDRY products for commercial purposes. The defendant's failure to appear and deny the allegations further strengthened the plaintiff's case.

The court ruled in favour of the plaintiff, issuing a permanent injunction restraining the defendant from using the SUPERDRY trademark or any deceptively similar mark. Additionally, the court ordered the destruction of the seized counterfeit goods (361 jeans and 150 tags) by the plaintiff.

Regarding damages, although the defendant did not render an account of profits, the court awarded damages sum of Rs.3,00,000/- to the plaintiff considering the quantum of counterfeit products seized, in line with the Delhi High Court's decision in Imaging Marketing Pvt. Ltd. vs. Green Accessories (2022). The plaintiff's claim for a rendition of accounts was rejected due to the defendant's non-participation in the proceedings.

150. Delhi High Court Blocks Impersonating Websites: Headout Inc. Secures Legal Victory

Case: Headout Inc. vs Ashok Kumar/John Doe & Ors. [CS(COMM) 726/2024]

Forum: Delhi High Court

Order Dated: August 28, 2024

Order: Headout Inc., the plaintiff, filed a suit seeking a permanent injunction to restrain the defendants from infringing their registered trademarks, indulging in passing off, unfair competition, and unauthorised use of their trademarked branding. The plaintiff, a well-known online marketplace under the brand "HEADOUT," alleged that defendant no.1, Ashok Kumar/John Doe, was impersonating them and deceiving consumers through infringing websites. The defendants were accused of using the plaintiff's trademark without authorisation to dupe customers and commit financial fraud.

Plaintiff started its operations under "Tourlandish" in 2015 before transitioning to the "HEADOUT" brand. The platform is an online marketplace facilitating travel and local experiences. The plaintiff operates under the registered trademark "HEADOUT" and enjoys significant goodwill, with a customer base across 81 destinations, 28 million guests, and a vast social media presence.

The plaintiff claimed that defendant no.1 was using identical or deceptively similar domain names and websites, misleading consumers into believing that these were official Headout platforms. This fraudulent scheme resulted in financial losses to unsuspecting users and tarnished the plaintiff's reputation. Headout Inc. asserted that it held registered trademarks in India and that the defendant's actions amounted to trademark infringement and passing off.

The Court reviewed the plaintiff's claims and noted that Headout Inc. had established a prima facie case for trademark infringement and passing off. The defendants' use of identical or deceptively similar websites was likely to cause

mail@lexorbis.com | www.lexorbis.com

confusion among consumers. Furthermore, the Court acknowledged the irreparable harm and financial losses suffered by both the plaintiff and its customers due to the defendants' unauthorised activities. The balance of convenience was found to lie in favour of the plaintiff.

The Court was also satisfied with the plaintiff's application under Section 12A of the Commercial Courts Act, 2015, seeking exemption from pre-institution mediation, considering relevant precedents (Yamini Manohar vs. T.K.D. Keerthi and Chandra Kishore Chaurasia vs. RA Perfumery Works Private Ltd.).

The Court issued an ex-parte ad-interim injunction in favour of Headout Inc., with the following directions:

- The defendants, including their agents and representatives, were restrained from using the plaintiff's trademarks or any confusingly similar mark related to travel services via any online marketplace.
- Defendant No.1 was ordered to take down, lock, block, and suspend the infringing websites within 48 hours, failing which defendants no. 2 to 11 would be directed to do so.
- Defendants nos. 12 and 13 were ordered to take down the infringing profiles and pages and share details of those involved in promoting the infringing content.
- Defendants nos. 14 and 15 were directed to instruct Internet Service Providers (ISPs) to block access to the infringing websites, domains, and profiles.

The matter was scheduled for further hearing on 20 December 2024, with procedural requirements including summons, filing of written statements, and replication to be completed before the next hearing date. The Court also ensured compliance with Order XXXIX Rule 3 of the CPC.

mail@lexorbis.com | www.lexorbis.com

151. Elder Prroject Secures Injunction Against Trademark Infringement by Elder Orgichem

Case: Elder Prroject Limited vs. Elder Orgichem Private Limited [CS(COMM) 720/2024]

Forum: Delhi High Court

Order Dated: August 28, 2024

Order: The plaintiff, Elder Prroject Limited, filed a suit seeking a permanent injunction to restrain the defendant, Elder Orgichem Private Limited, from infringing their registered trademark "Elder." Elder Prroject Limited is the registered owner of the trademark "Elder" under Class 5 and the copyright for its label. The defendant, incorporated in 2021, operates in the pharmaceutical industry, allegedly using the same trademark, "Elder", and similar trade dress, logo, and packaging.

The plaintiff contended that its trademark "Elder" has been continuously used since 1993 and is distinctive of its goods. They argued that the defendant's use of the identical name, logo, and packaging is misleading the public, causing confusion, and diluting their goodwill. The plaintiff issued a cease and desist notice to the defendant, which was ignored, and the infringing products remain in the market. The plaintiff claims that the defendant's actions are intended to mislead consumers into believing their products originate from the plaintiff.

The defendant did not appear in court. In response to the plaintiff's cease and desist notice, the defendant initially promised to cease the use of the disputed mark but allegedly continued to market products using the "Elder" name.

The court noted that the defendant's actions, including the use of the trademark "Elder," identical packaging, and similar trade dress, were likely to cause confusion and deception among consumers. The defendant appeared to have deliberately adopted the plaintiff's trademark to mislead consumers. The court referred to landmark judgments such as Cadila Health Care v. Cadila

mail@lexorbis.com | www.lexorbis.com

Pharmaceuticals Ltd. and Heinz Italia v. Dabur India Ltd., emphasising the need for stringent action in cases involving pharmaceutical products due to potential harm to public health.

The court granted the plaintiff's request for an ex-parte ad-interim injunction, restraining the defendant and its associates from using the trademark "Elder" or any deceptively similar mark. Without permission, the defendant was prohibited from using the name, logo, or packaging that resembled the plaintiff's intellectual property. The matter was listed for further proceedings before the Joint Registrar on November 27, 2024, and before the court on January 15, 2025.

The court recognised the plaintiff's prima facie case and balanced the convenience in favour of the plaintiff, granting an ad-interim injunction to prevent irreparable harm and loss. The defendant was ordered to stop using the infringing marks until the next hearing.

mail@lexorbis.com | www.lexorbis.com

152. INDO AIR' Trademark Cancelled for Infringing 'INDO' Brand: K.K. Electro Appliances Prevails

Case: K.K. Electro Appliances Pvt. Ltd. vs. Shree Vardhman Engineering and Anr. [C.O. (COMM.IPD-TM) 346/2021]

Forum: Delhi High Court

Order Dated: August 29, 2024

Order: The petitioner, K.K. Electro Appliances Pvt. Ltd., sought cancellation of the trademark INDO AIR, bearing registration no. 3924750 in Class 11, registered in favour of respondent no.1, Shree Vardhman Engineering, for the products "cooler and fans."

The petitioner claimed to be the prior user of the trademark INDO, having registered it on January 22, 1990, and having used it in the business of manufacturing and marketing electric fans, heaters, geysers, washing machines, and similar goods under Class 7, 9, 11, and 35 since April 1, 1982.

The petitioner contended that respondent no. 1's use of the mark INDO AIR for "coolers and fans" was not bona fide and amounted to infringement of the petitioner's long-established and widely recognised trademark INDO.

The petitioner provided evidence of continuous use, including product sales, invoices, and renewal records, and asserted that respondent no. 1's trademark application indicated the user detail as "proposed to be used."

Court's Analysis and Judgement:

The court acknowledged that the petitioner had established prior use of the trademark INDO since 1982 and held various registrations for the same in Class 11, relating to goods such as electric fans, heaters, and coolers.

mail@lexorbis.com | www.lexorbis.com

The court noted that respondent no. 1's trademark registration showed a user detail as "proposed to be used," and no evidence was provided to demonstrate actual use before the registration in 2018.

The court compared both trademarks and found that the prominent feature of both marks was the word INDO, which was distinctive to the petitioner's brand. In the same product category, the use of INDO AIR by respondent No. 1 was likely to deceive or cause confusion among consumers.

Citing the principles of the likelihood of confusion, the court referred to the Division Bench ruling in M/s South India Beverages Pvt. Ltd. vs General Mills Marketing Inc. & Anr., which emphasised that consumers of average intelligence do not deliberately memorise trademarks and may easily be confused by marks that create a similar overall impression.

The court concluded that the adoption and use of the INDO AIR trademark by respondent no.1 in Class 11 was not bona fide and amounted to infringement of the petitioner's registered trademark INDO. The court held that the deceptive similarity between the petitioner's trademark INDO and the respondent's trademark INDO AIR would likely confuse consumers.

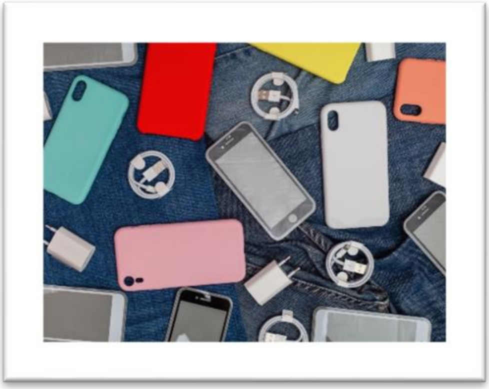
Hence, the court ordered the cancellation of the respondent's trademark registration no. 3924750 for INDO AIR in Class 11 and directed the Registrar of Trademarks to rectify the Register accordingly. The court further instructed the Trademark Registry to issue a cancellation notification and inform the Office of the Controller General of Patents, Designs, and Trademarks of India.

153. Vivo Wins Trademark Battle: Delhi High Court Stops Infringement, Declares 'VIVO' Well-Known

Case: Vivo Mobile Communication Co. Ltd. v. Mr. Jitendra Kumar Tiwari Trading As Maa Vaishnavi Chemicals [CS(COMM) 510/2021]

Forum: Delhi High Court

Order Dated: August 29, 2024



Order: The plaintiff, Vivo Mobile Communication Co. Ltd. (hereinafter "Vivo"), is a well-established global player in the mobile phone industry, operating under the trademark "VIVO" since 2011. The company filed a suit in the Delhi High Court seeking a declaration, permanent injunction, and damages for trademark infringement and passing off against the defendant, Mr Jitendra Kumar Tiwari, trading as Maa Vaishnavi Chemicals.

The dispute arose when Vivo discovered that the defendant had adopted the trademark "VIVO" for their adhesive products, which was not only identical in name but also similar in font, colour, and overall stylisation, thus causing confusion and diluting Vivo's established trademark.

Facts:

In the first week of April 2021, the plaintiff learned about the trademark application, filed on a proposed to be used basis, bearing no. 4755554 for the mark in Class - 01, filed in the name of the defendant. The plaintiff sent a Cease-and-Desist letter dated 07th April 2021, which was duly delivered to the defendant's address and the address of the defendant's agent, mentioned in the trademark application.

In the third week of August 2021, the plaintiff was informed about the availability of adhesive in the local markets of Delhi under the mark VIVO +Plus Adhesive. Despite many opportunities given by the plaintiff to settle the matter, the defendant did not reply to the plaintiff's letter and was found to be supplying its products bearing the impugned marks surreptitiously and clandestinely. Thus, the plaintiff filed the present suit.

Court Proceedings:

The case was first heard on 12 October 2021, where The plaintiff established a prima facie case of infringement and passing off, and accordingly, the Court granted an ad-interim ex-parte injunction in favour of the plaintiff and against the defendant, thereby restraining the defendant from using the plaintiff's mark VIVO or any other deceptively similar mark, logo or device, amounting to passing off of plaintiff's mark VIVO.

A Local Commissioner was appointed, and on 14 October 2021, the commissioner executed the local commission.

On 22 March 2022, since the defendant failed to appear despite being served, the Court proceeded ex-parte against the defendant and confirmed the interim order.

Court's Analysis and Judgement:

The Court found that the defendant's use of the "VIVO" mark, which was identical in stylisation, font, and colour, was a clear case of trademark infringement. The Court emphasised that the defendant had no reasonable explanation for adopting the identical mark, which was likely to deceive consumers into believing the defendant's goods were associated with Vivo.

The plaintiff sought a declaration of its "VIVO" mark as a well-known trademark in India. The Court noted that Vivo's products had achieved a significant market presence in India, with over 550 exclusive stores and substantial annual revenue. The extensive advertising, sponsorships in national and international sports events like the Indian Premier League (IPL), and endorsements by major celebrities further established the mark's widespread recognition.

Citing prior decisions, including Himalaya Drug Co. v. S.B.L. Ltd., the Court reiterated that when assessing trademark infringement, the focus should be on the overall impression of the marks rather than a side-by-side comparison of dissimilarities. The Court concluded that the defendant's adoption of the "VIVO" mark was dishonest and mischievous.

Hence, the Court granted a permanent injunction restraining the defendant from using the "VIVO" mark or any deceptively similar mark. The Court declared the

"VIVO" trademark a well-known mark in India under Section 2(z)(b) of the Trademarks Act, 1999.

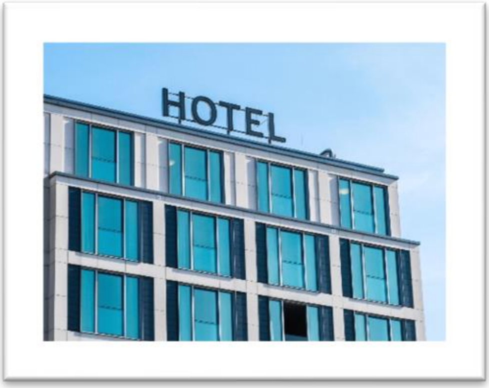
mail@lexorbis.com | www.lexorbis.com

154. Exemplary Damages Awarded in Taj Trademark Infringement Case: Delhi High Court Rules in Favor of Plaintiff

Case: The Indian Hotels Company Limited v. Manoj [CS(COMM) 683/2022]

Forum: Delhi High Court

Order Dated: August 30, 2024



Order: The plaintiff, The Indian Hotels Company Limited (part of the TATA Group), filed a suit seeking a permanent injunction against the defendant, Manoj, for trademark infringement, copyright violations, passing off, dilution, and tarnishment of its well-known trademarks, along with damages, rendition of accounts, and delivery up of infringing materials. The plaintiff alleged unauthorised use of its registered trademarks and copyrighted material associated with the renowned "TAJ" brand and its iconic property, the Taj Mahal Palace Hotel in Mumbai.

Facts:

The plaintiff, operating under the TAJ brand since 1903, is the owner of various registered trademarks, including "TAJ," its device marks, and the facade of the Taj Mahal Palace Hotel. It has also developed and copyrighted significant content related to its properties.

The plaintiff submitted that the defendant launched a website, www.tajiconicmembership.com, on June 22, 2022, using the plaintiff's trademarks and copyrighted images without authorisation. The defendant also misrepresented himself as an entity affiliated with the plaintiff and engaged in fraudulent activities using the plaintiff's marks.

An FIR was lodged against the defendant for defrauding Puneet Mehra, who was misled by the defendant and impersonated the plaintiff. Mehra was invited to the defendant's office, drugged, and robbed of gold coins worth ₹51,21,735. The plaintiff received a notice from Malviya Nagar Police Station seeking clarification on its association with the defendant, which was denied.

On October 6, 2022, the Court granted an ex-parte ad-interim injunction, restraining the defendant from using the plaintiff's trademarks and infringing its domain name. A local commissioner was appointed to visit the defendant's premises, but the Crime Branch sealed the premises before the commissioner's visit.

Court's Analysis and Judgement:

The Court noted the plaintiff's longstanding use of the TAJ trademarks since 1903, establishing its goodwill and reputation in the hospitality industry. The defendant's unauthorised use of these trademarks, including the facade of the Taj Mahal Palace Hotel, was deemed a deliberate attempt to mislead consumers and benefit from the plaintiff's brand equity.

The Court recognised the plaintiff's ownership of copyrighted content, including photographs of its properties and other marketing materials, which the defendant copied and misused on his website and business signage.

The defendant failed to appear in Court, respond to the suit, or file a written statement. As a result, the Court proceeded ex-parte, concluding that the defendant had no real prospect of defending the claims.

Given the overwhelming evidence of infringement and the defendant's failure to defend, the Court granted a summary judgment under Order XIII-A of the Code of Civil Procedure (CPC). The Court cited precedents that support granting summary judgment when the defendant has no real prospect of success and when recording oral evidence is unnecessary.

The Delhi High Court granted a permanent injunction against the defendant, restraining him from using the plaintiff's trademarks and copyrighted materials. The defendant was found guilty of trademark infringement, copyright violations, and passing off. The Court also awarded damages of Rs. 10 lacs and a cost of Rs. 5 lacs to the plaintiff, acknowledging that the defendant's deliberate evasion of court proceedings and illegal actions warranted exemplary and punitive damages.

155. Court Grants Ex-Parte Injunction in Taurus Trademark Infringement Case

Case: M.K. Srinivasan and Another vs. Chemsol India and Another [CS(COMM) 752/2024]

Forum: Delhi High Court

Order Dated: September 3, 2024

Order: The plaintiffs filed a suit seeking a permanent injunction to restrain the defendants from infringing their registered trademarks, 'TAURUS' and 'VOLTCHECK TAURUS', alongside claims of passing off, unfair competition, rendition of accounts, and damages.

Plaintiff's contentions:

The plaintiffs, leaders in manufacturing testing instruments in the power sector, claimed exclusive rights to these trademarks, which have gained significant goodwill and recognition in the market since 1989.

The plaintiffs submitted that their products, meticulously designed and developed over the years, bore the TAURUS trademark and its variant, VOLTCHECK TAURUS. These trademarks represented a range of power sector equipment produced by the plaintiffs.

The plaintiffs claimed that the TAURUS trademark and its variants had acquired significant goodwill and reputation through extensive and uninterrupted use. The plaintiffs discovered that the defendants unlawfully sold products bearing the TAURUS and VOLTCHECK TAURUS trademarks without authorisation. The defendants had been marketing these products to third parties, including non-contact high voltage detectors, which infringed the plaintiffs' trademark rights.

The plaintiffs sent a legal notice to the defendants on May 3, 2024, demanding they cease using the trademarks TAURUS and VOLTCHECK TAURUS for

mail@lexorbis.com | www.lexorbis.com

identical products. Despite this, the defendants continued their infringing activities. The plaintiffs referred to a letter dated May 13, 2024, from the defendants, in which the defendants acknowledged the plaintiffs' rights and undertook to stop using the TAURUS and VOLTCHECK TAURUS trademarks. The letter stated that the defendants had initiated steps to remove products bearing these marks from websites and ceased promoting them.

Despite their earlier undertaking, the defendants continued using the infringing trademarks. The plaintiffs brought this fact to the court as evidence of the defendant's disregard for their commitments.

A tax invoice dated August 24, 2024, was submitted to the court, showing that the defendants were still engaged in infringing activities. This invoice confirmed that the defendants were continuing to sell products under the infringing marks.

The plaintiffs argued that the similarity in trade channels and customers increased the likelihood of confusion between the plaintiffs' and defendants' products. The marks being used by the defendants were identical to the plaintiffs' registered trademarks, TAURUS and VOLTCHECK TAURUS.

The plaintiffs contended that the defendant's unauthorised use of the plaintiffs' trademarks constituted infringement and misrepresentation of their rights. The defendants' actions not only violated the plaintiff's intellectual property rights but also tarnished their hard-earned reputation and goodwill associated with the trademarks.

Court's Order:

After reviewing the submissions, the court found that the plaintiffs had established a prima facie case for granting an ex-parte ad interim injunction. The balance of convenience favoured the plaintiffs, and there was a likelihood of irreparable harm if the injunction was not granted.

The court issued an ex-parte ad interim injunction, restraining the defendants from using the plaintiffs' trademarks "TAURUS" and "VOLTCHECK TAURUS" or any deceptively similar marks. The court further issued notice to the defendants and set timelines for filing replies, rejoinders, and compliance with Order XXXIX Rule 3 CPC.

The case was scheduled for a hearing before the Joint Registrar (Judicial) on October 22, 2024, for the marking of exhibits, with the next court hearing set for October 3, 2024.

mail@lexorbis.com | www.lexorbis.com

156. Trademark Showdown: Mankind Pharma Gets Injunction to Protect 'HEALTH OK' from 'All OK+' Imitation

Case: Mankind Pharma Limited v. Pranjali Swapnil Pimprikar Trading as A2 Lifesciences and Anr. [CS(COMM) 709/2024]

Forum: Delhi High Court

Order Dated: August 23, 2024

Order: The plaintiff, Mankind Pharma Limited, filed a suit seeking permanent injunction, damages, and other relief against the defendants for trademark infringement, copyright violation, passing off, and unfair trade practices. The plaintiff requested urgent relief and exemption from pre-litigation mediation and advance service due to the risk of the defendant's actions.

The plaintiff has been using the trademark 'HEALTH OK' since 2008 for medical goods, expanding into multivitamin tablets in 2013. The mark is well-recognised, and Mankind Pharma has secured various brand trademark and trade dress registrations.

The plaintiff alleged that the defendants adopted a similar mark, 'All OK+', with near-identical packaging, logos, colour schemes, and bottle design. According to the plaintiff, this similarity is likely to cause confusion among consumers.

The court noted the striking similarity between the two marks, including the product design, packaging, and marketing. The defendants were engaged in the same line of business, which heightened the likelihood of consumer confusion.

Based on the documents and evidence submitted, the court concluded that Mankind Pharma had established a prima facie trademark infringement case. The balance of convenience also favoured the plaintiff, as allowing the defendants to continue would cause irreparable harm to the plaintiff.

The court granted an ex parte ad interim injunction, restraining the defendants from using the trademark 'All OK+' or any trade dress similar to 'HEALTH OK' until the next hearing—the injunction aimed to protect the plaintiff's rights pending further proceedings.

mail@lexorbis.com | www.lexorbis.com

The court appointed two Local Commissioners to visit the defendants' premises, seize infringing materials, and record evidence to prevent the destruction or removal of counterfeit goods. The Local Commissioners were authorised to execute the order with police assistance if necessary.

The defendants were ordered to file written statements within 30 days, and the case was scheduled for the next hearing on 16 January 2025. The court also directed the Local Commissioners to submit their reports within two weeks of executing their duties.

157. KFC vs. American Fried Chicken: Court Grants Injunction Over Deceptively Similar 'AFC' Mark

Case: Kentucky Fried Chicken International Holdings LLC vs Muhammad Ali. M & Ors. [CS(COMM) 718/2024 & I.A. 37410/2024]

Forum: Delhi High Court

Order Dated: September 5, 2024

Order: KFC International Holdings filed a suit seeking a permanent injunction against the defendants for infringement of its registered trademarks "KFC" and "Kentucky Fried Chicken." The plaintiff also sought reliefs, including rendition of accounts, damages, and delivery up from the defendants, alleging that the defendants' mark "AFC" (American Fried Chicken) was deceptively similar to KFC's marks.

KFC submitted that it was one of India's first global fast-food franchises, entering the market in 1990, and had acquired substantial goodwill and reputation. The plaintiff emphasised its long-standing use and extensive marketing efforts to establish its brand in India, involving various promotional activities with famous Indian celebrities. KFC further highlighted its trademark registrations, which date back to 1988 and 2000 for "Kentucky Fried Chicken" and "KFC," respectively, and argued that these marks were well-known in India.

In 2022, KFC discovered that the defendants had applied for registration of marks under names deceptively similar to "KFC," such as "AFC" (American Fried Chicken), which created consumer confusion. It was noted that the defendants used identical trade dress, packaging, and fonts in their product marketing, imitating KFC's well-established branding elements like its red and white colour scheme. This led to the misrepresentation that the defendants' goods were associated with KFC, harming the plaintiff's goodwill.

KFC argued that the defendants' use of "AFC" and related marks for identical goods and services infringed upon its registered trademarks. The plaintiff asserted that this was causing irreparable harm to its brand and reputation, leading the court to recognise a prima facie case for an interim injunction.

mail@lexorbis.com | www.lexorbis.com

The defendants handed over a document proposing a new logo and mark, arguing that it was distinct from KFC’s trademarks. However, KFC’s counsel rejected this submission, maintaining that the proposed marks were still deceptively similar to KFC’s well-known marks.

After noting the submissions, the court determined that the balance of convenience favoured KFC and that KFC would suffer irreparable harm if an injunction were not granted. The court, therefore, passed an ex parte ad interim injunction, restraining the defendants from using the "AFC" mark or any other marks deceptively similar to KFC’s trademarks.

The court, recognising the deceptive similarity between "AFC" and "KFC," granted a temporary injunction against the defendants, restraining them from infringing upon KFC’s trademarks until the next hearing.

158. Court Issues Injunction in Favor of Anik Milk Products in Trademark and Passing Off Dispute

Case: Anik Milk Products Private Limited vs Suresh Kumar Agarwal & Ors.

Forum: High Court at Calcutta, Commercial Division

Order Dated: September 10, 2024

Order: The plaintiff, Anik Milk Products Private Limited, filed for an interim injunction to prevent the defendants, Suresh Kumar Agarwal & Ors, from selling deceptively similar products to the plaintiff's "Anik Ghee." The court granted permission to hear the suit as an unlisted motion due to the urgency and jurisdictional complexities of the case.

The plaintiff acquired the "Anik" trademark through an irrevocable assignment from Anik Industries Limited in 2016. The trademark has been in use since 1965 by Hindustan Lever Limited, covering dairy products like ghee under Class 29. Over the decades, "Anik" became a well-known brand, particularly in North and East India.

The plaintiff alleged that Sudha Ghee Deport (Defendant No. 1) was selling counterfeit "Anik Ghee" products that mimicked the plaintiff's distinctive packaging, colour scheme, and trade dress. The products were marketed on platforms such as IndiaMART and Just Dial (Defendants Nos. 2 and 3). The plaintiff discovered the infringement through its distributors in Kolkata in August 2024.

The court examined samples of genuine and counterfeit products. It noted that the defendants' product packaging was nearly identical, except for minor differences in weight labelling. The defendants had even used the plaintiff's license number on their product packaging, further confusing consumers.

The court found that the defendants' actions constituted trademark infringement and passing off. The similarity in packaging and the use of the plaintiff's license number led the court to conclude that the defendants attempted to deceive consumers into believing the counterfeit products were affiliated with the plaintiff.

The court ruled that the plaintiff had established a prima facie case, and the balance of convenience favoured the plaintiff. The court determined that continuing the defendants' activities would cause irreparable harm to the plaintiff in terms of brand dilution and loss of goodwill.

The court granted an interim injunction, restraining the defendants and their associates from using the "Anik" trademark or any deceptively similar mark. This order also prohibited selling, manufacturing, and promoting counterfeit ghee products until November 12, 2024.

Due to the seriousness of the infringement, the court-appointed Mr Chayan Gupta as a receiver to inspect the defendants' premises, including factories and warehouses, and to inventory the counterfeit products. The plaintiff was ordered to pay the receiver a remuneration of Rs. 2,00,000.

mail@lexorbis.com | www.lexorbis.com

159. Court Rules Against Adidas: Failure to Establish Trademark Infringement in Counterfeit Goods Case

Case: Adidas AG vs. Mohd. Irfan [CS (Comm.) No. 198/2023]

Forum: District Judge (Commercial Court)-01, Shahdara, Karkardooma Courts, Delhi

Order Dated: September 11, 2024

Order: The plaintiff, Adidas AG, a company registered in Germany, engaged in the global manufacturing and sale of sportswear, shoes, and accessories, filed a suit for permanent injunction, infringement of trademark, copyright, and passing off. The plaintiff claimed exclusive rights to its registered trademarks, including "Adidas," the "three stripes" logo, the "performance logo," and the "trefoil" symbol. The plaintiff alleged that the defendant, Mohd. Irfan was illegally selling counterfeit goods under these marks.

The plaintiff contended that the defendant was selling counterfeit Adidas-branded products, including t-shirts, from his shop in Gandhi Nagar, Delhi, without authorisation. A market survey conducted by the plaintiff in March 2023 led to the discovery of the infringing activity. The plaintiff argued that the defendant's use of falsified marks was visually and structurally identical to their registered trademarks, thereby misleading consumers.

The defendant denied the allegations and asserted that he had never sold or stored Adidas-branded goods. He claimed that he was trading in non-branded goods and that the plaintiff's accusations were groundless. The defendant further alleged that the goods seized during a raid were not his and that he was merely a tenant of the shop from which the goods were taken.

The plaintiff presented evidence, including photographs of the seized goods and details of the trademarks registered in India. However, the court noted that the plaintiff failed to produce the original and seized counterfeit goods for comparison during the trial. The Local Commissioner who conducted the raid also testified, but the photographs submitted lacked the required certification under the Indian Evidence Act.

The court found that the plaintiff failed to provide solid evidence linking the seized goods to the defendant. The original and counterfeit goods were not presented for comparison, and the photographs submitted were not properly certified. As a result, the court could not establish that the defendant was selling goods that infringed upon Adidas's trademarks.

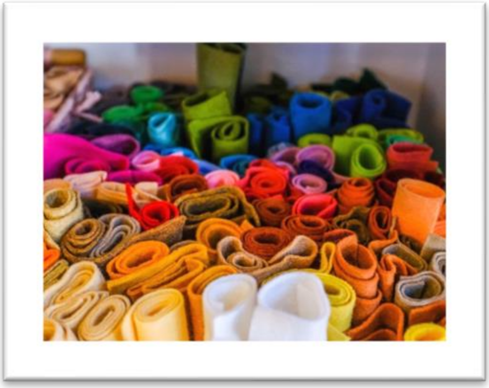
Hence, the court ruled against the plaintiff, and dismissed the suit because of lack of evidence. No relief was granted to Adidas, and the defendant was not found liable for trademark infringement or passing off.

160. 099' vs '999' Trademark Dispute: Court Issues Interim Injunction for KAS Zainulabdin & Co.

Case: KAS Zainulabdin & Co. vs. Gokul Chand Manoj Kumar and Sons (GM & Sons) Pvt. Ltd. & Anr. [IA No. GA-COM/1/2024 in IP-COM/26/2024]

Forum: High Court at Calcutta

Order Dated: September 17, 2024



Order: The plaintiff, KAS Zainulabdin & Co. is a partnership firm involved in the manufacturing and marketing of textile goods, including lungis, vests, and briefs, holds the registered trademark "999" under Class 24 for lungis, sarongs, and similar goods. The plaintiff's trademark was registered on various dates, with the earliest application dating back to January 11, 1991. The plaintiff's annual revenue for 2022-2023 was disclosed as ₹66,56,56,875, with advertising expenses amounting to ₹92,90,059.

The defendant, Gokul Chand Manoj Kumar and Sons (GM & Sons) Pvt. Ltd., filed for the registration of the trademark "099" under Class 24 on January 17, 2024, with a proposed-to-be-used basis. The plaintiff objected to the defendant's application, citing that the mark "099" is deceptively similar to their registered mark "999."

The plaintiff submitted that the defendants, who were former dealers of the plaintiff's products, were well aware of the plaintiff's trademark "999" and knowingly adopted a deceptively similar mark ("099") to create confusion in the market. It was further argued that the defendant was selling lungis under both "099" and "999" marks, as evidenced by an invoice dated July 19, 2024. The plaintiff contended that the defendant was infringing upon their trademark and passing off their products as the plaintiff's.

The Court noted that the plaintiff had been using the "999" mark since 1991 and had established significant goodwill. The Court compared the plaintiff's and defendant's marks and found them deceptively similar in terms of both the mark and the packaging. The Court further noted that the defendant's actions were a deliberate attempt to confuse consumers, especially given that the defendant had prior knowledge of the plaintiff's mark due to their former business relationship.

The plaintiff cited several legal precedents, including:

- Laxmikant V. Patel vs. Chetanbhai Shah (2002): Emphasised granting ex parte injunctions in passing-off cases.
- Assam Roofing Ltd. vs JSB Cement LLP (2015): Highlighted that when a defendant's mark is identical to a plaintiff's, the plaintiff need not prove used to establish infringement.
- R. R. Proteins and Agro Limited vs Hari Shankar Singhania (2010): Affirmed that when a defendant uses a plaintiff's registered word mark, the burden lies on the defendant to prove their mark is not deceptively similar.
- M/s. Vrajlal Manilal & Co. vs. Adarsh Bdi Co. (1995): Dealt with a similar situation where deceptively similar marks ("22" vs "122") led to interim relief for the plaintiff.

The Court found that the plaintiff had made out a prima facie case of trademark infringement and passing off. The balance of convenience was in favour of the plaintiff, and irreparable harm would occur if an injunction were not granted. The Court concluded that the defendants knowingly and dishonestly adopted a deceptively similar mark to exploit the plaintiff's reputation and goodwill.

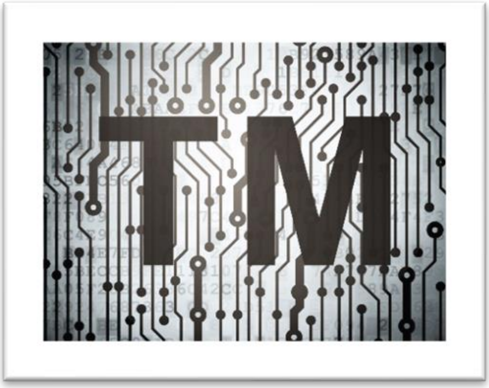
Hence, the Court issued an ad interim injunction restraining the defendants and their agents from infringing on the plaintiff's registered trademark "999" by using a deceptively similar "099" mark.

161. Online Trademark Protection: Modern Mold Plast's Legal Victory Against Flipkart's Latching-On Feature

Case: Modern Mold Plast Pvt. Ltd. & Anr. vs Flipkart Internet Pvt. Ltd. & Ors. [CS (COMM) 803/2024]

Forum: High Court of Delhi

Order Dated: September 18, 2024



Order: The plaintiffs, Modern Mold Plast Pvt. Ltd. and another, filed a suit under Section 134 of the Trade Marks Act, 1999, and Sections 51 and 55 of the Copyright Act, 1957, seeking a permanent injunction to restrain the defendants from infringing their trademark and copyright. The plaintiffs are engaged in selling goods under their well-known trademarks "MAHARAJA," "MODERN MAHARAJA," and other similar marks.

The plaintiffs claimed that their trademarks, including artwork, have gained distinctiveness and are protected under copyright law. They adopted the "MAHARAJA" mark in 2009 and filed various trademark applications. However, third-party oppositions have delayed the registration process. The plaintiffs conduct business through their website and platforms like Flipkart and Amazon.

The plaintiffs argued that Flipkart's "latching-on" feature allowed unauthorised sellers, specifically defendants 2 and 3 (AKS Trading and NS Marketing), to sell products using the plaintiffs' trademarks without their consent. These sellers used the plaintiffs' "MAHARAJA" mark in invoices, misleading customers into believing the goods originated from the plaintiffs, resulting in trademark infringement and passing off.

The plaintiffs submitted tax invoices issued by defendants 2 and 3, showing the use of the "MAHARAJA" trademark. Screenshots of the listings on Flipkart also indicated that these sellers were using the plaintiffs' mark without authorisation.

The court noted that the plaintiffs were prior users of the "MAHARAJA" mark, and their common law rights had been recognised in a related case. The defendants' unauthorised use of the plaintiffs' mark constituted passing off, which could not be allowed. The court emphasised that Flipkart's "latching-on" feature cannot be used to sell counterfeit products or deceive consumers.

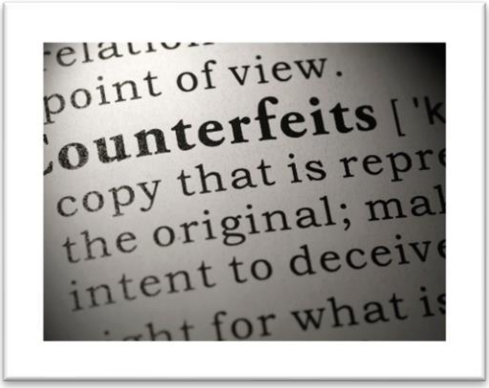
The court directed Flipkart to extend its brand gating feature to the plaintiffs' listings, preventing unauthorised sellers from using the "latching-on" feature to sell counterfeit goods under the plaintiffs' trademarks. Flipkart was further instructed to disable the "latching-on" feature if the plaintiffs notified them of any unauthorised use. The plaintiffs expressed satisfaction with the directions and did not press for additional relief.

162. Striking Hard against Counterfeiters: Delhi Court Leverages Order VIII Rule 10 CPC for Trademark and Copyright Protection in Hindustan Unilever Case

Case: M/s Hindustan Unilever Limited vs Pramod Gupta & ors. [CS (Comm.) No.315/2019]

Forum: Commercial District Court, Delhi

Order Dated: October 9, 2024



Order: On October 9, 2024, the Commercial District Court, Delhi, delivered a significant judgment in Hindustan Unilever Limited vs. Pramod Gupta & Ors. under Order VIII Rule 10 of the Code of Civil Procedure (CPC). This provision empowers courts to pronounce judgment when defendants fail to file a written statement, provided the claims are substantiated. The case dealt with significant issues of trademark and copyright infringement, passing off, unfair competition, and the dilution of flagship brands "**Fair & Lovely**" and "**Lakme**" owned by Hindustan Unilever Limited (HUL). The court's decision, invoking Order VIII Rule 10 CPC, reflects the judiciary's focus on protecting intellectual property rights and expediting commercial disputes in India.

Hindustan Unilever Limited, India's largest FMCG company, filed a suit against Pramod Gupta, Nand Lal, and an unidentified entity (Defendant No. 3) for infringing its trademarks "Fair & Lovely" and "Lakme". HUL accused the defendants of manufacturing and distributing counterfeit goods that imitated its products' unique packaging, trade dress, and artistic designs. HUL's brands, including "Fair & Lovely" and "Lakme" have built substantial goodwill and reputation over decades. "Fair & Lovely," introduced in 1975, features distinct pink and white packaging with artistic elements, while "Lakme" has been a pioneer in cosmetics since 1952. Both trademarks are registered under the Trademarks Act, 1999, and the Copyright Act, 1957.

During a market survey in February 2019, HUL discovered the defendants' activities. Investigations revealed that counterfeit products were being manufactured and packaged in Delhi and distributed in local markets, including

Sadar Bazaar. Following this, HUL initiated legal proceedings and sought an injunction, damages, and other reliefs.

The court appointed Local Commissioners conducted raids on multiple premises operated by the defendants. Local Commissioners seized significant quantities of counterfeit goods.

Despite being served notices, the defendants failed to appear in court or file a written statement, leading the court to proceed *ex-parte* under Order VIII Rule 10 CPC. The court relied on unchallenged evidence, including the Local Commissioners' reports, which confirmed the defendants' deliberate copying of HUL's trademarks and packaging, including its artistic work, logo scripts, and trade dress. This evidence demonstrated the defendants' intent to pass off their counterfeit products as genuine, thereby eroding the distinctiveness of HUL's brands and posing risks to consumer safety.

The court emphasized that Order VIII Rule 10 CPC is not a mechanical provision but a tool to ensure justice in cases where defendants fail to file a defence. It relied on precedents such as *Balraj Taneja vs. Sunil Madan (1999)* and *Nirog Pharma Pvt. Ltd. vs. Umesh Gupta (2016)*, which emphasize that courts must verify the sufficiency of evidence before delivering judgments under this rule. In the absence of any rebuttal, the court found HUL's claims to be credible and supported by evidence.

The court also highlighted the legislative intent of the Commercial Courts Act, 2015, which aims to expedite commercial disputes. The reports of the Local Commissioners, admissible as evidence under Order XXVI Rule 10(2) CPC, further strengthened HUL's case, leaving no room for doubt regarding the defendants' infringing activities. The court also relied on the Delhi High Court Intellectual Property Rights Division Rules, 2022, which provide guidance on calculating damages and assessing evidence in intellectual property cases.

The court issued a permanent injunction restraining the defendants from manufacturing or selling products bearing HUL's trademarks, including "Fair & Lovely" and "Lakme" or any deceptively similar marks. The Court also awarded damages of Rs.8,10,450/-, calculated based on the seized counterfeit goods, and Rs. 4,45,210/- towards litigation costs, covering investigation, legal fees, and other expenses. The judgment set an example by holding the defendants jointly and severally liable for the damages and costs. The court held that the defendants, being "fly-by-night operators", deliberately evaded legal proceedings. Their actions demonstrated a calculated attempt to exploit HUL's goodwill for unlawful gains.

This judgment is significant for several reasons. First, it reinforces the utility of Order VIII Rule 10 CPC in ensuring swift justice in commercial disputes, particularly when defendants evade legal proceedings. Second, it highlights the judiciary's commitment to protecting trademarks and copyrights from counterfeiters and provides a strong deterrent against counterfeiters and confirms the importance of protecting trademarks and copyrights in India's commercial landscape Finally, the case reaffirms that intellectual property protection is integral to India's legal framework, setting a robust precedent for future dispute.

mail@lexorbis.com | www.lexorbis.com

163. COVID-19 Delays and Trademark Law: Lessons from SKR Food Products' Battle

Case: M/S SKR Food Products vs. The Controller General of Patent [W.P. No. 913 of 2021]

Forum: High Court of Judicature at Madras

Order Dated: October 14, 2024

Order: The case M/S SKR Food Products vs. The Controller General of Patent was heard in the High Court of Judicature at Madras under W.P. No. 913 of 2021. The petitioner, M/S SKR Food Products, filed a writ of mandamus seeking directions to allow the submission of their notice of opposition against a trademark registration beyond the statutory period due to delays caused by the COVID-19 pandemic.

The petitioner, M/S SKR Food Products, is engaged in the business of food products and holds a trademark for DIAMOND, primarily used in connection with ginger garlic paste. The company has held this trademark since 1990, with valid and subsisting registration. The dispute arose when the third respondent, Firoz Ali, applied for a trademark like JUBILEE DIAMOND, which was published in the Trademark Journal No. 1968 dated 2nd March 2020. However, due to the COVID-19 pandemic, the petitioner could not file an opposition within the stipulated four-month period under Section 21 of the Trademarks Act, 1999 and instead submitted it on 8th October 2020. The opposition was not considered by the Controller General of Patent, Design, and Trademarks, leading to the present writ petition.

The petitioner contended that the delay in filing the opposition was due to unforeseen circumstances caused by the COVID-19 pandemic. They argued that the authorities should have exercised discretion and allowed the submission of opposition notices via electronic or physical mode, as per the Trademarks Act, 1999, and Trademarks Rules, 2017. Furthermore, they claimed that the failure to entertain the opposition was arbitrary and against the principles of natural justice.

The Controller General of Patent, Design, and Trademarks (Respondents 1 and 2) countered that under Section 21 of the Trademarks Act, 1999, an opposition must be filed within four months of publication in the Trademarks Journal. They pointed out that the petitioner failed to comply with the statutory deadline and filed the opposition seven months after publication, making it legally impermissible. Additionally, they noted that the petitioner had an alternative statutory remedy under Section 91 of the Trademarks Act, which allows appeals before the Intellectual Property Appellate Board (IPAB).

The Court noted that the petitioner did not dispute the publication date of the trademark (2nd March 2020) or the statutory four-month deadline. Despite the COVID-19 pandemic, the petitioner could have availed alternative legal remedies, including seeking an extension or filing an appeal before IPAB. Since the petitioner missed the statutory deadline, it could not claim an absolute right to file the opposition beyond the prescribed period. The appropriate remedy for the petitioner was to approach the IPAB under Section 91. Accordingly, the Court dismissed the writ petition but granted liberty to the petitioner to file an appeal before the Appellate Board, directing the Board to consider the appeal in accordance with the law.

164. Zahoor Hussain Bhat v. Nadeem Nazir and Anr.: Unpacking the Legal Significance of the 2024 Judgment

Case: Zahoor Hussain Bhat v. Mr Nadeem Nazir and Anr. (CS (COMM) 566/2022)

Forum: Commercial Court-2 South District, Saket Courts: New Delhi

Order Dated: October 15, 2024

Order: The case between Zahoor Hussain Bhat v. Mr. Nadeem Nazir and Anr. Primarily involves issues related to trademark infringement. The Plaintiff, Zahoor Hussain Bhat, alleged the unauthorised use of his registered trademark by the defendants, Mr. Nadeem Nazir and others. The dispute centred on intellectual property rights violations, with the Plaintiff seeking remedies including permanent injunction, damages, and costs against the defendants.

The Plaintiff has been in the business of manufacturing and marketing sanitary pads, menstrual pads and shields, sanitary napkins, menstrual panty-liner shields and tampons, baby diapers, and disposable baby diapers since 2012 and had conceived trademark KHATOON in the year 2013 and other derivatives of KHATOON subsequently. The Plaintiff asserts that due to the consistent use of the "KHATOON" trademark and its derivatives since 2013, they have built up substantial goodwill and brand recognition in the market.

Further, to obtain statutory rights, Plaintiff filed a trademark application on 19.04.2013 under no. 2516779 in class 5 for the registration of the trademark KHATOON, which was registered. Plaintiff subsequently filed for the registration of the trademark UMDHAKHATOON in class 5, which is also registered. The Plaintiff's exclusive rights are in place by the creation of a unique label for the trademark "KHATOON" in 2018, which was registered under the Copyright Act of 1957.

The Defendant is in the same nature of business, carrying on the trade and business of sanitary napkins and preparations for medical and hygienic purposes, pharmaceutical and medicine preparations, dietetic substances adapted for medical use and other allied and cognate goods under the impugned trade mark/label SHAHI KHATOON.

The plaintiff, in the third week of February 2020, became aware of the advertisement of the impugned trademark SHAHI KHATOON of the Defendant and immediately filed a Notice of Opposition. Plaintiff has also filed Interlocutory Petitions against the pending trademark applications of the Defendant. The Plaintiff claimed that the Defendants had unlawfully replicated the trademark "KHATOON" and its derivatives, leading to consumer confusion and diluting the brand's distinctiveness. The Plaintiff even pleaded that the Defendants had not spared even the details particulars, including extra-large with wings, details of sanitary pads and their properties, placement of the similar lady-like device in place of the device of a lady along with get up, set up, makeup, placement of words and colour combination of blue and white. It is further stated that the impugned activities of the Defendants are evident from the juxtaposition of the rival trademarks.

The court was tasked with resolving several critical legal issues:

1. Whether the Defendants' use of similar marks amounted to trademark infringement and passing off.
2. The significance of prior use and registration in establishing the Plaintiff's rights over the trademark.
3. The adequacy of evidence provided by both parties to substantiate their claims.

The court's reasoning emphasised the following points:

- Trademark Infringement and Passing Off: That there is remarkable similarity in the two products including the colour combination and the essential features. The impugned mark SHAHI KHATOON being used by defendants is also a formative mark of KHATOON, which stands registered in the name of the plaintiff. The defendants are misusing and infringing the trademarks of the Plaintiff and also passing off their goods as that of the Plaintiff without any proprietary rights in the same. The Defendants' use of similar marks was found to cause consumer confusion.
- Evidence: The Plaintiff presented substantial evidence, including sales records, promotional materials, and consumer testimonials, which the court deemed credible and admissible. In contrast, the Defendant's failed to provide sufficient proof of independent creation or prior rights.
- Damage: The Plaintiff was awarded costs of Rs. 1,00,000/- on account of economic and commercial advantage which the defendants tried to gain at the expenses of the reputation of plaintiff.

The case of Zahoor Hussain Bhat v. Mr. Nadeem Nazir and Anr. exemplifies the judiciary's evolving approach to intellectual property rights in the commercial sphere. By affirming the protection of trademarks and enforcing brand integrity, the judgment reinforces the principles of fairness and accountability in intellectual property transactions. This decision is a landmark in safeguarding the rights of businesses and fostering a competitive, innovation-driven marketplace in India.

165. Litigation Delhi Court Orders Seizure of Counterfeit Armani Products

Case: Giorgio Armani S.P.A vs. Fazal Ahmad Sayyed & Ors. [CS DJ No. 2110/2019]

Forum: District Court, Tis Hazari, Delhi

Order Dated: October 18, 2024

Order: The case Giorgio Armani S.P.A vs. Fazal Ahmad Sayyed & Ors. was heard in the District Court, Tis Hazari, Delhi, under CS DJ No. 2110/2019. The dispute revolved around trademark and copyright infringement, where the plaintiff, Giorgio Armani S.P.A, sought relief against the defendants for unauthorised use of its globally recognised brand name and trademarks.

Giorgio Armani S.P.A, a luxury fashion brand, filed a suit against Fazal Ahmad Sayyed and others (trading as Betty Inc.), alleging that the defendants were engaged in the unauthorised manufacturing and selling of counterfeit products under the EMPORIO ARMANI, EMPORIO ARMANI JEANS, and ARMANI trademarks. The plaintiff contended that such activities amounted to trademark infringement, passing off, and copyright violations.

The plaintiff encountered counterfeit products in April 2019 in Delhi markets and subsequently initiated legal proceedings. On June 4, 2019, an ex-parte injunction was granted, restraining the defendants from using the contested trademarks and authorising a local commissioner to inspect the defendants' premises, leading to the seizure of counterfeit goods.

The court noted that despite being served with notices, the defendants failed to file a written statement or appear in court, leading to an application under Order XIII A read with Order VIII Rule 10 of CPC for a summary judgment. The court

mail@lexorbis.com | www.lexorbis.com

emphasised that Giorgio Armani's trademarks were well-established and globally recognised, enjoying goodwill and reputation in the market.

The local commissioner's report confirmed that a large number of counterfeit products was recovered from the defendant's premises, and no valid defence was provided by the defendants. The court also relied on precedents that upheld strict enforcement of trademark rights against counterfeiters.

The District Court of Tis Hazari ruled in favour of Giorgio Armani S.P.A, granting a permanent injunction against the defendants and restraining them from manufacturing, marketing, or selling goods under the contested trademarks. Additionally, the court ordered the seizure and destruction of all infringing goods. Defendants No. 2 and 3 were directed to pay Rs. 20,000 each as costs to the plaintiff.

166. From Customs to Courtroom: L'Oréal’s Fight Against Trademark Infringement and Counterfeits

Case: L'Oréal S.A. vs. Graphics Traders [CS (COMM.)/129/2023]

Forum: Commercial Court at Patiala House, New Delhi

Order Dated: October 19, 2024

Order: Trademark and copyright laws are lifelines for companies, especially those operating in sectors like cosmetics, where identity and innovation can pave the way for the future success of any business. The recent case of **L'Oréal S.A. vs. Graphics Traders**, decided in October 2024 by the Commercial Court at Patiala House, New Delhi, brings this aspect into sharp focus. It’s an intriguing example of how legal systems address the global issue of counterfeit goods and enforce IP rights. In this case, L'Oréal fought back against the unauthorised use of its famous trademarks, setting a precedent for both multinational corporations and regulators alike.

L'Oréal S.A., the plaintiff, headquartered in Paris, France, for the past many decades, has been a global leader in the cosmetics and beauty industry. Its trademarks, including "Maybelline," "L'Oréal Paris," and "Baby Lips," are widely recognised and registered in over 100 countries, including India. The plaintiff’s operations in India include manufacturing and distribution through its wholly-owned subsidiary, L'Oréal India Private Ltd., with products being sold across more than 300 towns and cities. These trademarks, combined with their artistic labels and packaging, enjoy protection under the Trademarks and the Copyright Laws of India.

The case began when Customs authorities at Nhava Sheva Port, Mumbai, intercepted a consignment imported by Graphics Traders in December 2017. The counterfeit goods bore trademarks deceptively similar to L'Oréal’s registered marks. The seizure included 40,320 units of "Maybelline" branded cosmetics, which were suspected of violating the plaintiff's IP rights.

On January 24, 2018, Customs officials notified L'Oréal’s attorneys about the detained consignment. L'Oréal was requested to inspect the goods to confirm their genuineness. During the inspection on February 15, 2018, L'Oréal identified the goods as counterfeit. The company provided photographic evidence and detailed descriptions, demonstrating how the detained items violated its trademarks and copyrights. The plaintiff's attorneys promptly communicated these findings to Customs and recommended confiscation of the infringing goods.

The Valuation Dispute arose when Customs valued the seized consignment at ₹73,58,400 (approximately USD 88,640), requiring L'Oréal to execute a bond of ₹80,94,240 (approximately USD 97,500) (110% of the valuation) and provide a bank guarantee of ₹20,23,560 (approximately USD 24,370) (25% of the bond value). L'Oréal objected to these figures, highlighting inconsistencies compared to prior valuations of similar counterfeit products. In its letter dated April 17, 2018, L'Oréal's attorneys contested the methodology and called for a more rational approach.

Facing procedural delays and the potential risk of the counterfeit goods being released, L'Oréal filed the suit. The company sought a permanent injunction to prevent Graphics Traders from using, selling, or distributing counterfeit goods; confiscation and destruction of the seized items and directions restraining Customs from releasing the goods to the defendant.

Despite several notices, defendant no. 1 failed to appear in Court. Consequently, the proceedings were conducted ex parte. L'Oréal presented its case, supported by extensive documentary evidence, including trademark certificates, correspondence with Customs, and photographs of the counterfeit goods.

The plaintiff argued that the counterfeit goods not only violated its exclusive trademark and copyright rights but also caused significant reputational and financial damage. The goods being of inferior quality would result in consumers being deceived into believing they were authentic L'Oréal products.

The Court acknowledged L'Oréal's extensive reputation and the validity of its registered trademarks. Importantly, the evidence clearly demonstrated that the defendant's goods were near-replicas of L'Oréal's trademarks, satisfying the threshold for infringement without requiring proof of actual confusion under established precedents like *Renaissance Hotel Holdings Inc. v. B. Vijaya Sai & Ors.*

The Court granted a permanent injunction restraining Graphics Traders (defendant no. 1) and its agents or representatives from using, importing, selling, or otherwise dealing in products bearing counterfeit trademarks or any other mark deceptively similar to L'Oréal's registered trademarks, such as "Maybelline." This injunction also extended to prohibit Graphics Traders from using trade dress, labels, or packaging that infringes upon or mimics L'Oréal's distinctive brand elements. The Court explicitly barred Customs from releasing the detained goods to Graphics Traders or any related party. Customs authorities were directed to confiscate the seized consignment of counterfeit cosmetics imported by Graphics Traders. The Court ordered the goods' destruction under applicable provisions to prevent their circulation in the market. This direction aimed to eliminate any risk of the counterfeit products being reintroduced into the market under a different guise or channel, which was essential not only to safeguard L'Oréal's reputation but also to protect consumers from potentially substandard or harmful counterfeit products. The cost of the suit was also awarded in favour of the plaintiff.

As far as the jurisdiction issue was concerned, the Court concluded that L'Oréal's operations in New Delhi and the defendant's clandestine activities within the city provided a sufficient nexus for the case to be tried in the jurisdiction.

Notably, the judgment highlighted that when a counterfeit product bears an identical trademark to a registered mark, confusion among consumers is presumed. This approach saved L'Oréal the burden of proving actual confusion, which is a major advantage in such cases. This case adds clarity to the distinction between trademark infringement and passing off, reaffirming that registered trademarks have statutory protection regardless of actual damage or confusion. L'Oréal's success illustrates the robust protection Indian law provides to famous brands. The judgment underlines that a well-known trademark, like "Maybelline," deserves strong safeguards against dilution or misuse, even by businesses in unrelated sectors.

Further, under the governing Rules, Customs authorities act as the first line of defense against counterfeit imports. However, this case exposed procedural inefficiencies, such as arbitrary bond demands and delays in actioning seized goods. The Court also took notice of the procedural delays on the part of Customs and pointed out inefficiencies in handling counterfeit goods. While the plaintiff succeeded in securing an injunction and the confiscation of the goods, the case revealed gaps in how regulatory authorities manage such matters. The Court's critique of these practices underscores the need for streamlined enforcement protocols, with clear valuation standards and consistent communication with IP holders.

Unchecked circulation of counterfeiting goods defeats brand equity and consumer trust. The Court's decision to allow the destruction of counterfeit goods aligns with the growing trend of treating IP violations as economic offences. This deterrent approach strengthens the business environment for IP-reliant industries like cosmetics.

For companies like L'Oréal, this case is a reminder of the importance of vigilance and swift action in safeguarding IP rights. Routine monitoring, robust IP portfolios, and collaboration with regulators are essential tools in this fight.

The L'Oréal S.A. vs. Graphics Traders case is more than a legal win for a cosmetics giant. This win sets a much-needed example for IP enforcement in India. It highlights the interplay between trademarks, copyrights, and regulatory action in protecting brands from counterfeit threats. For IP practitioners, the case offers valuable insights into navigating India's legal landscape and underscores the power of Courts to safeguard creative and commercial assets.

mail@lexorbis.com | www.lexorbis.com

167. Delhi High Court Ruling: No Confusion Between 'BRUFEN' and 'MEBUFEN'

Case: M/S Abbott Gmbh vs Registrar of Trademarks & Anr. [C.A.(COMM.IPD-TM) 9/2023]

Forum: Delhi High Court

Order Dated: October 22, 2024

Order: On October 22, 2024, the Delhi High Court dismissed the appeal filed by M/S Abbott GmbH against the registration of the trademark "MEBUFEN" by M/s Meridian Medicare Limited. The judgment, delivered by Hon'ble Justice Amit Bansal, addressed the principles of deceptive similarity under trademark law, particularly in the pharmaceutical industry. The case revolved around Abbott's claim that "MEBUFEN" was deceptively similar to its widely recognised mark "BRUFEN," continuously used in India since 1973 and registered in respect of analgesics, anti-inflammatory and pain-relief medicines derived from the common drug with the non-proprietary chemical term 'IBUPROFEN'.

Abbott, also the Appellant herein, acquired the trademark "BRUFEN" through a Deed of Assignment from The Boots Company PLC, UK, in 1995 and has since used it extensively and continuously across various jurisdictions for its pharmaceutical products, including analgesics, anti-inflammatory, anti-arthritic, cold and flu etc. The dispute arose when M/s Meridian Medicare Limited applied for the registration of "MEBUFEN" under Application no. 1383109 in Class 5 in 2005, claiming the use of the said mark since 1988. Abbott opposed the registration of the said mark MEBUFEN upon its advertisement and vide Notice of Opposition under no. 248459, dated December 07, 2006, arguing that the marks were phonetically and structurally similar, causing a likelihood of confusion.

However, the Registrar of Trademarks refused Abbott's opposition and allowed the registration of the said mark "MEBUFEN", after which the said mark was granted registration in class 5. Aggrieved by this order, Abbott filed an appeal under Section 91 of the Trade Marks Act, 1999 against the said order of the Registrar of Trademarks.

Counsel for Abbott argued that the Registrar of Trademarks had erred by dissecting the marks "letter-by-letter and "syllable-by-syllable," contrary to the principles laid down by the Supreme Court in *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd., wherein it has been laid down that the competing marks have to be considered as a whole.* They contended that it is a settled position of law that dissection of marks is not permissible and that the mere addition of the prefix "ME" to "BRUFEN" is cosmetic in nature and did not create distinctiveness and that the marks, when considered as a whole, which were phonetically and visually similar leading to confusion in the market.

They further argued that since both products contained ibuprofen as the active ingredient, the likelihood of consumer confusion was heightened. Reliance was placed on decisions in *Boots Company PLC v. Registrar of Trade Marks*, where competing marks with structural and phonetic similarity were held to be deceptively similar, and *Glenmark Pharmaceuticals Ltd. v. Sun Pharma Laboratories Ltd.*, wherein it was held that similarity must be seen keeping in mind a person of average intelligence and imperfect recollection.

Counsel for M/s Meridian Medicare Limited argued that the marks were neither structurally nor phonetically similar. They highlighted that the suffix "FEN" was derived from the generic name "ibuprofen" and was widely used in trademarks for pharmaceutical products, meaning that Abbott could not claim exclusivity over the term "FEN." They also emphasised that the packaging and trade dress of the two products were distinctly different, reducing the likelihood of confusion.

The Court referred to precedents like *F. Hoffmann-LA Roche & Co. Ltd. v. Geoffrey Manners & Co. Pvt. Ltd.* and *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.*, which stressed that trademarks must be compared as a whole, not by dissecting their components. Justice Amit Bansal noted that while cases involving medicinal products require heightened scrutiny due to public health concerns, the principles for determining deceptive similarity remained the same.

Applying these principles, the Court found that the prefixes "BRU" and "MEBU" were structurally and phonetically dissimilar, and the common suffix "FEN" could not be exclusively claimed by one entity as it was derived from a generic term. It was also observed that the packaging and trade dress of the two products were distinct, minimising any risk of confusion in the marketplace.

Dismissing Abbott's appeal, the Delhi High Court held that "BRUFEN" and "MEBUFEN" were not deceptively similar, emphasising that exclusivity could not be claimed over generic components like "FEN." The judgment reinforced the importance of examining trademarks in their entirety and considering the generic nature of certain terms in the pharmaceutical industry. It underscored the balance between protecting intellectual property rights and ensuring fair competition in the marketplace.

mail@lexorbis.com | www.lexorbis.com

168. Permanent Injunction Order in Favour “Delhi International School”/ “DIS” Mark

Case: Nav Jagriti Niketan Education Society vs M/s. New Sethi Stores and M/s. Haratt’s [CS (COMM) NO. 144/2019]

Forum: District Judge, (S/W) (Commercial Court)-01, Dwarka Courts: Delhi

Order Dated: October 22, 2024

Order: The District Judge (Commercial Court), New Delhi, in the case of ***Nav Jagriti Niketan Education Society (the “Plaintiff) vs M/s. New Sethi Stores and M/s. Haratt’s (the “Defendants*)** on 22nd October 2024 held that the trademarks “**DIS”** and **“DIS logo”** used by the Defendants in relation to school uniforms and education accessories are violative of the registered trademark rights of the Plaintiff. Thus, the Court decreed a permanent injunction in favour of the Plaintiff, restraining the Defendants from using the mark **“DIS”, “DIS” logo** in manufacturing, selling, offering for sale, advertising or displaying school uniforms, belts or allied/cognate goods or in any manner as to constitute passing off or to give an impression as if such goods originate from or have the association with the Plaintiff or in any other manner likely to cause confusion or deception to the public and awarded damages in favour of the Plaintiff.

The Plaintiff is a society registered under the Societies Registration Act of 1860, formed with the object of establishing schools in and outside Delhi. In 2003, the plaintiff opened a school under the trade name “Delhi International School” at Sector-23, Dwarka, Delhi; in 2007, at Sector-18, Dwarka, Delhi; and in 2012, at Sector-13, Rohini, Delhi. The Plaintiff is affiliated with the Central Board of Secondary Education (CBSE). Since 2003, the plaintiff has been using the trademarks “Delhi International School”, “DIS (word)”, DIS Label/Logo”, and “DIS KIDS” in relation to the schools established by it and on the school uniform, stationery, letterheads, admission cards, identity cards etc. The Plaintiff also displays its school, the goods and the services under the said trademark through its website www.dis.ac.in.

The Plaintiff submitted that it had obtained registration of the mark “DIS” (word) in Class-16 and Class-41, “DIS KIDS” (word) in Class-16, “Delhi International School (Label) ” in Class-41. The mark “DIS” (logo) under Class-35, Class-39, Class-41 and Class-43 are pending for registration (the “**Trademarks**”). The Plaintiff’s Trademarks have acquired secondary meaning, goodwill and reputation in India as well as in the international market. The Plaintiff also has the copyright in the artistic work existing in the Trademarks.

In August 2019, the plaintiff came to know that the Defendants were using the trademarks DIS” and “DIS logo” in relation to school uniforms and education accessories like belts without the permission of the plaintiff. The Defendants were also displaying the trademarks on the internet and various web links of the social media site like www.indiamart.com, www.youtube.com etc. The said Trademarks are deceptively similar to the plaintiff’s trademarks and the Defendants have infringed the Trademarks of the Plaintiff and the public at large considers the Defendants' products to be those of the Plaintiff. The Defendants are causing harm to the goodwill of the Plaintiff as the Defendants are passing off their goods as that of the Plaintiff. The Plaintiff filed the suit for permanent injunction seeking injunction restraining the infringement of its registered trademark DIS” and “DIS logo, rendition of account and damages against the Defendants.

Defendant no.1argued that the Plaintiff is engaged in imparting education and therefore, it cannot indulge in the commercial activities. Further, the Plaintiff’s trademarks are not registered under Class 25 (for uniforms) and the use of the Trademarks does not cause confusion. Defendant no. 1 is selling the school uniform which falls under class 18, 24 and 25 of Schedule IV of Trade Mark Rules 2002, thus, the Plaintiff has no right to object to the same and defendants have every right to use the Trademarks. The mark “DIS” used by the Defendant no. 1 is only to indicate that the uniform is so adapted to the Plaintiff’s school. The school uniform sold by the Defendant no.1 is of high quality and is available at a lower price than the price of the uniform sold by the Plaintiff in the tuck shops being operated from the Plaintiff's school premises. Defendant no. 1 is also selling the school uniforms of various reputed schools like Delhi Public School etc, without any objection from other schools. Defendant no. 2 argued that it has been carrying on the business related to clothes and uniforms since 2011 and has been supplying the school uniforms to the students of Plaintiff’s school on the basis of an oral agreement between it and Plaintiff, which was subsequently reduced into a written agreement in 2023. Further, Defendant No. 2 is dealing with the goods with which Plaintiff is not dealing.

Issue 1: The Court examined the question of whether the usage of the Plaintiff's registered Trademarks by the Defendants for school uniforms amounts to infringement of the Plaintiff's Trademarks, which are registered for different goods and services.

The Court relied on the principles laid down in the case of "*Australian Wine Importers TM case [(1889) 6 RPC 311]*" wherein it was held that classification of the goods and services by the Trade Mark Registry is merely an administrative act. The real test is as to how a consumer shall treat a particular trade mark with respect to the goods and services. Relying on this decision, the Court held that non-registration of the Plaintiff's trademarks under class 25 is not fatal to the case of the Plaintiff. On the other hand, Defendant No. 1 as failed to explain that if Plaintiff's trademarks are not registered under class 25 of Schedule IV of Trade Mark Rules 2002 ("**the Rules**"), which exclusively pertains to the school uniform, then why the Defendant No.1 has not applied for registration of the trademarks used by it on the school uniform.

Further, the Court also relied in the following cases to decide on the issue of infringement of the Plaintiff's Trademarks by the Defendants:

Renaissance Hotel Holdings Inc. versus B. Vijaya Sai and others, reported in (2022) 5 SCC 1, wherein the Supreme Court held the use of the trademark similar to a registered trademark in respect of allied or cognate goods which are likely to cause confusion or indicate association with the registered trademark, would constitute an infringement of the registered trademark in terms of Section 29 (2)(b) of the Trade Marks Act,1999 (the "**Act**")

Today Tea Ltd. vs Today Foods Pvt. Ltd, passed by the Delhi High Court in CS (COMM) 464/2018 on 25.04.2019, it was held that the Plaintiff uses the mark TODAY in respect of tea. Thus, the use of the mark TODAY for biscuits is violative of the rights of the registered trade mark owner." Use of an identical mark in respect of "tea and biscuits" is bound to result in confusion and deception as the said products are stored, served and consumed together

Vicky Aggarwal and Others vs AB Mauri India Pvt. Ltd reported in 2024 SCC OnLine Del 4946, the Delhi High Court opined that there is no dispute that the trademark used by the appellants in connection with dry fruits is similar to the plaintiff's trade mark 'TOWER' used for bakery products. However, the appellants contend that Section 29(2)(b) of the Trade Marks Act is not applicable because the goods are not similar. It was held that the dry fruits are commonly used in bakery products. It is quite likely that the use of similar trade marks in respect of bakery products and dry fruits would lead to a presumption of association between the marks viewed from the standpoint of a person of average intelligence and imperfect recollection.

Based on the above decisions, it was held that use of the trademark similar to a registered trademark in respect of allied or cognate goods which are likely to cause confusion or indicate association with the registered trademark, would constitute infringement of the registered trademark in terms of section 29 (2)(b) of the Act. Further, the students are purchasing the school uniform and belt under the impression that those were manufactured by the defendants under the instructions of or with the authority of the plaintiff, CBSE or other authorities may get the impression that if the Plaintiff is directly involved in the commercial activity by selling the school uniform through the Defendants. Thus, the products sold by the Defendants are cognate and allied products. Further, the Defendants are using the trademark "DIS logo" on the school uniforms of Plaintiff without its permission and selling them to the students. Accordingly, the Defendants have infringed the trademark "DIS" of the Plaintiff and have passed off their goods as goods of the plaintiff under the trademarks "DIS" and "DIS" logo.

Issue 2: Another issue that the Court analyzed was the issue on whether the Plaintiff was entitled to rendition of accounts i.e. an exercise to venture into finding out the gain which the defendants have made and the corresponding loss which they have caused to the plaintiff on account of their acts to the detriment of the Plaintiff.

The Court observed that the Defendants are business entities earning profit by selling school uniforms. Hence, it observed that the Defendants, by selling the uniform using the trademark of the plaintiff, are earning a profit. This fact proves that the plaintiff's trademarks have earned a reputation and goodwill in the market. Also, Defendant no. 2 failed to provide any evidence to prove that it sold the uniforms of Plaintiff with the permission of Plaintiff. It was inferred that Defendant No. 1 and Defendant No. 2 earned the profit minimum profit of Rs. 7,50,000/- by selling the school uniform and belt of Plaintiff's school by using the Trademarks of Plaintiff. Therefore, the Plaintiff is entitled to a decree of damages to be equally paid by the Defendants.

Based on the above discussions, the court issued decree of permanent injunction restraining the Defendants, their agents, representatives, assigns, officers, partners, servants, administrators etc. from using the mark "DIS", "DIS" logo either in whole or in part etc. or in any manner substantially similar or nearly resembling the plaintiff's trademarks in /any way in connection with the manufacture, sale, offering for sale, advertising or displaying school uniform, belts or allied/cognate goods or in any manner as to constitute passing off or to give an impression as if such goods originate from or have the association with the plaintiff or in any other manner likely to cause confusion or deception to the public; and decree of damages for Rs. 15,00,000/- to be equally paid by the Defendants i.e. 50% each, to the Plaintiff.

This case highlights the importance of a registered trademark and reinforces the principles that trademark similar to a registered trademark in respect of allied or cognate goods which are likely to cause confusion or indicate association with the registered trademark, would constitute infringement of the registered trademark.

mail@lexorbis.com | www.lexorbis.com

169. Trademark Battle - Mehboob Ahmad & Anr Vs. Muneer Ahmad & Ors.

Case: Mehboob Ahmad & Anr. vs Muneer Ahmad & Ors. [CM(M)-IPD 12/2024 & CM 64/2024, CM 65/2024]

Forum: Delhi High Court

Order Dated: October 23, 2024

Order: The present Petition was filed by MEHBOOB AHMAD & ANR **(Petitioners)** challenging the order dated 18th May 2024 (impugned order) passed by the learned Additional District Judge ("ADJ"), Saket Court, New Delhi in CS(COMM)76/2023 and CS(COMM) 217/2023 that allowed four applications of the respondents, MUNEER AHMAD & ORS. **(Respondents)** herein, for taking on record the additional documents.

The Petitioners are engaged in the business of manufacturing, marketing and trading paint brushes, roller brushes and art brushes under the business name "Bharat Brush International". The Petitioner no. 1 adopted and has been using the trademark **"BHARAT"** since September 2015 in relation to the aforesaid goods. The Petitioner no. 2 adopted and began using trademarks "**B-444**" and "**BALWAN 444**" since October 2014.

The Respondents, "Bharat Brush Agencies" are engaged in manufacturing, marketing, soliciting, selling and trading paint brushes and art brushes under the trademarks "**Bharat", "Smart Bharat", "AX-444", "XB-444", "KFS 444"** and trade dress of yellow-black and red-peach colour combinations.

The Petitioners filed a suit, CS(COMM) 76/2023 on the basis of the Respondents having adopted the impugned marks, which were identical or deceptively similar to the Petitioners "**BHARAT**" formative and "**444**" formative trademarks/labels. Further, the Respondents have also copied the yellow-black and red-peach colour combination from the Petitioners. Thereby, the Petitioners filed the said suit, alleging trademark and copyright infringement and passing off by the Respondents in February 2023.

The Respondents thereafter filed a counter suit, being CS(COMM) 217/2023, on 15th April 2023. The Petitioners herein argued their application for interim relief under Order XXXIX Rules 1 & 2 CPC and completed their arguments on 30th March 2024, during which both the suits were posted for the Respondent's argument. The Respondents thereafter filed applications for placing additional documents on record under Order XI Rule 1(10) and Rule 1(5) CPC. The Petitioners filed their reply to the Respondent's said application. The Respondents herein filed another application under Order XI Rule 1 (10) CPC for placing on record another set of additional documents. The said applications of the Respondents were allowed by the Trial court vide order dated 18th May 2024 against which, the present petition has been filed.

The Petitioner argued that the Trial court has erred in allowing the additional documents on extraneous and irrelevant grounds and consideration. As per the Commercial Court Act, the Defendants ought to have declared at the time of filing the written statement that no other documents are in their possession. Therefore, the additional documents, which were within the power and possession of the Respondents, could not have been admitted at a later stage. Thus, the Trial Court erred in admitting Respondent's additional documents without recognising that they provided no plausible reason for their late submission. The impugned order failed to analyse whether each document was in the power, possession, control and custody of the Respondents and that all the documents except the Chartered Accountant (CA) Certificate were in power and possession of the Respondents during the time of filing of the written statement, as well as the counterclaim. The additional documents by the Respondents set a different case altogether. Also, the Respondents are trying to withdraw their existing admissions by filing additional documents. Further, the Respondents submitted that there is no bar to challenge the impugned order, as costs imposed were not conditional. Therefore, receipt of the cost by the Petitioners does not serve as a bar to challenge the impugned order.

The Respondents' submitted that their business was established in the year 1997 as "Bharat Brush Agencies", for manufacturing, marketing, selling and supplying a variety of paint brushes and allied products under the trademark **"Bharat",** both as device mark and word mark and its variations and that the Petitioners started the same business much later in September, 2015 under the name and style of "Bharat Brush International", adopting the identical trademark "BHARAT" and its variations. Regarding placing additional documents on record later, the Respondents claimed that they were not in power, control and possession of the same at the time of filing the written statement and counterclaim. The Respondents contended that the suit and counterclaim are at the initial stage. Therefore, no prejudice shall be caused to the Petitioners if the additional documents are taken on record. Lastly, the Respondents' applications were allowed subject to costs, which have been accepted by the Petitioners. Therefore, the Petitioners are estopped from challenging the impugned order.

Regarding the additional documents, the Respondents presented reasoning and stated that all of the documents presented later were evidence of them having commenced use of the mark prior to 2015, that is prior to the Petitioners' claim of starting their business under the impugned marks. Thus, the Respondents are the prior adopters and users of the mark "Bharat" and its variants.

The explanation and reasons offered by the Respondents were accepted by the learned trial court by holding that the Respondents have shown reasonable cause for non-disclosure of the said documents along with the written statement or counterclaim. It was further held by the learned trial court that the additional documents sought to be brought on record by the Respondents do not introduce a new case or seek to withdraw the admission made by the Respondents. The said documents were held to be aimed at elaborating the case set up by the Respondents in the written statement and counter claim.

The Hon'ble Delhi High Court after reading the impugned order passed by the learned Trial Court relied on ***Estralla Rubber Versus Dass Estate (P) Ltd.***, ***Garment Craft Versus Prakash Chand Goel*** and ***Agva Healthcare Private Limited and Others Versus Agfa-Gevaert NV and Another*** to conclude that the High Court is not required to consider the genuineness of the documents/additional documents, and the stage to do so is during the trial. The Court put forward that the said order by the Trial Court has been passed after considering the explanation and relevance of the said documents. There was nothing in the impugned order which can be termed as perverse, in order to invoke the supervisory jurisdiction of this Court under Article 227 of the Constitution of India. Furthermore, the Hon'ble court noted that the applications of the Respondents were allowed by the impugned order, subject to payment of costs. The cost stands accepted by the Petitioners in both the cases. Thus, the Petitioners have waived their right to assail the impugned order. The Court further relied on ***Vikramaditya Bhartia Versus DDA*** and rejected the contention of the Petitioners that the cost was accepted without prejudice by the Petitioners and held that acceptance of costs amounts to acceptance of the order as correct, and having taken benefit of one part of the order, a party cannot turn around and say that he will also challenge the order. Therefore, the Hon'ble Court allowed the applications of the Respondents and rejected the contentions of the Petitioner as lacking merit, thereby dismissing the present petition.

mail@lexorbis.com | www.lexorbis.com

170. Court Dismisses Delay Tactics in Commercial Trademark Litigation

Case: SMC Nova Estate Private Limited vs. Surya Marketing Company [CM(M)-IPD 16/2024]

Forum: High Court of Judicature at Madras

Order Dated: October 23, 2024

Order: The case SMC Nova Estate Private Limited vs. Surya Marketing Company was heard in the High Court of Delhi under CM(M)-IPD 16/2024. The dispute arose from a trademark infringement and passing off suit, wherein the plaintiff sought a perpetual injunction, damages, and rendition of accounts.

Surya Marketing Company filed a suit against SMC Nova Estate Private Limited, alleging unauthorised use of the trademark 'NOVA' and trade dress similar to the plaintiff's branding. The Commercial Court had previously granted an ex-parte ad-interim injunction on 9th October 2019, restraining the defendant from using the trademark.

Subsequently, on 1 August 2022, the Commercial Court confirmed the injunction. The defendant appealed against this order before the Division Bench of the High Court under FAO (COMM) No. 36/2023, which was dismissed on 11 May 2023 with a direction to expedite the trial.

- Whether the defendant's right to cross-examine the plaintiff's witness (PW-1) should be restored after being closed by the Commercial Court.
- Whether the defendant should be allowed to lead its own evidence despite delays and failure to meet deadlines.

The Court found that the defendant consistently delayed proceedings by seeking repeated adjournments for cross-examining PW-1 on various grounds, such as the

mail@lexorbis.com | www.lexorbis.com

counsel’s unavailability, illness, and other procedural excuses. The trial court had granted multiple opportunities, but the defendant failed to utilise them.

On 31st May 2024, the Commercial Court closed the defendant’s right to cross-examine PW-1. Subsequently, when the case moved to the defendant’s evidence stage, it again failed to present any witnesses, leading to the closure of its evidence on 7th August 2024.

The High Court dismissed the petition, holding that the defendant adopted dilatory tactics to prolong the case, which was against the spirit of the Commercial Courts Act 2015. The Court emphasised that the right to examine witnesses is valuable, but its misuse to delay proceedings cannot be tolerated.

171. Legal Analysis of the Bombay High Court's Interim Order in Reliance Retail Ltd. v. Md. Sirajuddin and Beauty Bibi

Case: Reliance Retail Ltd. v. Md. Sirajuddin and Beauty Bibi [Interim Application (L) No. 32380 of 2024 in Commercial IPR Suit (L) NO. 32031 of 2024]

Forum: High Court of Bombay

Order Date: October 24, 2024

Order: Reliance Retail Limited, a subsidiary of Reliance Industries Limited, is one of India's largest retail companies. The plaintiff acquired the rights to the "CAMPA" brand in August 2022 through an assignment deed. Originally launched in the 1970s, "CAMPA" is a historic name in the soft drink segment, which Reliance sought to revitalise with significant investments in advertising and marketing. Following the relaunch, the plaintiff registered the updated trademarks and artistic works associated with the brand. The defendants launched a soft drink product under the name "JHAMPA," allegedly mimicking the "CAMPA" branding, logo, and trade dress. Reliance contended that the defendants' actions infringed its trademarks and copyrights, diluting the goodwill associated with "CAMPA."

Reliance Retail alleged that the defendants' use of "JHAMPA" was deliberately designed to deceive consumers and exploit the reputation of the "CAMPA" brand. The plaintiff argued that the defendants merely replaced the letter "C" with "J," creating a name that was phonetically, visually, and structurally similar to "CAMPA." Additionally, the defendants allegedly replicated "CAMPA's" distinctive artistic elements, such as colour schemes and layouts, in their product's trade dress. The plaintiff provided substantial evidence of its investments in the brand's relaunch, along with screenshots, promotional materials, and sales data. The plaintiff also issued a cease-and-desist notice to the defendants in August 2024, which the defendants ignored, instead filing a trademark application for "JHAMPA."

mail@lexorbis.com | www.lexorbis.com

The defendants, represented by their counsel, argued that "JHAMPA" was a distinct brand name and sought time to file a detailed affidavit. Their preliminary defence claimed that "JHAMPA" was derived from the name of a village, suggesting no intent to deceive or imitate. However, the plaintiff countered this argument by emphasising that the defendants had applied for trademark protection over "JHAMPA," indicating an intention to monopolise the mark.

The court examined the plaintiff's claims and supporting evidence. A comparative analysis of the "CAMPA" and "JHAMPA" trademarks revealed striking similarities. The court observed that the defendants' branding, including the trade dress and artistic works, closely resembled the "CAMPA" brand. The defendants' choice of colours, design, and packaging further reinforced the likelihood of consumer confusion.

The court also noted the defendants' actions following the cease-and-desist notice. Their subsequent trademark application for "JHAMPA" and their continued use of the disputed branding appeared to be an attempt to circumvent legal challenges. The court concluded that the defendant's actions amounted to infringement of Reliance's trademarks and copyrights. The court determined that a prima facie case of infringement and passing off had been established by the plaintiff. It emphasised that intellectual property disputes involving clear evidence of imitation warrant prompt relief to prevent irreparable harm. The balance of convenience also favoured the plaintiff, given its substantial investments and established goodwill.

Accordingly, the court granted ad-interim relief, restraining the defendants from using the "JHAMPA" trademark or any other deceptively similar mark in connection with their products. The defendants also refrained from replicating or using the artistic works, logos, or trade dress associated with the "CAMPA" brand.

For Reliance Retail, this order safeguards its investment in the "CAMPA" brand relaunch, ensuring that its market position is not undermined by copycat products. For the defendants, the order serves as a reminder that attempts to capitalize on another brand's reputation without authorization can lead to serious legal consequences. The interim order also sets a precedent for how courts approach cases involving deceptively similar trademarks and copyrights. By granting swift injunctions, courts can protect not only the interests of brand owners but also consumers, who might otherwise be misled into purchasing inferior or counterfeit products.

172. Protecting the Brand Demands Vigilance and Determination

Case: Skechers South Asia Pvt. Ltd. v. Wardrode [Interim Application (L) No. 33060 Of 2024 In Commercial Ipr Suit (L) No. 32860 Of 2024] and Skechers South Asia Pvt. Ltd. v. Delhi Polymer [CS(COMM) 949/2024]

Forum: High Court of Bombay and High Court of Delhi

Order Dated: October 24 and 25, 2024

Order: Internationally recognised footwear and apparel brand Skechers has long actively pursued legal action to safeguard its intellectual property rights (IPR) in India.

Two recent high-profile cases, *Skechers South Asia Private Limited and Ors v Wardrode and Ors* in the Bombay High Court and *Skechers South Asia Private Limited and Ors v Delhi Polymer and Ors* in Delhi High Court exemplify Skechers' rigorous efforts to combat trademark infringement and the counterfeiting of its products.

In the October 2024 Wardrode case, Skechers alleged that the defendants had infringed its trademarks and copyright and had passed off counterfeit goods as its own. Skechers adduced evidence that the defendants had sold counterfeit footwear and related products bearing identical or deceptively similar marks to its registered trademarks, including the iconic "S" logo and artistic designs. The plaintiffs sufficiently proved that these counterfeit products were of inferior quality and imitated Skechers' branding, deceiving consumers and damaging the goodwill of the brand.

The court upheld Skechers' arguments, finding that there was, on the face of it, infringement. Because of the urgency of the situation, the court granted an interim injunction in the absence of the defendants restraining them from using Skechers' trademarks and artistic works. To enable immediate action, the court appointed a receiver to seize counterfeit goods at the defendants' various premises. This allowed the officer to collaborate with the local police, search premises, and confiscate infringing products. The court underscored the need for swift intervention to prevent further dilution of Skechers' intellectual property (IP), particularly before a major festival with its sales opportunities.

mail@lexorbis.com | www.lexorbis.com

Delhi Polymer heard the day after the Wardrode case, involved a network of manufacturers and retailers dealing in counterfeit Skechers' products. The plaintiffs' agent had discovered counterfeit footwear and related goods bearing Skechers' trademarks at the premises of the defendants. The defendants' activities were alleged to be not only deliberate but also intended to deceive the public into accepting that the products were genuine Skechers goods.

The court found little difficulty in issuing an interim injunction in the defendants' absence, finding that the plaintiff had made out a sufficient case. Local commissioners were appointed to conduct raids and seize counterfeit goods, marketing materials and related documents from the defendants' premises. The defendants were directed to disclose the identities of their suppliers, collaborators and all others involved in the counterfeiting.

The court ruled that using Skechers' trademarks and artistic works was dishonest and clearly intended to exploit the brand's goodwill for profit. The defendants had attempted to create the impression that the products being sold by the defendants were connected to the plaintiffs.

In both cases, Skechers adduced evidence of its extensive trademark portfolio and its investments in marketing and brand-building activities. The company provided detailed records of its registered trademarks, including its iconic logos and unique artistic designs, as well as its financial records showing significant sales turnover and marketing expenses. Such evidence demonstrated Skechers' commitment to maintaining its brand equity and ensuring consumer trust in its products.

These cases show the judiciary's support for IPR and its willingness to take decisive action against counterfeiters. Skechers has set a benchmark for global brands aiming to protect their IP in India's dynamic marketplace. It has not hesitated to use all available legal sanctions open to it by securing injunctions and using court-appointed receivers and local commissioners. These judgments warn infringers that courts will act swiftly to address breaches and counter opportunistic selling activities, ensuring that businesses can operate in a fair and transparent environment.

Through its strategic legal actions, Skechers has not only defended its IP but also reinforced its brand's integrity in the eyes of consumers. These cases are a reminder of the importance of robust IP enforcement mechanisms and the need for continuous vigilance in protecting trademarks and copyright in ever-evolving market circumstances.

173. BeerCo Trademark Rejection Overturned: High Court Upholds Procedural Fairness and Distinctiveness

Case: Beerco Ltd. vs The Registrar of Trademarks (CMA(TM) No. 14 of 2024)

Forum: Madras High Court

Order Dated: November 5, 2024

Order: Beerco Ltd. had applied to register the trademark "BeerCo" under Class 32, which pertains to beverages. The Registrar of Trademarks rejected the application on December 21, 2021, citing Section 9(1)(b) of the Trade Marks Act, 1999. This section prohibits the registration of marks that describe the quality, intended purpose, or other characteristics of the goods or services.

The Registrar contended that the mark "BeerCo" was descriptive and derived from the trading style of the company, making it unsuitable for trademark protection.

Beerco Ltd. challenged the rejection on several grounds, arguing that:

1. **Non-Speaking Order**: The Registrar's order failed to address the appellant's contentions adequately, rendering it a non-speaking order.
2. **Prior Registrations**: The appellant had secured multiple trademark registrations for "BeerCo" in India and abroad under various classes, including Class 35. This demonstrated that the mark had been previously deemed distinctive and registrable.
3. **Opportunity for Opposition**: The appellant contended that allowing the publication of the trademark in the Trademarks Journal would provide third parties an opportunity to oppose, which was denied due to premature rejection.

The appellant maintained that "BeerCo" is inherently distinctive and adopted in good faith, qualifying it for registration under the Trade Marks Act.

The Registrar argued that the mark "BeerCo" was descriptive of the goods and services, and its registration under Class 32 would contravene Section 9(1)(b).

mail@lexorbis.com | www.lexorbis.com

Furthermore, the Registrar noted the absence of clarity regarding the status of foreign trademark applications cited by the appellant.

The Court highlighted the importance of procedural fairness and reasoned decision-making in administrative actions. The court observed that the Registrar had overlooked the appellant's prior registrations of the "BeerCo" trademark, including those under Class 35, which demonstrated the mark's distinctiveness. Furthermore, the Registrar’s order lacked reasoning and failed to offer the appellant an opportunity to address potential third-party objections through publication in the Trademarks Journal. The Court also noted that Section 9(1)(b) was incorrectly applied, as the appellant had provided sufficient evidence to establish that "BeerCo" was not merely descriptive but served as a distinctive identifier of its goods.

The High Court quashed the Registrar’s order and directed the publication of the "BeerCo" trademark in the Trademarks Journal under Class 32. The Court also mandated that any objections from third parties be adjudicated in accordance with the law.

174. Zydus Healthcare Secures Injunction Against 'ALDER BIOCHEM': Court Upholds Trademark Protection in Pharma Industry

Case: Zydus Healthcare Limited & Ors. vs. Alder Biochem Private Limited [CS(COMM) 516/2023, I.A. 14145/2023 & I.A. 3116/2024]

Forum: Delhi High Court

Order Dated: November 13, 2024

Order: This case involved a dispute between Zydus Healthcare Limited, its subsidiaries, and Alder Biochem Private Limited. The plaintiffs sought an injunction against the defendant for using the mark "ALDER BIOCHEM," alleging it infringed their registered trademark "BIOCHEM" and constituted passing off under Section 29 of the Trade Marks Act, 1999.

The plaintiffs claimed that the trademark "BIOCHEM" was coined and first adopted in 1959 by Biochem Pharmaceutical Industries, which later amalgamated with Zydus Healthcare, transferring all intellectual property rights to them. Over decades, the plaintiffs have used the "BIOCHEM" mark on over 500 pharmaceutical products, generating substantial goodwill and reputation. The defendant, on the other hand, adopted the mark "ALDER BIOCHEM," claiming use since 2019 and filing for its registration, which the plaintiffs opposed.

The plaintiffs contended that the mark "BIOCHEM" had acquired secondary meaning through continuous and extensive use and was uniquely associated with their pharmaceutical products. They argued that the defendant's use of "ALDER BIOCHEM" was deceptively similar to their mark, causing potential confusion among consumers. They alleged this was a deliberate and dishonest attempt by the defendant to exploit the goodwill and reputation associated with "BIOCHEM." The plaintiffs also asserted that in the pharmaceutical industry, confusion between trademarks could have grave consequences, making their case for injunction stronger.

Conversely, the defendant argued that "BIOCHEM" was generic and descriptive, being a common abbreviation of "biochemistry" or "biochemical," and therefore

mail@lexorbis.com | www.lexorbis.com

could not be exclusively owned by the plaintiffs. They maintained that "ALDER" was the dominant part of their mark and that "BIOCHEM" was merely used descriptively. The defendant also highlighted the existence of other entities using "BIOCHEM" in their corporate or trade names, claiming it was common in the industry.

The court found in favour of the plaintiffs, holding that the defendant's mark "ALDER BIOCHEM" was structurally, phonetically, and visually similar to the plaintiffs' "BIOCHEM" mark. It rejected the argument that "BIOCHEM" was merely generic, noting the plaintiffs' extensive use and goodwill generated by the mark. The court emphasised that the addition of "ALDER" was insufficient to prevent confusion, especially in the pharmaceutical sector, where such confusion could be harmful to consumers.

As a result, the court granted an ex-parte ad interim injunction, restraining the defendant from using the mark "ALDER BIOCHEM" or any deceptively similar mark in relation to their business. It also barred the defendant from operating under the domain name *www.alderbiochem.com* or any similar domain name. The judgment highlighted that in cases of trademark infringement, particularly in sensitive industries like pharmaceuticals, protecting consumer safety and preventing confusion take precedence.

This case underscores the principle that even descriptive or generic-sounding terms can receive trademark protection if they acquire distinctiveness and goodwill through long-term use. It also illustrates the courts' strict approach in pharmaceutical trademark disputes, where consumer confusion could have life-threatening consequences.

175. Delhi High Court Upholds Fresh Cause of Action in Trademark Infringement: 'SUPREME WATERLINE' Case Decided in Favor of Appellant

Case: The Supreme Industries Limited vs. Ankit Goel Trading as Goel Trading Company (CS(COMM) 395/2020)

Forum: Delhi High Court

Order Dated: November 18, 2024

Order: *The Supreme Industries Limited* (appellant) filed an appeal under Section 13 of the Commercial Courts Act, 2015, and related provisions of the Civil Procedure Code (CPC), challenging the judgment dated 30 January 2023 of the District Judge, Commercial Court-03, Shahdara, Karkardooma Courts, Delhi. The appeal pertained to a suit dismissed by the lower court.

The appellant is the registered proprietor of the trademark *SUPREME* and related copyrights for goods such as pipes, PVC tubes, and hoses. Previously, the Bombay High Court decided a suit in favour of the appellant, restraining the respondent from infringing their trademark by using the mark *SUPREME TECH*. Despite this injunction, the respondent subsequently used the infringing mark *SUPREME WATERLINE*, prompting the appellant to file a second suit, alleging fresh infringement.

The lower court dismissed the second suit, holding that the appellant should have filed a contempt petition instead of a new suit. It also ruled that the second suit lacked a fresh cause of action and imposed costs of ₹3,00,000 on the appellant.

The appellant contended that the second suit was based on a fresh cause of action as it involved a different infringing mark, *SUPREME WATERLINE*, discovered on 15 July 2020. Additionally, the second suit sought relief for copyright infringement, which was not part of the earlier proceedings. The Delhi High Court noted that the earlier suit related to the mark *SUPREME TECH*, whereas the second suit concerned the mark *SUPREME WATERLINE*. A new act of infringement creates a fresh cause of action, allowing the aggrieved party to file a new suit.

mail@lexorbis.com | www.lexorbis.com

The court emphasised that infringement of trademarks or copyrights constitutes a continuous tort, giving rise to recurring causes of action each time infringement occurs. It relied on precedents, including *Bengal Waterproof Limited vs. Bombay Waterproof Manufacturing Company*, which upheld this principle. The High Court also highlighted that the second suit included additional prayers for copyright infringement, which were absent in the first suit.

The Delhi High Court set aside the lower court's order, recognising the appellant's right to seek relief for fresh infringement. It observed that the respondent had consistently failed to appear or file a written statement in either the lower court or the appellate proceedings, effectively admitting the appellant's claims.

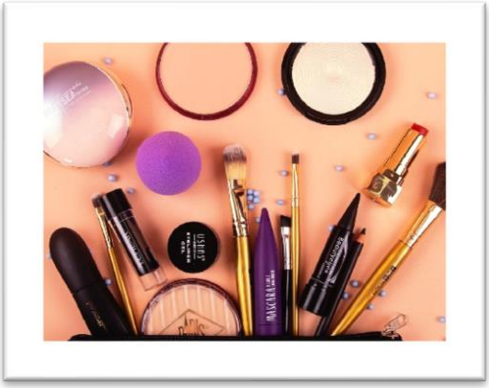
Invoking Order VIII Rule 10 of the CPC, the High Court decreed the suit in favour of the appellant without remanding it to the trial court, considering the respondent's non-participation and the prima facie case of infringement. It imposed costs of ₹2,00,000 on the respondent.

176. Delhi High Court Quashes Registrar's Rejection of 'MARS BY GHC': Emphasizes Procedural Fairness in Trademark Decisions

Case: Ricaria Support Services Private Limited vs. The Registrar of Trade Marks [CMA (TM) No.12 of 2024 and CMP No.13363 of 2024]

Forum: Madras High Court

Order Dated: November 19, 2024



Order: This case was filed by the appellant, Ricaria Support Services Private Limited, challenging the Registrar of Trade Marks' order dated 7 February 2024. The Registrar had refused the appellant's trademark application for "MARS BY GHC" under Class 5 of the Trade Marks Act, 1999, which covers pharmaceuticals, medical, and veterinary preparations. The appellant claimed that the refusal was arbitrary and lacked sufficient reasoning.

The appellant argued that its trademark "MARS BY GHC" targeted lifestyle products, which were distinct from the cited trademark "MARS," a registered mark for pharmaceutical products requiring medical prescriptions. The appellant contended that the two trademarks were not deceptively similar, as their products catered to different consumer bases and would not cause confusion in the minds of the public.

The appellant highlighted the Registrar's failure to disclose specific grounds under Section 11 of the Trade Marks Act for rejecting the application. They argued that the application should have been published in the Trade Marks Journal, allowing third parties to raise objections, if any. To address potential objections, the appellant offered to modify its trademark by altering the "BY GHC" element to enhance its distinctiveness from the cited mark "MARS."

The Court emphasised the necessity of reasoned decision-making in administrative actions. The Registrar's non-speaking order failed to justify the rejection of the appellant's trademark application under Section 11. The Court noted that the Registrar had denied the appellant the opportunity to address objections through

mail@lexorbis.com | www.lexorbis.com

publication in the Trade Marks Journal. This procedural lapse violated the principles of natural justice.

The Court found merit in the appellant's argument that "MARS BY GHC" was distinct from the cited trademark "MARS," as the former referred to lifestyle products, while the latter related to prescription drugs. The Court acknowledged the appellant's readiness to modify its trademark to further distinguish it from the cited mark.

The Court quashed the Registrar's order and allowed the appeal. It directed the Registrar to publish the appellant's trademark, "MARS BY GHC," or its modified version, in the Trade Marks Journal. This would allow third parties to raise objections, if any, through opposition petitions. The Court further instructed the Registrar to consider such objections, if raised, on their merits and in accordance with the law, ensuring fair hearings for all parties.

177. Madras High Court Overturns Trademark Refusal: Emphasizes Natural Justice in 'ARC - A GATEWAY TO YOUR FUTURE' Case

Case: Ab & T Lifestyle Spaces LLP vs The Registrar Of Trade Mark [CMA (TM) No.16 of 2024]

Forum: Madras High Court

Order Dated: November 21, 2024

Order: The case AB & T Lifestyle Spaces LLP vs. The Registrar of Trade Marks was adjudicated by the High Court of Madras under Civil Miscellaneous Appeal under Section 91 of the Trade Marks Act, 1999, challenging the refusal by the Registrar of Trade Marks to register the appellant's trademark, "ARC - A GATEWAY TO YOUR FUTURE," on the grounds of similarity with existing marks and lack of distinctiveness as required under Sections 9 and 11 of the Act.

The appellant contended that the refusal was arbitrary and violative of the principles of natural justice. They argued that other similar marks had been registered, and no valid evidence was provided to support the claim that these cited marks were in active use. Furthermore, the appellant emphasised that their operations were restricted to Karnataka and would not cause confusion in the marketplace.

The respondent defended the decision, stating that the cited marks were already in use and that allowing the appellant’s mark would lead to confusion among the public. They justified the rejection under Section 11(1) of the Trade Marks Act, highlighting the potential for overlap with existing trademarks.

The Court found significant procedural lapses in the respondent's approach. The Court noted that the refusal order did not provide adequate reasoning or evidence for the assertion that cited marks were in use. Furthermore, the Court highlighted that the respondent introduced the claim of lack of distinctiveness for the first time in its refusal order, depriving the appellant of an opportunity to respond. The Court emphasised that adherence to principles of natural justice is crucial when rejecting a trademark application. It observed that the respondent failed to offer the appellant a chance to rebut claims about the cited marks and their alleged usage.

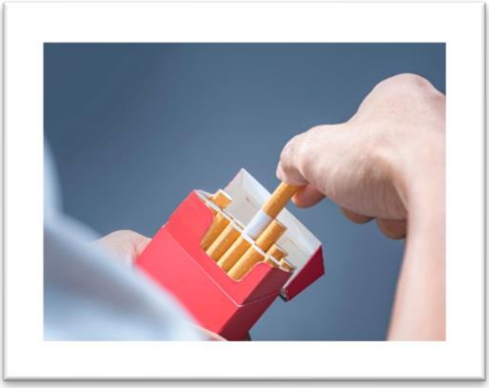
The Court quashed the refusal order, directing the Registrar to publish the appellant's trademark in the Trade Marks Journal, restricted to Karnataka. It allowed third parties to file opposition petitions, if necessary, ensuring a fair hearing for all stakeholders.

178. Philip Morris Secures Permanent Injunction Against Counterfeit MARLBORO Products

Case: Philip Morris Brands Sarl vs. M/S Rahul Pan Shop & Ors. [CS(COMM) 462/2023 & I.A. 12451/2023]

Forum: Delhi High Court

Order Dated: November 26, 2024



Order: Philip Morris Brands Sarl, a subsidiary of Philip Morris International Inc., is the registered proprietor of the 'MARLBORO' trademark and associated marks in India, including the 'ROOFTOP' device. The Plaintiff's MARLBORO products have been sold in India since 2003, generating substantial revenue and goodwill.

The case arose when the Plaintiff discovered that the Defendants were selling counterfeit 'MARLBORO ADVANCE COMPACT' cigarette packs. Investigations revealed that these counterfeit products bore identical marks and packaging, including the 'ROOFTOP' device, which infringed Plaintiff's registered trademarks and copyrights. The Plaintiff filed the present suit seeking a permanent injunction, among other reliefs.

Plaintiff argued that the Defendants' counterfeit products replicated the 'MARLBORO' trademarks, including the colour schemes and the 'ROOFTOP' device, thereby causing consumer confusion and diluting Plaintiff's brand reputation.

The Plaintiff claimed copyright protection over the artistic works used on its cigarette packaging. The counterfeit products were alleged to have copied these designs without authorisation. Plaintiff alleged that the Defendants' actions constituted passing off by misrepresenting their products as those of Plaintiff, thereby unfairly capitalising on Plaintiff's goodwill and reputation. The Court noted that despite being served with summons, Defendants No. 1 and 2 failed to appear or file written statements within the prescribed time frame. Consequently, the Court proceeded ex parte against them.

The Court found that the Plaintiff's trademarks and artistic works were duly registered and enjoyed extensive goodwill. The Plaintiff presented images comparing its genuine products with the counterfeit products, which revealed identical features, including colour combinations, logos, and packaging designs.

The Court further noted that an ad interim injunction was granted on July 13, 2023, restraining the Defendants from using the infringing trademarks and packaging. The Local Commissioner's report corroborated the Plaintiff's claims of counterfeit activities at the premises of Defendants No. 1 and 2.

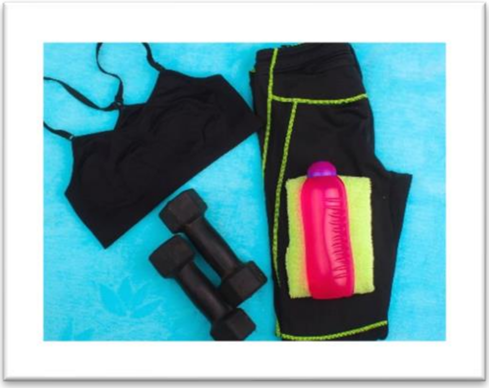
Hence, the Court ruled that the Plaintiff had established a clear case of trademark and copyright infringement, as well as passing off. Given the Defendants' failure to contest the allegations, the Court decreed a permanent injunction against Defendants No. 1 and 2, restraining them from manufacturing, selling, or distributing counterfeit products bearing Plaintiff's trademarks and artistic works.

179. Court Shuts Down Counterfeit 'NEW BALANCE' Operation, Grants Permanent Injunction

Case: New Balance Athletics Inc. vs. Ashok Kumar & Ors. [CS(COMM) 104/2023 & I.A. 3739/2023]

Forum: Delhi High Court

Order Dated: November 27, 2024



Order: The case revolved around a suit filed by New Balance Athletics Inc., seeking a permanent injunction against trademark infringement, passing off, and acts of unfair competition. The plaintiff alleged that the defendants were engaged in selling counterfeit products bearing their registered trademarks, including "NEW BALANCE" and associated logos. These counterfeit products were sold through a rogue website, www.luxurytag.in, which openly marketed replicas of various branded goods, including those of New Balance.

The plaintiff highlighted its longstanding global reputation, having used the "NEW BALANCE" trademark since 1951 and expanding its presence to over 120 countries. In India, the plaintiff has been operational since 1986, selling products through retail outlets and prominent e-commerce platforms like Amazon, Myntra, and Flipkart. The plaintiff discovered the infringing website in February 2023, where counterfeit products bearing its trademarks were marketed as "high-quality replicas." Upon ordering and inspecting a product, the plaintiff confirmed it was fake, prompting the filing of the present suit.

The court observed that the defendants had openly admitted to selling counterfeit goods on their website. Statements like "We don't sell original products; we sell high-quality products which look similar to the originals" were displayed on the website, making it evident that the defendants were involved in acts of infringement. The court also noted that the primary defendants failed to appear or file a written statement, leaving the plaintiff's claims uncontested. The Court emphasised the seriousness of counterfeiting, terming it a significant economic offence that erodes brand value and misleads consumers. Given the clear evidence of infringement and the defendant's lack of response, the court deemed it unnecessary to commence a trial. The plaintiff's submissions were accepted as admitted facts.

The court issued a permanent injunction restraining the defendants from further infringing the plaintiff's trademarks. Additionally, it awarded the plaintiff actual litigation costs amounting to ₹14,51,670, including court and local commissioner fees. The defendants were directed to pay these costs jointly and severally within eight weeks. The court also ordered the blocking of the infringing website and associated mobile numbers used by the defendants.

This judgment highlights the judiciary's firm approach to combating trademark counterfeiting. It reinforces the protection of intellectual property rights and ensures that counterfeiters are held accountable for their actions.

180. THINK Twice: Madras High Court Cancels THINBOOK Trademark Over Deceptive Similarity

Case: LENOVO (Singapore) Pte. Ltd., rep. By its authorised representative Ms. Becky A. Williams vs RPD Workstations Private Limited and Another [OP(TM) No. 60 of 2024]

Forum: High Court of Madras

Judgment Date: December 3, 2024

Judgment: Distinctiveness forms the cornerstone of trademark law, as it enables consumers to identify the source of goods or services and protects the interests of trademark proprietors. The judgment in Lenovo (Singapore) Pte. Ltd. vs RPD Workstations Pvt. Ltd. highlights the significance of protecting distinctive marks and the potential consequences of allowing registrations that may dilute or infringe upon such marks. In this case, the Madras High Court addressed Lenovo's claim to cancel the trademark "THINBOOK," registered by RPD Workstations, on the grounds that it was deceptively similar to Lenovo's established "THINK Family of Marks."

Lenovo’s argument centred on the distinctiveness of its "THINK Family of Marks," including "THINKPAD" and "THINKBOOK." These trademarks are not only widely recognised but have also acquired a secondary meaning due to their prolonged use and association with Lenovo's products. Distinctive marks are categorised as inherently unique (e.g., coined words or arbitrary uses of common words) or marks that have gained distinctiveness through extensive use. Lenovo's trademarks fell into both categories, with "THINK" as a distinctive prefix forming the core identity of its product range.

The court acknowledged that distinctiveness entails more than uniqueness; it also involves the ability to create a mental association between the trademark and its source. Lenovo successfully demonstrated that its marks had achieved a strong reputation, making "THINK" synonymous with its brand globally. The court observed that RPD Workstations' use of "THINBOOK" was phonetically, structurally, and conceptually similar to Lenovo's marks. This similarity not only risked consumer confusion but also diluted the distinctiveness of Lenovo's well-known trademarks.

Another critical aspect of the judgment was the recognition of trademark exclusivity. A distinctive mark, by its nature, grants its proprietor the exclusive right to use it for the associated goods or services. The court ruled that allowing "THINBOOK" to remain registered would infringe upon Lenovo's exclusivity, as it could lead the public to mistakenly associate RPD Workstations' products with Lenovo. The concept of exclusivity ensures that distinctive marks retain their identity and value, safeguarding them against misuse or unfair advantage by third parties. The court's reasoning also emphasised the broader implications of granting registrations to marks that lack distinctiveness or closely resemble existing marks. Such practices can erode consumer trust and lead to market confusion, undermining the purpose of trademark law. In this case, the court found that RPD Workstations' registration of "THINBOOK" demonstrated a deliberate attempt to capitalise on the reputation of Lenovo's "THINK Family of Marks." By mimicking the style and phonetic pattern of Lenovo's trademarks, the respondent sought to mislead consumers into believing that "THINBOOK" was part of Lenovo's product line.

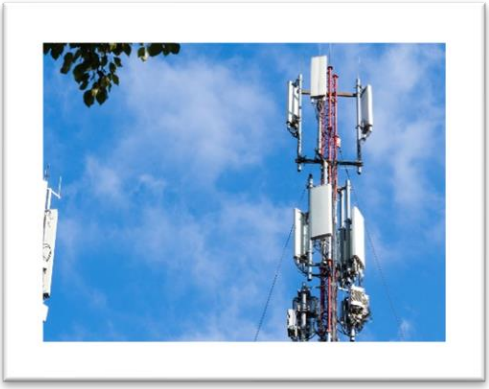
Ultimately, the judgment reinforced the principle that trademarks must maintain their distinctiveness to serve their primary function as identifiers of origin. The decision to cancel the "THINBOOK" registration was not merely a victory for Lenovo but also a reaffirmation of the legal framework that protects distinctive marks. By upholding Lenovo's rights, the court ensured that the "THINK Family of Marks" continued to stand as a strong, recognisable brand in the marketplace. This case serves as a reminder of the vital role distinctiveness plays in trademark law. It highlights the need for vigilance in protecting trademarks from dilution or infringement, particularly in cases involving well-known marks. The judgment highlights that maintaining the distinctiveness of a trademark is essential for preserving brand identity, preventing consumer deception, and fostering fair competition in the market.

181. Analysing Federated Hermes' Battle Against Fraudulent Impersonation

Case: Federated Hermes Ltd. vs John Doe & Ors. [CS(COMM) 454/2024]

Forum: High Court of Delhi

Judgment Date: December 5, 2024



Judgment: The plaintiff, Federated Hermes Ltd., a globally recognised investment management firm based in England and Wales, initiated legal action against unidentified individuals (collectively referred to as "John Doe") and several intermediaries, including telecommunications providers, a bank, and the messaging platform WhatsApp. The suit sought a permanent injunction restraining the defendants from infringing the plaintiff's trademark and copyright, engaging in fraudulent activities using the plaintiff's name, and passing off their services as those of the plaintiff.

Federated Hermes Ltd. is a leading investment firm managing assets worth over USD 757 billion as of December 2023. With a strong presence in global markets, including India, the company provides investment advisory services and follows ESG (Environmental, Social, and Governance) principles in its investment strategies. The plaintiff owns registered trademarks for "FEDERATED HERMES" and its logo in multiple jurisdictions. The firm's brand identity, including its distinct logo and name, has become synonymous with responsible investment practices worldwide.

The lawsuit stemmed from a sophisticated fraudulent operation by defendant no.1 (John Doe), who created an elaborate scam impersonating Federated Hermes Ltd. The perpetrators launched fraudulent WhatsApp groups, deceptive websites (such as www.fedhlive.com), and a mobile/web application called "FHT." Through these platforms, they misrepresented themselves as official representatives of Federated Hermes and lured unsuspecting investors into depositing funds into sham "VIP trading accounts." To make their scheme appear legitimate, the fraudsters falsely

mail@lexorbis.com | www.lexorbis.com

claimed association with Pankaj Tibrewal, a well-known investment professional with no actual ties to the plaintiff. The deception was reinforced with forged marketing materials that featured the plaintiff's registered trademark and logo.

The fraudulent operation primarily targeted Indian investors, exploiting their trust in reputable financial institutions. The scheme involved inducing individuals to make substantial monetary deposits under the false promise of high returns on stock trading. The defendants used WhatsApp's anonymity features to communicate with victims and executed transactions through accounts maintained with Saraswat Co-operative Bank Ltd. Victims later discovered that the money was unrecoverable, and the fraudsters frequently changed their bank accounts and online platforms to evade detection.

The plaintiff first became aware of these fraudulent activities in March 2024 through an email from an individual who reported a WhatsApp group named "Federated Hermes – VIP 02." The email contained screenshots showing the fraudulent use of the plaintiff's name and branding. However, at that time, the plaintiff lacked direct access to the referenced social media content and was unable to verify the extent of the fraud. By April 2024, Federated Hermes Ltd. identified several Twitter posts highlighting the misuse of its name and logo, including fabricated promotional materials designed to deceive investors.

Subsequent emails from victims provided further evidence of the fraudulent scheme. One investor reported receiving messages on WhatsApp directing them to open a "VIP trading account" under the false pretence that it was linked to Federated Hermes. Another detailed how they had transferred significant sums, expecting legitimate investment opportunities, only to realise they had been defrauded. The plaintiff also discovered that the fraudsters had falsely claimed registration with regulatory authorities such as the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI).

The plaintiff, upon gathering substantial evidence of the infringement and fraud, filed the present suit on May 21, 2024, seeking immediate legal intervention. On May 28, 2024, the Delhi High Court granted an ex-parte ad-interim injunction restraining the defendants from using the plaintiff's trademark and logo in any form, including websites, social media handles, business activities, and bank accounts. The court specifically directed WhatsApp LLC (defendant no.2) to suspend the fraudulent WhatsApp groups and block access to phone numbers associated with the scam. The Department of Telecommunications (defendant no.4) was ordered to take steps to restrict access to the fraudulent websites, while telecom providers Bharti Airtel and Vodafone Idea were directed to furnish subscriber details linked to the accused phone numbers. Saraswat Co-operative Bank (defendant no.7) was instructed to freeze the fraudulent bank accounts and disclose relevant details.

Following these orders, compliance reports were filed by some defendants. WhatsApp LLC confirmed that it had taken action to suspend the flagged accounts. The telecom providers also blocked the phone numbers associated with the fraudulent activities and submitted subscriber details in a sealed cover. Similarly, the bank froze the implicated accounts and shared KYC (Know Your Customer) information with the court. Despite these enforcement measures, defendant no.1 (John Doe) remained unidentified and continued to evade accountability.

In its final judgment on December 5, 2024, the Delhi High Court ruled in favour of Federated Hermes Ltd. The court acknowledged that the plaintiff had successfully established its ownership of the trademark "FEDERATED HERMES" and its associated logo. Given the extensive use of the brand in the investment industry, the court found that the defendants had deliberately and unlawfully misappropriated the plaintiff's intellectual property to carry out a deceptive scheme.

The court emphasised that the fraudulent impersonation had caused significant harm, not only to investors who suffered financial losses but also to the plaintiff's reputation and goodwill. Defendant No. 1's unauthorised actions misled the public into believing they were dealing with a legitimate investment firm, creating a substantial risk of financial damage and loss of trust in the real Federated Hermes Ltd. The court noted that even seasoned investors had been deceived due to the sophisticated nature of the scam.

Accordingly, the court granted a decree of permanent injunction, prohibiting defendant No. 1 from using the plaintiff's name, logo, or any deceptively similar mark in any manner. The relief was extended to all online and offline platforms, ensuring that the fraudsters could no longer exploit the plaintiff's branding for illicit financial gain. Given that certain defendants, such as WhatsApp LLC, had complied with the interim orders, the court did not press further relief against them.

The rise of anonymous messaging platforms, easily accessible websites, and mobile applications has enabled scammers to exploit established brands with alarming efficiency. The court's decision in favour of Federated Hermes Ltd. sets an important precedent for companies facing similar threats, reaffirming that intellectual property rights must be rigorously protected against misuse.

By securing a permanent injunction, Federated Hermes Ltd. has taken a decisive step toward safeguarding its brand and reputation. However, the case also highlights the persistent difficulties in identifying and prosecuting anonymous online fraudsters. Despite the legal victory, enforcement remains an ongoing challenge, requiring continuous monitoring and proactive measures to prevent further instances of deception. As digital fraud continues to evolve, businesses must remain vigilant in protecting their trademarks and ensuring that consumers are not misled by fraudulent impersonations.

mail@lexorbis.com | www.lexorbis.com

182. Protecting Brand Integrity: Shemford's Fight Against Trademark Infringement

Case: Shemford Schools Private Limited & Anr. vs Shemford Little Stars Barnala & Anr., [CS (Comm.) No. 154/2022]

Forum: District Judge (Commercial Court-01), North District, Rohini Courts, Delhi

Judgment Date: December 6, 2024

Judgment: The plaintiffs, Shemford Schools Private Limited and Mr. Amol Arora, brought an action against Shemford Little Stars Barnala and Mr. Dawarka Dass, alleging trademark infringement, passing off, copyright violation, and breach of a franchise agreement. The plaintiffs sought a permanent injunction, damages, and delivery of infringing materials.

Shemford Schools, a well-known education brand in India, registered the trademark "Shemford" in 2008 under classes 41 and 16, covering educational services and related goods. The defendant, Mr. Dawarka Dass, entered into a franchise agreement with the plaintiffs on January 8, 2016, allowing him to operate a school under the name “Shemford Little Stars Barnala” in Punjab. Under this agreement, the defendants were required to pay a royalty fee of 15% of their monthly turnover. However, the defendants defaulted on their payments, prompting the plaintiffs to terminate the agreement through a notice dated August 24, 2017.

Following the termination, the plaintiffs assumed that the defendants had ceased using the "Shemford" brand. However, in April 2019, an employee of Shemford Schools discovered that the defendants continued to operate the school under the same name. The school premises displayed a signboard with the name “Shemford” and “Shemford Little Stars Playway School,” featuring the distinctive star logo and even an animated character, Chhota Bheem, without authorisation. In response, the plaintiffs sent a legal notice on April 17, 2019, demanding that the defendants cease unauthorised use of their trademark. The defendants, however, did not respond.

Despite this warning, the plaintiffs later discovered that the defendants continued their infringing activities, leading to the present lawsuit. The plaintiffs argued that the defendant's unauthorised use of the Shemford brand was likely to cause confusion among parents and students, as it falsely suggested an affiliation with the plaintiffs' well-established chain of schools. This, they contended, amounted to trademark infringement and passing off, harming the reputation and goodwill of Shemford Schools. The plaintiffs also asserted copyright infringement, particularly concerning the use of the Chhota Bheem character, which further misled the public.

The court proceedings revealed that the defendants were duly served with notices and summonses on February 27, 2023. They appeared through counsel on July 4, 2023, but failed to file a written statement in response to the suit. Consequently, their defence was struck off on October 19, 2023, and the case proceeded ex parte. The plaintiffs relied on documentary evidence to establish their claims.

The plaintiffs' authorised representative testified and submitted key documents, including the board resolution authorising the suit, the trademark registration certificates, the franchise agreement, the termination notice, and screenshots of the defendants' school premises showing continued use of the Shemford branding. Additionally, a certificate under Section 65B of the Indian Evidence Act was presented to validate electronic evidence.

After reviewing the uncontested evidence, the court concluded that the plaintiffs had successfully demonstrated infringement of their trademark and copyright. Since the defendants had not presented any defence, the allegations and evidence remained unchallenged. The court found that the continued use of the "Shemford" name and logo by the defendants amounted to an infringement of the plaintiff's intellectual property rights. It also held that the unauthorised use of the Chhota Bheem character supported the claim of copyright infringement.

Accordingly, the court issued a permanent injunction restraining the defendants, their agents, associates, and successors from using the "Shemford" trademark, logo, or any deceptively similar mark in any manner, including for running schools, providing educational services, or engaging in related activities. The court further directed the defendants to deliver all materials bearing the infringing mark to the plaintiffs.

Regarding damages, the plaintiffs had sought an account of profits earned by the defendants through the unauthorised use of the Shemford brand. However, in light of precedents set by the Delhi High Court in similar ex parte cases—such as *Imaging Marketing Pvt. Ltd. vs Green Accessories* and *Blue Heaven Cosmetics Pvt. Ltd. vs Shivani Cosmetics* —the court ruled that an account of profits could not be granted in an ex parte matter. Nevertheless, the court awarded damages of INR 6,00,000 in favour of the plaintiffs to compensate for the infringement and unauthorised use of their brand.

Additionally, the court directed the plaintiffs to pay deficient court fees on the damages awarded before issuing the final decree. The plaintiffs were also entitled to recover the costs of the litigation. Finally, the judgment was ordered to be sent to all parties through electronic means, and the case file was consigned to the record room.

This judgment reinforces the importance of trademark protection in the education sector, where brand reputation plays a crucial role in attracting students and maintaining trust. It highlights the legal recourse available to franchisors against franchisees who continue to misuse brand names after the termination of agreements. Moreover, the court's decision serves as a warning to entities that engage in unauthorised use of established trademarks, emphasising that intellectual property rights will be strictly enforced.

By securing a favourable verdict, Shemford Schools not only reaffirmed its ownership over the "Shemford" trademark but also safeguarded its goodwill from dilution due to misleading use by an unauthorised entity. This case underscores the necessity of robust enforcement mechanisms for intellectual property rights in India's education sector, where franchises and brand reputation are integral to business success.

mail@lexorbis.com | www.lexorbis.com

183. Walking Miles to Protect Brand Identity: The CrossFit Trademark Dispute

Case: CrossFit, LLC vs. Mohan Lal Sirvi [CS(COMM) 835/2022]

Forum: High Court of Delhi

Judgment Date: December 6, 2024

Judgment: CrossFit, LLC, a well-known American fitness brand, accused Mohan Lal Sirvi of infringing upon the "CrossFit" trademark in India. The plaintiff sought a permanent injunction to restrain the defendant from using the mark "CROSS FIT," alleging trademark infringement, passing off, and unfair competition. The court was also asked to decide on the issue of damages and costs.

CrossFit, LLC is a global fitness brand that provides training, nutrition, and competitive fitness services. The company traces its roots to the establishment of its first gym, "CrossFit Santa Cruz," in 1995 in California. The term "CrossFit" was coined and adopted in 1985, and the company holds numerous trademark registrations worldwide, including in India. In India, CrossFit, LLC owns registered trademarks covering fitness-related goods and services. The Delhi High Court had previously recognised "CrossFit" as a well-known trademark in CrossFit Inc. v. Gurpreet Singh & Anr.

The plaintiff claimed that the defendant, Mohan Lal Sirvi, was operating a gym and fitness centre under the name "CROSS FIT" without any authorisation. In January 2020, CrossFit, LLC became aware that the defendant had applied for registration of the mark "CROSS FIT" (Application No. 3549627) under Class 41 of the Trade Marks Act, 1999, for gym and fitness services. The application, filed on May 16, 2017, was made on a "proposed to be used" basis. CrossFit, LLC opposed this application, sending a notice on February 5, 2020, demanding its withdrawal. However, the defendant did not respond, leading the plaintiff to file a formal opposition on February 13, 2020.

mail@lexorbis.com | www.lexorbis.com

Despite being served with a Notice of Opposition on March 11, 2020, the defendant failed to file a response. Consequently, the Registrar of Trademarks declared the defendant's application "abandoned" on September 9, 2022. However, CrossFit, LLC argued that despite the abandonment, the defendant had already started using the "CROSS FIT" mark in his business activities. The plaintiff presented invoices and an affidavit filed by the defendant in a show-cause hearing, demonstrating that he had been using the mark from the date of his trademark application. The plaintiff contended that the defendant's actions were deliberate and intended to exploit the goodwill of the "CrossFit" brand.

On December 2, 2022, the Delhi High Court granted an ex parte ad interim injunction, restraining the defendant from using the "CROSS FIT" mark. A Local Commissioner was appointed to inspect the defendant's premises, and the report revealed that the defendant was extensively using the infringing mark on hoardings, cashbooks, and promotional materials. Subsequently, on October 30, 2023, the defendant submitted a written statement declaring that he no longer intended to use the "CROSS FIT" mark. Based on this admission, the court partially decreed the suit in favour of the plaintiff, granting an injunction against the defendant. However, the issue of damages and costs remained unresolved.

CrossFit, LLC then filed an application under Order XIII-A of the Civil Procedure Code (CPC), seeking summary judgment on damages and legal costs. The plaintiff sought INR 3,74,000 in litigation costs and INR 3,00,000 in damages for loss of profits and unfair commercial advantage gained by the defendant. The defendant, despite being granted multiple opportunities to respond (on January 18, March 12, and July 4, 2024), failed to file a reply.

The court relied on the principles established in *Su-Kam Power Systems Ltd. vs Kunwer Sachdev*, which emphasised that summary judgment could be granted if the defendant had no real prospect of successfully defending the claim. The court observed that the defendant's silence and failure to present a defence indicated that he had no legitimate argument against the claims of damages and costs. The court also referenced Hindustan *Lever Ltd. vs Satish Kumar*, which justified awarding punitive damages when a defendant knowingly engages in trademark infringement and refuses to contest the claims.

The court noted that the defendant's contradictory actions—applying for a trademark on a "proposed to be used" basis while simultaneously using the mark in business—demonstrated deliberate bad faith. The report of the Local Commissioner further confirmed the large-scale use of the infringing mark, reinforcing the plaintiff's claim that the defendant was knowingly capitalising on the CrossFit brand's reputation.

Given these facts, the court ruled in favour of the plaintiff, awarding a total of Rs. 5,00,000 in damages and costs. While the plaintiff had sought INR 6,74,000, the court exercised its discretion and imposed a slightly lower amount. The court ordered that the decree be drawn up accordingly, thus concluding the case.

This case underscores the importance of trademark protection and the judiciary's role in ensuring that well-known brands are safeguarded from unauthorised use. The Delhi High Court reaffirmed that businesses that fail to respect intellectual property rights must face legal consequences, including financial penalties. Furthermore, the ruling highlights the significance of the summary judgment mechanism in expediting commercial disputes, ensuring that rightful trademark owners do not have to endure prolonged litigation to protect their brand identity.

184. Cleaning Up Counterfeits: The Trademark Battle Over 'Ghari'

Case: RSPL Ltd. vs. Nikunj Traders & Ors. [CS (COMM) No. 437/2021]

Forum: District Judge, Commercial Court-02, Shahdara District, Karkardooma Courts, Delhi

Order Date: December 7, 2024

Order: This case revolves around a trademark infringement dispute concerning the well-known detergent brand 'Ghari,' owned by RSPL Ltd. The plaintiff, a major manufacturer and marketer of consumer goods, particularly detergent products, filed the present suit against Nikunj Traders and other parties, alleging unauthorised use of its trademark 'Ghari/Ghadi' along with its distinctive packaging, design, and advertising materials. The suit sought a permanent injunction restraining the defendants from infringing upon its trademark, passing off counterfeit goods as genuine, and using deceptive trade practices. Additionally, the plaintiff sought damages and the freezing of the defendant's financial accounts to prevent further fraudulent activity.

The plaintiff, RSPL Ltd., has been engaged in the detergent business since 1955 and has acquired significant brand recognition, particularly for its 'Ghari' trademark, which was first registered for soap products and later extended to detergent cakes and powders. Over the years, RSPL Ltd. expanded its business across various product categories, establishing 'Ghari' as a leading detergent brand in India. The plaintiff claimed exclusive rights over its distinctive trademarks, including the word 'Ghari/Ghadi,' the device of a clock or watch, and its widely recognised punchline, "Pehle Istamaal Kare Fir Vishwas Kare" (First Use, Then Trust). The company's long-standing market presence, coupled with extensive advertising and celebrity endorsements, particularly by Bollywood actor Amitabh Bachchan, had further cemented its goodwill and reputation.

The dispute arose when RSPL Ltd. discovered that the defendant, Nikunj Traders, was engaged in the unauthorised sale of counterfeit ‘Ghari’ detergent products. The investigation into the defendant’s activities revealed that they were promoting and distributing these infringing goods through online platforms, particularly Facebook. A user named Shekhar Pagare had posted advertisements in a Facebook group titled “All India FMCG Group,” offering ‘Ghari’ detergent at wholesale rates. The plaintiff’s brand protection team, upon inquiry, found that the defendant was falsely representing itself as an authorised distributor of RSPL Ltd. To further validate its claims, the plaintiff placed a test order through one of its distributors, Rajesh Trading. The defendant insisted on an advance payment of ₹1,500 and later issued an invoice that misleadingly bore RSPL Ltd.’s name and GST Identification Number (GSTIN). This fraudulent use of the plaintiff’s trade name and registered details prompted RSPL Ltd. to file the present suit, alleging infringement, passing off, and unfair trade practices.

The court issued summons to the defendants, but none appeared, leading to an ex-parte proceeding. The plaintiff presented substantial documentary evidence, including trademark registration certificates, copyright documents, advertisements, and financial records, to establish its exclusive rights over the ‘Ghari’ brand. The plaintiff also submitted screenshots of the defendant’s Facebook advertisements and WhatsApp communications, proving their unauthorised use of RSPL Ltd.’s trademarks. The court carefully examined the evidence and legal precedents to determine whether the defendant’s actions amounted to trademark infringement and passing off.

One of the key legal considerations in the case was the territorial jurisdiction of the Delhi court. The defendant was based in Jabalpur, while the plaintiff conducted its primary business operations from Kanpur. However, the court ruled that jurisdiction was justified under Section 134(2) of the Trademarks Act and Section 20 of the CPC. The decision was influenced by the fact that the infringing products were being advertised and sold online, accessible nationwide, including in Delhi. The court relied on precedents such as World Wrestling Entertainment Inc. vs. Reshma Collection and Burger King Corporation vs. Techchand Shewakarmani, which recognised online sales and promotions as sufficient grounds for jurisdiction. The court also noted that RSPL Ltd. had authorised dealers in Shahdara, Delhi, reinforcing its claim that the infringement affected its business within the jurisdiction.

After analysing the evidence, the court concluded that the defendant had deliberately misrepresented its counterfeit goods as genuine ‘Ghari’ products, thereby infringing RSPL Ltd.’s trademarks. The defendant’s use of an identical brand name, logo, packaging, and even GST details demonstrated an intention to deceive consumers and unfairly profit from the goodwill of the plaintiff's well-established brand. The court held that such actions not only misled customers but also caused reputational damage to RSPL Ltd. The principle established in Laxmikant Patel vs Chetan Bhai Shah was invoked, emphasising that the law does not permit any business to operate in a manner that deceives consumers into believing that counterfeit goods originate from a reputed brand.

Given the severity of the defendant's conduct, the court issued a decree of permanent injunction, restraining Nikunj Traders and its agents from using the 'Ghari/Ghadi' trademarks, packaging, and other distinctive brand elements. The court also directed Facebook (Defendant No.2) to take down the infringing advertisements and disclose details of the user responsible for the unauthorised postings. Additionally, Kotak Mahindra Bank (Defendants No.3 and No.4) was ordered to freeze the bank account used by the defendant to conduct fraudulent transactions and provide KYC details to facilitate further legal action.

Regarding the claim for damages, the plaintiff sought ₹5,00,000 for the losses suffered due to the infringement. The court, however, found that while the plaintiff had established trademark infringement and passing off, it had not provided conclusive evidence regarding the financial losses incurred. In cases of intellectual property violations, damages can be categorised as compensatory, nominal, or punitive. The court noted that punitive damages are generally awarded when the defendant's actions are particularly egregious or when repeated infringement occurs. In this instance, since no local commissioner was appointed to seize counterfeit goods and the exact scale of the defendant's fraudulent activities remained unclear, the court denied the claim for damages. However, it awarded the plaintiff the costs of the suit.

The judgment establishes that online sales and promotions fall within the ambit of trademark infringement, making it possible for rights holders to take legal action even if the infringing party operates from a different location. It also highlights the importance of maintaining detailed records to substantiate financial losses in trademark infringement cases. Ultimately, the ruling strengthens trademark enforcement mechanisms and serves as a deterrent against counterfeiters attempting to exploit well-known brands for illicit gains.

185. Time and Trademark: The Battle for Brand Integrity

Case: Swatch AG & Ors. vs Labham Agarwal & Ors. [CS (Comm.) No. 74/2020]

Forum: District Judge (Commercial Court)-01, Shahdara, Karkardooma Courts, Delhi

Judgment Date: December 9, 2024

Judgment: The Swatch Group, comprising brands such as Swatch, Rado, Tissot, Omega, and Longines, sought a permanent injunction to restrain the defendants from manufacturing, marketing, or selling counterfeit versions of their watches. The plaintiffs claimed that the defendant's actions not only infringed their registered trademarks but also diluted their brand goodwill and reputation.

The Swatch Group highlighted its longstanding reputation as a leader in the luxury watch market, known for its innovative designs and technological advancements. It argued that the trademarks for its brands were well-recognised worldwide and had acquired secondary significance. The plaintiffs alleged that the defendants, operating under the names "Vinayak Traders," "Amaan Watches," and "Air Time," were engaged in the sale of inferior counterfeit watches branded with trademarks deceptively similar to those of the plaintiffs. These counterfeit goods, it was claimed, were indistinguishable from genuine products, misleading consumers and tarnishing the plaintiffs' reputation.

The suit was filed under Sections 134 and 135 of the Trade Marks Act, 1999, and Section 55 of the Copyright Act, 1957, seeking remedies that included a permanent injunction, delivery of counterfeit goods for destruction, and damages. Upon filing the suit in January 2020, the court issued an interim injunction and appointed a local commissioner to seize counterfeit goods from the defendant's premises. Several counterfeit items were reportedly confiscated during the raids.

The defendants, however, denied the allegations, claiming their actions were unintentional and maintaining they had no rights over the plaintiffs' trademarks.

mail@lexorbis.com | www.lexorbis.com

They further argued that the plaintiffs had not provided sufficient evidence of their claims. Despite filing a written statement initially, the defendants failed to participate in subsequent proceedings and were eventually declared ex parte.

During the trial, the plaintiffs produced evidence to establish their ownership of trademarks and copyrights, including registered trademark certificates and other documentation. Sachin Singh, the plaintiffs' authorised representative, testified as a witness, reiterating the claims in the plaint. The plaintiffs also submitted a report by the court-appointed local commissioner detailing the seizures made during the raids. However, the plaintiffs did not produce the confiscated counterfeit goods, nor did they present original or comparative samples of their genuine products. The photographs of the seized goods, taken during the raids, were also not proven on record.

The court observed that while the plaintiffs established their ownership of trademarks, they failed to demonstrate that the defendants had infringed upon them. The absence of tangible evidence, such as the seized counterfeit goods or their photographs, made it difficult for the court to verify the allegations. The court also noted procedural lapses, including the plaintiffs' failure to examine the local commissioner, which weakened the evidentiary value of the report.

The plaintiffs, during final arguments, withdrew their claims for rendition of accounts, delivery up of goods, and costs, limiting their plea to a permanent injunction. However, the court held that the plaintiffs had not satisfactorily proven their case to merit even this relief. It emphasised that the burden of proof rested on the plaintiffs to establish the defendants' infringement and their deliberate attempts to mislead consumers, which they had failed to do convincingly.

Consequently, the court dismissed the suit, ruling in favour of the defendants. The judgment underscores the critical importance of substantive evidence in trademark and copyright infringement cases, particularly where claims involve counterfeiting and passing off. While the Swatch Group's trademarks were undoubtedly protected under law, their inability to substantiate the alleged infringement resulted in the dismissal of their claims.

186. Nipping Deceptive Practices in the Bud: A Victory for Trademark Rights

Case: Fena Private Ltd. vs Balwinder Kumar & Anr., [C.O. (COMM.IPD-TM) 300/2023]

Forum: High Court of Delhi

Judgment Date: December 11, 2024

Judgment: Fena Private Ltd. ("the petitioner") filed a petition under Sections 11 and 57 of the Trade Marks Act, 1999, seeking cancellation of the trademark "NIPPU" registered under Class 3, held by Balwinder Kumar ("respondent no. 1"). The petitioner argued that the impugned mark infringed its long-standing rights in the trademark "NIP," used for products such as detergent cakes and powders, cleaning preparations, and soaps since 1976.

The petitioner contended that its mark "NIP" was inherently distinctive, coined, and widely recognised due to extensive advertising, substantial sales, and continuous use over nearly five decades. Among the petitioner's trademarks, one of the earliest registrations dates back to June 20, 1975, covering soaps and detergents in Class 3. The trademark "NIP" had gained significant goodwill and reputation, cementing the petitioner's position in the market.

The controversy arose when the petitioner discovered the respondent's registration of the mark "NIPPU" in January 2018. The petitioner filed a Notice of Opposition, but due to procedural missteps, including the non-receipt of the respondent's counterstatement, the opposition was abandoned in November 2019. Subsequently, the petitioner pursued its remedies by filing this cancellation petition, asserting that the mark "NIPPU" was deceptively similar to "NIP," likely to mislead consumers into believing an association with the petitioner.

mail@lexorbis.com | www.lexorbis.com

The petitioner argued that the adoption of "NIPPU" was dishonest and aimed at unfairly capitalising on the goodwill and reputation of "NIP." The products covered under both marks were identical, encompassing laundry and cleaning goods in Class 3. The petitioner relied on judicial precedents, including the ruling in South India Beverages Pvt. Ltd. v. General Mills Marketing Inc., which emphasised that in cases involving virtually identical products, even minor similarities in marks could lead to confusion, constituting infringement.

Despite service of notice through multiple modes, including publication in a prominent newspaper, the respondent failed to appear in court. Consequently, the case proceeded ex parte.

In its judgment, the court acknowledged the petitioner's evidence, which demonstrated prior adoption, registration, and extensive use of the trademark "NIP." It also recognised the petitioner's significant investments in marketing and promotion, resulting in the mark achieving secondary meaning and distinctiveness in the eyes of the public. Conversely, the respondent's mark "NIPPU" was adopted in 2018 on a "proposed to be used" basis, indicating the absence of any prior rights or use.

The court held that the mark "NIPPU" was deceptively and confusingly similar to "NIP." The similarity in phonetics, visual appearance, and the nature of goods covered under both marks increased the likelihood of consumer confusion. The court concluded that the respondent's adoption of the impugned mark was dishonest and intended to ride on the coattails of the petitioner's established reputation.

Further, the court observed that the respondent's failure to appear and contest the allegations reinforced the inference of malafide intent. The absence of any credible defence or evidence from the respondent led the court to conclude that the trademark "NIPPU" was in contravention of Section 11 of the Trade Marks Act, which prohibits the registration of marks likely to deceive or cause confusion. Consequently, the court directed the Trade Marks Registry to cancel the registration of the trademark "NIPPU" under Class 3. The judgment highlights the judiciary's role in safeguarding intellectual property rights and preventing unscrupulous practices that could harm both trademark holders and consumers.

187. Restoring Brand Identity: Candico’s Trademark Triumph

Case: Candico (I) Limited vs T.R. Kohli, Trading as T.R. Kohli and Sons & Anr. [C.A.(COMM.IPD-TM) 107/2022]

Forum: High Court of Delhi

Judgment Date: December 13, 2024

Judgment: This case concerns a trademark dispute between Candico (I) Limited, a prominent confectionery company, and T.R. Kohli, trading as T.R. Kohli and Sons, over the registration of the trademark "JUMBO GUMBO" under Class 30, which pertains to confectionery products. The appellant, Candico, challenged an order by the Deputy Registrar of Trademarks, dated August 25, 2008, which refused registration of the “JUMBO GUMBO” mark based on opposition filed by T.R. Kohli. The appeal sought to establish the appellant's bona fide adoption and prior use of the mark and to set aside the refusal order.

Candico argued that the mark "JUMBO GUMBO" was adopted in 1996 and extensively used in India for confectionery products, including gums and mints. Evidence of continuous and widespread use since 1996 was provided, including invoices showing substantial sales revenues. The trademark application for “JUMBO GUMBO” was filed on May 28, 1998, claiming use from March 1, 1996. While another trademark registration, "CANDICO JUMBO GUMBO CHEWING GUM BALL," was obtained in 1998, it was later removed due to non-renewal.

The opposition to the “JUMBO GUMBO” mark was filed by T.R. Kohli, who claimed prior adoption of the mark “JUMBO” under a 1996 application in Class 30. Kohli argued that the “JUMBO” mark was sufficiently similar to “JUMBO GUMBO” to create confusion among consumers. Despite filing the opposition in 2003 and subsequent submissions, Kohli's application for the "JUMBO" mark was abandoned by the Registrar of Trademarks in 2016, rendering it non-existent.

mail@lexorbis.com | www.lexorbis.com

The appeal was initially filed before the Intellectual Property Appellate Board (IPAB) but was transferred to the Delhi High Court following the Tribunal Reforms Act, 2021. Notices were issued to the respondents. However, despite proper service, T.R. Kohli did not participate in the proceedings. This non-appearance led to an ex-parte order against Kohli on November 22, 2023. The court observed that the respondent's failure to contest indicated an absence of any substantial defence.

The appellant’s counsel emphasised that the opposition lacked merit, given that Kohli's application for the “JUMBO” mark had been abandoned and that Kohli was no longer active in the confectionery market. This undermined any claim of conflict or confusion under Section 11 of the Trade Marks Act, 1999. The appellant demonstrated uninterrupted use of “JUMBO GUMBO” through evidence of sales and marketing efforts dating back to 1996, showcasing significant goodwill and consumer recognition associated with the brand.

Justice Amit Bansal, presiding over the case, held that the abandonment of Kohli’s “JUMBO” trademark application nullified the basis for opposition. The court recognised that Candico had established prior and extensive use of the “JUMBO GUMBO” mark. It also noted that Kohli’s inaction and failure to pursue his case supported the conclusion that the opposition was no longer tenable. The court determined that the objections raised by the Deputy Registrar in the impugned order could not withstand scrutiny under the changed circumstances.

The court set aside the impugned order dated August 25, 2008, and directed the Registrar of Trademarks to proceed with the registration of the "JUMBO GUMBO" trademark under Application No. 803930 in Class 30. A copy of the order was instructed to be sent to the Trademarks Registry for immediate compliance.

188. Play School's Name at Stake: The Battle Over 'BACHPAN' Trademark

Case: S.K. Educations Pvt. Ltd. vs. Saibaba Bahu Uddeshiya Shikshan Sansthan & Anr. [CS (Comm.) No. 2104/2019]

Forum: District Judge (Commercial Court)-13, Central District, Tis Hazari Courts, Delhi

Order Date: December 16, 2024

Order: S.K. Educations Pvt. Ltd., a leading chain of play schools under the brand 'BACHPAN' and 'BACHPAN… a Play School,' sought legal relief against Saibaba Bahu Uddeshiya Shikshan Sansthan and its representative for unauthorised use of its registered trademarks. The plaintiff company, through its authorised representative, filed a suit seeking a permanent and mandatory injunction against the defendants for trademark infringement, passing off, and unauthorized continuation of a franchise agreement. Additionally, the plaintiff sought recovery of dues and damages for alleged financial losses.

The plaintiff, a registered company under the Companies Act, 1956, established its brand 'BACHPAN' in 2002 as a pioneer in play school education. It developed and introduced innovative play schools across India, integrating unique teaching methodologies designed for early childhood education. Over time, 'BACHPAN' became a widely recognized name, with over 1100 franchisee play schools across the country. The plaintiff's trademarks, registered under multiple classes, included word marks, device marks, and artistic works that were also protected under the Copyright Act. To strengthen its brand presence, the plaintiff heavily invested in advertising and promotional campaigns, further solidifying its reputation in the education sector.

The defendant, a registered society operating in Maharashtra, initially approached the plaintiff in 2012, expressing interest in acquiring a franchise of 'BACHPAN.'

Based on their representations and assurances to comply with the franchise terms, a franchise agreement was executed on June 14, 2012, allowing the defendants to operate a play school under the 'BACHPAN' brand in Lakhani, Maharashtra. The agreement was valid for five years, set to expire on June 13, 2017. However, after the expiration of the agreement, the defendants failed to renew the contract despite multiple reminders from the plaintiff. Instead, they continued operating their play school using the 'BACHPAN' name and associated trademarks without authorization.

The plaintiff repeatedly attempted to resolve the matter amicably by issuing reminders and termination notices, demanding that the defendants cease using its trademarks and clear their outstanding dues of INR 2,81,745 for unpaid royalties and supplied materials. When these efforts failed, the plaintiff formally terminated the franchise agreement through a legal notice dated December 12, 2018, yet the defendants continued to operate under the plaintiff's brand name. This unauthorized usage led the plaintiff to initiate legal proceedings against the defendants, claiming that their actions constituted infringement of trademark rights, passing off, and copyright violation.

Despite receiving multiple summonses, the defendants failed to appear in court or file a written statement. Consequently, they were proceeded ex-parte, and the plaintiff's evidence went unchallenged. The plaintiff presented documentary evidence, including trademark registration certificates, copyright records, advertisements, financial records, and the expired franchise agreement. The court also allowed the plaintiff to introduce additional documents, such as renewed trademark certificates and a Memorandum of Understanding executed between the parties in 2012.

Upon examining the evidence, the court acknowledged that the plaintiff had successfully established its ownership and exclusive rights over the 'BACHPAN' trademarks. The court noted that the defendants' continued usage of the brand name after the termination of the franchise agreement amounted to trademark infringement and misrepresentation, which could mislead parents into believing that the defendant's play school was still associated with the plaintiff. Such unauthorized usage, the court held, was detrimental to the plaintiff's goodwill and business interests.

The court ruled in favour of the plaintiff, granting a permanent injunction restraining the defendants from using the 'BACHPAN' brand name, trademarks, or any deceptively similar marks for running their play school. Additionally, a mandatory injunction was issued, directing the defendants to hand over and return all materials, including books, stationery, and furniture bearing the ‘BACHPAN’ branding.

However, the court denied the plaintiff’s claim for financial recovery and damages, citing insufficient evidence to support the exact calculation of unpaid royalties and supply costs. While the plaintiff claimed arrears of INR 2,81,745, including INR 2,43,499 for unpaid royalties and INR 38,246 for study materials, it failed to provide clear documentation detailing how these figures were determined. The court also observed that the total franchise fee under the original agreement was INR 1,50,000, making the claimed amount seem disproportionate. Moreover, the plaintiff did not provide sufficient proof regarding the duration for which the defendants continued to operate the school under the infringing name after the agreement expired. Due to these evidentiary gaps, the court declined to award damages but granted the plaintiff the costs of the suit.

The ruling reinforces the principle that former franchisees cannot continue using a brand’s trademarks after their agreement has expired, as doing so amounts to infringement. The judgment also highlights the need for meticulous record-keeping when claiming financial damages in legal disputes. Ultimately, the court’s decision upholds the plaintiff’s rights over its intellectual property while setting a precedent for enforcing trademark protection in franchise agreements.

189. Safeguarding Heritage: Khadi Commission's Battle Against Trademark Misuse

Case: Khadi & Village Industries Commission v. Ms. Aparna Mallick and Anr. [CS(COMM) 515/2024]

Forum: High Court of Delhi

Judgment Date: December 20, 2024

Judgment: Khadi & Village Industries Commission (KVIC), a statutory body established under the Khadi and Village Industries Commission Act, 1956, filed a case against Ms. Aparna Mallick, proprietor of M/s Exclusive Variety Design, and GoDaddy.com LLC, the registrar of the domain www.khadisaree.com. The plaintiff sought reliefs of permanent injunction, transfer of the infringing domain, and damages on the grounds of infringement and passing off of its well-known trademark "KHADI."

KVIC, entrusted with the promotion and development of Khadi textiles, has held the "KHADI" trademark since 1956 and is its registered proprietor under multiple classes, including Class 25 for textiles and Class 35 for retail and advertising. KVIC's trademark was declared a "well-known mark" by the Delhi High Court in 2022, cementing its association with high-quality, handwoven fabrics produced under strict guidelines. Products under the "KHADI" trademark are marketed through its e-commerce website, physical outlets, and third-party platforms, generating an annual turnover of INR 1,34,629 crores in 2023, with significant advertising expenditure.

In October 2023, KVIC discovered that the defendant's website, www.khadisaree.com, was selling apparel, including sarees, under the mark "KHADI SAREE." Upon further investigation, the plaintiff identified Ms. Aparna Mallick as the proprietor of the website and discovered her use of "KHADI SAREE" across social media platforms such as Instagram, Facebook, and Pinterest. KVIC issued legal notices to the defendant, which went unanswered. To verify the nature of the products being sold, KVIC placed an order from the impugned website. The purchased products, labeled as "Khadi Cotton Sarees," were found to be made of 100% polyester fabric upon testing by the Northern India Textile Research Association. This misrepresentation violated the statutory definition of "Khadi" under the Khadi and Village Industries Commission Act, 1956, which mandates that Khadi must be handwoven using handspun cotton, silk, or wool.

The plaintiff contended that the defendant's unauthorized use of the "KHADI" mark not only infringed upon its registered trademarks but also misled consumers by passing off polyester products as authentic Khadi. The plaintiff argued that the defendant's actions were designed to unlawfully benefit from the goodwill and reputation associated with the "KHADI" brand, which has become synonymous with authenticity and sustainability.

The court granted an ex-parte ad-interim injunction in August 2024, restraining the defendant from using the "KHADI SAREE" mark and directing the suspension of the domain www.khadisaree.com. Despite service of summons through multiple channels, the defendant failed to appear in court or file a written statement, leading to the closure of their right to contest the suit.

The Court reviewed the evidence, including product samples, domain ownership records, and the results of fabric testing. The court held that KVIC had successfully demonstrated ownership of the "KHADI" trademarks and established a clear case of infringement and passing off. The evidence showed that the defendant's use of the "KHADI SAREE" mark and domain was intended to deceive consumers into believing an association with KVIC, despite the products being of inferior quality and not meeting the statutory definition of Khadi.

In its judgment, the court permanently restrained the defendant from using the "KHADI SAREE" mark or any deceptively similar variants, including the infringing domain name. The domain www.khadisaree.com was ordered to be transferred to KVIC upon payment of transfer costs. Additionally, the defendant was directed to cancel associated email addresses and social media accounts to prevent further misuse of the mark.

The court awarded KVIC INR 5,00,000 in cumulative damages and costs, emphasising the importance of punitive measures in deterring such violations. Justice Bansal highlighted that the defendant's failure to respond or contest the proceedings reflected a deliberate disregard for the legal process and strengthened the case for aggravated damages.

This judgment highlights the judiciary’s commitment to protecting the integrity of well-known trademarks and ensuring that consumers are not misled by false representations. By granting substantial relief to KVIC, the court reaffirmed the statutory protections afforded to Khadi, a symbol of India’s cultural and economic heritage. The decision serves as a precedent for stringent action against misuse of trademarks, particularly those linked to government institutions or national initiatives, and highlights the importance of intellectual property enforcement in preserving brand value and consumer trust.

mail@lexorbis.com | www.lexorbis.com

190. Protecting Brand Integrity: Glaxo's Battle Over BETNOVATE

Case: Glaxo Group Limited vs Gurmukh Kapoor, Trading as Levotic Pharma [CS(COMM) 783/2022]

Forum: High Court of Delhi

Judgment Date: December 20, 2024

Judgment: This case revolves around a trademark infringement dispute brought by Glaxo Group Limited (plaintiff), part of the global healthcare giant GSK, against Gurmukh Kapoor, operating as Levotic Pharma (defendant). The plaintiff accused the defendant of unlawfully using its registered trademark "BETNOVATE" and passing off its products as those of the plaintiff, thereby damaging the goodwill and reputation associated with the plaintiff's brand.

Glaxo, an internationally recognised pharmaceutical company, has been marketing its products under the "BETNOVATE" trademark since 1963. These products, including skin creams, ointments, and lotions, are used to treat conditions like irritation, itching, and swelling. The plaintiff highlighted that its "BETNOVATE" mark is inherently distinctive and holds over 150 registrations worldwide, including in India, where it has been in use for decades. The plaintiff's products are marketed through a vast network of distributors and online platforms, earning significant goodwill and a strong market presence.

The defendant, an Indian trader operating under the name Levotic Pharma, was found to be manufacturing and selling skin creams under marks such as "BETNOTIC-N" and later "BETATIC-N." These marks were visually, phonetically, and structurally similar to the plaintiff's "BETNOVATE" trademark. The plaintiff argued that the defendant had adopted a nearly identical trade dress, including packaging elements such as colour schemes, layout, and font styles,

mail@lexorbis.com | www.lexorbis.com

which closely resembled the plaintiff's products, thereby creating a likelihood of consumer confusion.

Upon discovering the infringing activities in February 2022, Glaxo issued multiple legal notices demanding cessation of the use of the "BETNOTIC-N" mark. While the defendant initially claimed compliance, subsequent investigations revealed the continued use of deceptively similar marks like "BETATIC-N." Aggrieved by the defendant's conduct, the plaintiff filed a suit for permanent injunction, damages, and destruction of infringing materials.

The court granted an ex-parte ad-interim injunction in November 2022, restraining the defendant from using marks deceptively similar to "BETNOVATE" and its packaging. Despite this, the defendant continued its infringing activities, prompting the plaintiff to file an application under Order XXXIX Rule 2A of the CPC for contempt proceedings. The court noted that the defendant's actions demonstrated a clear disregard for its orders and amounted to a deliberate attempt to exploit the goodwill of the "BETNOVATE" brand.

Justice Amit Bansal examined the evidence presented by the plaintiff, including sales figures, marketing expenditures, and a comparison of the respective marks and packaging. The court observed that the plaintiff's "BETNOVATE" trademark had acquired substantial goodwill and was associated exclusively with Glaxo's high-quality products. It found that the defendant's marks and packaging were deceptively similar to the plaintiff's, leading to a likelihood of consumer confusion. The court held that the defendant had acted in bad faith by continuing to use infringing marks even after receiving legal notices and court orders.

The defendant, during the proceedings, submitted an affidavit with an unconditional apology and an undertaking to cease the use of any packaging or trademarks resembling "BETNOVATE." While accepting the apology, the court emphasised the necessity of imposing costs and damages to deter such conduct and protect the plaintiff's rights.

In its judgment, the court issued a decree of permanent injunction, prohibiting the defendant from using marks like "BETNOTIC-N" and "BETATIC-N" or any other deceptively similar marks and packaging. It also directed the defendant to destroy all infringing materials under the supervision of the plaintiff's representatives. Additionally, the court awarded INR 4,00,000 in costs to the plaintiff, to be paid in instalments.

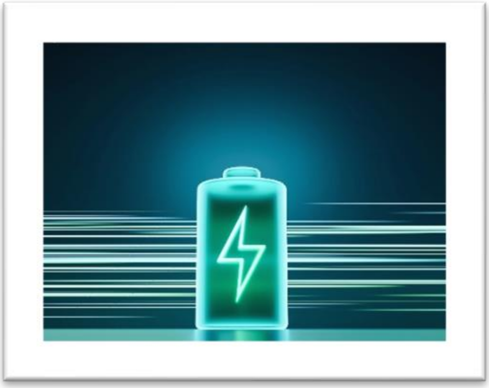
This case highlights the critical importance of protecting trademarks and intellectual property rights, particularly in the pharmaceutical industry, where consumer trust and safety are paramount. The judgment reaffirms that courts will not tolerate deliberate infringement and will impose strict penalties to uphold the integrity of established brands. By securing this victory, Glaxo Group Limited has not only protected its brand identity but also sent a strong message against the misuse of trademarks in the market.

191. Goldmedal’s Triumph: Safeguarding Trademark Rights

Case: Goldmedal Electricals Pvt. Ltd. vs Medal Electronics Pvt. Ltd. & Ors. [CS(COMM) No. 61/2023, CNR No.: DLND01-007806-2021]

Forum: District Judge (Commercial Court)-02, Patiala House Courts, New Delhi

Judgment Date: December 20, 2024



Judgment: Goldmedal Electricals Pvt. Ltd. (plaintiff), a reputed manufacturer of electrical goods, accused Medal Electronics Pvt. Ltd. along with others of infringing upon its trademark "GOLDMEDAL." Goldmedal Electricals, through its predecessor Bright Electricals, had been using the trademark since 1979-80 and claimed extensive goodwill and market reputation for its diverse range of electrical products. The plaintiff alleged that the defendants adopted the mark "MEDAL" for their products, creating confusion among consumers and thereby infringing its trademark rights.

The plaintiff asserted its ownership of the "GOLDMEDAL" trademark through registrations in various classes and demonstrated continuous, long-standing use. It also emphasised its significant investments in advertising and marketing, which contributed to the mark’s recognition as a well-known trademark under Section 2(1)(zg) of the Trademarks Act, 1999. The plaintiff further alleged that the defendants were deliberately and dishonestly using the "MEDAL" mark in a manner that was phonetically, visually, and structurally similar to "GOLDMEDAL," intending to trade upon the goodwill and reputation of the plaintiff’s established brand.

The plaintiff provided extensive evidence to substantiate its claims, including invoices, sales figures, advertising materials, and trademark registration certificates. The Local Commissioner appointed by the court found infringing goods at the defendants' premises during an inspection. The defendants, although initially represented in court, later failed to contest the matter and were proceeded ex parte. They claimed prior use and registration of the "MEDAL" mark, but the plaintiff countered these assertions, arguing that such claims were based on falsified documents and had already been debunked by the Intellectual Property Appellate Board (IPAB) in earlier proceedings.

The court carefully examined the evidence presented by the plaintiff, noting that its claims were uncontroverted due to the defendants' absence. It highlighted that the trademark "GOLDMEDAL" was not only registered but had also acquired substantial goodwill and reputation in the market. The court held that the defendants' adoption of the "MEDAL" mark was likely to cause confusion among consumers, as it was deceptively similar to the plaintiff's trademark. The court also noted that the defendants' actions amounted to both trademark infringement and passing off under the Trademarks Act, 1999.

In its judgment, the court recognized the importance of protecting the intellectual property rights of businesses and maintaining consumer trust. It ruled in favor of the plaintiff, granting a permanent injunction restraining the defendants from using the "MEDAL" mark or any deceptively similar variant in connection with their products. The court further ordered the defendants to pay damages of INR 50,000 for their wrongful conduct. The judgment emphasised that infringing acts, such as those committed by the defendants, harm not only the trademark owner but also deceive the public and disrupt market fairness.

The court's decision testifies to the significance of safeguarding trademarks and protecting businesses from dishonest practices that exploit their established goodwill. By granting the injunction and awarding damages, the court sent a clear message about the consequences of infringing upon the intellectual property rights of others. This case serves as an important precedent for enforcing trademark laws in India and highlights the judiciary's role in ensuring fair competition and protecting brand identities.

192. Protecting Global Brands: The ASICS Trademark Dispute

Case: Asics Corporation vs Hardev Group of Shoes & Anr. [CS (COMM) 7/2023]

Forum: District Judge (Commercial Court)-02, Patiala House Courts, New Delhi

Judgment Date: December 16, 2024

Judgment: The case revolves around Asics Corporation, a globally renowned Japanese brand engaged in the manufacture and sale of sportswear and shoes, and the defendants, Hardev Group of Shoes and N.K. Footwear, accused of infringing the "ASICS" trademark. The plaintiff, represented by its constituted attorney in India, sought a permanent injunction against the defendants for trademark infringement, passing off, and copyright violations, alongside ancillary reliefs such as delivery up of infringing goods and damages.

The plaintiff established that "ASICS" and its associated trademarks, registered in India and globally, hold significant goodwill and reputation. The trademarks, including logos and artistic works, are also protected under the Copyright Act, 1957. The defendants were alleged to have adopted and used identical and deceptively similar trademarks on their goods, causing confusion and deceiving customers into believing their products were associated with ASICS. The Local Commissioner’s inspection revealed 161 pairs of counterfeit shoes bearing the infringing trademarks at N.K. Footwear’s premises, alongside unfinished goods.

Defendant No. 1 resolved the matter through mediation and agreed not to use the trademark. Defendant No. 2, however, failed to file a written statement or contest the proceedings and was proceeded ex parte. The court examined the plaintiff’s evidence, which went uncontested, and held that the defendants' actions infringed upon the plaintiff's trademarks, causing harm to its goodwill and reputation.

The court decreed in favour of the plaintiff, granting a permanent injunction restraining Defendant No. 2 from manufacturing, marketing, or using the "ASICS" trademark or any deceptively similar mark. The court also ordered for the delivery and destruction of all infringing goods and materials bearing the counterfeit trademarks.

193. Jeans Under Scrutiny: Levi's Victory Against Trademark Counterfeiting

Case: Levi Strauss & Co. vs Tasleem Ahmad [CS (COMM) No. 2167/22]

Forum: District Judge, Commercial Court-03 (Central), Tis Hazari Courts, Delhi

Judgment Date: December 21, 2024

Judgment: The dispute in this case revolves around the unauthorised use of trademarks owned by Levi Strauss & Co. ("Levi's"), a globally renowned brand with a history dating back to 1873, credited with inventing the first blue jeans. Levi's filed this suit against Tasleem Ahmad, alleging trademark infringement, copyright infringement, passing off, and the sale of counterfeit products. Levi's claimed that Tasleem Ahmad was engaged in the manufacture and sale of counterfeit goods bearing trademarks and designs identical or deceptively similar to Levi's marks, thereby exploiting the brand's goodwill.

Levi's established its presence as a leading manufacturer of apparel and accessories, including jeans, t-shirts, and shoes, under trademarks such as "Levi's," the "Two Horse Logo," and the "Arcuate Stitching Design." These trademarks are registered and enjoy protection under the Trade Marks Act, 1999. The company has a strong presence in India, where it operates through exclusive franchises and retail outlets. Levi's asserted that its trademarks have gained significant recognition and goodwill due to its innovative product designs and extensive advertising campaigns.

The plaintiff discovered the infringing activities during a market survey in August 2022. Counterfeit products, including jeans with tags and stitching designs deceptively similar to Levi's marks, were being manufactured and sold at a premises in Karol Bagh, New Delhi. Subsequently, Levi's filed this suit seeking permanent and mandatory injunctions, punitive damages, and the destruction of infringing goods.

During the proceedings, the court granted an ex-parte injunction in September 2022, restraining the defendant from using Levi's trademarks and logos. A Local Commissioner was appointed to inspect the premises, resulting in the seizure of counterfeit goods, including 67 jeans, 150 tags, and 420 rivets bearing Levi's marks. Despite multiple attempts to serve notices, the defendant did not appear in court, and the case proceeded ex-parte.

In its judgment, the court observed that Levi's had provided substantial evidence of its ownership and exclusive rights over the trademarks. The Local Commissioner's report further corroborated the plaintiff's claims, revealing that the defendant was engaged in counterfeiting activities. The court emphasised the importance of protecting intellectual property rights to deter unlawful practices that harm established brands and mislead consumers.

The court granted permanent injunction restraining the defendant, its associates, agents, and employees from manufacturing, selling, or distributing goods bearing Levi's marks or any deceptively similar marks. It also ordered the destruction of the seized counterfeit goods to prevent their circulation in the market.

The court awarded damages amounting to INR 2,00,000, acknowledging the defendant's wilful and malicious infringement of Levi's trademarks, along with costs of the suit for INR 1,50,000 to cover expenses incurred by Levi's, including court fees, legal representation, and the Local Commissioner's fee.

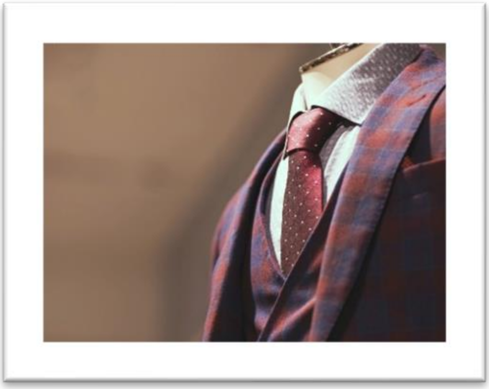
While the court acknowledged Levi's claim for additional damages based on sales estimates, it found insufficient evidence to substantiate the quantum of damages. The court noted the absence of specific records detailing the defendant's sales figures and the pricing of counterfeit goods. Nevertheless, it awarded punitive damages to send a strong message against trademark infringement and counterfeiting.

194. Securing Brand Integrity: Aditya Birla's Triumph in the Louis Philippe Trademark Dispute

Case: M/s Aditya Birla Nuvo Limited v. M/s S.R. Traders & Ors. [CS (COMM) No. 385/19]

Forum: District Judge-04, Patiala House Courts, New Delhi

Judgment Date: December 21, 2024



Judgment: The plaintiff, part of the prestigious Aditya Birla Group, had adopted the "Louis Philippe" trademark in 1988 and subsequently developed a robust portfolio of related trademarks. Over the years, the brand became synonymous with premium menswear and achieved the status of a "Super Brand" in 2004.

The plaintiff alleged that the defendants had dishonestly adopted identical and deceptively similar marks, such as "Louis Philippe" and "Loris Philippe", for their clothing products, including shirts, which were being sold in the local market. This, the plaintiff argued, not only amounted to trademark infringement under the Trade Marks Act, 1999, but also constituted passing off, copyright infringement, and dilution of its brand. The plaintiff sought reliefs, including a permanent injunction, delivery of infringing goods, damages, and costs.

The court noted the plaintiff's extensive efforts in registering and protecting the trademarks and its significant investment in marketing, which had established "Louis Philippe" as a well-known trademark under Section 2(1)(zg) of the Trade Marks Act, 1999. Evidence presented by the plaintiff included trademark registration certificates, reports from Local Commissioners appointed to inspect the defendants' premises, and inventory lists of counterfeit goods seized during inspections.

Initial inspections conducted in 2013 revealed several shirts bearing counterfeit "Louis Philippe" labels and tags. Despite an interim injunction restraining the defendants from further infringement, subsequent inspections in 2015 and 2016

mail@lexorbis.com | www.lexorbis.com

uncovered continued infringing activities. The defendants, after filing a written statement denying infringement, ceased participating in the proceedings and were eventually set ex parte. This abandonment of their defence strengthened the plaintiff's case.

The court observed that the plaintiff's evidence remained unchallenged due to the defendants' absence. It held that the defendants were engaged in the sale of counterfeit goods bearing infringing marks that were deceptively similar to the plaintiff's registered trademarks. The court emphasised that the defendants' actions were not only deliberate but also indicative of bad faith, as they continued their infringing activities despite being aware of the interim injunction.

The court decreed in favour of the plaintiff, granting a permanent injunction to restrain the defendants from using the marks "Louis Philippe" or "Loris Philippe" or any other mark deceptively similar to the plaintiff's trademarks. It also ordered the delivery of all infringing goods for destruction. Recognising the need to deter such wilful infringement, the court awarded punitive damages of INR 2,00,000 against defendant no. 1 and INR 1,00,000 against defendant no. 2. The plaintiff was also awarded costs, including the fees of the Local Commissioners, and an interest of 6% per annum on the damages from the date of the decree until realisation.

By granting punitive damages and recognising the plaintiff's proactive efforts to safeguard its brand, the court sent a strong message against counterfeiting and unfair trade practices. This decision not only reaffirms the significance of trademarks as valuable business assets but also highlights the consequences of infringing upon such rights in the marketplace.

195. Analysing the Conflict of Evergreen Sweet House vs JV Evergreen Sweets & Treats & Ors.

Case: Evergreen Sweet House vs JV Evergreen Sweets & Treats & Ors [CS(COMM) 430/2024 with I.A. 32723/2024]

Forum: High Court of Delhi

Judgment Date: December 23, 2024

Judgment: The plaintiff, Evergreen Sweet House, a partnership firm established in 1963 and engaged in the sale of sweets and namkeens, sought a permanent injunction against the defendants, JV Evergreen Sweets & Treats & Ors., alleging trademark infringement and passing off. The plaintiff asserted prior and extensive use of the trademark "Evergreen," along with its registration in class 30 since 1998. The defendants, operating under the name "JV Evergreen Sweets & Treats," were alleged to be using a deceptively similar mark in the same line of business.

The plaintiff argued that the defendant's mark, which included the prefix "JV" and suffix "Sweets & Treats," copied the essential and distinctive element of its registered trademark, leading to customer confusion. The plaintiff also highlighted its goodwill, reputation, and long-standing presence in the market.

The defendants countered by claiming that "Evergreen" is a generic term and not subject to exclusive ownership. They emphasised their registration of the mark in classes 35 and 43 and denied the likelihood of confusion due to differences in the marks.

The court held that the plaintiff was the prior user of the mark "Evergreen," having established substantial goodwill and reputation since 1963. It was also held that the adoption of the identical mark by the defendants was not bona fide, as they failed to provide a plausible explanation for its use. There was a high likelihood of consumer confusion, especially given the proximity of the businesses and the use of similar trade dress and colour schemes. The argument that "Evergreen" is a generic term was rejected, as the defendants themselves had obtained trademark registration for the same mark.

The court granted an interim injunction restraining the defendants from using the mark "JV Evergreen Sweets & Treats" or any similar name. The court directed the defendants to take down their listings from online platforms (Zomato, Swiggy) and social media within two weeks, failing which the respective platforms were instructed to delist/block the infringing content. The court clarified that these findings were only for the purpose of the interim application and would not influence the final outcome of the case.

COPYRIGHT

1. Infringed Melody: Nivedita Joshi Seeks Justice for 'Palko Ke Palne'

Case: Nivedita Joshi vs Abhishek Ray & Anr. [CS(COMM) 1/2024]

Forum: Delhi High Court

Order Dated: January 4, 2024

Order: This case was filed by the plaintiff- Nivedita Joshi, seeking an ex parte ad-interim injunction against the defendants; the plaintiff's case was that she had penned the lyrics of the song 'Palko Ke Palne' which featured as a part of a film 'Life's Good'. Defendant No. 1 is the music composer of the soundtrack of the said film, which was produced by Defendant No. 2. The plaintiff is a renowned personality who has contributed to the arts and the cultural realm in India.

Her poems have been used for lyrics of various other music albums in collaboration with eminent personalities. It was her case that in 2011, she had penned the lyrics of this song and shared the same with defendant no.1, who requested her to complete the remaining song and mentioned that the said song would fit with the theme of an upcoming film, 'Life's Good'. She was initially informed that the movie was to be released in 2011; however, it could not be produced due to the financial constraints of the film producer. No written agreement was entered into between the plaintiff and defendant No. 1.

In November 2022, the plaintiff chanced upon a video link on YouTube, which was shared by defendant no.1 via WhatsApp communication. The link showed the said song being featured as a part of the said film, the same film mentioned by defendant no.1 in 2011. It was discovered that the said film had been produced by defendant no.2 and came as a shock to the plaintiff since she had not been informed about her lyrics being finally used in the film; that too, after about a decade.

Legal notice was sent to both defendants on 6 December 2022; defendant no.1 responded on 8 December 2022; however, defendant no.2 did not submit any response to it.

The plaintiff filed for a pre-litigation mediation petition, Petition No.422/2023, on 44 October 2023 before the Delhi High Court Mediation & Conciliation Centre. Defendant No. 1 appeared, though the mediation session was not successful. It was noted that defendant no.2, despite being served, did not appear in the mediation proceedings.

The plaintiff contended that she is the author and first owner of the literary work, i.e., the lyrics of the song and therefore, is protected under Section 14(a) of the Copyright Act, 1957 ("the Act"). By using the lyrics as part of the said song, which has now been disseminated through a cinematograph film and independently on music channels, the defendants are jointly liable for infringing the plaintiff's copyright.

Defendant No. 1 contended that they had indeed commissioned the artist, i.e., the plaintiff, for lyrics of the said song and had incorporated it as part of the musical work produced by them; and thereafter, in their agreement with the film producer – defendant no.2, had supplied it for being used in the cinematograph film. Defendant No. 1 stated that this arrangement had been without any monetary consideration for the reason that the engagement was based on the understanding that the plaintiff would be provided with a larger canvas for her work and would gain promotional benefit.

The Court observed that Without prejudice to the rights and contentions of the parties, it is prima facie clear that – firstly, the lyrics of the said song had indeed been penned by the plaintiff; secondly, the said song has been produced by defendant no.1; thirdly, the said song has been used in the above-mentioned cinematograph film produced by defendant no.2; fourthly, the said film indeed had a theatrical release and additionally the said song is being promoted and disseminated through various music channels and other media; and lastly, the said song does credit the lyrics to the plaintiff.

The Court held that the rights of the plaintiff had to be adjudicated through this suit; it would be apposite if the royalties which are being received by defendant no.2 and by any other party on their behalf may be preserved, subject to the outcome of the present suit.

Accordingly, The Court directed defendant no.2 and any person authorised on their behalf to maintain proper accounts of all royalties received on account of dissemination of the said song through all possible media.

The Court also directed the defendants to ensure that the said song, through its dissemination, continues to credit the plaintiff for the lyrics of the song in order to preserve her moral rights in the said work.

mail@lexorbis.com | www.lexorbis.com

2. TV9 vs. YouTube: Copyright Clash in the Digital Arena

Case: Associated Broadcasting Company Ltd. vs Google LLC & Ors. [CS(COMM) 9/2024]

Forum: Delhi High Court

Order Dated: January 5, 2024

Order: The plaintiff in this suit is in the media and broadcasting services business. It operates several television channels and digital platforms in India under the name and style of "TV9". As part of their digital footprint, the plaintiff carried their digital content, among other things, on YouTube, which is a platform operated by defendant no.1. (Google LLC). Through these digital channels, the plaintiff uploads various news videos on a bouquet of subjects.

Between 2020 -2023, the plaintiff carried certain news programs on the said digital channels relating to various events of natural disasters, viz., the Laura Hurricane in the United States, the ongoing Israel-Hamas war, heavy snowfall in the United States, New York floods, and the 2023 Chinese Balloon incident in the United States etc. The plaintiff used some on-ground footage from online material for the said purpose.

In December 2023, the plaintiff received strike notices from defendants nos. 2 to 5 regarding various videos that had been uploaded on the said digital channels, on the basis that the videos uploaded by the plaintiff contained footage of which defendant nos. 2 to 5 own copyright. The plaintiff responded to these strike notices, and various communications were exchanged between them and defendants nos. 2 to 5 and their legal representatives. Defendant no.1 removed the said videos of the plaintiff from YouTube, as per the plaintiff.

Subsequently, the plaintiff learned that defendants nos. 2 to 5 have initiated copyright infringement proceedings in the United States courts. Thus, the plaintiff approached the Court against an imminent threat of their digital channel being removed from YouTube, potentially on account of a decision that may be taken by the Courts in the United States or otherwise by defendant no.1. Any removal of the said digital channel from YouTube, as per the plaintiff, will naturally cause huge damage to them, considering they are in the business of news dissemination.

Defendant No. 1 stated that presently, the plaintiff's digital channel on YouTube has not been removed, although some infringing videos have been removed by Defendant No. 1 and some by the plaintiff. In view of the above, the Court held that there is no urgency to pass protective orders in favour of the plaintiff at this stage.

3. Judicial Precision: Delhi High Court Halts Unauthorized Dental Products in Ex-Parte Injunction

Case: Huwais IP Holding LLC & Anr vs Waldent Innovations Private Ltd. [CS(COMM) 8/2024]

Forum: Delhi High Court

Order Dated: January 5, 2024

Order: This case was filed by the Plaintiff under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 ("CPC") seeking an order for temporary injunction restraining the Defendants from using the Plaintiff's copyrighted works and any other activity amounting to copyright infringement of the Plaintiffs copyrighted works.

Plaintiff nos. 1 and 2 are companies that own trademarks and copyrights, respectively, in products developed by Dr Salah Huwais, a practising and well-renowned periodontist in Michigan, United States of America. Dr Salah Huwais invented the osseodensification and osteotomy procedure, in which a universal drill can employ a unique and proprietary bur attachment for dental implants. Dr. Salah Huwais is the inventor of the "Densah® Bur technology" and has been granted patents worldwide for the procedure.

Plaintiff No. 1 is a company that owns the trademarks, and Plaintiff No. 2 regularly publishes various types of informative content, such as brochures, catalogues, manuals, etc., on both online and offline platforms regarding the said procedure utilising the Densah Burs Technology. In respect of this, certain marks, "VS8", "VT5", and "VT8", were adopted in respect of dental products, and the said marks have been registered in numerous jurisdictions across the world, including India, the United Kingdom, the United States of America, China, Japan, etc.

In April 2021, plaintiffs learnt about the allegedly illegal activities on the defendant's website, www.waldent.com, where the latter had displayed dental burs for sale, advertisement and promotion, which were the exact replica of the dental burs manufactured by the plaintiffs using their proprietary technology. The said products were listed as "Waldent Universal Osseodensification Burs Kit" ("impugned products"). The plaintiffs contacted the defendants with infringement notices, under which the listing of the impugned products was taken down.

Subsequently, plaintiffs again found a listing of the impugned product on an e-commerce platform, namely, DentalKart and various social media platforms. Pursuant to a demand notice dated 9th June 2021, an email was sent by the defendants acknowledging receipt of the notice and confirming that they have removed the listing of the impugned product. The same was followed by another notice by the plaintiffs dated 30th June 2021 regarding the availability of the impugned product on an e-commerce platform – Dentisthub. The defendants again complied with the request and provided a declaration on 13th August 2021 acknowledging the plaintiffs' rights.

Subsequently, there were further incidents in October 2021 of listing the impugned products on the e-commerce website Dentist Hub India, and the defendants were directed to take down the same. In March 2023, another listing of the impugned product was found on defendant no. 1's own website 'www.waldent.com'. Consequently, plaintiffs wrote to the defendants on 10th March 2023, reminding them of their declaration executed by them and requesting them to remove the listing. Defendants replied through an email dated 17th March 2023 stating that they are removing it from the website.

However, since it was not removed, another communication was sent on behalf of the plaintiffs, to which a response was received on 2nd May 2023 from the defendants stating that they had recently removed the impugned product from their website and assuring that they were taking the matter seriously. The email stated that "our team conducted a thorough review of our website, and they identified the item in question as potentially problematic. As a result, we have taken the necessary step to remove it from our website."

Despite this exchange of communication and undertaking given by the defendants, the plaintiffs pointed out listings of the impugned products on www.surgeonmart.com and www.medisavehealth.in. Furthermore, the description of the impugned products on www.surgeonmart.com mentioned that "Dr. Huwais in 2013 developed a non-extraction technique, with specially designed burs and increase bone density by expanding an osteotomy site".

After hearing the Plaintiff, the Court opined that the plaintiffs had made out a strong prima facie case for the grant of ex-parte ad-interim injunction in their favour; the balance of convenience also lies in their favour considering that the defendants, despite their acknowledgements, had not taken steps to remove the listings for the impugned product. The conduct of the defendants will naturally cause irreparable harm to the plaintiffs.

Accordingly, the Court restrained the defendants, its Directors, their agents, affiliates, partners, stockists, representatives, etc., from using the plaintiffs' registered marks and/or any other mark identical or deceptively similar to the plaintiffs' aforesaid trademark and any permutations/combinations thereof, in any form or manner, amounting to infringement and passing off, till the next date of hearing. The Court further directed the defendants, their directors, promoters, etc., to remove the listings of the impugned product from their website or any other media on which the same had been listed.

Defendants are further restrained from directly or indirectly copying, communicating, reproducing, launching, manufacturing, supplying, distributing and/or dealing in any manner whatsoever in connection with the distinctive shape of the Densah Burs and Densah Bur Kits and/or any shape identical with or deceptively similar to the distinctive shape thereof and/or any other activity amounting to passing off of their goods/services as that of the plaintiffs' till the next date of hearing.

4. Delhi High Court Restricts Singer 'Bohemia' from Producing Sound Recordings with Third Parties Without Prior Approval from Saga Music

Case: Saga Musica Private Limited vs Roger David and Ors. [CS(COMM) 44/2024]

Forum: Delhi High Court

Order Dated: January 16, 2024

Order: The Plaintiff filed this application under Order 39 Rule 1 and 2 of the Civil Procedure Code, 1908, in respect of the suit filed by the Plaintiff seeking, among other things declaration that the Plaintiff had rights, title and interest in the literary works, musical works, sound recordings and cinematographic film created/produced by Defendant 1 with exclusively and collaboration with any party during the term of agreement dated 15-12-2019 and addendum dated 05-01-2021, and permanent injunction restraining defendants and all other persons acting on his behalf and for him from infringing the copyright which accrued to the benefits of Plaintiff by virtue of the above-mentioned agreements.

The Plaintiff is the owner of a music label, "Saga Music", a company incorporated in India that claimed to be a music brand in the Punjabi music and film industry and enjoyed substantial goodwill and reputation in the market. Defendant 1 was a singer, songwriter and music composer working under the screen name "Bohemia" in the Punjabi Music Industry and a resident of the USA. Defendants 4, 5, 6, 7, and 8 were other music producers/studios that Plaintiff alleged to be in violation of the above-mentioned agreement and had produced certain sound recordings and albums with Defendant 1 and disseminated the same.

Plaintiff submitted that as per the agreement dated 15-12-2019, titled "Exclusive Talent Engagement Agreement", Defendant 1 had agreed to work with Plaintiff for future projects on terms and conditions as stated in the agreement. The agreement's terms provided that Defendant 1 would be exclusively engaged with

mail@lexorbis.com | www.lexorbis.com

Plaintiff for 45 months, and during the said term, he must perform, sing, and act for Plaintiff exclusively and not for any third party/parties worldwide.

Further, the agreement stated that if any third party wished to engage Defendant 1, it would contact Defendant 1, who would, in turn, contact Plaintiff, and the deal would be routed through Plaintiff only. Further, Plaintiff would manage any performance in the world by Defendant 1 during this term, and the revenues would be mutually distributed between the parties as agreed. Defendant 1 agreed that Plaintiff would be the sole and exclusive owner of all Intellectual Property Rights, including copyright in the songs and performances of Defendant 1, which he would perform during the term of the aforesaid agreement.

An Addendum was executed between the parties, which altered certain deliverables and payment terms. However, the essential agreement relating to Intellectual Property Rights remained unchanged. It was stated in the plaint that Defendant 1 failed to abide by the terms and conditions of the agreement and failed to make any performance or deliver any sound recording or visual recording to Plaintiff, despite an advance payment having been made to Defendant 1.

There were various incidents of breach by Defendant 1 of the express terms of the agreement, including not updating Plaintiff regarding his musical tours and releasing multiple audio songs on YouTube Channel. Defendant 1 continued to release songs by collaborating with other labels, particularly Defendants 4, 5, 6, 7, and 8, without taking written approval from Plaintiff or routing the deal through Plaintiff. Plaintiff, therefore, lost the ability to monetise the performances despite categorical clauses in their favour in the agreement.

On 27-08-2021, Defendant 1 served a legal notice to Plaintiff claiming that Plaintiff did not perform his part of the agreement and was supposed to make payments to Defendant 1, which have not been paid. Therefore, Plaintiff's counsel submitted that there was no basis for lack of performance on Plaintiff's part, whereas, on the other hand, there were serious and continued breaches by Defendant 1.

It was further submitted that Defendant 1, with an implied reference to Plaintiff, was posting defamatory content relating to his contract with Plaintiff on social media, which invited adverse comments specifically targeted at Plaintiff. It was contended that despite non-performance on his part of the agreement by Defendant 1, Plaintiff was subjected to disparagement and adverse comments, which had caused him irreparable harm in the music industry. The Court opined that Plaintiff had made out a prima facie case for ex-parte ad interim relief as the balance of

mail@lexorbis.com | www.lexorbis.com

convenience lies in favour of Plaintiff and irreparable damage would be caused in case certain directions were not passed in Plaintiff's favour.

Thus, the Court restrained Defendant 1 from engaging with third parties/entities to make any sound recording/cinematographic film/musical work created by Defendant 1 and any performance by Defendant 1 without the prior written approval of Plaintiff. The Court further restrained Defendants 1, 2, and 3 from posting, uploading, sharing, e-sharing, and publishing or causing defamatory, disparaging, misleading posts against Plaintiff on any social media or digital platform.

5. PPL Refuses to Consent to the Use of Sound Recordings at Wedding Parties

Case: Canvas Communication vs Phonographic Performance Limited [CS(COMM) 77/2024]

Forum: Delhi High Court

Order Dated: January 25, 2024

Order: In the recent case of Canvas Communication vs Phonographic Performance Limited, the Plaintiff, relying on the notification issued on 24.07.2023 by the Department for Promotion of Industry and Internal Trade (DPIIT), filed an application seeking a decree of declaration declaring that the use of sound recording does not amount to infringement of the Defendant's Copyright.

The Plaintiff is an event management company for the purpose of its business had applied for a No Objection Certificate (NOC) requesting the Defendant for the use of its sound recordings, to which the Defendant refused. Correspondingly, the Plaintiff approached the court stating that playing music at wedding functions would not amount to copyright infringement as the same is exempted under Section 52(1)(za) of the Copyright Act, which also includes within its ambit "a marriage procession and other social festivities associated with marriage". Furthermore, according to the Plaintiffs, the "Cocktail Party" and "Sangeet" qualify as "social festivities associated with a marriage" and are thus protected by the exemption.

The Defendant, in its defence, referred to a judgment by a Single Judge of the High Court of Punjab and Haryana in **Novex Communications Private Limited v. Union of India and Anr**, where a similar notification dated 27.08.2019 was quashed. The Senior Counsel for the Defendant argued that the exemption was only for bona fide religious ceremonies, which, in his perception, does not include associated wedding functions: Pre-wedding sangeet and cocktail party.

The Court, after hearing the contentions of both the parties, ordered Plaintiff to deposit 1 Lac Rupees on account of Defendant for the purpose of balancing the

mail@lexorbis.com | www.lexorbis.com

equities. Defendant, on the contrary, stated that the said amount should be paid to Defendant instead of being deposited in the Court and would pay the interest if Plaintiff succeeds in the suit.

The Counsel for Plaintiff also asserted the cost of legal proceedings subject to final adjudication. The confirmation letter for issuance letter shall be issued by the Defendant post deposit being made by the Plaintiff.

mail@lexorbis.com | www.lexorbis.com

6. Phonographic Performance Limited vs Apparel Group India Private Limited: Interim Injunction for Copyright Infringement

Case: Phonographic Performance Limited vs Apparel Group India Private Limited [CS(COMM) 147/2024]

Forum: High Court of Delhi

Order Dated: February 16, 2024

Order: The Plaintiff- Phonographic Performance Limited, filled this application seeking an interim injunction against the defendants and all those acting on their behalf from exploiting, using the Plaintiff's copyrighted works in repertoire available on the Plaintiff's website https://www.pplindia.org/songs at any of its premises including but not limited to the list of outlets which have been made a part of the documents of the present suit, which amounts to infringement of the Plaintiff's copyright.

The Plaintiff is one of the oldest collecting organisations in the world, and it was initially known as the Indian Phonographic Industry (IPI). The Plaintiff is engaged in issuing licences for public performance/communication to the public of sound recordings based on exclusive rights granted to it by its member record labels, i.e., owners of copyright in sound recordings.

The Plaintiff asserted ownership and control over the public performance rights of 350+ music labels, encompassing more than 4.5 million international and domestic sound recordings. As the country's oldest and largest collecting society, the Plaintiff represents approximately 80% to 90% of all sound recordings ever created in the country. The ownership of copyright in sound recordings was established through assignment deeds executed by member companies under Section 18 of the Copyright Act of 1957.

Additionally, the Plaintiff holds a significant share of the total sound recordings in international and domestic music, representing major record labels. With nonstop licensing activities since 1941, the Plaintiff was a registered Copyright Society under Section 33 of the Act. After the amendment to the said Act, it has re-registered itself since 2014 and is conducting the business of licensing under Section 33(1) of the Act.

Furthermore, the Plaintiff issues licenses under Section 30 of the Act for communication/public performance and facilitates licensees' use of its entire repertoire. The list of sound recordings for which Plaintiff has copyright is available on Plaintiff's website, https://www.pplindia.org/songs, which provides express notice of Plaintiff's rights in the sound recordings to any legitimate user.

The Plaintiff's grievance was against the defendants, who were playing the sound recordings for which the Plaintiff owns rights at various stores.

Plaintiff discovered that the defendants were exploiting the sound recordings owned by Plaintiff in their various premises; Plaintiff sent an email on 16th May 2023. The plaintiff and defendants communicated from May 2023 to November 2023, but then the defendants stopped responding and did not take a license from the Plaintiff. On 25th January 2024, Plaintiff's representatives found that the defendants continued using sound recordings of Plaintiff at its premises.

Plaintiff contended that by seeking to exploit Plaintiff's copyrights without any licence and in an unauthorised manner, defendants are indulging in acts of infringement. He pointed out various previous orders of this Court where the Plaintiff's rights had been protected and injunction orders had been passed.

In view of the above, the Court was satisfied that the Plaintiff has made out a prima facie case for the grant of an ex-parte ad interim injunction. The Court stated that the balance of convenience lies in favour of the Plaintiff; the plaintiff is likely to suffer irreparable harm in case the injunction, as prayed for, is not granted.

Accordingly, till the next date of hearing, the Court passed an ex-parte ad interim injunction against the defendants. Defendants, their directors, partners or proprietors, and any other person working for and on their behalf are restrained from exploitation/ use of Plaintiff's copyrighted works in the repertoire available on Plaintiff's website https://www.pplindia.org/songs at any of its premises, including but not limited to the list of outlets that has been made a part of the documents of the present suit, which amounts to infringement of Plaintiff's copyright.

7. Legal Battle Unravelled: The Story Behind 'Dear Jassi'

Case: T-Series v. Dreamline Reality Movies, Mohali [FOA No. 6386 of 2023]

Forum: High Court of Punjab and Haryana

Order Dated: February 22, 2024

Order: In the recent legal clash between **T-Series and Dreamline Reality Movies, Mohali [FOA No: 6386 of 2023]**, an appeal was filed by T-series challenging the order dated November 23, 2023, passed by the Additional District Judge, Ludhiana, restraining them from producing, telecasting, selling, or releasing the movie 'Dear Jassi' till the final decision. The High Court of Punjab and Haryana at Chandigarh set aside the impugned order, vacating the stay on the release of the said film since Dreamline Reality Movies could not prove a prima facie case in their favour.

T-series intended to produce a film, "**Dear Jassi**," about the life story of Jaswinder Kaur Sidhu @ Jassi. For that purpose, T-series purchased the book's rights from a Canadian writer, Mr. Fabian Dawson (writer), for an authorisation fee of about 5000C$. At the time when T-series intended to release the movie "Dear Jassi", Plaintiff no. 1 claimed to have purchased the rights to produce the film from Respondent no. 5 Sukhwinder Singh @ Mithu, the husband of Jaswinder Kaur, filed a suit for injunction against appellants from exhibiting the film.

The respondents claimed that Dreamline Reality Movies entered into an agreement with Jaswinder Kaur's husband before the appellants produced the film. Since the husband's story was also involved in the film, T-Series could not make a film without his permission. Dreamline Reality Movies claimed to have a copyright over the story of Jaswinder's husband. While the suit was still pending, an application for an interim injunction restraining T-Series from exhibiting the film was also filed, which was allowed and impugned in the case.

The Appellants claimed that they had obtained the legal rights to the film from the original owner of the intellectual property rights of the book, which inspired the film. They argued that since the story of Jaswinder Kaur was already well-known and had been the subject of several movies, the information they used in their film was already in the public domain. Additionally, they obtained the rights specifically from the author of the book. Further, they argued that the respondents had no right to claim copyright over common human behaviour already in the public domain. To support their argument, they cited Section 13 of the Copyright Act of 1957, which states that copyright protection exists only for completed intellectual works. The Appellants also pointed out the delay in raising objections, as the film was already completed before any objection was made.

In response, Respondent No.1 argued that the film depicted the life story of Jaswinder Kaur, the wife of Respondent No.5. They claimed that the film involved some parts of Respondent No.5's life story as well, for which they had obtained permission through a prior contract. They contended that while some parts of Jaswinder Kaur's life were public knowledge, the details of her relationship and the love story with respondent No.5 were not and thus required permission. They argued that only they had the right to make the film, as they had purchased the life story rights from respondent No.5. They defended the timing of the lawsuit filing, stating there was no delay, and countered the argument that copyright extinguishes with the death of the person by stating that respondent No.5 was still alive.

Court’s Ruling

The Court stated that the Copyright Act of 1957 defines various terms such as 'artistic work', 'author', 'cinematograph film', 'infringing copy', 'producer', and 'work'. The Act also specifies the works in which copyright subsists and the meaning of copyright. The Court clarified that in order to claim copyright over any material, it must qualify as an existing work created with intellectual effort and creativity. A mere idea or fact, without any effort by a person to convert it into a work, cannot be considered a 'work' that can be copyrighted. Copyright infringement only occurs when there is a reproduction, copying or performance of a 'work'. Therefore, the Court opined that no infringement can be claimed unless a pre-existing work is created by the person claiming copyright by investing his creativity, intelligence or effort. In this context, Sukhwinder Singh's life story alone doesn't qualify for copyright as he had not created any work.

Dreamline Reality Movies claimed to have purchased rights to produce a film based on Sukhwinder Singh's story, but the Court considered this ineligible for copyright protection. On the contrary, T-Series claimed the right to make a movie based on a book containing Jaswinder Kaur's story, which incidentally included parts of Sukhwinder Singh's life. The Court affirmed T-Series' legal right to produce such a film, noting that the story of Jaswinder Kaur, including her tragic murder, had already been widely documented in court records and media publications, rendering it part of the public domain.

The Court cited legal precedents, namely Krishna Kishore Singh v. Sarla A. Saraogi and Ramgopal Varma v. Perumalla Amrutha and found no prima facie case favouring Dreamline Reality Movies. Additionally, the Court highlighted that the lawsuit sought to restrain T-Series from producing a film based on Jaswinder Kaur's story, not Sukhwinder Singh's. Since Jaswinder Kaur had passed away without leaving any published or unpublished works, her legal heirs could not claim copyright over her story.

Furthermore, the Court examined the assignment of rights claimed by Dreamline Reality Movies from Sukhwinder Singh. It clarified that under Section 18 of the Copyright Act, only existing copyright in an existing work could be assigned, which was not the case here.

The Court also addressed Sukhwinder Singh's right to privacy, asserting that he lacked celebrity or publicity rights that could be commercially exploited. It emphasised that the right to privacy encompasses aspects intrinsic to one's existence and unique personal choices but does not extend to every aspect of personality. Consequently, the Court allowed T-Series' appeal and overturned the trial court's order dated 23-11-2023.

In this matter, the judiciary's decision to set aside the injunction against T-Series and allow the release of 'Dear Jassi' signifies not only a victory for creative freedom and intellectual property rights but also a precedent-setting ruling that defines the boundaries of copyright protection in the realm of biographical stories.

8. Delhi High Court Grants Relief to Yash Raj Films in Bikramjeet Singh Bhullar vs Yash Raj Films Pvt Ltd & Ors.

Case: Bikramjeet Singh Bhullar vs Yash Raj Films Private Limited & Ors [CS(COMM) 483/2022, I.A. 14869/2022, I.A. 1127/2024 & I.A. 1972/2024]

Forum: Delhi High Court

Order Dated: February 22, 2024

Order: In a recent copyright infringement suit filed by Bikramjeet Singh Bhullar (hereinafter referred to as "the Plaintiff") against M/s Yash Raj Films Private Limited (hereinafter referred to as "the Defendant"), the Delhi High Court (hereinafter referred to as "the Court") vide its order dated February 26, 2024, directed the Registrar General of the Court to release INR One Crore earlier deposited by the Defendant along with interest accrued in favour of the Defendant.

The instant suit was filed by the Plaintiff seeking an injunction against the Defendant from making, producing, distributing, broadcasting, communicating to the public, adapting, telecasting, exhibiting in theatres, and/or on television and/or online platforms (including any 'OTT platform' or other streaming platforms), the impugned film titled "*Shamshera*", or any part(s) thereof, or any other similar work, so as to amount to infringement of Plaintiff's copyright in the literary work '*Kabu na chhadein Khet*' (hereinafter referred to as "the Plaintiff's work").

The plaintiff's work was conceived around 2006, which he set out in writing. It is stated to be a fictionalised period drama set around the 18th Century. In the year 2008, Plaintiff's work condensed into a short cinematography film having a runtime of 10 minutes, written and directed by the Plaintiff, wherein the story created by the Plaintiff was set in the 19th Century. In October 2008, the film was screened at the Spinning Wheel Film Festival, Toronto, under the title 'Kabu na chain *Khet*'. Plaintiff continued to flesh out the work further and wrote a full-fledged story/script/screenplay, which was then registered with "The Film Writer's Association".

mail@lexorbis.com | www.lexorbis.com

The suit was filed on the premise of the trailer of the impugned film, which was released on YouTube, and thereafter, upon theatrical release, Plaintiff alleged that the impugned film was copied and plagiarised as it has substantial similarities with Plaintiff's work. The Defendant sought relief from the Court for the release of the film on the OTT platform, citing that it would lead to a breach of contractual obligations with third parties and that it would likely face irreparable injury.

On the other hand, if the Plaintiff succeeds, it can always be monetarily compensated. However, the Plaintiff opposed the release of the film on OTT on the grounds of infringement of copyright subsisting in its literary work by making a substantial reproduction as well as breach of confidence as Defendants No. 2, 5 and 6 admittedly had access to Plaintiff's entire literary work, which was evident from the host of correspondence placed on record by the Plaintiff.

The Court vide its order dated August 18, 2023, balanced the equity between the parties by allowing the Defendant to release the impugned film on the OTT platform on condition of depositing INR One Crore with the Registrar General of the Court and in the event of failure to deposit by the date fixed by the Court, an injunction would operate on its release.

However, vide judgment dated October 10, 2023, the Court held that there were more dissimilarities between the script of the impugned film and Plaintiff's work, and the similarities were insufficient to constitute copyright infringement. Therefore, the court rejected the interim relief, passed an order in favour of the Defendant and dismissed the application made by the Plaintiff under Order XXXIX read with Rules 1 & 2 of the Civil Procedure Code, 1908.

The Court, while rejecting the interim injunction in its judgement dated October 10, 2023, reiterated what has been held by the Hon'ble Supreme Court in *R.G. Anand v. Delux Films and Others ((1978) 4 SCC 118)*, that there is no copyright in ideas and copyright can only be claimed in the expression of the ideas as also that there must be a substantial similarity between the two rival works for the Plaintiff to claim copyright infringement. However, in the present case, the ideas in the script of the Plaintiff cannot be given copyright protection, more so in the stock elements. A comparison of the script and the impugned film does not leave an impression that one is a substantial copy of the other.

After the dismissal of the interim injunction by the Court, the defendant submitted that since no prima facie assessment was made in favour of the plaintiff, the amount deposited by the defendant should be released. The Defendant filed an application for the formation of a confidentiality club formation in terms of Rule 19 of the Delhi High Court Intellectual Property Rights Division Rules, 2022 ('IPD

Rules') and submitted that the revenue of the impugned film 'Shamshera' should not be disclosed in public and should be allowed to file in a sealed cover to protect the interest of the Defendant in the event, the Plaintiff was not successful in the suit.

The Court accordingly, after hearing all parties, directed the Registrar General of the Court to release the amount of INR One Crore deposited by the Defendant along with interest to the Defendant and constituted a Confidentiality Club to gain access to contents of the figures filed in sealed cover. The Court further held that since the revenues of the impugned film will have a bearing at the time of assessment of damages if the suit is determined in favour of Plaintiff.

9. Protecting Intellectual Property Rights in E-Commerce: A Case Study of Copyright Infringement and Consumer Protection

Case: Abhi Traders vs Fashnear Technologies Private Limited [CS(COMM) 180/2024]

Forum: High Court of Delhi

Order Dated: February 29, 2024

Order: The present suit was filed by the plaintiff, Abhi Traders, for copyright infringement and passing off, and other reliefs, including damages against defendants who were advertising, publishing, and offering for sale the garments, which were a complete copy of the plaintiff's garments and were also misusing the photographs and images in which plaintiff owned rights. The Delhi High Court held that the plaintiff had made a case for the grant of an ex-parte ad-interim injunction, and it was also in the interest of the consumers that such look-alike products were not permitted to be sold. The Court thus prohibited Defendants 2 to 9, along with any other sellers showcasing their products on the Meesho.com platform, from reproducing, copying, publishing, or imitating any designs of the plaintiff's clothing. This injunction also extended to the prohibition against reproducing any images related to the plaintiff's products, including photographs.

Background

The plaintiff was a retailer of clothing items for men and women, selling it under the mark "IBRANA” . They offered for sale and advertised their goods on various E-Commerce platforms like Flipkart and Defendant 1’s platform ‘www.meesho.com’ (‘Meesho'). The said products were advertised and promoted through photographs over which the plaintiff's copyright subsisted. Defendant 1, Fashnear Technologies (P) Ltd, was the company that runs 'www.meesho.com'. Defendants 2- 9 were alleged to be unlawful and unauthorised operators who used the plaintiff's copyrighted pictures and photographs and sold their counterfeit goods on the online platform owned, managed, and administered by Defendant 1.

The plaintiff submitted that it was the sole manufacturer, promoter, marketer, and seller of the products listed under its copyrighted pictures, and therefore, the question of genuine reselling or authorised reselling did not arise. It was also submitted that it did not authorise Defendants 2 to 10 to use any photographs of its products over which they had copyright. The repeated misuse of the plaintiff's copyrighted photographs, published on Defendant 1's platform, showed that Defendants 2 to 10 were riding upon the goodwill and reputation of the plaintiff and making unauthorised gains.

Plaintiff submitted that Defendants 2 to 10 were not only replicating the plaintiff's products but were also using identical photographs for marketing purposes and deliberately pricing their goods lower to inflict financial harm on the plaintiff. Despite the inferior quality of Defendants 2 to 10 products, their external appearance was remarkably similar to that of the plaintiff's offerings, creating a deceptive semblance of equivalence that misleads consumers.

Plaintiff submitted that Defendant 1 was under an obligation to publish contact details of all sellers on its platform under Rule 5(3)(a) of Consumer Protection (E-Commerce) Rules, 2020 ('2020 Rules'). Defendant 1 provided no contact information on its website during the transaction process. The omission of essential contact information, combined with the failure to respond to legitimate requests for transparency regarding the entities involved in the sale of counterfeit goods, suggested that Defendant 1 was complicit in the activities of Defendants 2 to 9. Such conduct contravened the legal obligations incumbent upon e-marketplaces and implicated Defendant 1 in aiding and abetting other defendants in their infringing activities. Thus, Defendant 1's operations violated the regulatory framework established for e-commerce platforms, disqualifying it from availing itself of the specific immunities provided under Section 79(1) of the Information Technology Act, 2000.

Court’s Analysis and Decision

The Court opined that a prima case was established as the defendants were egregiously exploiting the plaintiff's product images, listing visuals, and product designs for their financial gain, leveraging the plaintiff's reputation. Such sellers were unequivocally not entitled to replicate the plaintiff's photographs, images, or product designs, thereby harming the plaintiff.

The Court acknowledged the pivotal role of e-commerce platforms in offering new opportunities for small designers and enterprises. However, it opined that these platforms needed not to be exploited to facilitate the imitation of products and the infringement of intellectual property rights. The production of look-alike products and the misuse of product images that infringe upon the plaintiff's copyrights undermine the integrity of fair trade and competition, warranting intervention to protect the plaintiff's lawful interests.

The Court opined that the E-Commerce platform was also required to ensure that complete details of the sellers were available on the platform so that the consumer was aware of the sellers from whom the product was purchased and the entity listing the product. The 2020 Rules, notified on 23-7-2020, imposed an obligation on the e-commerce platform to give the full geographic address, customer care number, rating, and other feedback about the seller to enable consumers to make informed decisions at the pre-purchase stage.

The Court held that the plaintiff had made a case for the grant of an ex-parte ad-interim injunction, and it was also in the interest of the consumers that such look-alike products were not permitted to be sold. The Court opined that irreparable harm would be caused if the injunction was not granted, as on online platforms and marketplaces, it was extremely easy for sellers to proliferate the images and continue to dupe customers.

The Court thus prohibited Defendants 2 to 9, along with any other sellers showcasing their products on the Meesho.com platform, from reproducing, copying, publishing, or imitating any designs of the plaintiff's clothing. This injunction also extended to the prohibition against reproducing any images related to the plaintiff's products, including photographs. The Court directed Defendant 1 to reveal all the available details of the sellers, including the address, mobile numbers, email addresses, total sales made by the sellers, GST details, and payments made to the sellers since the time listings were put up.

10. Delhi High Court Orders Takedown of Copyrighted Content: Crackdown on Rogue Cyberlocker Websites

Case: Warner Bros. Entertainment Inc. & Ors vs Doodstream.Com & Ors [CS(COMM) 234/2024 & I.A. 6322/2024]

Forum: High Court of Delhi

Order Dated: March 18, 2024

Order: This application was filed by plaintiffs seeking a decree of permanent injunction against Defendants 1 to 3, its operators, owners, partners, and all others acting for/on their behalf in any manner facilitating uploading, hosting, streaming, reproducing, distributing, making available to the public through their platforms/websites any cinematographic work/content/programme in relation to which plaintiffs own the copyright and other attendant reliefs.

The Delhi High Court directed rogue cyberlocker websites to take down all listings of copyrighted content of Plaintiffs 1 to 8, i.e., Warner Bros. Entertainment Inc., Amazon Content Services LLC, Columbia Pictures Industries, Inc., Disney Enterprises, Inc., Netflix US, LLC, Paramount Pictures Corporation, Universal City Studios Productions LLP, and Apple Video Programming LLC.

Plaintiffs were amongst the leading entertainment companies known for creating, producing, and distributing motion pictures and cinematograph films, which constituted plaintiffs' protected works under the Copyright Act of 1957, over which they had exclusive rights. Plaintiffs submitted that no other entity could, without license and authorisation from them, upload, stream, disseminate, or communicate their content in any manner whatsoever through any transmission platform, including the internet.

Plaintiffs' grievance was against Defendants 1 to 3, Doodstream.com, doodstream.co, and dood.stream respectively, who claimed that they were 'rogue cyberlocker websites'. Plaintiffs submitted that these rogue cyberlocker websites provided an infrastructure specifically designed to incentivise hosting, uploading, storing, sharing, streaming, and downloading of copyrighted material unauthorizedly ('illegal content'). Defendant 4 was the 'server' of Defendants 1 to 3, which facilitated the storing and dissemination of illegal content. The plaintiff submitted that these rogue cyberlocker websites had created platforms that allowed users to sign in and create their own dashboards through which they were permitted to upload content. The said content then became part of a 'library of content', which allowed a global search to access it by other viewers. The plaintiffs stated that a massive amount of infringing content, on which they had exclusive rights, was uploaded by users on the defendants' websites.

The Court, after noting that the defendants were ready to comply with the complete takedown in the entirety of plaintiffs' infringed material exhaustively and completely from their platforms, issued the following directions:

- Defendants 1 to 3, 5, and 6 should take down all listings of plaintiffs' infringing contents, which will be communicated to them in writing/email through counsel for plaintiffs. This communication would be inter-se counsel, i.e., from plaintiffs' counsel to defendants' counsel so that it was responsibly received and promptly executed;
- Defendants 1 to 3, 5, and 6 should disable all features that allowed the regeneration of links and reuploading of infringing content post takedown inter alia the features like removal of the "generate link" and "disable download link (protected option)" tabs; and
- Defendants 1 to 3, 5, and 6 should file an affidavit disclosing revenues generated, duly certified by Chartered Accountant, from the time of launch of said websites till date. The Court allowed plaintiffs to monitor the takedown of their infringing listings, which they had communicated in the past and would communicate hereinafter to defendants.

mail@lexorbis.com | www.lexorbis.com

11. Dynamic Injunctions Preventing Rogue Websites from Streaming IPL Matches

Case: Viacom 18 Media Private Limited vs John Doe & Ors [CS(COMM) 254/2024]

Forum: High Court of Delhi

Order dated: March 22, 2024

Order: Viacom 18 Media (P) Ltd. is a company that owns the media rights for various sporting events, including football, badminton, hockey, MotoGP, and domestic and international cricket matches organised by the Board of Control for Cricket in India (BCCI). It also operates several general entertainment channels and regional channels like Colors, Sports 18 1 SD, Sports 18 1 HD, Sports 18 Khel, MTV, MTV Beats, and Nick. The company also owns and operates the online video streaming platform 'www.jiocinema.com' and the mobile application 'JioCinema'.

In June 2022, Viacom 18 entered into an agreement with BCCI for exclusive digital media rights (for the Indian sub-continent) and television rights (for overseas) in relation to IPL Events for a period of five years, from 2023 to 2027. The agreement also granted Viacom 18 broadcast reproduction rights.

It was claimed by the Plaintiff, Viacom 18, that Defendants 2 to 7 were rogue websites that were hosting illegal and pirated content; Defendants 8 to 13 were Domain Name Registrars ('DNRs') of the domain names where the rogue websites were being hosted.

The plaintiff expressed concerns that during the IPL Events, which are renowned as some of the most popular sporting events globally, various websites, including Defendants 2 to 7, may disseminate and communicate cricket matches and segments thereof on digital platforms without authorisation. The plaintiff argued that numerous rogue websites may create mirror sites to continue broadcasting the IPL Events illicitly, even if the original sites were blocked or taken down. To address these concerns, the plaintiff requested a dynamic injunction to protect its

mail@lexorbis.com | www.lexorbis.com

work and prevent unauthorised dissemination or broadcast of matches or parts thereof in the IPL Events.

As per the Court's observation, the plaintiff has acquired the digital broadcasting rights for specific events by investing a considerable amount of funds. Any unauthorised dissemination, telecasting, or broadcasting of these events on different websites and digital platforms could create a significant risk to the plaintiff's revenue streams. These illegal activities could also devalue the plaintiff's extensive investment in obtaining these rights.

The broadcast content, including its footage, commentary, and other composite elements, was fully safeguarded under the Copyright Act of 1957. Any unauthorised use of these elements not only affects the financial returns but also infringes upon the copyright protections accorded to the broadcast content. The court opined that the issue of rogue websites engaging in the piracy of copyrighted content presents a recurring threat, particularly in the lead-up to the imminent IPL Events. These websites have shown a proclivity to illegally broadcast copyrighted works, underscoring the urgency to proactively block their access to such content. As such, judicial intervention is necessary to prohibit these rogue websites from disseminating or communicating any portions of the cricket matches/IPL Events without proper authorisation or licensing from the plaintiff.

The court ruled that the plaintiff had presented sufficient evidence to receive an interim injunction. This was due to the fact that T20 IPL matches are short in duration, and any delay in blocking access to illegal websites could result in significant financial losses for the plaintiff. Such a delay could also cause an irreparable breach of their broadcast reproduction rights. Therefore, it was essential to take swift action to prevent such infringements in order to preserve the plaintiff's investment in broadcasting rights and maintain their copyright protections.

The court issued a restraining order against Defendants 2 to 7 to prevent them or any person acting on their behalf from sharing, hosting, streaming, screening, distributing, or making available for viewing or downloading any part of the IPL Events on any electronic or digital platform without proper authorisation. Additionally, the court directed the Domain Name Registrars (DNRs) to lock and suspend the websites of Defendants 1 to 7.

The DNRs were also directed to provide complete details of Defendants 2 to 7, including email addresses, mobile numbers, contact details, and KYC details. The ISPs/TSPs involved were instructed to block the websites of Defendants 2 to 7 and issue necessary directions for blocking these websites. If any further websites are discovered that are illegally streaming and communicating content over which the plaintiff has rights during the IPL Events, the plaintiff was given the right to communicate the details of such websites to the Department of Telecommunications (DoT) and the Ministry of Electronics and Information Technology (MeitY) for the issuance of blocking orders.

mail@lexorbis.com | www.lexorbis.com

12. Copyright and Renunciation: Legal Implications of a Sanyasi's Literary Works

Case: The Bhaktivedanta Book Trust India vs Www.Friendwithbooks.Co [CS(COMM) 88/2021 & I.A. 78/2023]

Forum: Delhi High Court

Order Date: April 5, 2024

Order: The Plaintiff filed this application under Order XIIIA of the Code of Civil Procedure, 1908 ("CPC") seeking summary judgment in favour of the Plaintiff and against the Defendant. The issue being considered for this application is whether a sanyasi (renunciate) is entitled to own copyright in literary works of his creation.

The Plaintiff, Bhaktivedanta Book Trust India, is a public charitable trust registered under the Bombay Public Trusts Act, 1950. It is engaged in printing, publishing, and distributing books, writings, and speeches of His Divine Grace A.C. Bhaktivedanta Swami Prabhupada ("Srila Prabhupada"), the author/settlor of the Plaintiff Trust.

The Plaintiff claimed that Srila Prabhupada relinquished his worldly possessions, became a sanyasi in 1959, and set out to America in 1965. He established the 'International Society for Krishna Consciousness' ("ISKCON") in the year 1971 in Bombay under the Bombay Public Trusts Act, 1950. Throughout his lifetime, Srila Prabhupada delivered thousands of lectures and wrote innumerable letters and books about his teachings, essentially translations and explanations of ancient Vedic texts and those of the Bhagavad Gita. These books were used as the primary medium to propagate ISKCON, which eventually became a worldwide movement.

Plaintiff Trust was established by a deed of trust dated 30 March 1972 and registered with the Charity Commissioner. Srila Prabhupada was also one of the first three trustees of the Trust. Vide a deed of confirmation dated 15 January 1975, the settlor (Srila Prabhupada) ratified the contents of the trust deed, and the copyright in the works authored by him was assigned to the Plaintiff Trust.

mail@lexorbis.com | www.lexorbis.com

Srila Prabhupada passed on in November 1977. The Plaintiff Trust went on to edit and format his manuscripts, writings, and speeches and publish them as books. The books published by the plaintiff Trust include over 70 volumes based on the writings of Srila Prabhupada. These publications achieved huge renown and success, particularly in their reach across the world, and several hundred versions of the translations of the same are currently being disseminated.

During an anti-piracy sweep, as claimed by Plaintiff, carried out on the internet in December 2020, it transpired that certain websites, such as that of Defendant, www.friendwithbooks.co, were carrying complete copies of some of the books in which copyright vests in Plaintiff Trust. Not having authorised any third party, including the Defendant, to reproduce the books, store them in an electronic format, communicate them to the public, or create sound recordings, Plaintiff filed the instant suit seeking a decree of permanent injunction restraining the Defendant from infringing their copyright under Section 14(a) of the Copyright Act, 1957.

In February 2021, this Court granted an ex parte ad interim injunction restraining the Defendant, its directors, proprietors, principal officers, servants, agents, assignees, representatives, and all others acting for and on its behalf from engaging in or authorising the reproduction of the Plaintiff's books and artworks in any material form, including the storing thereof in the electronic medium, communicating the books (including by way of sound recordings) and artworks to the public, issuing copies of the Plaintiff's books and artworks through any website including the one at www.friendwithbooks.co, or doing any other act amounting to infringement of Plaintiff's copyright in their books and artwork.

Subsequently, pursuant to notice, counsel for the Defendant appeared and stated on instructions that, in compliance with the injunction order, the Defendant took down all references and content relating to the Plaintiff's books, artworks, and sound recordings from all possible media, digital or otherwise, including from their website www.friendwithbooks.co. The statement was taken on record by the Court on 15th February 2024, and the ad interim order of 22nd February 2021 was, therefore, made absolute.

Consequently, the plaintiff pressed this application seeking summary judgment. While counsel for the Defendant had no quarrel or dispute about the relief sought in the suit being awarded in favour of the Plaintiff, a fundamental objection was raised in that a sanyasi, as Srila Prabhupada was, could not own copyright in his works since post renunciation, there could be no ownership of property, as renunciation is akin to a civil death.

mail@lexorbis.com | www.lexorbis.com

This issue requires some deliberation on the respective submissions made by counsel for the Plaintiff and Defendant.

Submissions on behalf of Plaintiff:

The Plaintiff argued that there exists no legal prohibition barring a sanyasi from owning private property, including intellectual property. He contested the notion of 'civil death' in relation to renunciates, clarifying that it typically applies to intestate succession scenarios. Rajagopal referenced legal precedents, such as Swami Dr. Kishore Dass Ji v. State and Anr, to support the claim that renunciates can indeed own and bequeath property. Furthermore, The Plaintiff highlighted a decision by the Madras High Court in Sulamangalam R. Jayalakshmi and Anr. v. Meta Musicals & Ors, which rejected the argument that renunciation by a swami negates copyright ownership, asserting that copyright is governed solely by statutory provisions. He concluded by emphasising that Srila Prabhupada's assignment of copyright to the Plaintiff Trust during his lifetime solidifies the continuation of his rights even after embracing sanyasa.

Submissions on behalf of Defendant:

The Defendant, however, stated that Srila Prabhupada's situation was not akin to that of a swami in a monastic order and, therefore, the transmission of rights from a sanyasi cannot be acceptable under law. He conceded, however, that there was no statutory bar relating to the extinguishment of rights upon renunciation by a swami.

Court's Analysis and Conclusion:

After hearing counsel for both parties and reviewing the evidence, the Court determined that the issue must be evaluated purely within a legal framework rather than through a simplistic understanding of renunciates' rights. Neither counsel cited any law prohibiting renunciates from holding property, leading the Court to rely on judicial interpretation.

A renunciate relinquishes possessions, rights, or claims, akin to the legal concept of "relinquishment," which has implications in property, testamentary, contract, and intellectual property law. Individuals acquire property during their lifetime through various means, and the question arises regarding relinquishing property rights within the recognised legal framework.

Section 21 of the Copyright Act outlines the procedure for relinquishing copyright, but there's no evidence of Srila Prabhupada executing such a relinquishment. Instead, he assigned his rights to the Plaintiff Trust during his lifetime, which aligns with Sections 18 and 19 of the Copyright Act.

The Court reviewed legal precedents, including decisions from the Supreme Court and High Courts, which affirm the rights of ascetics to hold property and copyright. These decisions reject the notion that renunciation automatically extinguishes property rights. The Court emphasised that property rights are only extinguished through a legal process, which didn't occur in this case.

Given the Defendant's acceptance of the injunction and the existence of copyright in Srila Prabhupada's works, the Court found no grounds for the Defendant's defence. The Court ruled in favour of the Plaintiff Trust, decreeing the suit accordingly under Order XIIIA of CPC. The Court granted the Plaintiff's application with no further evidence to be presented and compliance with procedural requirements.

mail@lexorbis.com | www.lexorbis.com

13. Legal Battle Royale: The MYA Copyright Conundrum

Case: Mohd Shakir vs Gopal Traders and Anr [C.O.(COMM.IPD-CR) 699/2022]

Forum: Delhi High Court

Judgment Date: April 8, 2024

Judgment: The Delhi High Court, in a recent Judgment, dismissed a rectification/ cancellation application for the artistic work 

Mohd Shakir ("**the Petitioner**") filed an application under Section 50 of the Copyright Act, 1957 ("**the Act**") for the rectification/cancellation of the artistic work titled "**MYA**"  ("**impugned mark**") registered under No. A-120894/2017 with authorship claimed by Mr. Amit Gupta, Ms/ Gopal Traders, against Ms/ Gopal Traders ("**Respondent No. 1**"). The matter was initially filed before the Intellectual Property Appellate Board and was subsequently transferred to the Delhi High Court ("**DHC**").

The Petitioner herein claims to be the originator, owner, inventor, proprietor and creator of the label mark/artistic work  and also an applicant of the pending device mark  filed in Class 34 dated September 06, 2022.

Respondent No. 1 is the registered proprietor of the device mark  under no.1521433 in Class 31 for *scented supari, sweet supari, mouth fresheners, pan masala and pan chutney* claiming use since April 01, 2010; and in Class 35 for *services relating to distribution, trading and*

mail@lexorbis.com | www.lexorbis.com

marketing of paan, sweet supari, smoking articles etc.; and in Class 39 for *transportation, packaging and storage of smoking articles, hukka, pre-rolled smoking cones, cigar, cigarettes, tobacco products, etc*. Respondent No. 1 is also an applicant/ proprietor of several variants of the trade mark MYA against which objections/rectifications have been filed by the Third Party.

The third party is Mr. Youssef Anis Mehio of Al Zarif, Rachid Nakhle Street, Mehio Building, Beirut, Lebanon and Mya International Sal Off Shore of Zarif-Rashid Nakhleh, Str-Mehio Bldg-Beirut ("**Third Party**") who, since 2005, is the registered proprietor of the device trade mark MYA, in classes 18 and 34 in Australia, EU, China, Lebanon & Indonesia. In India, the third party's mark in Class 34 claiming user since June 05, 2006, is pending registration. The said mark is registered in Australia.

The Petitioner essentially claimed that the impugned mark (applied for copyright registration, by Respondent no.1 on June 06, 2017, claiming first publication of the mark in India in 2010), was not the original work of the Respondent No. 1 but was that of the Third-party.

The Petitioner claimed that Respondent No. 1 is infringing and had blatantly copied the third party's prior adopted, prior used and registered mark, artwork .

The Petitioner claimed that in the Examination Reports of the trade mark applications of Respondent No. 1, the Third Party's mark MYA had been cited wherein Respondent No. 1 had taken a stand that its marks are not deceptively similar and were not being worked in India. The Petitioner claimed that neither had Respondent No. 1, in its defence, mentioned that it was the originator, owner, creator or proprietor of the impugned artwork nor had it served any notice under Rule 16(3) of the Copyright Rules, 1958, upon the Third party who had a valid interest in the work.

The Petitioner stated that in view of the Berne Convention, copyright registration is protected worldwide through its member countries and is valid throughout all the territories. Further, the Petitioner pointed out the difference between trade mark and copyright and stated that a trade mark protects the user and not the creator and is territorial in nature whereas copyright registration transcends boundaries.

However, on January 21, 2021, Respondent No. 1 filed a criminal complaint under Sections 63 and 68A of the Act read with Section 420 of the Indian Penal Code,1860 ("IPC") against the Petitioner on the basis of the impugned registered copyright subsequent to which the FIR was registered.

It is the Petitioner's case that in view of the FIR filed against him whilst relying upon judgments and as per Section 50(b) of the Act, which provides for an application by any aggrieved person for rectification of the register before the High Court to expunge any entry wrongly made in or remaining on the register, that the Petitioner is the *"aggrieved person"* and that the impugned mark should be rectified/cancelled. It is also the Petitioner's case that in view of Sections 13(1)(a) 17(a) of the Act, as well as the Third Party Registrations that were mentioned in the oppositions filed by the Third Party against Respondent No.1's trademark applications, there existed no originality in the impugned mark and that Respondent no.1 cannot claim originality in the said work.

Submissions of the Respondent

It is the Respondent's case that the present petition was not maintainable as the Petitioner did not have a locus and was not an aggrieved person. The Respondent further contended that pursuant to its copyright application, and in view of Section 45 proviso of the Act read with Rule 24(3) of the Trade Mark Rules, 2002, the Registrar conducted a search for any identical/similar marks subsisting on the register of trade mark and upon no result being obtained, the Registry issued a search certificate thereby resulting in the subsequent registration of artistic work in the name of Respondent No. 1.

Respondent No. 1 further contended that the Petitioner, in its opposition against the Third-party's registration applications, had taken a stand that the mark adopted by the Petitioner is an inherently and highly distinctive trade mark that has been openly, extensively and continuously used and that the Petitioner was also originator, owner, inventor, proprietor and creator of artistic work of copyright titled: 'THE MYA' under Copyright Act. Considering that the Petitioner itself was claiming ownership, Respondent No. 1 contended that the Petitioner was estopped from claiming that the Third Party is the author of the artistic work and that such contrasting and conflicting statements would not entitle the Petitioner to relief.

Respondent No. 1 further contended that the Petitioner, in its reply to the Examination Report dated September 22, 2020, had stated that the Petitioner's mark was different from Respondent No. 1's mark, thereby implying that

Respondent No. 1, who had been using the word and device mark MYA and other formative marks since 2010, was the original adopter of the artistic work. Respondent No. 1 contended that the Petitioner adopted MYA in 2019 and had admitted that Respondent No. 1 was the earlier adopter. Respondent No. 1 further submitted that no identical or deceptively similar marks were cited by the Registry in its Search Report and certificate.

Respondent No. 1 also contended that the Third Party was a not party to the present proceeding and that the Petitioner was merely agitating the present issue on behalf of the Third Party. In view of the above, the Petitioner was estopped from objecting to the impugned mark as the Petitioner itself had adopted a mark MYA in a similar manner as well as opposed several applications of the Third party. Respondent No. 1, whilst relying upon judgments, contended that the Petitioner cannot approbate and reprobate considering they had claimed ownership of the said artistic work and now state that the artistic work is of the third party.

Submissions of the Rejoinder

The Petitioner contended that the adoption in 2010 by Respondent No.1 was dishonest as the Third Party had a 2006 prior registration and that Respondent No. 1 had given a contrary reply that it was using its mark since 2019 and the same was not being marketed in India. The Petitioner also relied upon the Ganga Vishnu judgment differentiating between the objection and intention of the Copyright Act and the Trademarks Act and that it was in the interest of the public to have a wrongful entry removed, and that if the mark continued to remain on the register, it would curtail or limit the legal right of the aggrieved person.

The Petitioner also relied upon Mohd. Naseer wherein, it was held that since petitioner and respondent were in the same trade and respondent had launched criminal proceedings against petitioner alleging violation of his mark, the same was enough for petitioner to assail the existence of the registration of their artistic work.

Court Analysis and Order

The Court opined that it was ex-facie clear and incontrovertible that an application under Section 50 of the Act can only be filed by a *person aggrieved* and that rectification can only follow in three situations, namely (a) entry wrongly omitted; (b) entry wrongly made or remaining on the register; and (c) correction of an error or defect in the register. The present case of the Petitioner fell under Section 50(b) entry wrongly made or remaining on the register.

In view of the above, the Court opined that in the present case, the Petitioner had to prove two things, namely that he is a '*person aggrieved'* and that the entry in the copyright register was '*wrongly made*'. The Act, however, provided no definition of the *person aggrieved*, and the Court, whilst placing reliance on the decision of Ganga Vishnu Raheja, observed that as per the Trade Marks Act, a person aggrieved was one against whom infringement action is taken or threatened and also relied on judgments that held that *locus standi* had to be ascertained liberally. The Court held that, in the present case, the Petitioner is an *aggrieved person* on account of the infringement action taken by Respondent no.1. With regard to *wrongly made*, the Court opined that the Petitioner's reliance on the third party trade mark registrations was unsustainable as the third party was not a party to the present proceeding nor was any attempt made by the Petitioner to make the third party a party to the present proceeding. The Court held that:

> *"In the absence of the third party, on whose registrations petitioner seeks to rely upon for asserting that the copyright in favour of respondent no.1 does not exist, there can be no incontrovertible evidence which petitioner can rely upon to prove that the artistic work in which the copyright is registered, was originally authored by the third party or was otherwise rightfully claimed by the third party. Merely relying upon trademark registrations in favour of the third party received in Australia and other countries cannot be undisputed evidence of the fact that the original author or legitimate owner of the copyright in the said artistic work is the third party and no one else. Accepting petitioner's submissions in this regard would amount to rectifying the copyright register on the basis of extraneous and unverified evidence.*"

The Court further opined that reliance on the Berne Convention was not in favour of the Petitioner as the Berne Convention simply attempts to bind all contracting parties to allow seamless protection of copyright and to guarantee rights in protected works. The Berne Convention provides the author of a work to protect its rights irrespective of territorial boundaries. The Court held that in the present case, if, as per the petitioner, the original author in the said artistic work was the Third Party, then it would be up to the Third Party to assert its rights, and the same would be assessed based on the evidence produced by the Third Party.

The Court was also of the view that the Petitioner was standing in multiple boats as the Petitioner had filed oppositions to both the Third Party and Respondent No.1's Indian trade mark applications, and in turn, the Third Party has filed oppositions or rectifications against the Petitioner and Respondent No. 1's applications. The Court was of the view that the inter se slugfest between Petitioner, Respondent no.1 and third party with respect to the mark 'MYA' through oppositions and rectifications could not serve to distil out an inviolable conclusion that the original authorship in the artistic work was that of the Third Party. Therefore, the impugned registrations ought to be rectified and expunged from the copyright register.

The Court further agreed with Respondent No.1's reliance on the judgment of Raman Kwatra regarding the approbation and reprobation by the Petitioner in light of their own trade mark registrations with a similar artistic work.

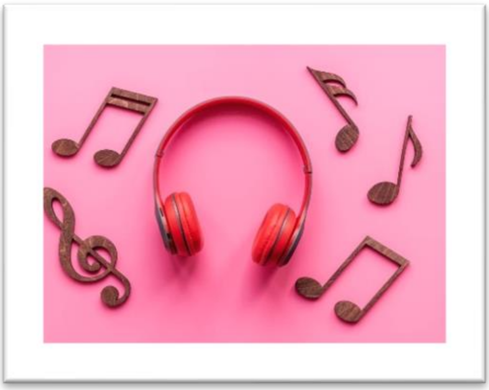
The Court further held that Section 48 of the Act did not prevent any other party from asserting that they are the original authors of the artistic work and that the register of copyrights is only prima facie evidence of particulars entered therein. It would be, therefore, for the third party or any other party that claims authorship to assert their rights and not for the petitioner to take the crutches of a third party's position, that too presumed and in their absence. Accordingly, the petition was dismissed.

14. Balancing Rights: Delhi H.C.'s Ad Hoc Arrangement in PPL vs Pass Code Hospitality

Case: Phonographic Performance Limited vs Pass Code Hospitality Private Limited & Ors. [C.S. (COMM) 267/2024, I.A. 7255/2024]

Forum: Delhi High Court

Order Date: April 10, 2024



Order: In a recent development in the case of Phonographic Performance Limited (PPL) versus Pass Code Hospitality Private Limited & Ors., the Delhi High Court issued an interim order on April 10, 2024, about using copyrighted sound recordings.

The plaintiff, Phonographic Performance Limited, sought permanent injunctions against the defendants, restraining them from using copyrighted works on the plaintiff's website and playing sound recordings at their Food and Beverages (F&B) outlets/restaurants without proper licensing. PPL claims ownership of copyrights in song recordings in its repertoire and issues licenses under Section 30 of the Copyright Act, 1957, to communicate its sound recordings to the public.

The dispute arose when the defendants allegedly exploited sound recordings owned by the plaintiff without obtaining appropriate licenses. Previous legal proceedings in May 2022 resulted in an interim injunction in favour of the plaintiff, followed by a settlement agreement in December 2022. However, disagreements emerged during the license renewal process, leading to the present suit.

The Court heard the contentions of parties where the plaintiff argued for the liberty to determine license rates for their sound recordings. On the other side, the defendant contended that the proposed license fee increase was unreasonable and not legitimate, citing statutory provisions and concerns about monopolistic practices.

After considering the arguments from both parties, the Court devised an ad hoc arrangement to address the immediate need for access to sound recordings while preserving the rights and contentions of both sides. The key provisions of the arrangement include a deposit of ad hoc license fee by the defendant, issuance of a temporary license by the plaintiff, and the retention of a balance amount in an interest-bearing fixed deposit.

This interim solution, although unique to the circumstances of the case, aims to balance the equities between the parties and ensure access to sound recordings pending further judicial proceedings.

The Court has scheduled the next hearing for July 19, 2024, allowing time for additional submissions.

The decision underscores the importance of copyright protection in the digital age and the complexities involved in licensing arrangements, particularly in the entertainment and hospitality sectors.

15. Landmark Intellectual Property Case: Bulgari S.P.A. vs. Prerna Rajpal

Case: Bulgari S.P.A vs. Prerna Rajpal. [CS(COMM) 341/2024]

Forum: Delhi High Court

Order Dated: April 23, 2024

Order: The Delhi High Court has delivered a significant verdict in Bulgari S.P.A. vs. Prerna Rajpal, registered as C.S. (COMM) 341/2024. The case involved alleged copyright infringement and passing off in the luxury jewellery domain.

Background

Bulgari S.P.A., an esteemed Italian luxury brand renowned for its exquisite jewellery, watches, fragrances, and accessories, filed a suit against Prerna Rajpal, trading as 'The Amaris Flagship Store,' alleging infringement of their intellectual property rights. The dispute primarily revolved around Bulgari's iconic collections, namely "SERPENTI" and "B.ZERO1," and a specific product, the "Serpenti Ocean Treasure Necklace."

Plaintiff's Contentions

Bulgari S.P.A. asserted its exclusive rights over the trademark "SERPENTI" and its derivative variations, along with the copyright in the intricate design of the Serpenti Ocean Treasure Necklace. The plaintiff contended that Prerna Rajpal's store substantially replicated Bulgari's designs, infringing upon their copyright and trademarks.

Defendant's Response

In her defence, Prerna Rajpal acknowledged drawing inspiration from Bulgari's designs but denied any similarity between the contested products. However, she assured the removal of SERPENTI-related designs from her platform.

Court's Observations and Order

The court found merit in Bulgari's claims, establishing a prima facie case of copyright infringement and passing off against Prerna Rajpal. The similarity between the contested products and the defendant's acknowledgement of inspiration from Bulgari's designs strengthened the plaintiff's case.

Recognising the potential irreparable harm to Bulgari's brand reputation, the court granted interim injunctions against Prerna Rajpal and her associates. They were restrained from manufacturing, marketing, or selling products resembling Bulgari's copyrighted design and trademarks until further notice.

Conclusion

This ruling sets a precedent for the stringent protection of intellectual property rights, particularly in the luxury goods sector. It underscores the significance of originality and brand integrity, sending a clear message against unauthorised imitation and infringement.

The Bulgari S.P.A. vs. Prerna Rajpal case represents the judiciary's commitment to upholding intellectual property rights and fostering innovation in the commercial landscape. As the legal battle unfolds, it reflects the evolving dynamics of trademark and copyright protection in the digital age, shaping the future trajectory of brand ownership and creative expression.

mail@lexorbis.com | www.lexorbis.com

16. Infringement of Copyright is Arbitrable Issue if Work Developed Under Contract

Case: Wieden+Kennedy India Private Limited V. Jindal Steels and Power Limited [O.M.P.(I) (COMM.) 109/2024]

Forum: Delhi High Court

Order dated: April 24, 2024

Order: A petition filed under Section 9 of the Arbitration & Conciliation Act, 1996 (hereinafter "the A & C Act") was referred to the intellectual property division of Delhi High Court (hereinafter "the Court") since the matter relates to the intellectual property rights of the petitioner. The petitioner, Wieden+Kennedy India Private Limited, is the Indian arm of the advertising agency Wieden + Kennedy Inc.

The petitioner approached the Court seeking restraint on Jindal Steel And Power Limited, the respondent, from sharing or releasing a video titled '*Jindal Steel– the Steel of India*' (hereinafter "the impugned video") on all platforms, including videos, social media or in any manner infringing petitioner's copyright in the ad film campaign which the petitioner prepared under the agreement (hereinafter "Services Agreement") dated May 8, 2023, executed between the parties before the commencement of arbitration.

The petitioner also sought relief for being recognised as the original creator and copyright owner of the impugned video and to further restrain the respondent from disclosing the petitioner's confidential information, i.e., the impugned video, and from creating any third-party rights in the said intellectual property/confidential information.

The respondent previously engaged the petitioner to develop their previous campaigns, which had been successfully executed. In April 2023, the respondent engaged the petitioner to develop another brand campaign, and a Services Agreement was executed between the parties. Under the Services Agreement, the petitioner was required to deliver a television commercial (TVC) / digital film or a series of films using a multiple-film approach. In line with the terms of the

Services Agreement, the petitioner created an ad campaign named "*Jude Raho India*".

Campaign choices and other deliverables as required under the Services Agreement were delivered to the respondent, and it was agreed between the parties thereafter that they should proceed with the "*Jude Raho*" campaign. After several exchanges of emails, the campaign was tailored to the requirements of the respondent. The petitioner requested the release of its overdue payments, and despite several reminders from the petitioner, the payment was not made. It continued its work and sent the "*Steel of India*" film campaign to the respondents. Subsequent to sharing the "*Steel of India*" campaign, the petitioner sent further reminders for its dues to be cleared.

However, the respondent terminated the Services Agreement unilaterally with immediate effect on the grounds that there was a change of team and there were inadvertent delays along with a proposal to pay 15% of the contract price as a one-time settlement. The petitioner immediately raised its concerns, stating that 50% of the project fee was due and further requesting the respondent not to share the petitioner's ideas and scripts with other agencies/partners without the petitioner's prior knowledge.

Despite discussions between the parties, the matter could not be settled, and the respondent agreed to pay only INR 25 lakhs towards a full and final settlement. The respondent launched its campaign "Steel of India" in March 2024, which was created by other filmmakers. The petitioner sent a cease and desist notice calling upon the respondent from playing and disseminating the impugned video and to take it down from all digital platforms, alleging copyright violation as the impugned video was a flagrant reproduction of works which were developed and pitched by the petitioner.

The petitioner contended that it developed the impugned video, including the script, elements, and narrative flow, in the form of a montage video consisting of original works, including script, screenplay, novel elements, unique expressions, and musical themes. Thus, it claimed the authorship and copyright in these works, which included literary works and dramatic works, under Sections 2(1)(h) and 2 (1)(o) of the Copyright Act, 1957.

However, the respondent, in its reply, refuted these allegations, claiming that the petitioner's presentations consisted of broad ideas that are not safeguarded under the Copyright Act. Consequently, the petitioner was constrained to approach the Court before the invocation of arbitration under clause 11.4 of the Services Agreement for interim relief under Section 9 of the A&C Act.

The petitioner's main contention was that it had created the components of the advertising campaign, which were entitled to protection as literary and dramatic works under the Copyright Act, and the said work was created as outlined in the Services Agreement. The petitioner emphasised that the respondent had selected the "*Jude Raho*" theme and relied upon the exchange of written communication. Further, it also submitted that if the respondent rejected the petitioner's work, it could not claim copyright over it. The petitioner contended that the respondent violated its intellectual property and breached confidentiality in violation of the terms of the Services Agreement.

Further, it was submitted by the petitioner that the abrupt termination of the Services Agreement by the respondent was dishonest and *mala fide*, with the sole intention of depriving the petitioner of the copyright of their works as well as a fee under the Services Agreement. The petitioner relied upon *Brand David Communications Pvt. Ltd. & Anr. v. Vivo Mobile India Private Limited & Anr.* where, in similar facts and circumstances, the Bombay High Court had restrained the dissemination of a TVC/advertisement/film so as not to infringe the plaintiff's copyright.

It also relied upon the decision of the Court in *Anil Gupta & Anr. v. Kunal Dass Gupta & Ors.*, where the Court had held that when an idea had been developed, and substantial fundamental aspects of the mode of expression were present in the defendant's work, it would amount to a violation of copyright.

The respondent, on the other hand, contended that there was no question of infringement of copyright of the petitioner as the impugned video, which was already released, had presence of unique characteristics, including the lack of a voice-over, poem, screenplay had not been used, images used were different, the manner in which images were stitched together was different, and theme of montage was not a novelty in the steel industry. The respondent relied upon the Supreme Court's decision in *R. G. Anand v. Delux Films & Ors.* contended that there was no copyright in an idea and that the petitioner had presented merely an idea which had not been converted into an expressed form or crystallised into literary and dramatic work.

The respondent relied upon the scratch films (played in Court) provided by the petitioner and the impugned video to point out the differences between the two. Further, the respondent submitted that the balance of convenience is also tilted in its favour as the respondent had already spent a considerable amount on the production and release of the impugned video, which had been live for some time. The respondent emphasised that an injunction might result in significant financial damage. Since the disagreement between the parties would essentially be settled by financial means, they proposed to deposit INR 50 to establish bona fide before the commencement of arbitration. The respondent also relied upon the Supreme Court's decision in *A. Ayyasamy v. A. Paramasivam* and *Vidya Drolia. & Ors. v. Durga Trading Corporation* to raise an issue of non-arbitrable copyright.

The petitioner, in its rebuttal, relied on the decision of the Court in *Liberty Footwear Co. v. Liberty International* wherein it was held that disputes relating to subordinate' rights in *personam* arising from rights in *rem* are considered to be arbitrable including a claim for infringement of copyright against a particular person even though the larger right arises as a right in *rem*. The petitioner also objected to other contentions raised by the respondent and agitated that if the impugned video were disseminated, it would be bound to cause the petitioner considerable harm since advertising agencies essentially rely upon the reputation they earn from successful campaigns, including various advertising awards which add to their goodwill and commercial reputation.

The Court analysed the matter of arbitrability in accordance with Section 9 of the A &C Act, acknowledging that actions *in rem* are not eligible for arbitration based on the *Vidya Drolia case*. Although intellectual property matters related to trademarks and patents are typically not subject to arbitration because they involve public interests, the Court emphasised that accusations of copyright infringement involving specific people can be resolved through arbitration.

In this instance, the petitioner claimed that the respondent had violated specific terms outlined in the Services Agreement. Thus, the Court observed that the concerns involved specific violations of a contract instead of the underlying registration of intellectual property rights. Thus, the Court held that the issue of arbitrability ought not to arise when the petitioner claims the copyright of works developed as part of the Services Agreement and alleges a breach of various contractual provisions by the respondent. Consequently, the Court directed that the respective rights and contention of the parties were to be raised by the parties in arbitration.

After perusing the documents and hearing the contentions of both parties, the Court observed that the parties were consistently collaborating to develop an ad campaign under the Services Agreement, and there were substantial presentations made for the proposed theme, format, and content of the campaign. The Court noted that subsequent to the presentations, the respondent also made a choice and selection to go ahead with the 'Jude Raho India' theme and thereafter terminated the Services Agreement.

The Court further noted that even after the termination of the Services Agreement, the petitioner did not get the rightful compensation even though the respondent responded to the petitioner's demand for 50% payment on the same day and asked to continue its service. While passing an interim order vide its decision, the Court observed that the impugned video of the Respondent utilised the petitioner's material, for which the petitioner has not been paid anything under the contract.

However, as the campaign had already commenced, the Court, in the interest of justice and equity and without going into the merits of the case of infringement, denied an injunction at this stage and directed the respondent to deposit an amount of Rs. 50 lakhs plus 18% GST, amounting to Rs. 59 lakhs, with the Registry of the Court within 2 weeks from the order. The said amount was directed to be kept in the form of an interest-bearing FDR initially for one year, to be renewed thereafter, and subject to further directions of the sole arbitrator.

However, the Court additionally observed that in the event the said deposit is not made within the period of 2 weeks, as directed, there shall be an ad interim injunction against the respondent restraining them from playing, distributing, publishing the impugned video titled '*Jindal Steel – the Steel of India*' on all platforms including social media, digital platforms, broadcast. The interim directions were passed by the Court till the parties sought relief before the sole arbitrator under Section 17 of the A&C Act.

In conclusion, the decision of the Court strikes a balance between the interests of the parties, keeping the avenue of claiming compensation by the petitioner if the infringement is proven at the time of arbitration and, at the same time, subject to a deposit being made with the Court, allowing the respondent to continue with the dissemination of its ad campaign. This decision reinforces that issue of infringement of copyright rights, which are in the nature of in *personam* arising from rights in *rem*, are arbitrable even though the larger right arises as a right in *rem.*

17. High Court of Delhi Passes Order Regarding Rogue Websites in a suit filed by Warner Bros. Entertainment INC. and Others

Case: Warner Bros. Entertainment Inc. & Ors vs Doodstream.Com & Ors. [CS(COMM) 234/2024

Forum: Delhi High Court

Order dated: May 13, 2024

Order: The High Court of Delhi, on 13th May 2024, issued an order in favour of Warner Bros. Entertainment Inc. and other plaintiffs against the operators of the website doodstream.com. The court passed this order conscious of the issue of piracy that occurs through rogue websites. The restrained defendants are two individuals from Coimbatore, Tamil Nadu, India, who allegedly distributed and transmitted the copyrighted contents of Warner Bros. and others by uploading to the website doodstream.com and others and generating numerous links.

The suit CS(COMM) 234/2024 was filed by plaintiffs for a permanent injunction against defendants who are operators, owners, partners, and all others acting for and, on their behalf, in any manner facilitating uploading, hosting, streaming, reproducing, distributing, making available to the public through their platforms/websites any cinematographic work/content/programme the copyrighted content. On 18th March 2024, the plaintiffs sustained an interim order that directed the defendants to remove the infringing content and disable all features which allow the regeneration of links and reuploading of infringing content.

The defendants' non-compliance with this court order led to the present order. The court initially placed the matter in the Joint register with the assistance of the Director and Joint Director of the Delhi High Court IT Cell. The Joint register observed non-compliance by the defendant's side. The high court, taking regard to the observation of the joint register and hearing both sides, made its order.

The defendants tried to point out their reasons for non-compliance to the court, stating the number of links as one reason that made it difficult to take down all the infringing content. But the court is considering the precedent Universal City Studios LLC & Ors. vs. Mixdrop. Co., CS(COMM) 663/2022, 2023: DHC:3929, where the court ruled of permanently injuncting the defendants from uploading, posting, screening, and distributing the plaintiffs' 5-10 lakhs of copyrighted content available to the public. Thus, the court took the view to restrain the defendants from operating the websites and also restrained them from transferring the infringed contents to third parties or any mirror/ redirected/alphanumerically varying website(s).

This order underscores the Delhi High Court's dedication to safeguarding intellectual property rights and tackling digital piracy head-on. By holding the defendants accountable and implementing strict measures, the court aims to deter similar illegal activities and maintain the integrity of copyright laws. This ruling not only sets a significant precedent for future cases involving digital content infringement but also emphasizes the crucial need for adherence to judicial directives.

mail@lexorbis.com | www.lexorbis.com

18. Invalidation of Copyright for Generic Advertisement Concept

Case: HMD Mobile India Private Limited vs Mr Rajan Aggarwal & Anr. [C.O.(COMM.IPD-CR) 1/2024]

Forum: Delhi High Court

Order dated: May 14, 2024

Order: The Copyright Registry has been directed to remove the copyright registration for the work titled "ADVERTISEMENT," which involved the idea of using "COMING SOON" in a promotional context.

The Petitioner, HMD MOBILE INDIA PRIVATE LIMITED, is a licensee of the NOKIA brand for mobile phones and related accessories. The Respondent No.1, Mr. RAJAN AGGARWAL had obtained Copyright registration No. L-63365/2016 for the work titled "Advertisement". This work involves the use of the "COMING SOON" icon and a company logo on a black screen or paper, presented in television or newspaper advertisements, to create curiosity about an upcoming product or service. The Respondent No. 1 initially filed a suit (CS(COMM) 213/2022) before the District Court in Delhi against the Petitioner, alleging that an advertisement by the Petitioner on YouTube (a Nokia advertisement) infringed his registered copyright. This advertisement was promoting the launch of a Nokia product.

HMD Mobile India inspected the impugned copyright registration and discovered a discrepancy report dated November 19, 2015, which questioned how an idea could be copyrighted. The respondent had not responded to this discrepancy report.

The Petitioner then filed a rectification petition Under Section 50 of the Copyright Act 1957 ("the Act"), seeking to expunge the copyright Registration No. L-63365/2016. The Petitioner argued that the "Advertisement" statement could not be considered an original work and did not meet the standards of originality

mail@lexorbis.com | www.lexorbis.com

required by the Act. They emphasized that, the “COMING SOON” is a common promotional idea that any company can use.

The hon’ble Delhi High Court relied on the case, Informa Markets India Private Limited v. M/S 4Pinfotech And Anr., Where it was held, that a concept or idea cannot be copyrighted if it lacks detailed instructions and its generic in nature. The Court concluded that the impugned copyright registration was merely a generic description of a "COMING SOON" advertisement and did not qualify as copyrightable material.

As a result, the Court directed that the impugned copyright registration be removed from the Register of Copyrights and the Register be rectified within four weeks.

mail@lexorbis.com | www.lexorbis.com

19. Understanding Copyright Infringement through Global Music Junction v. Annapurna Films Pvt. Ltd and Implications of Order XXXIX Rule 2A

Case: Global Music Junction Pvt. Ltd V. Annapurna Films Pvt. Ltd. and Ors. [CS(COMM) 715/2022]

Forum: Delhi High Court

Order dated: May 24, 2024

Order: The case pertains to a dispute between the plaintiff, Global Music Junction Pvt. Ltd., which is a music company that specialises in the production of music entertainment content along with its distribution and monetisation, and the defendant, Mr. Shatrughan Kumar, who is famously known as Khesari Lal Yadav. The defendant is a popular Bhojpuri artist who entered into a production agreement with the plaintiff.

They underwent substantive negotiations and entered into a Production Agreement in June 2021, in which the plaintiff was granted ownership of all the intellectual property rights in the content and songs created by Mr Shatrughan Kumar, the Defendant. The defendant actively committed to creating exclusive content with the plaintiff.

Emerging Differences Lead to Disputes

Disputes emerged between the parties after the agreement, and the parties resorted to signing an addendum that extended the original agreement to September 30, 2025. The monthly song delivery quotas were extended to eight songs per month, and payments were structured on a per-song basis. The defendant was also allowed a 10% annual profit share. Further, the addendum relaxed the exclusivity obligations, but this was conditional to the plaintiff's right of first refusal. The defendant could offer the songs to others only if it was refused by the plaintiff. The addendum did not change the ownership of copyright and intellectual property rights, which remained vested with the plaintiff.

The incongruity arose when the plaintiff alleged that the defendant had breached the terms of the contract and had infringed the copyright and exclusivity obligations by creating content and allowing third parties to promote and monetise it.

Suit by the Plaintiff

A suit was instituted against the defendant, and pending, the plaintiff sought an interim injunction. The relief was granted via an ex-parte order by the Delhi High Court. The relief was then vacated, and finally, via an order passed by a Division Bench of the same Court, limited injunctive relief was again granted to the plaintiff on September 5, 2023.

Additionally, the Court clarified that the defendant was not impeded from singing, acting, or dancing in the Bhojpuri Fim Industry. This extended to stage performances, social media platforms, and national television channels as well. Notably, the Court made this conditional to the plaintiff's right of first refusal. The order of the Division Bench, which reintroduced the restraint, was different from the initial ex-parte order.

On September 21, 2023, the plaintiff sent several notices to various entities that are their competitors, including but not limited to YouTube LLC and other such social media platforms. The communications and notices effectively portrayed that the order of the division bench had re-instated the ex-parte order of the High Court rather than asking them to comply with the latter order.

This judgment pertains to an invocation of the contempt jurisdiction of the High Court. However, this case is unusual because the invocation is by the Defendant (Mr. Shatrughan Kumar) and not the Plaintiff (Global Music Junction Pvt. Ltd.). The defendant alleged that the plaintiff had wilfully disobeyed the orders by misrepresenting facts to the collaborators of the defendant, and this contumacious action of the plaintiff amounted to contempt of Court.

The defendant claimed that the plaintiff had misrepresented the injunction orders of the Division Bench and portrayed to the other collaborators that he was prohibited from working with any of them and was exclusively engaged with the plaintiff. This forced the other platforms to remove all the songs of the artist and left him unable to avail professional opportunities.

On February 21, 2024, the Court heard the defendant and adjudicated that the actions of the plaintiff were prima facie contempt of Court. The plaintiff was ordered to issue clarificatory notices in addition to being restricted from directly writing or communicating with any party to seek enforcement of the injunction order. The plaintiff appealed this, and the Division Bench of the Delhi High Court remanded the matter back to the single-judge bench. On March 19, 2024, the Court heard the Senior Counsels for both sides on the merits of that application.

The Senior Counsel for the defendant argued the maintainability of the petition on the basis of two points. Firstly, he argued that a plain perusal of Order XXXIX Rule 2A of the CPC shows that it can be invoked by anyone who is injured by the breach of an injunction or the conditions on which said the injunction was granted. It is not limited to the party in whose favour the injunction had been granted.

Secondly, he argued that even if the application could not be maintained under the aforementioned Order and Rule, the Court had the power to take cognisance of the actions undertaken by the plaintiff and issue remedial directions to that end. He argued that Section 151 of the CPC when read collectively with the Contempt of Courts Act, 1971, vested the Court with extensive powers to rectify the wrongdoings committed by parties.

The Senior Counsel for the Plaintiff argued that the petition was not maintainable because Order XXXIX Rule 2A of CPC only allowed the party in whose favour the injunction had been granted to file the said application, and this could only be done against a party against whom the injunction was operating. Further, he argued that there was a direction issued to the plaintiff with respect to monetary deposit in Court, which could not be interpreted as a restraint.

Additionally, the preponderance of evidence was in favour of the plaintiff, as the defendant had not successfully established that his videos had been taken down solely based on the communications sent out by the plaintiff. The defendant also failed to show that the songs taken down were not related to the agreement between the parties, nor could he show that they did not come under the purview of the order passed by the Division Bench.

Incidentally, the defendant had also filed a Special Leave Petition in the Supreme Court which was pending under defects. They had not even pursued that remedy assiduously before filing the application being adjudged. This showed that the defendant had mala fide intentions to frustrate the order of the Division Bench.

The Senior Counsel further argued that the notices and communications were sent to established entities in the music industry who had access to competent legal advice, and there was complete disclosure of the orders from their side. Moreover, after the Court had directed them on February 21, 2024, they sent further communications of a clarificatory nature to the entities and filed a compliance affidavit. Therefore, the objections of the defendant were overcome via that action.

Finally, he argued that if the plaintiff was disallowed from issuing further legal notices to enforce the order of the Division Bench, it would interfere with their legal and constitutional rights. This would also be a preventative measure for the third parties, as they would lose the opportunity to comply with the order before being dragged into a cumbersome litigation process. No case was made against the plaintiff of either a civil or criminal nature, and hence, the application should be dismissed.

The Court found that Rule 2A of Order XXXIX specifically addresses the consequences of disobedience of an injunction and it was not party-specific. A court-issued order could be applied to both parties equally in cases such as maintenance of status quo or to third parties. An invocation of the contempt proceedings could be by either party in such a case. Therefore, the argument that a Defendant could not invoke the said rule was not tenable.

Further, the Court also asserted its powers to penalise disobedience and asserted that the powers were necessary to ensure that the legal process was complied with in a timely manner. However, in cases of civil contempt, the action for contempt must be directed against the party who is subject to the injunction.

The Court noted that the intentions of the plaintiff in sending their legal notices, which would be construed to enforce the ex-parte order, did not seem bona fide because their notices emphatically stated that the first restraining order was to be "applied with full force and effect". Moreover, it was a truism that the Plaintiff company had access to expert and advanced legal counsel as well, so it would be far-fetched to believe that the communications made were not deliberate. While this does amount to a departure from appropriate legal behaviour, it does not fulfil the rigorous conditions that are a prerequisite to commencing contempt proceedings under Order XXXIX Rule 2A. Contempt proceedings are heavily dependent on willful disobedience and defiance, especially when it comes to cases of civil contempt.

The Court relied on Food Corporation of India v. Sukh Deo Prasad, in which the Supreme Court emphasised that the existence of a specific court order against a party is an essential prerequisite for civil contempt.

Discussing whether criminal contempt under the Contempt of Courts Act could be applied, the Court noted that an action of criminal contempt could be initiated by the Court taking suo moto cognisance or with the written consent of the Advocate General of India, neither of which of the two conditions had been fulfilled. The Court held that the miscommunication on the part of the plaintiff did not constitute an undermining of the Court's authority, and, therefore, criminal proceedings could not be initiated.

To bolster its argument, the Court relied on Bal Thackrey v. Harish Pimpalkhute, which categorically stated that the "use of inherent powers must be judicious and not excessive." The Court noted that no injunction operated against the plaintiff, and they had taken proactive corrective measures to rectify their mistake. Parenthetically, emphasis was also placed on the fact that, henceforth, the Plaintiffs had to ensure that they gave an authentic and meticulous representation of the Court's directions to ensure they did not misrepresent it.

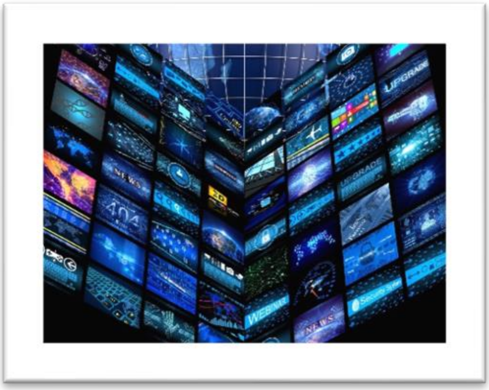
The Court thus concluded that the application under Order XXXIX Rule 2A was not maintainable because the injunction was not against the plaintiff. Moreover, there was no restriction on the plaintiff put via the injunction, which could have acted in favour of the defendant. The Court tried to balance the breach of copyright of the plaintiff without prejudice to the rights of the defendant. While recognising its powers, the Court also recognised the limitations placed on them while assessing any wrong committed, especially in cases where the parties had rectified their mistakes. Instead of choosing to act like an all-powerful entity, the Court limited itself to acting against egregious breaches of directions only.

20. Injunction Imposed: Delhi High Court Halts Rogue Websites' Infringement

Case: Network18media and Investments Limited & Ors. vs www.brawlersfightclub.com & Ors. [CS(COMM) 449/2024]

Forum: Delhi High Court

Order dated: May 28, 2024



Order: In Network18media and Investments Limited & Ors. vs www.brawlersfightclub.com & Ors., a suit was filed by Network18 Media & Investments Limited ("**Plaintiff No. 1**") before the Hon'ble Delhi High Court ("**DHC**") seeking, *inter alia*, permanent injunction over the infringement of their Intellectual Property Rights ("**IPRs**"), including (i) Copyright in cinematograph film (i.e., the video of an interview between Mr. Anand Narsimhan ("**Plaintiff No. 6**") and Mr. Anant Ambani), (ii) trademarks; and (iii) personality rights. The suit claimed that the aforesaid rights of the Plaintiff were being violated by several rogue websites, i.e., Defendant Nos. 1 to 8 in conjunction with Defendant Nos. 9 and 10.

The single-judge bench restricted Defendant Nos. 1 to 8 from (i) infringing the registered marks and copyright of Plaintiff Nos. 1 and 2; (ii) passing off the registered trademark of Plaintiff Nos. 1 and 2; and (iii) violating the personality rights of Plaintiff No. 6. Since the suit is presently ongoing, the counsel for the Plaintiffs submitted an instant application seeking protection of personality rights of Plaintiff No. 3, 4 and 5. However, the counsel, at this stage, confined the interim relief in relation to the personality rights of only Plaintiff No. 6.

Background

Plaintiff No. 1 is a media and entertainment (M&E) conglomerate with a diversified portfolio. The Plaintiff No. 2 (TV18 Broadcast Limited) is a subsidiary of the Plaintiff No. 1 and is engaged in the business of news broadcasting. Plaintiff

mail@lexorbis.com | www.lexorbis.com

No. 6 is a senior anchor at CNN-News18, in addition to being its Managing Editor (Special Projects).

The Plaintiffs submitted that, through their YouTube channel, an interview was shared with the public featuring Mr. Anant Mukesh Ambani (Director of Reliance Industries Ltd.) with the Plaintiff No. 6. With respect to the interview, the Plaintiff No. 2 claimed that it had the exclusive right to utilise and communicate the interview/ photographs from the cinematograph film to the public.

The Plaintiffs alleged that the rogue websites, identified as Defendant Nos. 1 to 8, misrepresented the contents of the interview and published a false article. The impugned article redirected the users to a cryptocurrency trading platform, Everix Edge (Defendant No. 9). It was further alleged that the impugned article claims that Mr. Ambani endorsed Everix Edge and stated that users could earn up to a 4,000% return on their investment through the said platform. It also falsely claimed to have been published by the BBC to make it seem authentic and credible. Additionally, it was alleged by the Plaintiffs that Defendant Nos. 1 to 8 violated their IPRs by infringing and passing off the Plaintiffs' trademarks and specifically infringing Plaintiff No. 2's copyright.

Plaintiff No. 2 asserted its right to create copies of the cinematograph film and associated photos (under Section 14(d)(i) of the Copyright Act, 1957) and claimed exclusive rights to the interview. It was further claimed that by adopting marks that were deceptively similar to the TV18 marks, the Defendants passed off their registered trademarks. Furthermore, the fabricated article violated Mr. Anand Narsimhan's personality rights by utilising his likeness and pictures without permission. The Plaintiffs also submitted that Defendant No. 1 to 8's websites have also been shared as "posts" uploaded by the users of Facebook and X (formerly known as Twitter), identified as Defendant Nos. 11 and 12.

<u>Decision By the Court</u>

In light of the submissions made by the Plaintiffs, DHC observed that the Plaintiffs had established a *prima facie* case of infringement of their IPRs. It was held that the misleading article also infringed Mr. Anand Narsimhan's personality rights, in addition to violating the Plaintiffs' trademarks.

Accordingly, the DHC directed the owners of Defendants No. 1 to 8 to restrain from infringing the Plaintiffs' trademarks and copyright and to restrain from violating the personality rights of Plaintiff No. 6. To aid additional investigation, the domain name Registrars (identified as Defendant Nos. 13 to 18) were directed

mail@lexorbis.com | www.lexorbis.com

to prohibit access to the infringing websites and submit the KYC details of the registrants of such domain names.

It was further stated that if the Plaintiffs discover any rogue websites containing such impugned articles, they must notify Defendant Nos. 13 to 17, who, in compliance with the law, will immediately block or remove the same. Provided the Defendants determine that the websites do not contain any content identical to the impugned article, they will notify the Plaintiff, who will subsequently get the appropriate orders from the court.

Further, Defendant Nos. 11 and 12 (i.e., Meta Platforms Inc. and X Corp.) were directed to remove posts in relation to the infringing publication and submit user details. The DHC also directed the Department of Telecommunications and the Ministry of Electronics and Information Technology to issue necessary directions to the telecom and internet service providers to block the said websites.

mail@lexorbis.com | www.lexorbis.com

21. Digital Rights Dispute: Star India Pvt. Ltd. vs. Magicwin.Games

Case: Star India Private Limited v. Magicwin.Games [CS(COMM) 490/2024]

Forum: Delhi High Court

Order dated: May 30, 2024

Order: The case of ***Star India Private Limited v. Magicwin.Games*** revolves around the issue of intellectual property rights, particularly focusing on copyright infringement and the unauthorised use of proprietary content. This legal battle highlights the complexities of digital content distribution and the challenges faced by media companies in protecting their intellectual property in the digital age.

Background of the Parties

A major media and entertainment company in India, Star India is known for its diverse portfolio of television channels and digital platforms. The company holds exclusive rights to a wide range of popular shows, movies, and sports content. Star India operates numerous channels and online streaming services, including Hotstar (now Disney+ Hotstar), which broadcasts live sports, television series, and films.

Plaintiff had entered into the Media Rights Agreement dated August 27 2022 ["Agreement"] with the ICC for exclusive digital media rights and television rights for India in relation to various ICC events, including the T20 World Cup, for a period of four years from 2024 to 2027. Consequently, Plaintiffs enjoy broadcast reproduction rights, which are contemplated and conferred in terms of Section 37 of the Copyright Act, 1957 ["Copyright Act"]

Defendants No. 1 to 9 are various rogue betting websites stated to be illegally offering online betting and gambling services in contravention of the Public Gambling Act, 1867. Defendants No. 10 and 11 are Domain Name Registrars (DNRs) of the domain names where the rogue betting websites are hosted. Defendants No. 12 to 20 are various internet service providers (ISPs) and telecom

mail@lexorbis.com | www.lexorbis.com

service providers. Defendants No. 21 and 22 are the Department of Telecommunications (DoT) and the Ministry of Electronics and Information Technology (MeitY), respectively.

Based on Defendants No. 1 to 9 being indulged in unauthorised disseminations and thereby providing communications of the cricket matches and parts thereof on online platforms without proper authorisation, the plaintiff expressed an urgent need to restrain such betting websites on a real-time basis without requiring parties to first approach the Court by filing affidavits in respect of each such website which starts unauthorizedly disseminating/ telecasting matches as such a lag would result in the website being successful in their illegal activities and the plaintiff's rights would be infringed before it is possible for any action to be taken.

Accordingly, the plaintiff sought a 'Dynamic +' injunction' relying on the judgment passed in the matter of **Universal City Studios LLC v. Dotmovies.baby [HC Neutral Citation No. – 2023: DHC:5842]** to ensure the protection of its rights over work as well as any other protected content generated during the pendency of the suit proceedings. In this regard, the plaintiff also relied on the 'European Commission Recommendation dated May 4, 2023, on Combating Online Piracy of Sports and Other Live Events', highlighting the need for urgent action to block illegal dissemination of copyrighted content.

Legal Issues

Copyright Infringement: The core issue was whether Magicwin.Games' streaming of live cricket matches without obtaining licenses from Star India constitutes copyright infringement under Indian intellectual property laws.

Broadcasting Rights: Additionally, the case examined whether Magicwin.Games' actions violated Star India's exclusive broadcasting rights, which grant them sole authority over the distribution and public performance of the matches.

Delhi High Court's Observation

Given the fact that the plaintiff's digital rights and television rights as acquired from the ICC were not in question, the Court was of the view that the plaintiff had made out a prima facie case and granted an interim injunction in favour of the plaintiff. The Court realised the need for immediate relief, particularly pressing in this case, considering the T20 format of the T20 World Cup, characterised by its brief duration. The short duration of these matches meant that any delay in blocking access to rogue websites could lead to significant financial losses for the plaintiff and an irreparable breach of their broadcast reproduction rights.

On May 30, 2024, the Court issued the following orders:

The Defendants were prohibited from further using, streaming, or hosting any of Star India's copyrighted content without proper authorisation. This injunction aimed to prevent ongoing and future infringement of Star India's intellectual property rights.

The Defendants were required to remove all infringing content from its platform immediately. This includes all instances of Star India's television shows, movies, and sports broadcasts used without permission.

The Defendants were ordered to pay Star India monetary damages for the financial losses incurred due to its unauthorised content use. The amount awarded included compensation for lost revenue and damages to Star India's brand reputation.

The judgment underscores the judiciary's pivotal role in safeguarding intellectual property rights in the digital realm. By adjudicating disputes like Star India v. Magicwin.Games, the courts play a crucial role in interpreting and applying laws that balance innovation and protection. This decision showcases the judiciary's commitment to upholding the integrity of intellectual property rights and ensuring a level playing field for all stakeholders involved in content creation, distribution, and consumption.

In conclusion, Star India Private Limited v. Magicwin.Games stand as a landmark case that reinforces the legal foundations of intellectual property protection in India's evolving digital landscape. It emphasises the imperative of legal compliance, respect for broadcasting rights, and the consequences of copyright infringement for online platforms. This ruling not only provides clarity on legal standards but also sets a precedent that will guide future cases and legislative developments in intellectual property law, shaping the future of online broadcasting and content distribution in India and beyond.

22. "Who Owns Our Cultural Motifs?" Delhi High Court Meanders Copyright Infringement Law

Case: Pocket FM Pvt. Ltd. v. Novi Digital Entertainment Pvt. Ltd. [CS(COMM) 524/2024, I.A. 31732/2024, I.A. 31734/2024]

Forum: Delhi High Court

Order dated: June 13, 2024

Order: "There is nothing new under the sun," remarks the old lady playing the role of the grandmother of Mike Ross in the TV drama *Suits*. He has an epiphany in a copyright case that he has been working on. He then proceeds to threaten the author of a book with a countersuit from the authors of three different books with similar themes and stories. She is forced to relent. This raises a thought-provoking question: if there's nothing truly new under the sun, the concept of copyright might seem paradoxical. Nevertheless, there is no denying its existence and influence on our lives.

The ongoing legal battle between Pocket FM and Novi Digital Entertainment delves into essential queries surrounding copyright law and its implications. We will navigate through the case to unravel the complexities of copyright infringement, particularly as defined by the Delhi High Court, and identify what elements qualify for protection under copyright law.

Background of the Case

In this case, the plaintiff had sought a pre-release *ad interim injunction* from the Delhi High Court a night before the video series was slated to be released by the Defendant. The plaintiff is Pocket FM Private Limited, which is an audio series platform. It operates on the model of providing audio series and audiobooks of different genres in an array of languages that the consumers can listen to. It has attracted a community of over 250,000 writers, creators, and voice artists and features more than 2,000 audio series. The defendant is the operator of the online streaming service “Hotstar,” with Star India Private Limited as the parent company.

The original literary works are adapted into audio series and audiobooks by the Plaintiff from people who own the copyright or other authorised licensors. The series and books are thereafter published on the platform. Mr. Anand Usha Borkar was one such author who had assigned the exclusive rights vested in his work to the Plaintiff. This assignment rendered the Plaintiff as the owner of the work and vested them with the rights to exclusively exploit said work commercially and they decided to adapt it in the form of audio series. The work was eponymously titled “*Yakshini”* featuring the lead character as the mythological being who are considered to be a class of female natural spirits in Hinduism, Buddhism, and Jainism. The series was launched on the platform of the Plaintiff on May 30, 2021. It has more than 225 hours of run time and boasts of 1001 episodes cumulatively.

Allegations levelled by the Plaintiff in the case

The Plaintiff alleged that in the first week of June, they came across the trailer for "Yakshini" that was slated to be released on Disney+Hotstar. Representatives of the Plaintiff noted striking similarities between this trailer and their own audio series titled “Yakshini.” The general audience, which was common to both platforms, that is, Pocket FM and Hotstar, and the Plaintiff themselves perceived the OTT series as an adaptation of the Plaintiff’s original work.

The Plaintiffs admitted that negotiations began between the Plaintiff and Defendant regarding the potential adaptation of "Yakshini" in June 2022 but remained infructuous. Despite the Plaintiff’s efforts, the Defendant did not sign a Non-Disclosure Agreement and instead had the Plaintiff sign a Release Form, which unexpectedly absolved the Defendant of any liability concerning the proprietary information shared during negotiations.

Arguments proffered by the Defendant against the contentions

The defendant countered the plaintiff's claims regarding the series Yakshini with several key arguments. They first asserted that the initial promotion of Yakshini occurred on May 10, 2024, via Twitter and later on 123Telugu.com, accompanied by an official trailer released on May 27, detailing the series' slated release date of June 13, 2024. The defendant emphasized that this information had been widely disseminated in the public domain, suggesting that the plaintiff delayed asserting their rights until the eleventh hour prior to filing their application.

Furthermore, the defendant underscored Yakshini's deep-rooted mythological origins, spanning across Hinduism, Buddhism, Jainism, and the broader South Asian subcontinent. They supported this assertion with numerous references found in scholarly articles, films, and various media forms. The defendant argued that a release form had been executed, implying consent to the production, and contested any claim of exclusive copyright ownership over the fundamental concept.

Additionally, the defendant contended that issuing an injunction at this juncture, just before the imminent release of the video, would result in irreparable harm. They maintained that seeking such relief at the pre-publication stage was premature, as the precise contents of the series remained undisclosed, thereby rendering allegations of copyright infringement premature and unsubstantiated. Therefore, they argued that it was, in fact, merely the idea of Yakshini, which the Plaintiffs were trying to copyright.

Further arguments presented by the Plaintiff

In response to the defendant's arguments, the plaintiff presented a rejoinder addressing critical points regarding the series Yakshini. They asserted and clarified that their concern pertained not to the idea of Yakshini itself but to the specific expression of this idea in the form of the audio series, which they alleged was being infringed. The Plaintiff asserted that such infringement would lead to substantial monetary losses on their part.

Furthermore, the plaintiff argued that even though Yakshini was planned for release on OTT platforms, this did not reduce the financial impact on them. They emphasised that any unauthorised use of their creative work would cause significant harm. Therefore, the plaintiff insists that promptly addressing copyright infringement is crucial to prevent these potential damages.

The Findings of the High court and its application of the relevant laws

In the case under review, the court meticulously examined several critical factors concerning the release of a video series featuring the character "Yakshini". The court established that the initial announcement about the series was made public via Twitter on May 10, 2024, followed by coverage on 123telugu.com on May 21, 2024. Subsequently, a trailer was released on May 27, clearly stating that the series would premiere on June 13 at midnight.

The plaintiff asserted that they became aware of the video series only in early June 2024. However, given their industry involvement, the court found it improbable that the plaintiff remained unaware until shortly before filing the lawsuit. With the series scheduled for release imminently, the court reasoned that it would be unjust to grant an injunction, particularly in the absence of clear evidence demonstrating that the series' content closely resembled the plaintiff's work.

The court cited the precedent set in Dashrath D. Rathore, which cautioned against granting last-minute "pre-release injunctions". Given that the lawsuit was filed just a day prior to the scheduled release and lacked substantial evidence of infringement, the court concluded that there was no basis to grant a temporary injunction to the plaintiff at this preliminary stage.

Moreover, the court emphasised that besides claims of similarity in characters like "Yakshini" and "Aghori", and in the scenario's description, there was currently no evidence suggesting that defendant No. 1 had infringed upon the plaintiff's copyright in the expression of ideas.

Referring to the legal principles outlined in R.G. Anand vs. Delux Films & Ors. (1978), the court reiterated that copyright protection does not extend to ideas, themes, or historical facts themselves, but rather to their unique expression by the author. It underscored that the character "Yakshini", claimed by the plaintiff, originates from ancient mythological stories that predate the plaintiff's specific claims, as documented in various scriptures and sources like Wikipedia.

The court also noted that while the plaintiff had produced an audio series featuring Yakshini, there was insufficient evidence to prove that the portrayal of the character in the defendant's video series closely mirrored the plaintiff's work. The court stressed that mere similarity in names was inadequate grounds for copyright infringement, especially given Yakshini's widespread use in various works.

Considering the imminent release of the video series and the early advertising efforts starting from May 10, 2024, the court concluded that any alleged infringement could potentially be addressed through monetary compensation rather than halting the release. It reasoned that allowing the series to proceed would not cause irreparable harm, particularly in the absence of a strong initial case against it.

Furthermore, the court acknowledged the plaintiff's acknowledgment that they had submitted their works to defendant No. 1 and engaged in negotiations from June 2022 to January 2023, despite the lack of a successful agreement. It highlighted that although a Release Form was signed indicating no agreement regarding the use of the Project by defendant No. 1, subsequent separate agreements were reached for two specific projects undertaken by defendant No. 1. This clarified that the Release Form did not constitute an absolute waiver of the plaintiff's rights regarding their entire Project.

Based on the detailed analysis and the absence of initial evidence suggesting copyright infringement by defendant No. 1, the court declined to grant an interim injunction.

Conclusion: Key Takeaways

In conclusion, the legal battle between Pocket FM and Novi Digital Entertainment over the release of the "Yakshini" video series highlights the complexities and challenges inherent in copyright law. The Delhi High Court's decision not to grant an interim injunction underscores the court's careful consideration of the evidence presented by both parties. Despite allegations of similarity in characters and themes, the court did not find sufficient grounds to halt the imminent release of the series, emphasising the longstanding presence of "Yakshini" in mythological narratives predating the plaintiff's claims.

The court's adherence to established principles in cases like R.G. Anand vs. Delux Films & Ors. (1978) reaffirms that copyright protection extends to the expression of ideas rather than the ideas themselves. This nuanced approach reflects a balance between protecting creative works and ensuring fair competition and public access to cultural narratives. When the origin of the idea is similar, its expression can be the only criterion to determine infringement, especially because there can be no monopoly claims over timeless cultural motifs.

The court's recognition of the defendant's promotional efforts and the absence of conclusive evidence of substantial similarity between the works further substantiated its decision. The emphasis by the Delhi High Court on potential monetary compensation for any proven infringement reflects a pragmatic approach to resolving intellectual property disputes. The court's ruling underscores the importance of robust evidence and timely legal action in asserting copyright claims. This is how it serves as a reminder of the evolving nature of intellectual property law in an increasingly interconnected global marketplace.

23. Analysing the Tips vs Wynk Dispute over Section 31D of the Copyright Act

Case: Tips Industries Ltd vs Wynk Ltd. And Anr. [COMMERCIAL IPR SUIT NO.26 OF 2019]

Forum: Bombay High Court

Order dated: June 18, 2024

Order: Recently, the Bombay High Court case was presented with the matter of Tips Industries Limited vs Wynk Ltd. and Anr, where the plaintiff filed a suit against the defendant for the act of infringement of copyright. Tips Industries Ltd. is engaged in the production and distribution of motion pictures and the acquisition and exploitation of music rights. On the other hand, Wynk Music Ltd. is an Indian music streaming service and a digital distributor.

Previously, in the case Tips Industries Limited Vs Wynk Music Ltd. and Others before the Single Judge of the Bombay High Court, the petitioner filed a copyright infringement suit through Commercial Notice of Motion No. 72 of 2019 and Commercial Notice of Motion 95 of 2019 under section 14(1)(e) of the Copyrights Act 1957 (“the Act”) seeking a temporary injunction against the Respondent.

The court held that the act of the respondent pertaining to selling/commercially renting sound recordings of the petitioner could not be termed as 'private' or 'personal' or 'research'. Hence, the respondent’s act does not amount to ‘fair use’. Also, the court clarified that internet broadcasting does not fall under the ambit of Section 31D of the Act. In this regard, the Hon’ble court dismissed the statutory license of the respondent. In the present case, the plaintiff sought an amendment to the cause title, which was allowed.

Both parties settled the matter vide the Consent terms dated June 17, 2024, as accepted by the Court, wherein the following were the highlights:

- In clause 3 of the consent terms, the parties agreed that their rights are governed by the judgment dated April 23, 2019, by the Single Judge in Commercial Notice of Motion No. 72 of 2019 and Commercial Notice of Motion 95 of 2019. The parties agreed that said judgment would be final on *inter se* rights of parties *qua* the plaintiff's repertoire and with respect to section 31 D of the Copyright Act 1957.

- In clause 4 of the consent terms, Defendant No. 1 undertook to pay a total sum of Rs. 12 Cr plus applicable taxes as a full and final settlement, wherein Rs. 5 Cr was deposited by the defendants pursuant to an order dated June 25, 2019, in Commercial Appeal no. 424 of 2019 and 425 of 2019. As per this order, the division bench held that the *order of injunction passed by the learned Single Judge shall not take effect until then on the condition that the defendant/appellant deposited a sum of Rs. 5 crores by July 2, 2019,* in the court. The parties unconditionally agreed and consented to the plaintiff withdrawing a sum of Rs.5 Crs along with all accrued interest. Accordingly, it was directed to release the sum of Rs. 5 Crs to the plaintiff along with applicable interest.

- The remaining Rs. 3,50,00,000/- were to be paid by Defendant No. 1 to the plaintiff on or before July 31, 2024. The last balance amount of Rs. 3,50,00,000/- is to be paid by Defendant No. 1 to the plaintiff on or before September 30, 2024.

Interpretation of Section 31D of the Act

Under Section 31D of the Act, any broadcasting association desirous of communicating a work to the public by a broadcast or a performance can acquire a statutory license to do so by giving a prior notice and paying royalties to the copyright owner at the rate fixed by the Intellectual Property Appellate Board (IPAB). (The Act presently covers radio broadcasting and television broadcasting).

However, due to technological advancement, online platforms were necessary to be included in the list of broadcasting associations. As a result, the Department of Industrial Policy and Promotion (DIPP) clarified the scope of internet streaming via its office memorandum dated September 5, 2016, by stating that:

Section 31D, which refers to 'any broadcasting organisation desirous of communicating to the public,' may not be restrictively interpreted to cover radio and TV broadcasting but appears to include internet broadcasting as well.

To understand, the business of the broadcasting organisation is to communicate the work to the public. Further analysis shows that online platforms allow the user/public to purchase/ download the content provided. In such cases, the very nature of the service of the online platform extends beyond the service of communication of work to the public. Section 31D of the Act offers statutory protection only to the broadcasting organisation, which offers service only to the extent of communicating work to the public by way of a broadcast or the performance of a literary or musical work and sound recording that has already been published.

On the contrary, if internet platforms offer services to sell/ rent content, the nature of the service provided by them extends beyond communicating the work to the public. Therefore, the essence of Section 31D of the Act does not include online platforms as broadcasting organisations.

mail@lexorbis.com | www.lexorbis.com

24. Copyright Enforcement in the Digital Age: M/s Bharani Pictures Private Limited Vs Narne Media Solutions Pvt. Ltd.

Case: M/S.Bharani Pictures Private Limited vs Narne Media Solutions Pvt.Ltd [Civil Suit (Comm.Div.) No. 181 of 2023]

Forum: Madras High Court

Order Dated: July 2, 2024

Order: The plaintiff, Bharani Pictures Private Limited, originally established as a partnership firm named 'Bharani Pictures' in 1948, was founded by Dr. P. Bhanumathi Ramakrishna and her husband, Shri P.S. Ramakrishna Rao. They produced numerous Telugu and Tamil films. After demise of P.S. Ramakrishna Rao, new partnership was constituted between Dr. P. Bhanumathi Ramakrishna and Dr. Paluvai R.Bharani and after couple of more changes, it was reconstituted into a company in 2015. Consequently, all copyrights and associated rights and liabilities of the original firm were transferred to the newly formed company.

It was discovered that certain individuals attempted to infringe upon the plaintiff's copyright in those films by forging the signature of Dr. Bhanumathi Ramakrishna. The plaintiff found that the defendants were broadcasting their films without authorisation on television channels and online platforms. Despite the plaintiff's attempts to resolve the issue—including public declarations and multiple legal notices—the defendant continued their unauthorised activities.

Plaintiff's contentions

The plaintiff placed several exhibits on record, including the screenshots of the defendant infringing upon the plaintiff's rights over the YouTube channel and several other documents proving their rights. The plaintiff argued that despite publicly affirming their ownership and issuing legal notices in 2019 and 2021, the defendants continued to broadcast the films without permission. As the defendant did not appear in court, the judgment was passed ex-parte.

mail@lexorbis.com | www.lexorbis.com

After careful observation, the court issued a decree restraining the defendant from infringing on the plaintiff's copyright as well as damages to be paid by the defendant as prayed in the suit by the plaintiff. This judgment aligns with the remedies provided in the Copyright Act, 1957 and underscores the importance of protecting intellectual property in the creative industries.

Conclusion

This case illustrates the complexities of copyright law within the film industry and the ongoing challenges faced by individuals and companies involved in content creation in this digital age. The court's ruling not only affirms the plaintiff's rights but also highlights the critical need for vigilance in copyright enforcement. As the digital landscape continues to evolve, both creators and distributors must navigate these legal frameworks carefully to avoid infringement of their copyrighted works.

25. Echoes of Justice: The Delhi High Court's Take on Saregama and Emami's Copyright Clash

Case: Saregama India Ltd. v. Emami Ltd. [CS(COMM) 535/2024]

Forum: Delhi High Court

Order dated: July 3, 2024

Order: On July 03, 2024, the Delhi High Court issued an order in the case of Saregama India Limited vs Emami Limited (CS(COMM) 535/2024), which involves alleged copyright infringement related to the song "Udi Jab Jab Zulfein" from the film Naya Daur.

The plaintiff filed a suit to restrain the defendant from using the musical and literary works of the song "Udi Jab Jab Zulfein" to advertise its product, Emami Kesh King Anti Hairfall Shampoo, without any license from the plaintiff.

The plaintiff submitted that he was the assignee of all the works, including musical, literary and sound recording rights in the impugned song "Udi Jab Jab Zulfein" from the film 'Naya Daur' for the entire copyright term of sixteen years. It was submitted that the rights were assigned to the plaintiff by M/s BR Films, the original producer of the film 'Naya Daur', vide agreement dated October 17, 1955. The plaintiff submitted that the terms of the agreement above were initially for two years, which was renewed for one more year on July 22, 1957.

The plaintiff further submitted that the said producer also confirmed the rights in the sound recording as well as the literary and musical works assigned to the plaintiff vide letter of May 31, 2007. It was stated that the said fact was also confirmed by the Indian Performing Right Society Limited ("IPRS"), a registered society for musical and literary works, vide certificate dated November 09, 2023.

The plaintiff submitted that the defendant approached the plaintiff for a grant of license for the lyrics and musical composition of the song in question on October 26, 2023, and asked for copies of the documents showing the plaintiff's ownership over the said works. The plaintiff responded to the said email on October 31, 2023, asking the defendant for the details of the advertisement so that the appropriate quote could be shared. The plaintiff submitted that the defendant was also informed that its ownership documents were confidential and could not be shared with the defendant at that stage.

The plaintiff submitted that instead of replying to the email, the defendant sent a letter on November 08, 2023, in which it sought to locate the legitimate owner of the copyright in the lyrics and music composition of the song in question and challenged the rights of the plaintiff.

The plaintiff responded to the said letter on November 10, 2023, wherein the plaintiff reiterated its rights on the said copyrighted works and also shared the certificate from the IPRS showing the plaintiff as the copyright owner. It was submitted that the defendant, vide letter dated November 24, 2023, disregarded the IPRS letter and also demanded that the plaintiff disclose its confidential documents. The plaintiff claimed the rights by citing Sections 22, 27, 51, and 55 of the Copyright Act of 1957.

The plaintiff further submitted that as per the Agreement dated October 17, 1955, between the plaintiff and the producer of the film 'Naya Daur', the plaintiff was assigned rights in works, which included literary, musical as well as sound recording. It was submitted that as per section 14(a) of the Copyright Act, 1957, the plaintiff had an exclusive right to reproduce or to make any sound recording in respect of the said works. Hence, the use of the song in the advertisement by the defendant amounted to infringement. The plaintiff learned about the advertisement in question in June 2024 and immediately approached this Court by filing the present case.

To this, the defendant submitted that the Agreement dated October 17, 1955, in favour of the plaintiff, assigned only sound recording rights in favour of the plaintiff, which had already expired. The defendant drew the attention of the Court to Sections 26 and 27 of the Copyright Act, 1957, to submit that any right the plaintiff had was only for a period of sixty years, beginning from August 15, 1957, when the movie in question was released. It was submitted that the plaintiff's sound recording rights had already expired after the expiration of sixty years. Thus, it was claimed that the plaintiff had no right under the aforesaid Agreement dated October 17, 1955, as of now.

The defendant further submitted that the letter dated May 31, 2007, issued by BR Films Pvt. Limited was not an Assignment Agreement. Thus, they alleged that the plaintiff could claim to own the song in question. However, the defendant submitted that they were ready to deposit a sum of INR 10 lakh with the Court as a form of license fee to the actual owners of the song.

The Court issued several directives, including directing the defendant to deposit INR 10 lakhs with the Court's Registry within two weeks. The Court clarified that the INR 10 lakh deposit by the Defendant was temporary, pending further consideration during the next hearing, where adjustments may be made based on arguments from both parties. The instructed the plaintiff to provide supporting documents and an affidavit detailing the fees charged for similar licenses. Additionally, the plaintiff was directed to submit documents concerning the granting of comparable licenses to third parties. The case will be next heard before the Joint Registrar (Judicial) on August 08, 2024.

The Delhi High Court's order reflects a complex legal battle over copyright ownership and alleged infringement, highlighting procedural adherence and substantive legal arguments from both parties. The case highlights the significance of intellectual property rights protection in commercial disputes, particularly within the realm of music and advertising. The next hearing on September 19, 2024, will likely provide further clarity.

26. Al-Hamd Tradenation Must Obtain License from PPL Before Using Sound Recordings, Rules Delhi HC

Case: Phonographic Performance Limited vs Al-Hamd Tradenation [CS(COMM) 564/2024]

Forum: Delhi High Court

Order dated: July 12, 2024

Order: The legal dispute between Phonographic Performance Limited (PPL) and Al-Hamd Tradenation centres on the unauthorised use of copyrighted sound recordings. The Delhi High Court's intervention in this matter highlights the ongoing challenges of copyright enforcement and the importance of adhering to established licensing protocols.

Facts in brief

The Plaintiff, Phonographic Performance Limited (PPL), is the owner of copyright in the sound recordings in its repertoire on the basis of the assignment of the relevant copyrights in its favour by the several owners. The Plaintiff issues licenses under Section 30 of the Copyright Act for communication/public performance of its vast repertoire of sound recordings. The Plaintiff grants licenses authorising the use of its entire repertoire on an as-is-where-is basis to its licensees.

The defendant, Al-Hamd Tradenation, is a company which is organising an event in a restaurant called 'Lutyens' wherein the defendant is planning to use and exploit the plaintiff's copyrighted sound recordings.

The restaurant notified the defendant that it needed a license to use the plaintiff's sound recordings. On July 2, 2024, the defendant emailed the plaintiff, refusing to pay the requested license fee of Rs. 55,440 and proposing Rs. 16,500 instead.

The defendant threatened to deposit the amount in court and obtain a compulsory license under Section 31(1)(a) of the Copyright Act, 1957 if the plaintiff didn't

mail@lexorbis.com | www.lexorbis.com

agree to the reduced rate. Despite the plaintiff's refusal, on July 3, 2024, the defendant insisted via email on the Rs. 16,500 rates.

Court's decision

The Delhi High Court, the single Judge Bench, Justice Mini Pushkarna, issued an interim injunction against Al-Hamd Tradenation, prohibiting them from using sound recordings copyrighted by Phonographic Performance Limited. Justice Pushkarna emphasized the necessity of protecting the plaintiff's copyright in these recordings, stating that any infringement must be prevented. The court directed that if Al-Hamd Tradenation wishes to use the plaintiff's sound recordings, they must obtain a license from the plaintiff and pay the prescribed fees.

Additionally, the court referenced a previous decision from a coordinate bench in case CS (COMM) 671/2021, which affirmed the need to protect copyrights in sound recordings. The court highlighted that the defendant is barred from exploiting or using any sound recordings or other works copyrighted by the plaintiff, including those that may be in the process of exploitation.

Conclusion

Even though Al-Hamd had applied for a compulsory license for those recordings, which was pending approval, it was not entitled to use Phonographic Performance Limited's sound. The Delhi High Court granted an interim injunction against Al-Hamd Tradenation, restraining it from using Phonographic Performance Limited's copy-righted sound recordings.

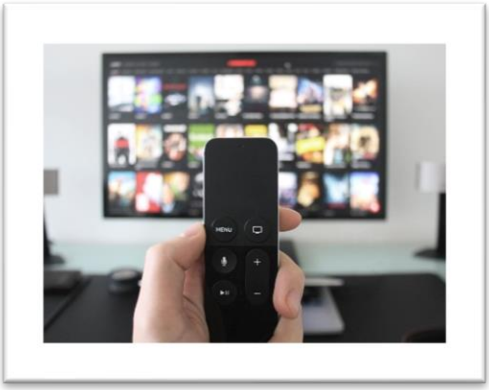
The Delhi High Court's interim injunction against Al-Hamd Tradenation underscores the judiciary's role in upholding copyright protections. Despite the defendant's attempt to bypass the standard licensing fee and threaten compulsory licensing, the court reinforced the necessity of securing proper authorisation and adhering to copyright laws. This decision affirms the importance of protecting intellectual property rights and sets a precedent for how such disputes should be resolved, ensuring that copyright holders receive fair compensation for the use of their work.

27. Application of Commercial Courts Act, 2015 in Transferred Suits/Applications: Delhi High Court Clarifies

Case: Dish Tv India Ltd vs Gulf Dth Fz Llc & Ors. [FAO(OS) 26/2019 & CM APPL. 34384/2016]

Forum: Delhi High Court

Order dated: July 18, 2024



Order: In the appeal titled *Dish TV India Ltd V Gulf DTH FZ LLC & Ors. FAO(OS) 26/2019 & CM APPL. 34384/2016*, the Division Bench of the Delhi High Court allowed the said appeal filed by the Appellant/Defendant No. 1 Dish TV India Ltd, for taking on record its written statement, which was refused to be taken on record vide order dated April 19, 2016, on account of delay of 120 days.

Facts

The Respondent No. 1/Plaintiff Gulf DTH FZ LLC is a direct-to-home (DTH) satellite subscription pay television platform, having its registered office in Dubai, which claims to hold an exclusive license granted to it by copyright owners for transmission of various television channels in the Middle East and North African region (commonly referred to as 'OSN territory'). On the other hand, the Appellant/Plaintiff No. 1 is an Indian DTH service provider. The Respondent No. 1/Plaintiff had filed a suit against the Appellant/Defendant No. 1, seeking a permanent injunction as well as damages, to restrain the Appellant/Defendant No. 1 from distributing the set-top boxes and smart cards, as well as from activating any smart cards for use by consumers in the OSN territory.

The Court issued summons on November 16, 2015, which were served upon the Appellant/Defendant No. 1 on December 19, 2015. Subsequently, the Appellant/Defendant No. 1 filed an application under Order VII Rule 10 and 11, seeking rejection of the plaint on the grounds of lack of cause of action as well as lack of territorial jurisdiction. The Single Bench, vide order dated April 19, 2016,

mail@lexorbis.com | www.lexorbis.com

closed the right of the Appellant/Defendant No. 1 from filing its written statement under Order VIII Rule 1 beyond the period of 120 days mandated under the Code of Civil Procedure, 1908 (CPC), as amended by the Commercial Courts, Commercial Division and the Commercial Appellate Division of High Courts Act, 2015 (hereinafter referred to as "Commercial Courts Act, 2015").

The Appellant/Defendant No. 1, on April 21, 2016, filed an application under Order XLVII Rule 1 r/w Section 114 of CPC seeking for review/recall of the order dated April 19, 2016. The Single Bench, vide order dated August 30, 2016 (hereinafter referred to as "*the impugned order*"), dismissed the application of the Appellant/Defendant No. 1 under Order XLVII Rule 1, which had sought for the review/recall of the order dated April 19, 2016. Vide same impugned order, the Court also dismissed the application filed under Order VII Rule 10 & 11, thereby allowing the application under Order XXXIX Rules 1 and 2 filed by Respondent No.1/Plaintiff, and directed its Registry to renumber the said suit as a commercial suit.

This led to the filing of the present appeal by the Appellant, seeking to set aside the impugned order to the extent that the review application filed by the Appellant was dismissed and that the right to file the written statement was closed.

Submissions by Appellant/Defendant No. 1

The Appellant/Defendant No. 1 made the following submissions in order to show that the present appeal is maintainable:

1. The present appeal would be maintainable as the suit filed by Respondent/Defendant No. 1 was in the nature of an ordinary civil suit, which was converted to a commercial suit only via the impugned order, and the impugned order was passed in exercise of ordinary original civil jurisdiction.
2. The present appeal would be maintainable as the Respondent's suit was filed on November 5, 2015, i.e. before the formation of the Commercial Division at the High Court on November 17, 2015.
3. The present appeal would be maintainable as Section 13 of the Commercial Courts Act is not applicable to the orders passed prior to the suit being converted into a commercial suit.

4. The impugned order shall be treated as a "judgment" as it affects the valuable right of the Appellant to file its written statement.

5. The second proviso to Sub-Rule (1) of Rule 1 of Order V CPC would not apply if the 120-day period expired before the suit was transferred to a commercial court.

6. The Commercial Court/Commercial Division can exercise its discretionary powers under Section 15(4) of the Commercial Courts Act for extending the time limit for filing written statements in case of transferred suits.

7. The present case will be governed as per unamended Order VIII Rule 1 CPC, to be directory and not mandatory.

Submissions by Respondent No. 1/Plaintiff

1. The Commercial Courts Act, 2015 came into force on October 23, 2015, and the Commercial Division of the High Court was constituted via notifications dated November 6, 2015, and November 17, 2015, effective November 15, 2015. Therefore, the present Act will be applicable to all pending suits before this Court, which are subject matter provided in Section 2(c) of the Act.

2. The present suit is in nature of a commercial dispute, which has to be looked at as per Section 13 of the Commercial Court Act.

3. The Appellant has forfeited its right to file its written statement within 120 days as per proviso to Order VIII Rule 1 of CPC as amended by the Commercial Courts Act.

4. The impugned order has neither affects any valuable right of the Appellant, nor does it finally or conclusively decide the disputes between the parties.

5. The Single Bench has rightly exercised its discretion provided to Section 15(4) of the Commercial Courts Act by not extending the time for the Appellant to file the written statement.

Analysis

The Bench, after a careful hearing of the arguments from both sides, observed that the present suit filed by the Respondent No.1/Plaintiff is an ordinary civil suit on

November 5, 2015, whereas the Commercial Division of the High Court was constituted via notifications dated November 6, 2015, and November 17, 2015, with effect from November 15, 2015. The Bench added that since the present suit was filed as an ordinary civil suit, it ought to be transferred to the Commercial Divisions of this Court as per the provisions of Section 15(1) of the Commercial Court Act. The above provision specifies that all suits/applications relating to a commercial dispute of a specified value shall be transferred to the Commercial Division of the High Court. Sub-section (4) of Section 15 further provides that after such suits/applications have been transferred to the Commercial Division of the High Court, the Commercial Division is empowered to hold case management hearings in order to prescribe fresh timelines as per the provisions of the Act.

However, the proviso to sub-section (4) of Section 15 clearly indicates that the proviso to sub-rule (1) of Rule 1 of Order V of the Code of Civil Procedure, 1908 shall not be applicable to such transferred suits/applications, and the Court has the discretion to provide fresh timelines for filing of the written statement post the issuance of the summons. The Court, by applying the above provisions in the present case, observed that the present suit, though filed as a civil suit, will qualify as a "commercial dispute" and thus was required to be transferred to the Commercial Division of the High Court, wherein the above provisions of Section 15 of the Act will come into the picture. The Court observed that Respondent No. 1/Plaintiff had not filed the suit in terms of the Commercial Courts Act; it was only by the impugned order that the Single Bench had directed the suit to be renumbered as a commercial suit.

The Bench later dealt with the next issue as to whether the present appeal is maintainable under Section 10(1) of the Delhi High Court Act, 1966. The Respondent No. 1/Plaintiff had referred to the judgement of ***HPL (India) Limited and others* v. *QRG Enterprises and another*** stating that the present appeal is not maintainable as Section 13 (2) of the Commercial Courts Act excludes the application of Letters Patent, whereas Section 21 provides that the Act would have overriding effects over other laws for the time being in force as a result of conflict, to which the Bench disagreed with the above arguments and stated that the same is not applicable as in the present suit, the impugned order was passed prior to the conversion of the suit into a commercial suit, and that the time period for filing the written statement will apply from the date on which the suit has been converted to a commercial suit.

The Court relied on the observation of the Apex Court in ***Shah Babulal Khimji*** (supra) and went on saying that the impugned order would qualify as a "judgement", and if the Appellant's written statement is not taken on record, vital rights of the Appellant in defending the suit would be affected. Thus, it held that the present appeal is maintainable under Section 10(1) of the Delhi High Court Act, 1966.

Lastly, the Court dealt with the issue of the right of the Appellant/Defendant No. 1 to file its written statement after the expiry of a 120-day period from the date of issuance of the summons. The Bench referred to the decision of the Supreme Court in ***Raj Process Equipments and Systems Pvt. Ltd.*** **v.** ***Honest Derivatives Pvt. Ltd.***, and by applying the ratio of the same, it held that the period of 120 days to file the written statement would only be applicable from the date when the suit has been transferred to the Commercial Division of the High Court and that the Court can exercise its discretion under Section 15(3) of the Act for putting up the matter for case management hearings and to provide a fresh timeline for filing of the written statement. The Bench disagreed with the submission of Respondent No.1/Plaintiff that the Single Bench has rightly exercised its discretion as per proviso to Section 15(4) of the Act for not extending the timeline to file the written statement.

<u>Conclusion</u>

Accordingly, the Bench allowed the present appeal and thereby set aside the impugned order. The Bench further ordered that the written statement filed by the Appellant/Defendant No. 1 be taken on record, and the suit shall proceed from that aforesaid stage.

mail@lexorbis.com | www.lexorbis.com

28. Piracy Battle: Grass Valley Secures Ex-Parte Injunction Against Unlicensed Use of EDIUS Software

Case: Grass Valley K K vs Ashok Kumar(S) & Ors. [CS(COMM) 703/2024]

Forum: Delhi High Court

Order Dated: August 21, 2024

Order: The plaintiff, Grass Valley K K, brought a commercial suit against several unknown individuals, referred to as Ashok Kumar, who were using pirated versions of their EDIUS software. EDIUS is widely used in the filmmaking and video production industry, making it a prime target for piracy.

Represented by counsel Mr Nirupam Lodha, the plaintiff submitted substantial evidence of unauthorised use, showing that only a small percentage (3.34%) of the software users in India held legitimate licenses. With a user base of over 184,000 registered eIDs, this equated to over 178,000 users relying on pirated copies.

The plaintiff faced difficulty in identifying the defendants, as they could only obtain IP addresses and details of internet service providers (ISPs) facilitating the infringing activities. This led the plaintiff to seek relief from the Court through an ex-parte injunction to prevent further damage.

Applications Filed:

Grass Valley K K filed several key applications:

- Exemption from Serving Advance Notice to the defendants and exemption from serving two months' notice to the Government of India (through BSNL and Railtel, listed as defendants).
- Exemption from Pre-Litigation Mediation, as the case involved piracy by unknown infringers, making mediation impractical.

- Permission to Submit Additional Documents within 30 days.
- Most notably, the plaintiff filed an application for an ex-parte interim injunction to immediately halt the unauthorised use and distribution of pirated versions of EDIUS software by the defendants.

Court's Observations:

The Delhi High Court acknowledged the seriousness of the piracy issue and recognised the evidence presented by the plaintiff. The Court noted that the widespread use of pirated software posed a significant threat to the plaintiff's business and intellectual property rights.

The Court pointed out the challenges posed by piracy, particularly when the infringers operate anonymously, often using the internet to distribute and access pirated software. The plaintiff had taken steps to identify infringers through their IP addresses and ISPs, which were listed as co-defendants in the suit.

The Delhi High Court granted an ex-parte interim injunction favouring Grass Valley K K. The order restrained the defendants, including the unknown Ashok Kumar(s), from Using, reproducing, offering for sale, or distributing any unlicensed, pirated, or cracked versions of the EDIUS software.

In addition, the Court directed the internet service providers (defendants 2 to 7) to cooperate with the plaintiff by sharing information about the infringing users upon request. The ISPs were given four weeks to comply with this order.

The Court has issued summons to the defendants, asking them to file their written statements within 30 days. The case will proceed to the next hearing before the Joint Registrar on 18 November 2024 and before the Court on 15 January 2025.

Grass Valley K K has also been directed to comply with Order XXXIX Rule 3 CPC within one week from the order date, ensuring that all legal requirements are met for the injunction to remain in effect.

29. Court Ruling Favors New Digital Media: Documents Approved for Cross-Examination in Saregama Copyright Suit

Case: Saregama India Limited vs. The New Digital Media and Anr. [CS-COM/68/2024; IA No. GA-COM/3/2024]

Forum: High Court at Calcutta

Order Dated: September 11, 2024

Order: The suit involves a dispute between Saregama India Limited (Plaintiff) and The New Digital Media (Defendant No.1) regarding the ownership and exploitation of copyrights. Defendant No.1 filed an application seeking the production of certain documents to cross-examine Plaintiff's witness (P.W.1). The documents in question relate to agreements and electronic communications, which Defendant No.1 claims will prove that Plaintiff does not have the copyright ownership as alleged.

Defendant No.1 argued that Plaintiff's documents (agreement and communications) reveal that Plaintiff does not believe himself to be the copyright owner, contrary to its claim. Defendant No.1 alleged that Plaintiff falsely claimed ownership and used settlements to avoid court scrutiny. The documents sought are listed in paragraph 8 of the application, and Defendant No.1 requested the court to order their production for cross-examination purposes.

The Plaintiff opposed the application through an affidavit-in-opposition, asserting that it is the copyright owner under Section 2(d)(vi) of the Copyright Act, 1957. The plaintiff argued that the rights have already been upheld by a Division Bench and the Supreme Court (S.L.P. (Civil) 11085 of 2023), making the issue final. The Plaintiff further claimed that the documents were not previously disclosed nor mentioned in the written statement and thus are irrelevant to the suit.

In response, Defendant No.1 contended that a plaintiff's witness can be confronted with documents during cross-examination under Order XI Rule 1(7)(c) of the Civil Procedure Code. Defendant No.1 also argued that Plaintiff's conduct in other related cases demonstrates that it is aware that the rights it claims to own do not belong to it.

The crux of the matter is whether the documents sought by Defendant No.1 can be introduced for cross-examination, as these documents were not previously disclosed. The court focused on procedural aspects, citing the amended provisions of the Code of Civil Procedure, 1908, as introduced by the Commercial Courts Act, 2015.

The court examined Order XI Rule 1(7)(c), which allows the production of documents during cross-examination for the limited purpose of challenging the veracity of the witness. Similarly, Order XI Rule 5 allows the production of documents during the pendency of a suit. The court ruled that introducing documents for cross-examination is permissible but must be limited to confronting the witness, not setting up a new defence.

The court concluded that although Defendant No.1 did not disclose the documents earlier, they can still be produced for cross-examination. However, the documents can only be used to challenge the credibility of Plaintiff's witness, not as evidence to support Defendant's defence. The court also dismissed technical objections raised by the Plaintiff regarding procedural deviations in the notice to produce documents.

The court allowed Defendant No.1's application and directed Plaintiff to produce the documents mentioned in paragraph 8 of the application, limited to cross-examination purposes. The court emphasised that these documents cannot be used to establish any defence or new plea by the Defendants.

30. Breaking the Code: Bentley Systems Inc. & Anr. v. Pushparaj Kandaswamy & Anr.

Case: Bentley Systems Inc. & Anr. v. Pushparaj Kandaswamy & Anr. [(CS(COMM) 3586/2024]

Forum: Delhi High Court

Order Dated: October 15, 2024

Order: As technology continues to advance at a rapid pace, the surge in intellectual property infringement cases—ranging from copyright disputes over software to trademark violations—has never been more pronounced. *Bentley Systems Inc. & Anr. v. Pushparaj Kandaswamy & Anr. (CS(COMM) 3586/2024)* is one such recent case wherein the Delhi High Court was presented with a copyright infringement dispute involving the unauthorised use of the petitioner's proprietary software, MicroStation, by the respondents. The present petition has been filed challenging the order dated 12th September 2024, passed by the learned District Judge, Saket Courts.

Bentley Systems Inc. (Petitioner No. 1) is a global leader in providing infrastructure software solutions, including the MicroStation software suite. MicroStation is a software used by professionals in architecture, engineering, and construction. The petitioners own the copyright in this software, as it was created by employees during their course of employment, thereby making it the property of the petitioners under the 'work for hire' doctrine under the Copyright Act, 1957. The petitioners' software products are available for use under valid license governed by an End-User License Agreement (EULA).

In June 2024, the petitioners discovered that the respondents were using unauthorized versions of their MicroStation software. The petitioners conducted an investigation that revealed the illegal use of MicroStation software on at least 60-80 computer systems by employees of the respondent, Pushparaj Kandaswamy's company. Consequently, the petitioners filed a commercial suit alleging copyright infringement.

On 13th August 2024, the District Judge, Commercial Saket courts, granted an ad-interim ex-parte injunction in favor of the petitioners, prohibiting the respondents from further infringing on the petitioners' copyright. The court also authorized the appointment of a Local Commissioner to visit the respondents' premises and document the unauthorized use of the software. During the execution of this commission on 22nd August 2024, evidence was collected showing at least 21 instances of illegal software on the respondents' systems.

Following the discovery of the infringement, the parties engaged in settlement discussions and ultimately filed a joint settlement application. The settlement included terms for resolving the dispute amicably, including the payment of licensing fees and the cessation of unauthorized use of the software and its various versions or any other software programs. The settlement agreement was duly signed by authorized representatives of both parties and supported by relevant affidavits and Board Resolutions.

Despite the joint settlement application, the learned District Judge rejected the settlement on 12th September 2024. The court observed that the settlement extended beyond the pleadings of the case, particularly concerning the future sale of software licenses, and raised doubts about the settlement's fairness due to the ex-parte injunction earlier issued in favor of the petitioners. The court suggested that the respondents may have been coerced into agreeing to the terms of the settlement due to the pressure exerted by the court's prior orders.

In the subsequent proceedings, the petitioners filed a petition challenging the District Judge's rejection of the settlement. After a thorough review, the court found that the impugned order rejecting the joint settlement application was not substantiated by sound reasoning. The court noted that the settlement had been voluntarily entered into by the parties through their authorized representatives without any coercion or undue influence. Furthermore, the settlement was supported by Board Resolutions and affidavits, and there was no evidence to suggest that the settlement terms were unlawful or beyond the scope of the original dispute.

The court also highlighted that the respondent was a long-standing industry member well aware of their rights and liabilities and had voluntarily entered the settlement to resolve the dispute. As the terms of the settlement were lawful, the court concluded that there was no justification for rejecting the settlement application on the grounds raised by the District Judge.

The High Court, after analysing the facts and legal arguments, set aside the impugned order of 12th September 2024. It held that the rejection of the joint settlement application was erroneous, as the settlement had been entered into freely by the parties, and the terms were consistent with the legal rights and obligations of both parties. The court further decreed the suit in favor of the petitioners, incorporating the terms of the settlement into the decree. Consequently, the dispute was resolved amicably, and the parties were bound by the terms of the settlement.

The case of *Bentley Systems Inc. & Anr. v. Pushparaj Kandaswamy & Anr.* (CS(COMM) 3586/2024) serves as a significant example of the complexities involved in copyright infringement within the software industry. It underscores the challenges software developers and providers face in protecting their intellectual property rights, particularly in the digital age where unauthorized use of software is prevalent. The judgment also highlights the importance of robust licensing agreements and the legal frameworks in place to address and remedy copyright violations.

31. Copyright Infringement: Madras High Court Rejects the Plea of Fair Use

Case: Galatta Media Private Limited v. Nian Media Private Limited. [O.A.No.451 of 2024 & A.No.3665 of 2024 in C.S. (Comm. Div) No.115 of 2024]

Forum: Madras High Court

Order Dated: October 19, 2024

Order: In the case of *Galatta Media Private Limited v. Nian Media Private Limited*, a Single Judge Bench of the Madras High Court dismissed the application filed by the Defendant Nian Media Private Limited, which sought to vacate the order of interim injunction dated 08.07.2024 and made the injunction order absolute, which restrained the Defendant from infringing the copyrighted works of the Plaintiff Galatta Media Private Limited.

The Plaintiff company filed the present suit against Defendant, praying for grant of an interim injunction restraining the Defendant, its directors, proprietors, subsidiaries, affiliates, franchisees, officers, men, partners, servants, agents, successors in interest, licensees, assignees and representatives from in any manner, directly or indirectly infringing the Plaintiff's copyrighted works detailed in Schedule A of the plaint, pending disposal of the suit. Subsequently, the Defendant filed an application under Order XIV Rule 8 of the High Court of Madras original Side Rules seeking to vacate the injunction order.

The Plaintiff stated that the copyright in certain works detailed in Schedule A of the plaint vested in the name of Mrs Aruna Radhakrishnan, who is the Proprietrix of Ritz Magazine, and that Ritz magazine was later operated and run by Abaddon Media Private Limited, which was incorporated together by Mrs Aruna Radhakrishnan and Mr Muthukrishnan Sivaramakrishnan. The Plaintiff stated that Abaddon operates the website www.ritzmagazine.in and that videos are hosted on the above-mentioned website by Abaddon under the title 'Ritz TV'. Similarly, Mrs. Aruna Radhakrishnan started South Scope magazine and acted as the Managing Editor. Another entity, Black Buck Entertainment Private Limited (Black Buck), acquired South Scope Magazine, and later on, the intellectual property of all these entities were consolidated in the name of Plaintiff company pursuant to assignment deeds; therefore, Plaintiff is the current owner of the copyright in all the works detailed in Schedule A.

Defendant submitted before the court that Plaintiff has failed to establish ownership of copyright in the works detailed in Schedule A to its Plaint. The Defendant pointed out that Abaddon Media Private Limited was incorporated only in the year 2018, and the assignment deed for the alleged assignment of copyright by Mrs Aruna Radhakrishnan to Abaddon is not available. The defendant submitted that proof of acquisition of South Scope Magazine by Black Buck and proof of assignment of copyright by South Scope to Black Buck is not on record.

The Defendant next submitted that the display or exhibition of allegedly infringing material was incidental and transient in the cinematographic films of the Defendant. The defendant relied upon the provisions under Section 16 of the Copyright Act, 1957, stating that the said provision delineates the scope of the protection of a copyright holder. Defendant relied upon the provisions of sub-clause [iii] of clause (a) of sub-section (1) of Section 52 and stated that the use of photographs while reporting current events or current affairs relating to a personality/celebrity whose photograph was displayed/exhibited in order to identify the subject of cinematographic film, falls within the above exception. Defendant next relied upon the provision under sub-clause [ii] of clause (u) of subsection (1) of Section 52 of the Act and submitted that the inclusion of the photographs by way of background or incidentally in the context of the principal subject of the film does not constitute an infringement of copyright, and that the photographs were exhibited fleetingly.

The Defendant placed reliance on the judgements such as *Kelly v. Arriba Soft Corporation United States Court of Appeals, Suneet Varma Design Pvt. Ltd. and another v. Jas Kirat Singh Narula and another, Associated Newspapers Group PLC v. News Group Newspapers Limited and Others [1986] R.P.C. 515*, and *Power Control Appliances and others v Sumit Machines Pvt Ltd* in support of its submissions.

Plaintiff responded to the application filed by Defendant by submitting that the display of the photographs by Defendant was not incidental to the cinematographic films. Plaintiff stated that Defendant has admittedly put the photographs to commercial use, and hence, the fair use exception in Section 52 of the Act is not applicable in the present case. Plaintiff distinguished the judgements relied upon by Defendant, and it placed reliance on the judgement of the Delhi High Court in the matter *Super Cassettes Industries Ltd. v. Hamar Television Network Pvt. Ltd. and Others*, with regards to the application of Section 52 of the Act, and emphasised that the said exceptions will only apply when the copyrighted material is used for criticism or review. The Plaintiff submitted that it is necessary to consider the motive behind the use of copyrighted material in order to determine whether such use is fair use or not.

Defendant reiterated its submissions made in response to Plaintiff's application by saying that the flow of title in respect of material over which Plaintiff claims copyright has not been established. Defendant further reasserted that Plaintiff has failed to place on record documentary evidence pertaining to the acquisitions of Ritz magazine by Abaddon, as well as that of South Scope by Black Buck. Defendant lastly submitted that Plaintiff has failed to establish a balance of convenience in its favour or that irreparable loss of hardship would be caused unless the interim injunction is extended and that the interim order is liable to be vacated.

The main issue before the Hon'ble Court is whether the Plaintiff has placed on record prima facie evidence that it has title to the material detailed in Schedule A of the plaint. In support of the above, the court analysed the documents placed before it by the Plaintiff such as declarations dated 20.06.2024 and 26.06.2024 from Mr. M.Gurunath Prabhu and Mr. Senthilkumar, respectively, declaring that specific photographs and videos were shot by them on being commissioned to do so by Abaddon or the Plaintiff, as the case may be. Apart from the above, Plaintiff also placed a confirmatory email dated 26.06.2024 from Mr Kunal Daswani and Mr R Sunder of Sunderphotography on record. The court also examined the Copyright Assignment Deed dated 20.06.2024 from Black Buck to the Plaintiff and the Copyright Assignment Deed dated 26.06.2024 from Abaddon to the Plaintiff. The court, after examining these documents, stated that it appears prima facie that the Plaintiff is the owner of the copyright in the materials detailed in Schedule A.

The next question before the court was whether the Defendant had committed infringement of the copyright subsisting in such materials. The court examined the written statement and the affidavit of the Defendant filed along with the accompanying application to set aside the interim order, where it claims to run channels such as BEHINDWOODS, BEHINDWOODS TV, BEHINDWOODS O2, BEHINDWOODS AIR, BEHINDWOODS HITS and BEHINDWOODS MAX, and these channels have a very large subscriber base. The Defendant asserts that it is one of the biggest online media channels available on platforms like *YouTube*, *Facebook* and *Instagram*. The Defendant stated that the alleged infringing data is not available on any of the platforms. Defendant also stated that Plaintiff made 35 strikes against its videos with the ulterior motive of targeting the sponsor of Defendant's events, "Behindwoods Gold Icon 2024". The court, after analysing the above contentions of Defendant, stated that it is evident that Defendant does not deny the use of material detailed in Schedule A of the plaint; instead, the contention is that its use of such materials falls within the scope of exceptions under Section 52 of the Copyright Act and that the Plaintiff has acquiesced in such use.

The next question to be dealt with by the court was as to whether the use of the material by the Defendant detailed in Schedule A of the plaint will fall within the exceptions under Section 52(1)(a)(iii) and Section 52(1)(u)(ii). In respect of the exception under Section 52(1)(a)(iii) of the Act, the court held that the use of the material by the Defendant was not in respect of reporting on the current affairs, but rather its use was in respect to the career of personalities concerned, and hence such use will not fall under the provisions of Section 52(1)(a)(iii) of the Copyright Act. Regarding the exception under Section 52(1)(u)(ii), the court stated that in order to establish a defence under this section, it becomes necessary to establish that the inclusion of any artistic work in a cinematographic film is by way of background or otherwise incidental. The court stated that such a determination can only be made after examining the evidence adduced by the parties in dispute. Regarding the balance of convenience aspect, the court stated that there was substantial viewership of the Defendant's channels containing the infringing material and that the balance of convenience is in favour of deletion of the infringing material since continued infringement until final disposal would cause irreparable hardship in view of substantial viewership. The court lastly observed that even subject to the removal of the infringing content, the Defendant would still be in a position to exhibit the videos. Accordingly, the court made the order of interim injunction absolute and thereby dismissed the Defendant's application challenging the said order.

32. Summary of the Judgement in Cosmos Premises Pvt. Ltd. v. Novex Communications Pvt. Ltd.

Case: Cosmos Premises Pvt. Ltd. v. Novex Communications Pvt. Ltd. (WPCR.8 OF 2024)

Forum: High Court of Bombay at Goa

Order Dated: October 21, 2024

Order: Section 69 of the Copyright Act, 1957 is a penal provision which states that when an offence is committed by a company, apart from the company, every person who, at the time the offence was committed, was in charge of and was responsible to the company for the conduct of its business can be proceeded against, for the offence committed by the company. Though proviso to sub-section (1) provides a defence that can be available to some of the persons in management in certain circumstances if that person proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence. Now, a question arises whether a restaurant owned by a company and its general manager can be held liable for any offence allegedly committed by the company under the copyright act. Particularly when the restaurant is not an entity in the eye of the law. Cosmos Premises Pvt. Ltd. v. Novex Communications Pvt. Ltd, which is a decision of the Bombay High Court of Goa -division, deals with this.

Cosmos Premises Pvt. Ltd. filed a criminal writ petition challenging an order of the magistrate, which issued a process against the petitioners, its wholly owned restaurant, and the manager of the restaurant. Petitioner no. 1 is a company, and Petitioner no. 2 is a director of Petitioner no. 1. Somewhere in February 2023, they received a summon from a magistrate court in connection with a complaint filed by respondent no. 1, i.e., Novex Communications Pvt. Ltd. In the said complaint, there was no specific allegation against Petitioner No. 2 and also against Petitioner No. 1, who has been shown as represented by the Director, who has already retired. The complaint also shows Accused No. 2 as a Beach Resort and Spa i.e. a Restaurant owned by Petitioner No.1 Company through its General Manager. Accused No. 2 is not an entity in the eye of the law. However, the Ld. Magistrate issued a process against accused No. 2 also. The allegations in the complaint were that the accused persons were playing songs and music owned by the Respondent no.1.

The complaint shows that the Complainant Company is in the business of obtaining rights in various kinds of music content and issuing Non-Exclusive NOC/permission of such work for on-ground public performances in commercial establishments, such as hotels, restaurants, bars, pubs, banquets, Discotheque and other establishments. It is then claimed that the Complainant Company has Assignment agreements with M/s Eros International Media Limited, Tips Industries Limited, etc, who have exclusively transferred and assigned the on-ground public performance rights in “Sound Recordings” of the songs contained in the Films which are part of the said Company, in favour of the Complainant Company. One fine night, the representative of Complainant Company observed that events were organised within the premises of Accused No. 2, and the entry fee for the show was Rs.10,000/-(Rupees Ten Thousand only) per person. The representative also found that the songs which are assigned to the Complainant were played on the premises of Accused No. 2 without any permission or NOC.

The issue before the Court was whether accused no. 2 i.e., Beach Resort and Spa i.e. a Restaurant owned by Petitioner No.1 Company which is not a legal entity can be enjoined as an accused and whether the decision of the magistrate to issue process against accused no. 2 is justifiable.

Section 69. Offences by companies.

(*1) Where any offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to the company for, the conduct of the business of the company, as well as the company shall be deemed to be guilty of such offence, shall be liable to be proceeded against and punished accordingly:*

Provided that nothing contained in this sub-section shall render any person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company, and it is proved that the offence was committed with the consent or connivance of or is attributable to any negligence on the part of, any director, manager, secretary or other officers of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—

For the purposes of this section—

(a) "Company" means any body corporate and includes a firm or other association of persons and

(b) "Director" in relation to a firm means a partner in the firm.

The Hon'ble Court, after hearing the counsels of both parties, held that Royal Orchid Beach Resort and Spa is shown as a restaurant owned by M/s Cosmos Premises Private Limited. Thus, the inclusion of such resorts and spas as restaurants is itself incorrect. Such resort and spa are neither shown as a Company nor a separate entity from Accused No. 1. Thus, showing Accused No. 2 as a beach resort and spa through its General Manager would clearly show non-application of mind on the part of the learned Magistrate, while issuing notice/summons. The Court went on to state that there is absolutely no averment in the entire complaint that Accused Nos. 1(a) and 1(b) or Accused No. 2(a) are responsible for day-to-day affairs of the said Company or the restaurant.

The Hon'ble Court held that Sub-Section (1) of Section 69 would clearly go to show that the Company could be prosecuted as a separate entity showing represented by a person who, at the time of the offence committed, was in charge of and was responsible to the Company for the conduct of the business. Thus, provisions of the above Section would clearly go to show that the Company could be independently prosecuted along with the person who, at the time of the commission of the offence, was responsible for the day-to-day affairs of the said Company. Sub-section (2) of 69 imposes a vicarious liability on the so-called director, manager, secretary, or other officer who commits an offence with consent or connivance of, or attributable to, any negligence towards such offence. The Court further held that while launching prosecution, it is necessary for the Complainant, first of all, to implead the Company through the responsible officer who conducts the business of such Company in the first place and also could prosecute any other director, manager, secretary, or other officers in case of any connivance or consent or negligence on their part. However, the complaint must disclose relevant averments as to who is the officer responsible for the conduct of the business of the Company at the time of the alleged offence as found in Sub-Section (1) of Section 69. The Court further clarified that it is not necessary that such person conducting the business of the Company is always the director or manager, secretary, etc. Under the Companies Act, day-to-day affairs of the Company or the conduct or the business of the Company could be assigned to any officer, and only such an officer is liable to be prosecuted along with the Company and not each and every director.

The Hon’ble Court acknowledged the fact that the Company is an artificial person, it has to be operated through a human being. So, in order to prosecute a company through its officer responsible for day-to-day business, there have to be specific allegations/averment in the complaint. The Hon’ble Court held that the impugned order of the magistrate suffers from non-application of mind as there was no specific allegation against accused no. 2. The Hon’ble Court held that the order of Magistrate summoning the Accused must reflect that he has applied his mind to the facts of the case and the law applicable thereto. The Magistrate has to record his satisfaction with regard to the existence of a prima facie case on the basis of specific allegations made in the complaint, supported by satisfactory evidence and other material on record.

33. Echoes of Copyright: Justice for Creative Expression

Case: Srinath R. vs M/S Reliance Broadcast Network Ltd. & Ors. [Com. OS. No. 1009/2024 (O.S.No.10259/2015)]

Forum: LXXXV Addl. City Civil & Sessions Judge, Bengaluru (CCH-86) (Commercial Court)

Judgment Date: December 4, 2024

Judgment: The plaintiff, Srinath R., an accomplished artist and author in Kannada theatre, music, and literature, filed a suit against M/S Reliance Broadcast Network Ltd. and its associates, alleging unauthorised use of copyrighted material from his book, Madhurya Sarvabhouma Dr. P.B. Srinivas-Nadayogiya Sunaadayaana. This book, a biographical tribute to the iconic playback singer Dr. P.B. Srinivas, was published in 2013, with the plaintiff holding exclusive copyrights over its text and images. The defendants, however, broadcast a program titled Retro Talkies – Belli Thereya Bangaradha Kathegalu on their FM channel 92.7 Big FM, which aired from September 22, 2017, for six days. Srinath alleged that the program reproduced substantial excerpts from his book without consent, acknowledgement, or remuneration, constituting a blatant infringement of his copyright.

The plaintiff substantiated his claim with compelling evidence, including the original book and its excerpts, proof of copyright ownership, and a transcript of the aired program. He also highlighted a prior instance where All India Radio, Dharwad, had sought his permission to use excerpts from the book for a broadcast, paying a royalty of INR 2,800. In stark contrast, the defendants did not seek similar authorisation, instead replicating the book's content verbatim in their program. Attempts to resolve the issue amicably, including email communications and a legal notice sent on October 9, 2015, were unsuccessful, compelling the plaintiff to seek legal redress for a permanent injunction and damages of INR 5,00,000 with interest.

The defendants, represented by Reliance Broadcast Network Ltd. and two of its employees, contested the allegations, claiming that the program merely presented publicly available information about Dr. P.B. Srinivas, compiled from common sources. They argued that the facts broadcast were not subject to copyright, as they were already in the public domain and did not constitute original creative content. However, the defendants failed to provide evidence substantiating their claim of relying on independent sources or demonstrating any effort to create original content. Notably, the defendants did not present any witnesses or documentary evidence during the trial.

The court analysed the evidence and legal precedents, affirming the plaintiff's copyright ownership and the defendants' infringement. The judgment emphasised that while historical or biographical facts may belong to the public domain, the unique expression, narrative style, and arrangement of such facts in a literary work remain protected under copyright law. Drawing on landmark judgments, including R.G. Anand vs Deluxe Films and Eastern Book Company vs D.B. Modak, the court clarified that even minor variations or embellishments in a substantially copied work cannot shield it from being labelled as piracy.

The court found that the defendants had not only replicated verbatim excerpts from the book but had also failed to acknowledge or credit the plaintiff's authorship. The absence of evidence supporting their claim of independent creation further weakened their defence. The defendants' admission, implied by their attempt to negotiate with the plaintiff post-notice, corroborated the infringement. The judgment emphasised that merely sourcing publicly available facts does not absolve the infringer if the original author's unique treatment of those facts is appropriated.

Consequently, the court decreed in favour of the plaintiff, granting a permanent injunction to restrain the defendants from further infringing the plaintiff's copyright. The defendants were directed to jointly and severally pay damages of INR 5,00,000, with interest at 6% per annum from the date of the suit until realisation. The judgment reaffirmed the importance of protecting intellectual property, ensuring that creators are duly recognised and compensated for their contributions. This case serves as a critical reminder that copyright law not only safeguards the financial interests of creators but also promotes respect for intellectual labour and originality.

PATENTS

1. Writ Jurisdiction of a High Court Not Dependent Upon Where the 'Appropriate Patent Office' is Situated

Case: University Health Network v. Adiuvo Diagnostics Pvt. Ltd. [Writ Appeal No.3076 of 2023]

Forum: Madras High Court

Order Dated: January 03, 2024

Order: In the case of *Filo Edtech Inc. vs Union of India & Anr [C.A.(COMM.IPD-PAT) 30/2023]*, the Hon'ble Delhi High Court held that the seat of the High Court for filing an appeal would be based on the location of the appropriate office as defined in Rule 4 of the Patents Rules, 2003 (as amended). The filing of an appeal is a right of action as stipulated in the Patents Act under Section 117A(2) of the Patents Act, 1970 and therefore, the seat of the High Court will be governed by the definition of appropriate office as defined in Rule 4(2) of the Patents Rules which uses the expression "in respect of any proceeding under the act". It is well settled that the location where the patent application is filed is the appropriate office for that application, irrespective of where that application was examined and the hearing was conducted.

This is also clear from the proviso of Rule 28(6), which states that if a hearing is conducted through video conferencing, such a hearing shall be deemed to have taken place at the appropriate office. However, a writ proceeding is not stipulated under the Patents Act, and therefore, a legal issue arises as to which High Court will have jurisdiction to entertain a writ petition arising on any issue concerning any proceeding before the patent office.

For example, in the case of pre-grant opposition, when the opposition is dismissed, the Opponent has no remedy to file an appeal against the dismissal of its pre-grant opposition than to file a writ petition. In this circumstance, what will be the seat of the High Court to invoke writ jurisdiction if the patent application was filed in one

mail@lexorbis.com | www.lexorbis.com

office, whereas the hearing was conducted by a controller of another office? This question was settled by a division bench of the Madras High Court in the case of **University Health Network vs Adiuvo Diagnostics Private Limited [Writ Appeal No.3076 of 2023]**.

Brief Facts of the Case

The Appellant in the above case filed a writ appeal under Clause 15 of Letters Patent to set aside the order of the learned Single Judge, dated 27.09.2023, passed in W.M.P.(IPD). No. 7 of 2023 in W.P.(IPD). No. 23 of 2023. The Appellant in this writ appeal is the fourth respondent in the writ petition filed by the respondent in the present writ appeal. The respondent/writ petitioner is a company based in Chennai and claims to be into creating platform technologies in the field of Optoelectronics. The respondent/writ petitioner had filed a pre-grant opposition against the Appellant's patent application no. 9067/DELNP/2010, which claims a patent for a device and method for fluorescence-based imaging and monitoring. The said patent application was filed at the Delhi patent office.

However, this application was allotted to a controller located in Chennai for examination. The pre-grant opposition in this application was filed in Delhi by the respondent/writ petitioner. However, the pre-grant opposition was also assigned to the same Controller. The Controller examined the pre-grant opposition and conducted enquiry from Chennai, including physical hearings in Chennai on various dates. After the conclusion of the hearing, the Controller dismissed the opposition and granted the above patent application a patent no. 439474 on 19.07.2023.

Aggrieved by this order of the Ld. Controller, the respondent/writ petitioner filed a writ petition of Certiorarified Mandamus, challenging the orders dismissing the opposition as well as a grant of patent and with a consequential prayer to remand the matter for hearing the pre-grant opposition application afresh for violation of the principle of natural justice for the reason that the impugned order did not consider the expert evidence of the writ petitioner. It is also silent about the detailed written submissions filed by the writ petitioner.

The Hon'ble single bench had admitted the writ petition and held that since the petitioner and the fourth respondent were competitors in the market, granted an ad-interim order restraining the fourth respondent from prosecuting the petitioner based on Patent No.439474, provided that the petitioner uses devices and methods for fluorescence-based imaging and monitoring, based on its patent. During the proceeding in the writ petition, the Appellant/respondent no. 4 had raised an issue of non-jurisdiction of this High Court on the ground that since the patent in question was filed in Delhi, the appropriate office for this patent application is Delhi.

Therefore, the Delhi High Court is the correct forum to entertain this writ petition. However, the Hon'ble single bench rejected this argument and held that since a part of the cause of action arises in Chennai, this Court has jurisdiction to hear this writ petition. The Hon'ble Single bench held that the jurisdiction of this Court under Article 226 of the Constitution of India is not dependent upon where the 'appropriate patent office' is situated. Therefore, Rule 4 of the Patents Rules is not dispositive of the jurisdiction. Aggrieved by the decision of the Hon'ble single bench, the Appellant filed a writ appeal before the division bench of this Hon'ble Court.

Issue before the Division Bench

The issue before the division bench was whether the Writ Petition before this Court was without territorial jurisdiction considering the fact that the appropriate office for the subject patent application was Delhi, and the subject pre-grant opposition was filed before the Delhi patent office. The Delhi High Court would only be the convenient forum, and the action of the writ petitioner amounts to forum shopping.

Applicable RULE/LAW and Submission of the Parties

Section 2(1)(i) of the Patents Act, 1970 (hereinafter "the Act") gives the relation of the High Court with respect to a State or Union Territory. Rule 4 of the Patents Rules, 2003 (as amended) defines what is an appropriate office. Rule 28(6) of the Patents Rules states that a patent hearing may also be held through videoconferencing, which shall be deemed to have taken place at the appropriate office. Article 226(2) states that the power conferred by clause (1) to issue directions, orders or writs to any Government, authority or person may also be exercised by any High Court exercising jurisdiction in relation to the territories within which the cause of action, wholly or in part, arises for the exercise of such power, notwithstanding that the seat of such Government or authority or the residence of such person is not within those territories.

The Appellant submitted that the appropriate office, as per Rule 4 of the Patents Rules, is only the Delhi office. An automated system makes the allotment for administrative exigency, and as per Rule 28(6) of the Patents Rules, the hearing is deemed to have taken place only in Delhi. The Appellant further relied on the case of *Dr. Reddy's Laboratories vs The Controller of Patents [(2014) 5 LW 289 (DB)]* and *Filo Edtech Inc vs Union of India and Anr*, contending that a mere hearing at Chennai alone would not confer jurisdiction on the Madras High Court. The Appellant further claimed that the defect of jurisdiction strikes at the very authority

mail@lexorbis.com | www.lexorbis.com

of the Court to pass any order [Kiran Singh and Ors. vs Chaman Paswan and Ors (AIR 1954 SC 340)].

The writ petitioner/respondent contended that this Court has territorial jurisdiction as part of the cause of action that arose in Chennai. This Court cannot be termed an inconvenient forum and further submitted that the most critical parts happened only in Chennai, i.e., the hearing. The writ petitioner/respondent contended that when both the writ petitioner and the fourth respondent (Appellant) and their attorneys and agents have an office in Chennai, and the matter has been filed and entertained in Chennai, it cannot be said that the Madras High Court is an inconvenient forum.

Decision of the Court

The Hon'ble Court, after hearing both parties, held that since the instant matter was filed under Article 226 as a writ petition, the jurisdiction of the High Court will be based on the provision of Article 226(2), which states that any high court exercising jurisdiction in relation to the territories within which the **cause of action, wholly or in part**, arises. The Hon'ble division bench differentiated between the nature of the suit instituted and held that since the party has sought a remedy through a writ petition, therefore, irrespective of the location of the 'appropriate patent office', this Court would have territorial jurisdiction to entertain the matter if the part cause of action arose within its jurisdiction.

The Hon'ble division bench held that the writ petitioner has a patent and is conducting business in Chennai. The same is an integral part of the reason for the writ petitioner to oppose the grant of the patent. On the contrary, the fourth respondent is based in Canada and, through its attorney, is filing the application in India. Therefore, it cannot be said that the primary geographical area where the rights of parties play out is Delhi and that jurisdiction is artificially vested in Chennai.

If the geographical area in which the rights of parties play out is to be considered, then Chennai stands on a better footing than Delhi. The Hon'ble division bench further held that the main contention of the writ petitioner was that their expert evidence affidavit and written submission furnished post to a hearing held in Chennai was not considered; therefore, it cannot be contended that no part of the cause of action arose within the Jurisdiction of this Court. The Hon'ble division bench further clarified that deeming the provision of Rule 28(6) and definition of Appropriate office as per Rule 4 (2) of the Patents Rules is for specific purposes such as for filing of an appeal.

On the issue of forum conveniens, the Hon’ble division bench held that (i) the Appellant/fourth respondent is located in Canada and has filed the Patent Application through its attorneys; (ii) the writ petitioner is located in Chennai; (iii) both sides learned counsel and patent agents are having their offices also at Chennai, and therefore, there is no ground as why this Court should exercise restraint on the ground of forum conveniens. The Hon'ble division bench went on to state that with the advent of technology, in the times of quick and instant communication and virtual hearings, the ethos relating to forum conveniens and prejudice to the parties have all to be recalibrated. The Hon'ble division bench, in view of the above reasoning, dismission the present writ appeal.

Conclusion

On the issue of forum conveniens, one crucial factor that should have been considered for foreign companies is the address of service. In the instant matter, the Appellant filed a request for a change of agent and address of service on May 05, 2022, wherein they mentioned their address of service in Delhi. Also, the address of service of the agent of the Opponent is in Delhi. Even if a minuscule part of the cause of action arises within the jurisdiction of a Court, a Writ petition would be maintainable before the said Court. However, this is not the singular factor and the doctrine of forum convenient must be considered. The concept of forum conveniens means that it is obligatory on the part of the Court to see the convenience of all the parties before it [Sterling Agro Industries Ltd. vs Union of India & Ors. (2011 SCC OnLine Del 3162)].

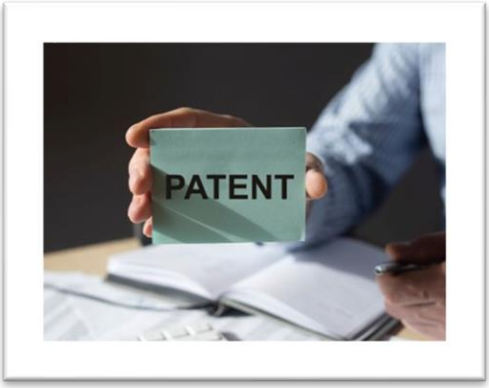
Therefore, if this factor of address of service of the Applicant and Opponent had been considered, it would have settled all the considerations for the principle of forum conveniens. Rule 4(2) of the Patents Rules uses the expression "**shall not ordinarily be changed**". The use of "ordinarily" in Rule 4(2) raises the question of in what circumstance the appropriate office, once decided, can be changed, is still to be answered. However, it is clear now that the jurisdiction of a High Court under Article 226 of the Constitution of India is not dependent upon where the 'appropriate patent office' is situated, and therefore, Rule 4 of the Patent Rules is not dispositive of the jurisdiction.

2. Can Informal Communication to the Patent Office amount to Formal Acceptable Notice

Case: Haryana Pesticides Manufactures Association v. Asst. Controller of Patents and Designs [W.P.(C)-IPD 45/2023 & CM 150/2023]

Forum: Delhi High Court

Order Dated: January 08, 2024



Order: *De*lhi High Court, in the matter titled **Haryana Pesticides Manufactures Association ('petitioner') vs Assistant Controller of Patents and Designs, Patent Office, Delhi** ('respondent'), recently gave a verdict on a critical issue of whether an informal communication sent to the Patent Office amount to a formal acceptable notice.

An Indian Patent Application titled "*Weedicidal Formulation and Method of Manufacture Thereof*" was filed by the applicant in 2010 before the Patent Office. Subsequently, after the publication of the said patent application, a pre-grant notice of opposition under Section 25(1) of the Patents Act, 1970, was filed by the petitioner challenging said patent application.

The petitioner claimed that a letter was addressed to the Controller of Patents in 2017 intimating the change in his email address. Further, on the pre-grant opposition filed by the petitioner, a hearing was scheduled by the Patent Office in October 2020, in which the petitioner claimed that the notice of hearing was served only to his old email address.

The petitioner further claimed that he sought adjournment for hearing from his new email address, for which he received intimation regarding rescheduling of hearing on both his old and new email addresses. Thereafter, he sought a second adjournment for a hearing from his new email address; however, for a second adjournment request, the petitioner claimed that he received the hearing notice only on his old email address.

 mail@lexorbis.com | www.lexorbis.com

Thus, the petitioner claimed that the revised notice of hearing was received only at his old email address and that the email address by that time had become non-functional; therefore, for the aforesaid reasons, the petitioner could not attend the hearing. Later, he discovered the rejection of the opposition ex-parte in September 2023 after inquiring about the Patent Office.

The Hon'ble Court held that although the petitioner communicated to the Patent Office regarding the change in email address, the same was done by addressing a mere generic letter to the Controller of Patents (without reference to the impugned patent application), and hence, was not done formally. The Hon'ble Court also held that although there is no form prescribed, the Patent Rules do include Form 30, which is "*to be used when no other form is prescribed*", and said Form does allow an applicant/patentee/other to communicate address, including email, telephone number, mobile and fax number along with the purpose of the request, details of the request and signatures of the person applying.

The Court further held that no steps were taken by the petitioner since 2017 or even after 2020 till 2022 (a long span of two years) to ensure that the petitioner's old email address was excluded. Moreover, the Court pointed out that as the petitioner is represented through a registered patent agent and an advocate, it was to be ensured that the records were updated in all manners possible and by whatever mode acceptable to the Patent Office. The Hon'ble Court further observed that the petitioner chose to await notice from the office of the Controller of Patents rather than being diligent in inquiring into the matter and ensuring that his new email address was placed on record for this impugned patent.

The Hon'ble Court observed that the petitioner could have moved for a post-grant opposition in January 2023 or even in September 2023 (when they found out about the rejection of their opposition and grant of patent).

The Hon'ble Court emphasised the relevance of Form 30 of the Patents Act and explained that where there is no specific form provided for change of address or change of email or any other miscellaneous purpose, Form 30, which is generic in nature, must be used. Any informal communication or communication in the Form of a general letter or email may not be binding on the Patent Office. For a communication to the Patent Office to be binding, it should be in the specific Form provided under the Patents Act, and in case no particular form is provided, then it must be in Form 30 of the Patents Act.

3. The Interplay of Infringement and "Me Too" Registration

Case: GSP Crop Science Pvt. Ltd vs Devender Kumar [CS(COMM) 55/2024 & I.A. 1383/2024, I.A. 1384/2024]

Forum: Delhi High Court

Order Dated: January 19, 2024

Order: In an infringement suit, *GSP Crop Science Pvt. Ltd ('plaintiff') vs Devender Kumar ('defendant')* against the defendant's unauthorised use of the plaintiff's patent, the Delhi High Court, in its order dated 19th January 2024, granted interim relief to the plaintiff based on the infringement analysis (as supplied by the plaintiff) and "me too" registration of the defendant's product.

The plaintiff owns the suit patent (IN 384184) for "Liquid Composition of Pendimethalin and Metribuzin." The patent relates to a liquid formulation comprising Pendimethalin (ranging from 10 to 40% w/w) and Metribuzin (ranging from 1 to 10% w/w) as active ingredients along with inert excipients, wherein Pendimethalin to Metribuzin is in the ratio of 1:1 to 25:1.

The plaintiff asserted that the patented formulation provides a convenient combination dosage form of the active ingredients that have increased efficacy, stability and bio-equivalence to the corresponding free combination of the same active ingredients.

The plaintiff also obtained a registration for formulations of Pendimethalin 35% + Metribuzin 3.5% under Section 9(3) of the Insecticides Act, 1968, which are used in its commercialised product, 'Platform'. In November 2023, the plaintiff learned that the defendant had launched a product called 'Pendamic', which is an imitation of the plaintiff's novel and innovative product. After acquiring and scrutinising samples of the defendant's product, the plaintiff discovered that the label on these products, setting out the ingredients used therein, clearly matches the claims of the suit patent. To support its argument, the plaintiff presented the infringement analysis of the defendant's infringing product, wherein the comparison suggested

mail@lexorbis.com | www.lexorbis.com

that the use of active ingredients in the impugned product directly falls within the claims of the suit patent.

The plaintiff also argued that the defendant's infringement is further substantiated by their acquisition of a registration under Section 9(4) of the Insecticides Act, 1968. Such registration, commonly known as a “me-too” registration, is only granted when a First Registration already exists under Section 9(3) of the said Act.

This, as per the plaintiff, is effectively an admission of the fact that the defendant was aware of the suit patent and that the defendant’s product comprises a formulation that is identical to the suit patent. Moreover, it was stressed that the defendant could not deny being aware of the suit patent as the plaintiff’s product clearly carries a ‘Patented’ notice on the label, alerting any viewer to the fact that the plaintiff’s product ‘Platform’ is patented.

On considering the plaintiff’s contentions and also analysing the infringement analysis as provided by the plaintiff, the High Court held that the plaintiff had established a **strong *prima facie* case** to demonstrate infringement of the suit patent. The Court further noted that the defendant’s product was stated to have been launched *only* in the year 2023, as evidenced by the packaging of the product.

Therefore, the **balance of convenience** also lies in favour of the plaintiff. Finally, it was noted that if the defendant is not restrained, the sale of the allegedly infringing products is **likely to cause harm** and damage to the plaintiff. Thus, by applying the standard of the triple test, the Court granted an *ex-parte* ad interim injunction in favour of the plaintiff.

The decision strengthens the enforcement of patents in the agrochemical sector. The term “me too” refers to products that closely resemble or imitate existing products on the market. Infringement occurs when these “me too” products violate the intellectual property rights of the original product. In this case, the plaintiff’s analysis demonstrated a case of direct (literal) infringement by one-to-one mapping between the features of the impugned product and the suit patent. The “me too” registration of the defendant’s product further added weight to the plaintiff’s infringement case.

4. Dispensing with Advance Service for Overarching Consideration of Justice, Equity or Public Interest

Case: Incyte Holdings Corporation & Ors vs Tiba Pharmaceutical Pvt Ltd [CS(COMM) 81/2024]

Forum: Delhi High Court

Order Dated: January 29, 2024

Order: Often, in a commercial suit, the plaintiff always moves an application for an exemption and does not affect an advance service on the defendant. Most of the time, the only region stated in that said exemption application is that the plaintiff has filed an application under Order 39 Rules 1 and 2 of CPC for an interim injunction. It is essential to understand here the underlying public interest in the process of advance service to the defendant. A contested order passed by a court does no prejudice to either side and also substantially insulates the Court from making errors, either of facts or of law. But what could be all situations and circumstances in which the exemption from advance service to the defendant is justified.

Rule 22 of Delhi High Court IPD Rules, 2022 (hereinafter "the IPD Rules") casts an obligation on the party approaching a court to serve the respondent at least two working days in advance an advance copy of the matter along with intimation of the likely date of listing. <u>This requirement may be dispensed by the Hon'ble Court only if the facts and given circumstances of that case warrant and, of course, on an application by parties</u>. As per the IPD Rules, it is the discretion of the Court to dispense with an advance service based on the facts and circumstances of each case.

Also, as per Rule 6 of High Court Of Delhi Rules Governing Patent Suits, 2022, an advance service to the defendant is not mandatory if the party approaching the Court is seeking an ex-parte relief.

A corollary to both of the Rules mentioned above is if the party approaching the Court is able to satisfy the Court why advance service is not mandatory, he will be successful in getting relief of ex-parte injunction. Therefore, the question is, in what circumstances can a court dispense with the requirement of an advance service to the defendant? The exemption from advance service is allowed only in exceptional situations where there is an overarching consideration of justice, equity or public interest. The onus to prove the existence of such an exceptional situation is on the plaintiff. For example, the situation could be that if an advance service is effected to the defendant, an irreparable injury would be caused to the plaintiff. This kind of situation generally arises in the case of quia timet action. In the case of *Fletcher v. Bealey* [28 Ch.D. 688 (1885), Mr. Justice Pearson explained the law as to actions quia timet as follows:

> *"There are at least two necessary ingredients for a Quia timet action. There must, if no actual damage is proved, be proof of imminent danger, and there must also be proof that the apprehended damage will, if it comes, be very substantial. I should almost say it must be proved that it will be irreparable because, if the danger is not proved to be so imminent that no one can doubt that, if the remedy is delayed, the damage will be suffered, I think it must be shown that, if the damage does occur at any time, it will come in such a way and under such circumstances that it will be impossible for the plaintiff to protect himself against it if relief is denied to him in a Quia timet action*".

In intellectual property cases, a quia timet situation may arise when the defendant is infringing either a patent right, a trademark, or a registered design and is going to flood the market with the infringing products in the near future. So, in those circumstances, if the plaintiffs effect an advance service to the defendant, the defendant will certainly flood the markets, and it will be practically impossible to call off the infringing goods from the market even by any injunction.

This situation would severely prejudice the Plaintiffs, as the defendant would then misleadingly assert that their product is already available in the market. Moreover, it was held that even in the event that the Court grants an injunction after hearing the defendant, recall of such infringing products from the market would be an arduous task. However, the onus lies on the plaintiff to satisfy the Court with evidence (market survey, etc.) that there is a strong apprehension that if advance service is effected, the plaintiff will suffer irreparable damage.

Another hypothetical case would be a case in which the defendants, as prior employees or associates of the plaintiff, are alleged to have poached confidential material of the plaintiff with the intent of using it for unlawful means. In House of Diagnostics LLP & Ors. vs House of Pathology Labs Private Limited [CS(COMM) 869/202], it was held that where such material is contained on the servers of the defendants, if advance service of the plaint is directed to be served on the defendants, there is a live danger of the defendants compromising the said data or erasing it altogether.

Exemption from advance service to the defendant is not a rule but rather an exception, and it should be sought only in that situation where there is a strong apprehension that if the defendant is made aware of the instant suit, the defendant will take an action which will cause an irreparable injury to the plaintiff which may not be cure even some interim relief in the form an injunction is granted. On the other hand, advance service to the defendant is based on the principle of Audi alterum partem. The test to find whether an advance service is required in a particular case or not is whether the plaintiff has avoided such injury by not effecting an advance service.

5. Amendments under Section 59(1) of the Patents Act, 1970 to Pass Rigours of Six Benchmarks

Case: The Regents of The University of California vs Controller General of Patents, Design and Trademark & Anr. [C.A.(COMM.IPD-PAT) 143/2022]

Forum: Delhi High Court

Judgment Dated: February 05, 2024

Judgment: The Delhi High Court, in its recent decision dated February 5, 2024, succinctly summarised the key benchmarks and parameters which amendments under Section 59(1) of the Patents Act, 1970 (hereinafter referred to as "the Act") need to qualify for them to be allowed. The observation of the Court came in the appeal filed by The Regents of The University Of California (hereinafter referred to as "the Appellant") that challenged the decision of refusal of their patent application (hereinafter referred to as "the subject application") by the Controller General of Patents, Designs & Trademarks (hereinafter referred to as "the Controller of Patents") vide its order dated February 18, 2021(hereinafter referred to as the "impugned order").

The subject application at the time of issuance of the First Examination Report ("FER") was initially objected to on the grounds of lack of novelty under Section 2(1)(j), lack of inventive step under Section 2(1)(j)(a) and non-patentable subject matter under Section 3(i) and Section 3(k) of the Act. To overcome the objections, the appellant amended the claims to be more definitive and restrictive in their scope and incorporated technical features implicitly covered under the dependent claims. However, maintaining all objections earlier raised in FER, the subject application received a hearing notice. To further overcome the objections, the appellant submitted an amended set of claims. However, the subject application after the hearing was refused, disallowing the amended claims under Section 59(1) of the Act.

Section 59 of the Act provides as follows:

mail@lexorbis.com | www.lexorbis.com

"*Section 59: Supplementary provisions as to amendment of application or specification. —*

(1) No amendment of an application for a patent or a complete specification or any document relating thereto shall be made except by way of disclaimer, correction or explanation. No amendment shall be allowed except for the purpose of incorporating actual fact. No amendment of a complete specification shall be allowed, the effect of which would be that the specification as amended would claim or describe matter not in substance disclosed or shown in the specification before the amendment or that any claim of the specification as amended would not fall wholly within the scope of a claim of the specification before the amendment."

The appellant's counsel submitted that the impugned order passed by the Controller of Patents was arbitrary and arose out of a wrong and incorrect interpretation of the provisions of Section 59(1) of the Act relying upon the following grounds:

i. Amendment of claims was done by way of correction, explanation and disclaimer as permitted under the Act.

ii. The scope of amended claims was narrower and was a subset of the original specification in claims.

iii. Amended claims were already disclosed in the original claims and specification, both implicitly and explicitly.

iv. The scope offered by the originally filed description should be read along with the claims and examples.

v. Amended claims were clearly derived by merging features of multiple dependent claims of the original specification, which did not enlarge the scope of the claims. Support for claims in the description must be seen from the perspective of a person skilled in the art and processes, one having common knowledge, and one who can identify the inventions and substance in line with the phrase "not in substance" used in Section 59(1) of the Act.

vi. The Controller of Patents failed to apply the test for added matter and appreciate that from the perspective of a skilled person, nothing new was discernible from the amendments.

vii. Additional words from the unamended specifications are permissible to offer a clear explanation as permitted under the Act.

viii. Renumbering and introducing new numbering and rewording technical features to impart definiteness and conciseness cannot be construed to take away or change the inherent scope of the originally filed claims.

While the counsel representing Controller of Patents submitted in support of the impugned order primarily relying on four legs of arguments:

i. That the claims to "a method of marketing", which was part of the preamble, was non-specific and could not have been acceptable;

ii. Use of the word "obtaining" as part of an independent claim did not emanate from the original claim and, therefore, could not be allowed under Section 59(1) of the Act;

iii. Some parts of the independent claim added additional specifications that were not found in the initially filed claim and

iv. Certain expressions in the independent claim were also beyond the scope of the initially filed claim.

The impugned order was passed on the premise that although the preamble of amended claims was the same, certain parts of the independent claim were not disclosed in the originally filed claims and also are not as such disclosed anywhere in the specification. Thus, the impugned order disallowing the amendments under Section 59(1) of the Act held that the scope of amended claims is beyond the scope of claims as originally filed, and it also describes matters not in substance disclosed or shown in the specification.

The Court interpreted the scope of Section 59(1) of the Act and observed that amendments to the original application can only be made through Disclaimer, Correction, or Explanation.

Additionally, the proposed amendments are to be tested against the following parameters:

- The amendment should serve the purpose of incorporation of actual facts;
- The effect of the amendment should not allow matter not in substance, disclosed originally or shown in the specification;
- The amended claim of the specification should fall within the scope of the original claim of the specification.

In light of the above, the Court that the appellant at the time of amendment was merely reverting to the original expression used in the original claims that were not outside the scope of the original claims and were simply mirroring the same. The Court gleaned through the specification and original claims to observe that the scope of the claim involved the method of determining the efficacy of the said compound and, therefore, the use of the expression "method of marketing", which mirrored the original claim could not be considered, in any manner whatsoever, to be outside the scope and purview of Section 59(1) of the Act.

For determining the scope of dependent claims, the Court reiterated the decision in ***F. Hoffmann-La Roche Ltd. v. Cipla Ltd. 2015 SCC OnLine Del 13619***, which held that "*where claims are 'dependent' it incorporates by reference 'everything in the parent claim and adds some further statement, limitations or restrictions*."

Since the appellant clarified that the phrase "obtaining" did not mean that they would be manufacturing but only procuring the compound from existing sources and finally testing it, the same was acceptable.

Since the parts of Claim 1 objected to by the Controller of Patents already formed part of the original claims and specifications, the Court held that the amendments made by the appellant only served as an explanation to the original claims, amounting to the incorporation of actual facts, and does not disclose any matter which was not initially disclosed in the claims of specification filed before the amendment and thus allowed the same.

The impugned order was set aside with an observation that it was not an accurate analysis or a correct conclusion, and by allowing the appeal, the subject application was remanded back to be examined afresh along with the amendments. This decision of the Court paves the way for the correct interpretation of Section 59 of the Act and, thereby, is bound to provide clarity to the scope of amendments that can be allowed during the prosecution of a patent application before the Patent Office.

6. Patent Infringement: Import or Local Manufacture?

Case: AstraZeneca AB & Anr. vs Azista Industries Pvt Ltd & Ors. [CS(COMM) 106/2024]

Forum: Delhi High Court

Order Dated: February 06, 2024

Order: In an infringement suit, *AstraZeneca AB & Anr. ('plaintiffs') vs Azista Industries Pvt Ltd & Ors. ('defendants')*, the Delhi High Court, in its order dated 6th February 2024, granted interim relief to the plaintiffs based on their submissions that the defendants were engaged in clandestine operations, acting in concert to manufacture, smuggle, and sell unlawful drugs that were infringing versions of the plaintiffs' patented drug in India.

The suit patent (IN 297581) relates to the plaintiffs' drug comprising Osimertinib, a second-line treatment for non-small cell lung cancers with underlying mutations in a protein known as the Epidermal Growth Factor Receptor. Osimertinib is the International Nonproprietary Name (INN) assigned by the World Health Organisation to the plaintiffs' compound. Osimertinib is protected by the suit patent, which was granted in 2018 and is valid till 2032. Plaintiffs have the exclusive right to manufacture, use, offer for sale, import, or sell Osimertinib in India.

Plaintiffs uncovered the *modus* used by defendants for infringing activities. Plaintiffs asserted that defendant no. 2 (Azista Bhutan Healthcare) manufactured Osimertinib in Bhutan under the brand OSITAB, and defendant no. 1 (Azista Industries Pvt. Ltd.) was involved in the marketing and selling of impugned drugs within India. As import-export data of defendants over the last few years revealed no imports of the impugned drug, and because the patent for compound Osimertinib is not registered in Bhutan, plaintiffs argued that it *appeared* that the drugs were manufactured locally in India. In contrast, the packaging of these drugs mentioned the place of manufacture as Bhutan.

mail@lexorbis.com | www.lexorbis.com

The plaintiff averred that the sale of the infringing drugs in India was being promoted through doctors and medical practitioners by defendant nos. 3-5 (Hetero Group). Undated prescriptions without letterheads have been produced in this regard. It was also stated that defendant no. 7 (IndiaMART), an e-commerce marketplace, was facilitating the advertisement and sale of infringing drugs by third parties. These drugs are not meant for sale on online websites and require a prescription by a registered medical practitioner.

Plaintiffs evidenced that defendant no. 8 (Hegde & Hegde Pharmaceutical LLP). Defendant no. 9 (Celute Lifesciences Pvt Ltd) were the third-party entities that engaged in the supply and sale of infringing Osimertinib on the merchant platform operated by defendant no. 7. Drugs were also readily available at retail outlets/ pharmacies such as those of defendant no. 6 (Mor Chemists Banjara Hills). Apart from this, several unidentified persons facilitating the smuggling of drugs across the Indo-Bhutan border and inland supply/ distribution have been impleaded as *John Does*.

Plaintiffs placed on record copies of three previous orders of the Delhi High Court protecting their suit patent. Plaintiffs appraised the Court that there was no pre-grant opposition to the suit patent. Out of two post-grant oppositions, one was subsequently withdrawn, and the other is pending.

The defendant nos. 1-5 denied the allegations made in the plaint as false and incorrect and assured that they would not deal with any infringing drug until the suit patent is valid and subsisting. However, it was clarified that defendant No. 2 manufactures OSITAB in Bhutan, which does not infringe the suit patent. It was also explained that the *only* 'import' the aforesaid defendants were aware of were the ones made in terms of Rule 36 of the Drugs and Cosmetics Rules, 1945, which stipulates that the import of small quantities of drugs that are otherwise prohibited can be imported for personal use, subject to certain conditions.

Copies of two permits granted by the licensing authority (CDSCO) have been produced to support the submissions. Defendant No. 2 further assured that no export of OSITAB shall be made to India except under the regulatory permission granted under Rule 36. While denying the allegations, defendant No. 8 undertook appropriate action to remove the listings on the website of defendant No. 7.

On examining the contentions of both sides, the Court found a *prima facie* case in the plaintiffs' favour, a balance of convenience tilting in favour of the plaintiffs, and irreparable loss would be caused if an *ex-parte* ad interim injunction is not granted. Accordingly, defendants nos. 6 and 9 are restrained from infringing activities directly or indirectly in relation to the suit patent. The Court also directed defendant No. 7 to delist and delete all listings on its platform that advertise and offer for sale infringing versions of Osimertinib under the brand OSITAB.

7. Product-By-Process Claims Must Be Examined on Standards of Novelty and Non-Obviousness

Case: Vifor (International) Ltd. v. MSN Laboratories (P) Ltd. [FAO(OS) (COMM) 159/2023 & CM APPL. 39177/2023]

Forum: Delhi High Court

Order Dated: February 07, 2024

Order: The Division Bench of the Delhi High Court, consisting of Justices Yashwant Varma and Dharmesh Sharma, stated in the case of Vifor (International) Limited & Anr. vs. MSN Laboratories Pvt Ltd, Corona Remedies Pvt Ltd, and Dr Reddy's Laboratories Ltd that the evaluation of a product-by-process claim under the Patents Act should be grounded on the notion that the product in question must be unique and not readily apparent to others. It holds true irrespective of whether the applicant has defined the invention via a manufacturing process.

The plaintiff/appellant contended that their patent 221536, commonly known as IN'536, was predominantly a product-by-process claim for Ferric Carboxymaltose (FCM), a substance engineered to meet the requirements of a non-toxic, quickly sterilising intravenous iron therapy in a variety of clinical contexts. In an effort to obtain relief, the plaintiff petitioned for a provisional restraining order that would forbid MSN Laboratories Limited from employing an alternative process to manufacture a product that is comparable to FCM. The Honourable Single Judge denied the petition for an interim injunction on the grounds that the plaintiff's patent protection was limited to the process of acquiring the product, not the product itself.

Subsequently, the plaintiff/appellant filed an appeal with the Division Bench, contending that the patent defined a process rather than a product and, thus, should not be limited to the particular manufacturing method specified in the patent. With respect to their patented product, the plaintiff, acting as the appellant, filed a

mail@lexorbis.com | www.lexorbis.com

lawsuit against MSN Laboratories Pvt Ltd, Corona Remedies Pvt Ltd, and Dr Reddy's Laboratories Ltd.

The Court's decision established that the mere use of process-related terms does not inherently limit or offer a valid justification for distinguishing between validity and infringement. Even if the applicant is obligated to provide a product-by-process claim due to unforeseen circumstances, there is no justification for restricting the extent of protection. In the case, the Court saw that for a product-by-process claim to be deemed genuine, it must exhibit novelty and inventiveness, in contrast to a simple process.

The Court emphasised that using the product-by-process format alone does not automatically reclassify a new product as falling under Section 48(b) of the Act; instead, the product must adhere to the standards outlined in Section 48(a). The patentees' rights are outlined in Section 48 of the Patents Act. Specifically, Section 48(a) states that patentees possess exclusive jurisdiction over any third party attempting to manufacture, distribute, import, or utilise the patented product in India. In a similar fashion, patentees are granted the same rights under Section 48(b) when the patent relates to a particular process.

Additionally, the Court underscored the improperness of restricting or abbreviating a product-by-process claim for the purpose of complying with Section 48(b) of the Patents Act. The Court ruled that a product-by-process claim remains eligible for protection under Section 48(a) of the Act so long as it pertains to a novel and inventive product that is not previously recognised in the art. The Court also said that the process language used to describe an invention shouldn't change the standards for figuring out whether it is new or patentable if the claim is for a unique, original, and different product from previous designs.

In its decision, the Court said that previous decisions and guidelines on product-by-process claims all agree that process terms should not be considered when figuring out novelty. Instead, the Court noted that people should focus on the product's unique qualities. The Court emphasised that the use of a novel manufacturing process does not inherently confer novelty on a product. Furthermore, the Court emphasised that a product-by-process claim amalgamates the conventionally distinct classifications of process patents and product patents.

The Court said that the Single Judge's decision was clearly wrong because it didn't understand the scope of product-by-process claims and made it sound like different rules apply to infringement cases. After reviewing the case's facts and circumstances, the Court determined that Vifor has the right to prosecute its claim for the deposit of a percentage of sales at the opportune time, pending the outcome of any ongoing litigation. Therefore, the panel granted the appeal and reversed the judge's decision.

8. Identifying the Scope of Patent Claims Still Remains Mystified

Case: Techpolymers Industria E Comercio LTDA v Deputy Controller of Patents and Designs [(T)CMA(PT)/180/2023]

Forum: Madras High Court

Order Dated: February 08, 2024

Order: Post abolition of IPAB in April 2021, High Courts with whom the jurisdiction for appeals against the decisions of the Controller of Patents lies have delivered several judgments that are helping in the evolution of IP Jurisprudence in India. A recent judgment from Madras High Court in the case of Techpolymers Industria E Comercio LTDA vs Controller of Patents and Designs, while deciding an appeal against the Controller's order rejecting a patent application under Section 2(1)(ja) and 59(1) of the Patents Act, has demonstrated adoption of a simplified approach to adjudicate the matter.

The Court, for deciding the rejection based on Section 2(1)(ja), has opined that the Controller has not considered the explanations advanced by the appellant and is thus short of his responsibility and, therefore, rejection founded on the ground of Section 2(1)(ja) fails. While deciding the rejection based on Section 59(1), the Court has opined that the Controller has focused more on English and words used therein and has not focused on the specifications regarding the invention, thus pronounced failure of ground under Section 59(1).

Akin to most patent matters, the scope of claims is a central pivot in adjudicating on the question of Section 59(1) of the Patents Acts, and the Court seems to have oversimplified the effect on the scope of claims of amendments adopted to overcome objections of non-patentable subject matter.

Section 59(1) of the Patents Acts states that "*No amendment of an application for a patent or a complete specification or any document relating thereto shall be made except by way of disclaimer, correction or explanation, and no amendment thereof shall be allowed, except for the purpose of incorporation of fact, and no* *amendment of a complete specification shall be allowed, the effect of which would be that the specification as amended would claim or describe matter not in substance disclosed or shown in the specification before the amendment, or that any claim of the specification as amended* *<u>would not fall wholly within the scope of a claim of the specification before the amendment</u>*."

It is well-established that the language of claims defines the metes and bounds of the scope of protection and should essentially be given a technical reading and meaning. Patent Law by P. Narayanan states that "*The words of the claims (when themselves correctly construed) provide the prima facie boundary of protection*."

In *Vifor International Ltd vs Dr Reddy's Laboratories Limited*, [2024: DHC: FAO(OS) (COMM) 159/2023 & CM APPL. 39177/2023] case Court has set aside its single bench judgment and has drawn and acknowledged the existence of a distinction between the expression "obtained by" and "obtainable by" language embodied in the claim, which is a product by process claim to infer the difference in scope of protection afforded by different claim language and decide upon infringement of protected subject matter.

In contrast, the Court, in its judgement in *Allergan Inc vs The Controller of Patents* [2023:DHC:000515, C.A.(COMM.IPD-PAT)22/2021], in relation to Section 59(1) has emphasised a purposive interpretation of provisions. Using a much-liberalised approach to determine the scope of claims, the Court held that the claim amendments from "a method for treating an ocular condition" claim to "an intracameral implant" (product) are permissible, which as per literal interpretations of Section 59(1) were identified to be as non-permissible by the Controller.

Taking cues from *Allergan Inc Vs. The Controller of Patents*, Court in the case of Techpolymers Industria E Comercio LTDA, has said that "*When this Court carefully read both the original claim as well as the amended claim, all it finds is that the original claim uses the word 'use of lubricated polyamide' whereas, the amended claim conveys the idea that it relates to a method of using the same substance.*"

The Court further said that "*the Controller to understand that beyond the choice of words which an applicant for patent may consider appropriate, it has to look into the substance of the claim. Section 59 is not intended to be used for the wrong understanding of the language employed by an applicant, since an applicant will also be a person of science and long of language*."

Looking into the substance of the invention, the Court could not find anything therein that may indicate that the amended claim has a scope different from the scope of the original claim, despite that the original claim recited "*Use of a* *lubricated polyamide for the preparation of articles by injection moulding, characterised in that: the polyamide is a polyamide of type 6 or 66 and has a viscosity index* ….., which merely recites a use without any active, positive steps delimiting how this use is practised, is changed to recite "*a method of preparing an article, the method comprising injection moulding the article using a lubricated polyamide wherein…*", which encompass a method of preparation of an article by reciting an active, positive step, i.e. injection moulding.

Emerging jurisprudence in India has thus clearly expanded the flexibility of claim amendments that the applicants may adopt under Section 59(1) of the Patents Act to deal with circumstances arising before them due to various reasons during the prosecution of a patent application. Nonetheless, a critical thought to ponder upon is whether the evolving jurisprudence is propagating a position where different parameters for evaluating the scope of claims are applied when adjudicating on different issues under different provisions of the Act, *viz*., a different approach when the scope of the claim is to be identified for adjudicating on the issue of Section 59 and a different approach when the scope of the claim is to be identified for adjudicating on infringement issues. Does this mean that different provisions of the Act require different perspectives to evaluate the same concept?

To summarise, linguistic simplification may be applied to decipher the true technical meaning of a claim while adjudicating on issues requiring identification of scope, but with a caution that applied linguistic simplification does not alter the scope of the claim, which is the central pivot to decide the contention.

9. Mere Juxtaposition of Prior Arts Not Sufficient to Establish Obviousness!

Case: NHK Spring Co Ltd vs Controller Of Patents And Designs [C.A.(COMM.IPD-PAT) 296/2022]

Forum: Delhi High Court

Order Dated: February 08, 2024

Order: The Delhi High Court, in this case, examined the importance of the Patent Office manual and reported cases in the determination of the Inventive step. The Court observed that *"The Patent Manual advises against fragmentary analysis of claims or inventive parts, advocating for a holistic view to truly gauge the inventive step"*. This appeal was filed against the rejection of an Indian Patent application(4098/DELNP/2015) titled *"**SUSPENSION AND COMPRESSION COIL SPRING FOR SUSPENSION**"*.

The Appellant/Applicant, NHK SPRING CO LTD, filed an appeal under Section 117A of the Act against the order of the Controller dated March 31, 2022, for the refusal of the patent on grounds of 'lack of inventive step'. The Appellant's Counsel contended that the impugned order did not disclose adequate reasoning as to how the ground of obviousness was made out in respect of the prior arts cited in the order. Further, the Counsel submitted that the same prior arts were also cited before the Trial and Appeal Board in a similar application for the subject patent in Japan (Appeal 2018-9502 from an order of the Japanese Patent Office; Japanese Patent Application No. 2017- 11550), and the board had thoroughly examined the same prior arts before eventually granting the patent at the appellate stage.

In this case, the Court found the relevance of the guidelines in ***The Manual for Patent Office Practice and Procedure dated November 26, 2019 ("Patent Manual")*** to determine an inventive step. Additionally, the Court cited

Windsurfing International v. Tabur Marine [1985] RPC 59, which lays down the steps to be followed for the determination of the inventive step:

(i) identifying the inventive concept embodied in the patent;
(ii) imputing to a normally skilled but unimaginative addressee what was common general knowledge in the art at the priority date
(iii) identifying the difference, if any, between the matter cited and the alleged invention; and
(iv) deciding whether those differences, viewed without any knowledge of the alleged invention, constituted steps which would have been obvious to the skilled man or whether they required any degree of invention."

Further, the Court relying on the judicial precedent set by the Court in the case ***Bristol-Myers Squibb Holdings v. BDR Pharmaceuticals International 2020 [SCC OnLine Del 1700]*** observed that while a mosaic of prior art documents may be done in order to claim obviousness, however, while doing so, it must also be demonstrated that the prior art exists, but how the person of ordinary skill in the art would have been led to combine the relevant components from the mosaic of prior art.

The Court then held that *"The mere citation and juxtaposition of prior arts do not suffice to establish obviousness"*. The Court observed that in the refusal order, the Controller has not disclosed how he arrived at a decision relating to a lack of inventive step in view of the cited prior art, concluding that "*The Assistant Controller of Patents has only noted the disclosures made in the prior art D1 and the contents of the alleged invention. No discussion or inference follows on this point before the Controller advances to discuss the other prior art, D2, D4 and D5. It is thus apparent that the Assistant Controller's analysis falls short of the nuanced examination mandated by both the Patent Manual and judicial precedents. The decision inadequately addressed the crux of the inventive step by primarily focusing on the prior arts D1-D5 without delving into the synthesis of these teachings or their collective impact on a person skilled in the art. The mere citation and juxtaposition of prior arts do not suffice to establish obviousness*".

Further, the Court opined that "*While the Assistant Controller of Patents and Designs has noted the inventions cited in the prior arts and the claims made in the alleged invention, however, in the opinion of the Court, **no attempt has been made to disclose how the teachings given therein would be obvious to a 'person skilled in the art' to conclude that the alleged invention lacks an inventive step***".

In view of the lack of proper reasoning in the refusal order, the Court found this case fit to be remanded and for reconsideration.-Therefore, on the aforementioned analysis and reasoning, the Court remanded the matter and directed that the Assistant Controller shall not be prejudiced by any observations made in the impugned order, and the proceedings shall be conducted afresh by taking into account the judicial precedents with regard to the substance of the matter.

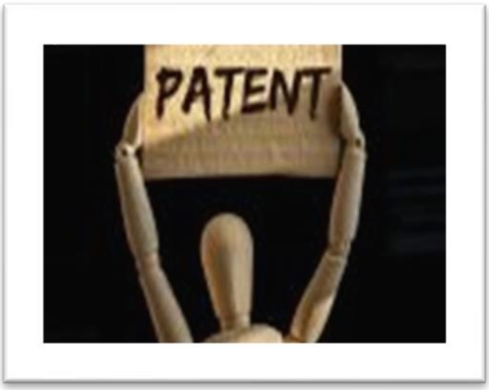
In this case, the Court reiterated that the Controller should give proper reasoning for the refusal on the grounds of obviousness. Merely focusing on the prior arts without delving into the synthesis of these teachings or their collective impact on a person skilled in the art, the decision of refusal is insufficient to adequately address the crux of the inventive step. The mere citation and juxtaposition of prior arts do not suffice to establish obviousness. While remanding back the case, the Court urged the Controller to thoroughly examine the cited prior art and give adequate reasons as to how the ground of obviousness is made out in respect of the prior arts to establish the ground of refusing the patent application due to lack of inventive step/non-obviousness. This case highlights the need for proper reasoning before any patent application is refused.

10. Analysis of Delhi High Court's Judgment in Man Truck Bus Se vs Assistant Controller of Patents and Designs

Case: Man Truck Bus SE vs Assistant Controller Of Patents & Designs [C.A.(COMM.IPD-PAT) 16/2022]

Forum: Delhi High Court

Order Dated: February 09, 2024



Order: It is a well-established legal principle that an order shall be a reasoned and speaking order, i.e., it shall clearly explain the reasoning for arriving at a decision. The Courts have recently been continuously emphasising this requirement, particularly in appeal matters filed against refusal orders issued by the Indian Patent Office (IPO). One such judgement was in *Man Truck Bus Se vs Assistant Controller of Patents and Designs* that came before the Hon'ble High Court of Delhi. This judgement further deals with the validity of the citation of new prior art documents by the IPO during the Hearing of a patent application and also acknowledges the relevance of the prosecution history of the corresponding foreign applications during the Indian prosecution.

This matter was basically an appeal filed under Section 117A of the Patents Act against the refusal order issued by the Assistant Controller of Patents and Designs (respondent) for patent application number 1241/DEL/2009, titled "*Particle separator and method for separating particles out of an exhaust stream of an internal combustion engine*".

The appellant argued that the impugned order effectively duplicated the reasoning for the relevance of D1-D4 from the First Examination Report (FER), which indicates non-application of mind by the Controller while issuing the impugned order. The narration given for D1-D4 in the first part and the later portion of the impugned order are also identical, reaffirming this notion.

For the cited prior arts, the appellant argued that while documents D1-D4 were cited in the FER and the Hearing notice, document D5 was cited only during the Hearing by the Controller. This was strongly objected to by the appellant, citing the violation of the principles of natural justice *qua* the appellant. However, D5 was still relied upon in the impugned order for rejecting the patent application.

The appellant also cited the decision in *Perkinelmer Health Sciences Inc & Ors V. Controller of Patents*, where this Court held that the Controller was not permitted to raise new grounds of objection at the Hearing. It is unacceptable and violative of the principles of natural justice that the applicant was not provided with a reasonable opportunity. This is regardless of whether the applicant provided a submission for any new document cited during the Hearing.

Moreover, the impugned order does not have any analysis to establish the obviousness of the invention and was therefore unreasoned. To further augment their arguments, the appellant cited *Agriboard International*, where the Court held that the Controller must analyse the existing knowledge and how the persons skilled in the art would move from the existing knowledge to the subject invention. If such analysis is not presented, the rejection of the patent application would be contrary to the provision of Section 2 (1)(j) of the Patents Act, 1970.

Regarding the foreign prosecution history, the appellant argued that the Controller did not consider the grant of the corresponding applications in other jurisdictions when arriving at their decision. The prior art documents D1, D3, and D5 had already been considered and rejected by the US Patent Office while granting the corresponding US Patent No.7850934B2. This fact was also brought to the attention of the Controller through the appellant's submission, but the Controller did not consider this while passing the impugned order. The appellant also cited *Otsuka Pharmaceutical Co. Ltd. v. The Controller of Patents*, where the Court held that the Controller should have considered the grant of the corresponding foreign applications in arriving at their decision.

On the other hand, the respondent argued that the application was refused based on the cited prior art documents D1-D5. None of these documents were mentioned in any other jurisdiction where the patent had been granted. The respondent also argued that the prior arts were relevant for examination by the IPO, and grants in other jurisdictions may not be relevant for consideration.

It does not automatically entail that the application in India would also be granted since patent rights are territorial, and the patentability criteria are unique to the jurisdiction. Regarding the citing of D5 only during the Hearing and in the impugned order, the respondent submitted that the Controller had rightly relied upon D5 to conclude that a technical person skilled in the art could come up with the invention.

Before getting into the details of the present matter, the Court, in their order, enunciated the learnings from the relevant case laws referred by both parties. The Court then stated that the absence of any discussion and analysis before rejecting the patent application violates principles of natural justice. This was reiterated by this Court in *Auckland Uniservices Limited v. Assistant Controller of Patents*. The Court also relied on *F. Hoffman-La Roche* and *Agriboard International*.

In the present case, the Court noted that the FER and the Hearing notice had cited 4 prior art documents, D1-D4, for the ground of lack of inventive step. The appellant had also argued in their response to the FER that the corresponding European and US patents have been granted with claims of substantially the same scope as those filed in India after considering D1, D3, and D4.

Moreover, document D5, considered by the Controller in arriving at his decision in the impugned order, was not cited in any office actions. In this document, the Controller cited D5 during the Hearing, which was recorded by the appellant in their Hearing submission. In fact, while the appellant provided their arguments against D5 in the hearing submission, they also protested the citing of this new document at such a late stage of the proceedings.

Coming to the impugned order, the Court observed that the Controller had not provided any additional analysis in response to the appellant's arguments for D1-D4. The analysis of D1-D4 in the impugned order is a mere repetition from the FER, without any addition or supplementation whatsoever. Although the Controller did articulate three features of the claimed invention in the impugned order, he did not address D1-D4, particularly in response to the arguments presented by the appellant for these documents in their submissions to the IPO. Moreover, while D5 was not even cited in the FER or the Hearing notice and was cited only during the Hearing, the Controller relied on it in arriving at this decision in the impugned order.

Considering this, the Court held that the impugned order is erroneous as it does not provide sufficient analysis of D1-D4 to establish that the present invention is obvious. Further, D5 appears to form the basis of the conclusion of the Controller in the impugned but was never cited in the FER or the Hearing notice. Therefore, it violates the principles laid down in *Otsuka Pharmaceutical Co., Agriboard International,* and *PerkinElmer Health Sciences*, where it was reiterated that the Controller's order could not be unreasoned. If it does provide reasons, it still cannot circumvent communicating the objection of prior art in the Hearing notice. The Court acknowledged that not providing any such opportunity would put the appellant at a severe disadvantage at the stage of Hearing.

The Court, without going into the merits of the issues arising out of D1-D5, held that the impugned order is vitiated as the Controller did not cite document D5 in the Hearing notice and did not even provide sufficient analysis for documents D1-D4 therein. The Court consequently set aside the impugned order and remanded the matter to the IPO for further consideration. The Court further directed that the Controller may also consider the prosecution history of the appellant's corresponding patent applications in other jurisdictions.

This judgement reiterates the importance of giving the applicant a reasoned and speaking order by the IPO. Especially in an adverse order, the applicant must be provided with sufficient details and an explanation of the reason for the refusal of the application. Moreover, this judgement reaffirms that the responsibility of giving adequate opportunity to the applicant to respond to an objection cannot be ignored under any circumstances. The Controller cannot raise a new objection during the Hearing, regardless of whether the applicant provides arguments in their submission. Further, the Court acknowledged the importance of granting the corresponding foreign applications in the Indian prosecution.

As this judgement addresses multiple pressing issues that the applicants face, it may serve as a guiding light for the applicants in successfully addressing these issues while prosecuting their applications before the IPO. More importantly, such encouraging judgements by the Courts, along with the vigorous efforts being made by the IPO in smoothening the overall process, would act as a strong motivation for the applicants to file more in India, in turn developing a robust, firm, and comprehensive IP framework in the country.

mail@lexorbis.com | www.lexorbis.com

11. Prior Art Alone Not Sufficient to Refuse a Patent!

Case: Intercontinental Great Brands LLC vs Assistant Controller Of Patents And Designs [(T)CMA(PT) No.182 of 2023]

Forum: Madras High Court

Order Dated: February 09, 2024

Order: The High Court of Madras, while admitting an appeal relating to the refusal order dated November 21, 2016, passed by the Controller in respect of patent application No.1122/CHENP/2007, filed by the appellants, in Intercontinental Great Brands LLC and Friesland Campina Nederland B.V. vs Assistant Controller of Patents and Designs, Government of India (respondent), remanded the case back for reconsideration and order transfer the case to other Controller of Patents and Designs.

The appellants filed an appeal under Section 117-A of the Patents Act, 1970, to set aside the order dated November 21, 2016, passed by the respondent, in which the respondent refused to grant a patent to the appellant's invention. The order of refusal to grant the patent was broadly based on the requirement of the hearing notice not being met by the appellants' submissions.

The application was related to a soluble foaming composition, particularly a foaming protein-free composition to be added into beverages such as coffee, soup and specific categories of food products, which can produce froth or foam. The Controller issued the first examination report (FER) after the appellants applied for a request of examination, cited four documents D1-D4 raising objections concerning the obviousness to the person skilled in the art under section 2(1)(ja), section 3(e), nature of independent claims, and section 10(4) of the Patent Act, 1970.

The respondent objected that the invention is a mere discovery of a scientific principle of the formulation attracting section 3(e), and it is not explained adequately how the invention is not apparent to the person skilled in the art inviting section 2(1)(ja). The respondent objected that out of five independent claims, 1,

mail@lexorbis.com | www.lexorbis.com

18, 21, 26, and 37 in the patent application, claims 21 and 26 are extended characterisations of claims 1 and 18 and chose not to treat them as independent claims. Moreover, the respondent asserted that the invention is not disclosed sufficiently and adequately in the application as required under section 10(4).

The appellants responded to the first examination report (FER) and made several amendments to the claims, retaining the total number of claims that were filed originally. The respondent was dissatisfied with the response to FER and issued a notice of hearing, citing documents D1-D4 again. After the hearing, the appellants filed the written submission, amending the claims a second time but keeping the number of claims the same as filed originally. Unsatisfied with the hearing and written submission, the Controller refused the grant of patent to the applicant's invention.

The appellants moved to the court to set aside the impugned order passed by the Controller and submitted to the court that this invention was already patented in several countries. It was filed in India in 2006 with 46 claims, 5 of which were independent claims and the rest dependent claims. The application was filed with the first claim incorporating inventive features such as "a foaming powdered protein-free soluble composition" and "less than 1% protein."

The learned counsel for the appellants argued that the cited prior art documents D1 and D2 in FER contain a high percentage of protein. In contrast, the appellant's foaming composition is essentially protein-free, involving less than 1% protein. The learned counsel further asserted that the prior art D3 discloses a gasified coffee glass, etc., prepared by forming a mixture of 3% to 12% water and 88% to 97% of coffee-derived solids, etc., and D4 relates to an aromatic agent to be added to a foaming agent. Both documents D3 and D4 have little relevance to the invention. Over the objection regarding the independent nature of claim .21 and claim 26, the learned counsel argued that claim 21, in essence, deals with a food product composition and claim 26 deals with a powder form of foaming composition, whereas 1 and 18 deal with foaming composition. While the composition remains the same, the product form through which the composition is expressed is still different. The learned counsel alleged that the Controller did not appreciate the explanation provided by the applicants and remained stuck to the cited documents. Additionally, the Controller did not explain why the patent application was refused.

After carefully weighing the submissions, the court found that "*the Patent Controller has not held himself with an opportunity to consider the submissions or the explanations provided by the appellant to the prior arts even though they are filed before him. In other words, the* ***Patent Controller appears unifocal and***

***seems to have focused only on the prior arts** and not the explanations offered against them. This necessarily requires to be rectified, which implies that this matter has to necessarily go back to the Patent Controller."*

The court further ordered that, as this patent application has only two years of shelf life left, the patent offices shall dispose of it within four months. In this case, the Controller held a unifocal view, considering only the prior arts. He did not appreciate the submissions and explanations offered by the applicants against the prior art. The court also transferred the matter back to the respondent. The court's decision reiterates that the Controller is required to appreciate all the submissions and explanations submitted by the applicant against the cited prior art when any patent application is refused. A unifocal view of the Controller on prior art is insufficient to support the reasons for refusal.

mail@lexorbis.com | www.lexorbis.com

12. Refusal of Patent: Lack of data on efficacy and changing scope of claims

Case: Ovid Therapeutics, Inc. vs Assistant Controller, Patents and Designs. [C.A.(COMM.IPD-PAT) 28/2023]

Forum: Delhi High Court

Order Dated: February 09, 2024

Order: The Delhi High Court in ***Ovid Therapeutics, Inc* vs Assistant Controller of Patents and Designs, Patent Office decision dated February 09, 2024,** held that a patent application is not eligible for grant due to the expansion of the scope of the claims and the absence of enough data to demonstrate significant enhancement of therapeutic efficacy.

A National Phase Application titled "*Methods of Increasing Tonic Inhibition and Treating Secondary Insomnia*" was filed arising out of a PCT Application claiming a priority from a US patent application. The national phase patent application was filed with 1-28 claims directed towards "*A method of increasing tonic inhibition of neurons in a subject comprising administering to a human subject with a neurodegenerative disease, a neurogenetic disorder, or a central nervous system disorder a pharmaceutical composition comprising an effective amount of 4,5,6,7-tetrahydroisoxazolo(5,4- c) pyridine-3-ol (THIP) or a derivative thereof and a pharmaceutically acceptable carrier or excipient to increase tonic inhibition of neurons of the subject*…."

Subsequent to the filing of the patent application, a First Examination Report (FER) was issued by the Indian Patent Office, raising objections over the lack of novelty, inventive step, and non-patentability under Section 3(i) and Section 3(e) of the Indian Patents Act, the ground of insufficiency of disclosure and definitiveness. In response to the examination report, the Applicant amended the claims and limited the scope of claims to recite a composition having a specific range of the claimed compound. The Indian Patent Office issued a hearing notice, and subsequently, a reply was submitted by the Applicant, in response explaining the daily dosing and extended improvement of the composition. Also, a declaration by the inventor was submitted to establish the synergistic effect of the ingredients of the composition.

However, pursuant to filing the submission of the written submission, the patent application was refused by the Ld. Controller on the grounds: (i) non-patentability under Section 3(d), Section 3(e); (ii) lack of inventive step under Section 2(1)(ja); (iii) insufficiency of disclosure; and (iv) broadening the scope of claims in violation of Section 59 of the Patent Act, 1970. Thus, an appeal against the order was filed by the Applicant.

The key issue that arose before the Hon'ble Court was as follows: **-** "***Whether the amended claims are within the scope of original claims***?

The second issue was "***Whether the claimed composition results in enhanced therapeutic efficacy***."

The Court held that while the originally filed claim 1 was worded as a method claim, it was, in fact, a composition claim. Further, the Court held that the limitation that existed in an original claim with respect to the neurodegenerative disease does not exist in the amended claim. Accordingly, "*amended claim 1 has disclaimed the earlier broadly claimed feature by defining the necessary amount of composition that is to be used; overall, the amended claim is not within the scope of the originally filed claims as the limitation with respect to a specific class of diseases, i.e., neurodegenerative diseases has been removed*". Thus, the Court held that the amendment in a claim with respect to the reference to a specific disease for which the composition is intended broadens the scope of the claim.

Further, the Court observed that the composition claimed in the amended claim is a derivative and is merely a '*known substance*' under Section 3(d) of the Indian Patents Act unless and until significant enhancement of therapeutic efficacy is demonstrated. The Court held that although the Applicant laid reliance on a press release for Phase 2 STARS Trial of OV101, which was also freely accessible, the results of Phase 3 trials available with the Applicant, have not been placed on record, which was necessary to determine the efficacy of the composition. The Court further found that the publicly available results of the phase 3 trials reflect that the composition for which the subject patent is sought lacks therapeutic efficacy. Therefore, the Court held that there was insufficient data to demonstrate a significant enhancement of therapeutic efficacy.

In this case, the Court held that this patent application is not eligible for the grant due to the expansion of the scope of the claims and the absence of enough data to demonstrate significant enhancement of therapeutic efficacy as required under

Section 3(d). Additionally, the complete specification ought to contain the requisite data or references demonstrating the enhancement of efficacy of the subject invention for which a patent is sought if it is found to fall under section 3(d).

However, if there is any additional data, such as data from clinical trials, which becomes available only after the filing of the patent application, such data should be produced by the Applicant and may be considered by the Patent Office as well as the Court.

mail@lexorbis.com | www.lexorbis.com

13. InterDigital vs Oppo: A Legal Analysis of the Indian SEP Dispute

Case: Interdigital Technology Corporation & Ors vs Guangdong Oppo Mobile Telecommunication Corp. Ltd. & Ors. [CS(COMM) 692/2021, I.As. 11485/2022, 21356/2022 &4065/2023]

Forum: Delhi High Court

Order Dated: February 21, 2024

Order: The ongoing case between InterDigital, a US-based technology and licensing company specialising in wireless and video technology, and Chinese smartphone manufacturer Oppo underscores the complexities surrounding Standard Essential Patents (SEPs) and Fair, Reasonable, and Non-Discriminatory (FRAND) licensing terms within the evolving intellectual property (IP) framework in India.

The case sheds light on the intricate interplay of technology, intellectual property law, and commercial interests, as well as the need for clear and consistent regulatory frameworks to ensure that SEPs are licensed fairly and reasonably. Given the critical role of SEPs in driving innovation and growth in the telecommunications industry, it is essential to strike a balance between the protection of intellectual property rights and the promotion of competition and consumer welfare.

As such, the case between InterDigital and Oppo highlights the importance of robust and transparent licensing practices that promote the development and dissemination of new technologies while safeguarding the interests of all stakeholders involved.

Background and Allegations

InterDigital possesses a significant portfolio of patents related to cellular communication technologies, including 3G, 4G, and emerging 5G standards. These patents are considered Standard Essential Patents (SEPs), which means they are indispensable for any device seeking to comply with the industry's agreed-upon technical standards.

In the present case, InterDigital contended that several Oppo smartphone models were infringing upon its SEPs. The lawsuit filed by InterDigital alleged that Oppo had been utilising InterDigital's patented technologies without securing an appropriate licensing agreement.

Understanding SEPs and FRAND

Standard Essential Patents (SEPs): SEPs are patents covering technologies fundamental to the implementation of an industry standard. Standard Essential Patents (SEPs) enable patent holders to exert significant influence in the market due to the mandatory nature of their technology for compliance, which can have significant implications for market competition and innovation.

FRAND Terms: To prevent the abuse of market dominance of Standard-Essential Patents (SEPs), patent holders are bound by a legal obligation to license their patents on Fair, Reasonable, and Non-Discriminatory (FRAND) terms.

However, the interpretation of FRAND terms has been the subject of much debate and litigation, with no commonly accepted definition of "fair and reasonable" royalties. The determination of FRAND royalties is complicated by several factors, including the nature of the patented technology, the value of the patent in relation to the standard, and the commercial implications of the license.

The Delhi High Court's Role

The Delhi High Court emerged as the primary legal battleground in this dispute. Some of the key rulings by the Court are as follows:

Interim Injunction (2022): The Court issued an interim injunction against Oppo, threatening a potential sales ban on Oppo devices within India if the company failed to enter into a FRAND-compliant licensing agreement with InterDigital.

Royalty Deposit and Penalty (2023): The Court directed Oppo to deposit a sum representing royalties on past sales with the Registrar General. This amount was ordered to be held in an interest-bearing fixed deposit. Additionally, a penalty of

₹500,000 (around USD 6,000) was imposed on Oppo due to attempts to delay the proceedings.

Legal Implications and Considerations

The InterDigital vs. Oppo case offers valuable insights for legal practitioners and technology stakeholders:

Defining FRAND: Courts play a substantial role in interpreting what constitutes "fair and reasonable" licensing terms in SEP disputes. The outcome of this case will contribute to the ongoing determination of FRAND parameters.

Enforcement of IP in India: This case demonstrates India's willingness to enforce the rights of SEP holders and underscores the country's developing IP jurisprudence.

Negotiation Leverage: SEP holders possess a certain degree of bargaining power during licensing negotiations. However, their leverage is subject to legal limitations imposed by Fair, Reasonable, and Non-Discriminatory (FRAND) obligations, which aim to prevent SEP owners from engaging in anti-competitive practices.

Ongoing Developments and Impact

The legal dispute between InterDigital and Oppo is presently ongoing, with the potential for further appeals and rulings. The ultimate decision reached by the Court will have significant implications for the negotiation of Standard Essential Patent (SEP) licensing agreements within India and on a global scale, given the interconnectivity of the technology market. As such, it is essential to keep abreast of developments in this case, particularly in view of the potential ramifications for businesses operating in the technology sector.

mail@lexorbis.com | www.lexorbis.com

14. Analysing the Delhi High Court's Judgment in Microsoft Technology Licensing LLC vs Assistant Controller of Patents

Case: Microsoft Technology Licensing LLC v. Asst. Controller of Patents [C.A.(COMM.IPD-PAT) 26/2022]

Forum: Delhi High Court

Order Dated: February 21, 2024

Order: While the Indian Patent Office (IPO) and the applicants are also navigating their fair share of challenges to adapt to the evolving ecosystem, the principles of natural justice still form one of the fundamental pillars of the entire examination proceedings and cannot be dispensed with under any circumstances. This was reiterated in one of the recent judgments by the Hon'ble High Court of Delhi in the matter of *Microsoft Technology Licensing LLC vs Assistant Controller of Patents*.

This judgment addresses three points, i.e., the validity of a ground of refusal that was not raised in any office action, the validity of the ground of lack of inventive step that is based on a prior art document that was cited in the First Examination Report (FER) but not in the Hearing notice, and consideration of the foreign prosecution history by the IPO while deciding on the grant of an application.

This matter was an appeal filed under Section 117A of the Patents Act against an order dated November 30th, 2021, which was issued by the Assistant Controller of Patents and Designs (Respondent), rejecting the appellant's patent application 9642/DELNP/2011 for an invention titled "*Discovery of Secure Network Enclaves*". The respondent refused the application on two grounds - lack of inventive steps in the invention and indefiniteness of claim 2, violating Section 10(4) of the Act.

On the ground of indefiniteness of claim 2, the appellant argued that the respondent did not raise this ground in the FER or the Hearing Notice. Only in the impugned order did the appellant learn about this objection. This is a clear violation of the principles of natural justice, as the appellant was never provided with an opportunity to address this objection during the Hearing.

The appellant then argued that while the Controller, in the impugned order, relied on the prior art documents D1 to D3 to arrive at the conclusion of lack of inventive step, analysis and claim mapping in the impugned order are provided only for D1. Moreover, D2 was not even cited in the hearing notice, which led the appellant to believe that the respondent is convinced of the appellant's arguments provided against D2 in their response to the FER and has therefore not cited D2 in the hearing notice. The appellant, accordingly, did not offer arguments to D2 in the Hearing submission.

The appellant also discussed the history of the foreign prosecution of the application and informed the Court that both D1 and D2 were cited by the European Patent Office (EPO) during the prosecution of the corresponding EP application. In fact, the appellant's arguments presented before the EPO were found persuasive, and the patent was subsequently granted. On the other hand, the respondent defended the impugned order by submitting that there is no infirmity therein.

After hearing both parties, the Court first enunciated the provisions of Section 10(4) by stating that the sub-section stipulates that the specification must fully and particularly describe the invention, its operation or use, and the method by which it is to be performed. It also requires the disclosure of the best method of performing the invention. Therefore, compliance with the detailed requirements of Section 10(4) is indispensable for patent applications.

The Court also reiterated the obligation of the IPO to clearly articulate any deficiency identified in the patent application in the FER or the Hearing notice. This provides the applicant with a fair opportunity to address the deficiencies suitably. The Court, therefore, held that the conclusion that a specified claim violates Section 10(4) without a detailed exposition of the non-compliance specifics is not legally tenable. The absence of such critical analysis or specific rationale renders the impugned order deficient in legal substantiation on this matter.

On the grounds of lack of inventive step, the Court acknowledged that D2 was not cited in the Hearing notice but is considered by the respondent in the impugned order to justify the lack of inventive step. The appellant, therefore, never got an opportunity to address D2 during the Hearing or in the Hearing submission. Moreover, D3 was not cited in either the FER or the Hearing notice but is cited in the impugned order. The Court remarked that such procedural irregularities undermine the fairness and integrity of the examination process, being violative of principles of natural justice.

Regarding the consideration of foreign prosecution history, the Court acknowledged that the objections relating to D1 and D2 raised in the FER and the Hearing notice were derived from the office actions issued by the EPO during the prosecution of the corresponding EP application. The Court also noted that the EPO thereafter granted the patent. In fact, the pending claims in India were similar to the granted claims in the EPO.

The Court, therefore, remarked that while the IPO is mandated to conduct an independent examination of the patent applications, the grant of the patent in other jurisdictions does warrant due consideration. This is more critical in such cases where the objections mirror the examination reports of other jurisdictions, at least because the grant indicates that the appellant’s amendments effectively addressed the objections based on D1 and D2 to the satisfaction of the EPO, suggesting a level of inventiveness and patentability that met the criteria set forth by an established patent authority. This context could have been instrumental in the respondent’s decision-making process, offering a perspective that the deficiencies could indeed be fulfilled through claim amendments.

The Court, however, clarified that it does not suggest that the IPO align its decisions with those of the EPO by default. Rather, successful amendment and approval of the claims by the EPO could provide valuable context for a comprehensive examination process by the respondent. The Court, therefore, set aside the impugned order dated November 30th, 2023, and remanded the matter to the respondent for *de novo* consideration.

This judgment by the Delhi High Court reiterates that the IPO cannot refuse a patent application without a reasoned and speaking order and on grounds not presented before the applicant during the examination proceedings. Also, while the foreign prosecution history is not binding, it shall be considered by the IPO, at least in the context of a comprehensive examination of the Indian application. This judgment shall serve as a guiding beacon for the IPO to issue clear and detailed office actions and reasoned orders. From the applicant’s perspective, this shall aid the applicants in prosecuting their applications before the IPO more effectively.

15. Understanding the Infringement of Patents by Biosimilars

Case: F- Hoffmann -La Roche Ag & Anr vs Zydus Lifesciences Limited [CS(COMM) 159/2024]

Forum: Delhi High Court

Order Dated: March 13, 2024

Order: In an interim relief action in an infringement suit relating to biosimilars of Pertuzumab, a monoclonal antibody biologic, the Delhi High Court in CS(COMM) 159/2024 [*F- Hoffmann -La Roche & Anr. ('plaintiffs') vs Zydus Lifesciences Ltd. ('defendant')*], have directed the contesting parties to present before the court the material relevant for understanding not only the intricacies of patent law but also scientific principles that are foundational for the biologic and its biosimilar (similar biologic) contender. While adjudicating the plaintiff's application for interim relief, the issue before the Court was the precise determination of whether the defendant's biosimilar development encroaches upon the plaintiff's patent rights or innovator reference biologic. In its order dated 23rd February 2024, the Court outlined a procedural framework that included the submission of claim mappings by parties, process disclosure by the defendant along with setting up of a confidentiality club, the assistance from parties' experts along with possible use of 'hot-tubbing', and the prospect of appointing an independent scientific advisor.

Background

Plaintiffs filed a suit for infringement of two patents (*'suit patents'*), both pertaining to a monoclonal antibody biologic ('Pertuzumab') used to inhibit tumour growth. One suit patent (IN 464646) relates to the ***process*** for making a composition comprising Pertuzumab and one or more variants. The other suit patent (IN 268632) relates to an aqueous pharmaceutical ***formulation*** comprising Pertuzumab and certain excipients. In February 2024, the plaintiffs became aware that the defendant had sought regulatory permission to manufacture a 'New Drug

Formulation' for the sale or distribution of Pertuzumab. It was also revealed that the defendant had applied for permission to conduct clinical trials for their product as a similar biologic to that of the plaintiffs' Pertuzumab, and the said application categorically mentioned the plaintiffs' product, which is covered by suit patents as the reference biologic.

Arguments

The plaintiffs argued that a biosimilar is ***nearly*** identical to its reference biologic, and a biosimilar product is similar in terms of quality, safety, and efficacy to an already approved reference biologic product based on comparability. By claiming their product to be biosimilar to that of the plaintiffs' product, the defendant admits that both products are identical in all important parameters. The defendant's biosimilar closely mirrors the plaintiffs' patented product and thereby infringes the formulation suit patent.

Since no methodology for the production of the biosimilar has been disclosed, the plaintiffs also apprehended that the defendant's process employed is identical to their process, thereby infringing on the process suit patent. Moreover, the plaintiffs produced the defendant's patent application (No. 2021079337) relating to formulations of Pertuzumab. In such circumstances, plaintiffs brought a *quia timet* action as they strongly apprehended the imminent threat of the launch of the infringing biosimilar product. It was also submitted that the defendant had filed an unsuccessful pre-grant opposition to the process suit patent and was already aware of the plaintiffs' rights.

Per contra, the defendant argued that no urgency was disclosed in the plaint to warrant the grant of an *ex-parte ad interim* injunction. The defendant further emphasised that the plaint did not disclose any claim mapping to demonstrate that the defendant's product would be infringing upon the suit patents. Rather, the plaintiffs' case rests on an untenable ***proposition*** that a similar biologic is identical to its reference biologic product and therefore amounts to infringement.

Court's Analysis

At the outset, the Court discussed the regulatory pathway for biosimilars. Referring to 'Guidelines on Similar Biologics', the Court noticed that an abbreviated review process underscores the fundamental principle that a biosimilar, by leveraging the exhaustive data of its reference biologic (innovator's product), can offer similar therapeutic benefits (quality, safety, and efficacy) without repeating the extensive clinical trials conducted for the innovator reference product.

Biosimilars are designed to be ***highly similar*** to the reference product but ***not identical***. However, the Court further observed that the regulatory guidelines focus on the approval process and do not directly address patent issues. Therefore, the Court held that the determination of infringement must begin with understanding the scope of the patent(s) held by the reference biologic. If the biosimilar utilises or embodies any aspect (including formulation and manufacturing process) that is patented by the reference biologic, only then could there be a case for patent infringement.

As the innovator reference biologic is protected under the suit patent (IN'632) and the similar biologic is encapsulated by claim 1 in the defendant's patent application No. 2021079337, the Court is required to discern whether the formulation disclosed in the defendant's patent application is a variant of Pertuzumab, different from the plaintiffs' formulation patent, which is also "*pharmaceutical formulation comprising Pertuzumab*". Therefore, as the first procedural step, the Court directed the plaintiffs to carry out the said claim mapping for infringement analysis. The defendant was also permitted to do the claim mapping.

The Court acknowledged the dual aspect of biologic's intellectual property – its molecular structure and the sophisticated processes required for its reliable, safe, and consistent large-scale manufacturing within living systems. The regulatory guidelines for biosimilars stress the importance of process validation as well as the demonstration of a manufacturing procedure that is both highly consistent and robust. In scenarios where the host cell line utilised in the production of the reference biologic is publicly disclosed, there is a strong preference for employing the same host cell line in the manufacturing of similar biologics.

As the plaintiffs have a process patent (IN'646) and are also in the dark about the specific processes used by the defendant in making their biologic product, the Court intended to invoke Section 104A of the Patents Act. Under this provision, when a patent covers a process for obtaining a product, the burden of proof shifts to the defendant to demonstrate that its method for creating an identical product diverges from the patented process, subject to certain prerequisites.

Therefore, the Court directed the defendant to reveal its process for developing the biosimilar for which drug approval/ licensing has been sought. However, the aforesaid information will be submitted in a sealed envelope to preserve sensitive information. The Court will also subsequently assess the need to establish a confidentiality club to manage the disclosed information and ensure that access to such information is appropriately controlled and limited to authorised individuals.

Decision

The Court issued several directions to crystalise the legal and technical facets of the case. Parties were required to provide all pertinent case laws and jurisprudence related to medical and patent matters concerning biologics, extending to both domestic and international precedents. To facilitate an organised examination of expert opinions, each party was directed to disclose the names and credentials of their respective experts in the field of biologics and related IP issues. The Court may employ ‘hot-tubbing’ for simultaneous questioning of experts from both sides in an open-court format, allowing for a direct comparison of their insights. The Court will also consider appointing an independent scientific advisor to provide neutral expert analysis on the nuances of biologics production and patent protection.

Conclusion

The outcome of this case will for sure lay down the rules and principles for dealing with infringement action in cases where the court is called upon to adjudicate the infringement action against Biosimilars that are designed to be highly similar to the reference product (infringing) but not identical. The direction of the court in this case would encourage the participation of experts and Hot tub discussions.

In particular, the hot-tubbing protocol (concurrent evidence) will save considerable court time and crystallise areas of agreement and disagreement more effectively than traditional cross-examination (sequential evidence).

The court would also devolve into regulatory guidelines that permit innovation/ development within the framework of existing biologics by adhering to stringent standards. In the case of an IP dispute, the Court would decide whether such biosimilar development infringes upon the originator’s patent rights. The *quia timet* action allows the innovator of the reference biologic to take preemptive measures against potential infringement. The procedural steps suggested by the Court in this case will offer a comprehensive adjudication of the interim application.

16. Analysing the Judgment in Ashok Leyland Ltd. vs The Controller of Patents & Designs and Tata Motors Ltd.

Case: Ashok Leyland Limited vs The Controller of Patents & Designs and Anr. [W.P.(IPD) No.1 of 2024]

Forum: Madras High Court

Order Dated: March 15, 2024

Order: During the prosecution of a patent application, third parties are provided with an opportunity to object to the grant of a patent through pre-grant and post-grant opposition. These opposition proceedings involve several intricate steps to be taken at various stages by the Indian Patent Office (IPO), the opponent, and the applicant/patentee. As these proceedings are critical in deciding the fate of the patent application or the granted patent, it is essential that the involved parties perform their duties effectively to ensure a systematic and productive conclusion of the proceedings.

The Hon'ble High Court of Madras recently issued a judgement in a Writ petition filed in a post-grant opposition matter, commenting on the relevance of the recommendation of the Opposition Board while reiterating the duties of the Controller deciding on the opposition representation. This matter was basically a Writ Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorarified Mandamus, challenging the recommendations of the Opposition Board in the post-grant opposition proceedings.

The opposition proceedings were initiated by Tata Motors Ltd (Respondent 2) against a patent of Ashok Leyland Ltd. (petitioner), bearing number IN387429 and titled Multi-Axle Vehicle Configuration having Heavy Duty Lift Axle.

In particular, the writ petition was filed with the following prayer:

mail@lexorbis.com | www.lexorbis.com

a) to call for the records of the recommendations passed by the Controller of Patents & Designs (Respondent 1) on the Opposition proceedings,
b) to call for the recommendation of the Opposition Board,
c) to quash the recommendation of the Opposition Board, and
d) to direct the respondent 1 to consider the documents filed by the petitioner and the respondent 2 for considering the matter afresh by reconstituting a new Opposition Board for providing a fresh recommendation.

During the opposition proceedings before the IPO, the respondent 2 filed evidence from their experts, Dr. Anoop Chawla and Mr. Amit Kumar Gupta, to further substantiate the arguments in their written statement of the opposition. In response, the petitioner filed a reply statement, which was also supported by the evidence from their experts, Dr. S. Ramamurthy and Dr. Sathya Prasad Mangalaramanan.

The Opposition Board thereafter shared their recommendation on the opposition representation, following which the respondent 1 scheduled a post-grant Hearing in this case for February 7th, 2024. The petitioner filed this writ petition before the scheduled Hearing.

Before the Court, the petitioner argued that the Opposition Board simply copy-pasted the opponent's and petitioner's arguments from their written statement and reply statement, respectively, as reasoning in their recommendation. Moreover, the Opposition Board has not considered the expert evidence filed by both parties, and their recommendation is, therefore, incomplete.

Since the Opposition Board's recommendation forms the foundation of the opposition proceedings, an incomplete recommendation would significantly hamper the entire proceedings. The petitioner also relied on Cipla Ltd. Vs. Union of India and others, arguing that the Hon'ble Supreme Court, in this case, emphasised that the Opposition Board needs to consider the evidence produced by both the parties in arriving at their recommendation.

The petitioner acknowledged that they may have an opportunity to address the flaws in the Opposition Board's recommendation during the hearing before the Controller, and they may also require him to consider the evidence that is overlooked by the Opposition Board.

However, they also emphasised that if the Controller is unconsciously influenced by the incomplete recommendation, the economic ramifications of an adverse order would be severe for the petitioner. Therefore, the Opposition Board's recommendation must be set aside at this stage only, and a new Opposition Board may be constituted to make a fresh recommendation.

On the other hand, the Respondent 2 argued that the Opposition board has indeed considered the evidence submitted by both the parties, but without referring to the names of the experts. To substantiate their arguments, respondent 2 submitted a table highlighting the portions of the recommendation that referred to the expert evidence filed by both parties.

In order to establish the application of mind, the respondent 2 highlighted that while they had objected to the grant of the patent on 5 grounds in their written statement, the Opposition Board has found only one of those grounds to be valid in their recommendation, dismissing the other 4 grounds. This indicates that the Opposition Board has applied their mind in arriving at their recommendation and it is not a mere cut-copy-paste job.

The respondent 2 further argued that the recommendation is not binding on the Controller and both the parties can discuss the evidence with the Controller during the Hearing. Therefore, a mere allegation that the recommendation is incomplete is not sufficient to invite interference of this Hon'ble Court in judicial review. Hence, this petition is not maintainable as the Controller is dutybound to take an independent call on the issue before him.

The respondent 2 concluded by iterating that the petitioner's apprehension is not based on what has happened but is based on what is likely to happen. After hearing both the parties, the Court identified the primary issue to be how far this Court can interfere with the Opposition Board's recommendation in the judicial review?

The Court remarked that once the materials filed by both the parties under Rules 57 to 59 are furnished before the Opposition Board, it is up to the Opposition Board to decide on the extent to which such material is considered and appreciated for arriving at the recommendation. In this case, since these materials involve complex issues of scientific applications, it may not be appropriate for this Court to examine the adequacy of such recommendation in the exercise of its jurisdiction under Article 226 of the Constitution.

The Court further acknowledged that this recommendation by the Opposition Board is only a recommendation, which is not binding on the Controller. It is up to the Controller to decide on the qualitative merit of the recommendation. This recommendation will be one of the many materials to be considered by the Controller during the post-grant opposition Hearing. Hence, the petitioner will have an opportunity to expose the alleged inadequacy of the recommendation before the Controller during the scheduled Hearing.

The Court accordingly found it inappropriate to pre-empt a decision on the quality of recommendation in the judicial review and held that the responsibility of determining the reliability of the recommendation had been assigned to the Controller by the statute. If the Controller does believe that there are inadequacies in the recommendation, the Controller may reconstitute the Opposition Board for a fresh recommendation. The Court, therefore, dismissed the petition.

This judgement clarifies that the Opposition Board's recommendation shall not be treated as the conclusion on the merit of the invention. It merely acts as a suggestion to the Controller for deciding on the opposition representation. In effect, this judgement enunciates the huge responsibility being assigned to the Controller in deciding on the opposition representation, which eventually decides the fate of a patent application or the granted patent.

Owing to the increasing IP awareness in the country, the number of post-grant oppositions being filed at the IPO are also increasing. Therefore, this judgement from the Hon'ble Madras High Court could be instrumental in the patentees and the opponents formulating their strategy in the opposition proceedings, at least from the perspective of addressing the Opposition Board's recommendation.

mail@lexorbis.com | www.lexorbis.com

17. Patent Eligibility of Composition Claims under Section 3(i)

Case: Bayer Pharm Aktiengesellschaft v Controller General of Patents [C.A.(COMM.IPD-PAT) 255/2022]

Forum: Delhi High Court

Order dated: March 13, 2024

Order: Recently, the Delhi High Court in *Bayer Pharm Aktiengesellschaft (“appellant”) v Controller General of Patents (“respondent”)* [2024:DHC:2395] elucidated the role of working examples in patent applications and the ambit of ‘method of treatment’ exclusion with regard to composition claims. Bayer’s patent application related to the multiphase contraceptive formulation, wherein the independent claim recited a composition comprising components having their unit numbers. The respondent Controller refused the application by reasoning that the claims lacked a synergistic effect of the composition over the prior art and that the claimed composition was a method of treatment in the form of daily dose units as indicated in the specification. Thus, the Controller found the claims to fall within the scope of section 3(e) and section 3(i) of the Indian Patents Act, respectively.

The appellant challenged the Controller’s rejection order, and the grounds of appeal were twofold. As the objection of synergistic effect under section 3(e) was not mentioned in the hearing notice, it was contended that the appellant was deprived of a fair opportunity to prepare a defence and deal with the objection never formally raised. Secondly, the appellant argued that the independent claim of the subject application was directed towards a product (a composition) rather than a process or a method of treatment barred under section 3(i), and the Controller failed to discern this crucial distinction.

As per the respondent, working examples in the specification demonstrated that the claimed invention pertained to a method of treatment. The respondent further asserted that the independent claim described a composition designed for administration in accordance with the days of the menstrual cycle – one tablet per day. It was contended that section 3(i) would attract, as the patent specification outlined not merely a composition, but a dosing regimen that was intrinsically linked to the treatment of menstrual cycle disorders.

Considering the arguments of both sides, the court first reaffirmed the fundamental principles of natural justice. The court noted that non-communication of objection under Section 3(e) was violative of well-settled procedural fairness. Citing the Indian Patent Office's circular, the court reiterated that the Controller was obliged to enumerate all pending objections in the hearing notice. Therefore, the court held that the omission to communicate the objection under Section 3(e) was a procedural irregularity that impaired the appellant's ability to defend its application adequately.

The court then addressed the bone of contention in the instant case. On perusing the claimed composition and its representation within the application, the court deduced that the claim at issue pertained exclusively to a product rather than a process. The court's finding was based on the rationale that mere recitations of the unit numbers of the components in the independent claim would not render it a method of treatment, a patent-ineligible matter under section 3(i). Particularly, the claim did not refer to a disease, treatment, or mode of administration of the composition.

The court added that interpreting the scope of the claims was imperative while examining a patent application. The court distinguished the role of claims and working examples in determining the scope of a claimed invention or patent. Claims are the most critical part of a patent application, as they delineate the legal boundaries of patent protection. However, working examples are included in the patent application to demonstrate the practical implementation of the invention. They exemplify that the claimed invention is not just a theoretical concept but has practical applicability.

Thus, while working examples are essential for displaying the feasibility and workability of an invention, they do not define the patent's scope. The scope is determined by the claims, which must be interpreted in light of the description and any examples provided. Based on the above analysis, the court held the respondent's reliance on the working examples and application of section 3(i) was misplaced. Consequently, the appeal was allowed, and the matter was remanded to the Patent Office for fresh consideration.

Apropos, the court quoted last year's decision in *Nestle v Controller*, where the expression '*composition comprising X directed towards treatment*' was held to be used only for defining the composition, not a method of treatment. In the present case, the court ruled that the composition claims having unit numbers of its components are patentable and not hit by section 3(i). Such progressive pronouncements would indeed have a positive bearing on many pharmaceutical applications.

18. Delhi High Court Refuses to Vacate Interim Injunction Granted in Favour of Novartis for Compound Ceritinib

Case: Novartis Ag vs Nacto Pharma Limited & Anr. [CS(COMM) 229/2019]

Forum: Delhi High Court

Judgment Dated: April 09, 2024

Judgment: In a recent judgment passed on 09 April 2024 by Hon'ble Delhi High court, an important position of law was discussed regarding vacation of interim relief granted by the Court. Natco Pharma has filed IA 4636/2023, to vacate the interim relief granted to Novartis by judgment dated 09 January 2023.

Novartis, through IA 6384/2019, approached the court to obtain an order to restrain Natco Pharma from exploiting their patented invention covered under Indian Patent no, IN 276026 (IN'026). The patent IN'026 relates to "Novel Pyrimidine Compounds and Composition as Protein Kinase Inhibitors", and specifically, it relates to the active compound "Ceritinib". The major reasons why the Court has granted interim relief to Novartis are as follows:

1) the Court observed that a markush claim in a genus patent could said to disclose only those compounds which could be synthesised by person skilled in the art. The disclosure is required to enable it in nature. Thus, obviousness from prior art was the determinative criterion on which the court would ascertain whether the claim in the species patent was obvious from the teachings in the genus patent.
2) Further, the Court also stated that the fact that the genus patent has remained in existence for a number of years, the species patent was not synthesised by anyone, prima facie indicated that the specie patent was not obvious from the teachings in the genus patent.
3) the Court also observed that for obviousness, Natco had cherry-picked selected radicals from the several substituents to arrive at the molecular structure of Ceritinib. However, no specific averment has been made to support choosing the selected substituent from the several substituents

suggested in the prior art. The submission made by Natco that there is no distinction between coverage and disclosure was rejected by the Court.

4) the Court held that if the claim in the suit patent is obvious to a person skilled in the art from the teachings of the complete specification, only then can the patent be regarded as vulnerable to invalidity on the grounds of anticipation and obviousness.
5) Novartis contended that over other drugs that act as ALK-inhibition therapy, Ceritoinib possessed the advantage of fewer side effects, which itself constituted an inventive step, as the suppression of adverse side effects is a matter of vital importance in chemotherapy.
6) Natco's submission that Novartis is bound to submit X-ray diffraction pattern was found by the Court as without substance in view of Division bench judgement in the matter of Merck Sharp & Dohme Corporation v. Glenmark, which has held that at the stage of adjudication under Order XXXIX Rules 1 and 2 of the CPC, the court cannot examine X-ray diffraction patterns.
7) Natco also placed the reliance on the fact that while applying for Patent Term Extension (PTE) for US'592 patent, Novartis has stated that the patent claimed Ceritinib. The Court observed that it was stated that Ceritinib was covered by the Markush claim in US'592.
8) Natco also sought reliance on the fact that while obtaining NDA for ZYKADIA, the brand name under which Ceritinib is sold, Novartis has mentioned all the prior art documents referred by Natco. The court observed that it was done to comply with the U.S.C. § 355(b)(1).

Keeping in view all the above factors the Court was of the opinion that the prime facie the patent seems valid thus interim relief was granted in favor of the patentee Novartis and Natco Pharma was restrained, pending disposal of the suit, from exploiting the patent IN'026, or manufacturing or selling Ceritinib without obtaining a license from Novartis.

Natco, in the present matter, approached the Court to vacate the interim order. The interim injunction was not contested on merit; rather, the only ground raised by Natco was that Novartis had filed a divisional application no. 5338/DELNP/2014, with respect to some of the claims of IN'026. As per Natco's argument, Ceritinib was claimed as a compound 66 in the claims of divisional application. Natco's submission was that since the divisional application was finally refused, it was incumbent on Novartis to disclose the same. It was also the fact that it was finally refused, as it would have seriously impacted the outcome of the interim injunction.

It was contended by Natco that since the compound was claimed in the divisional application and the same has been refused, the compound is now available to the

mail@lexorbis.com | www.lexorbis.com

public. Also, it was argued that since the refusal of the application was under section 15, it has to be treated as a decision on merits.

Novartis argued that they chose not to prosecute the divisional application further, thus, it was abandoned, and this should not be treated as rejection on merits. Also, it was submitted by Novartis that, as per law, the parent patent could invalidate the divisional application and not *vice-versa*. Further, Novartis also submitted that suppression and concealment cannot be used as a ground for seeking vacation of interim order.

After considering all the facts and circumstances, the Court came to the analysis that the order passed in the divisional application clearly states that the applicant has informed that they do not wish to pursue the application further. Thus, the divisional application cannot be considered as refused on merits. The Court held that the decision not to pursue the divisional application cannot estop the patentee from contesting the grounds on which the validity of the patent was sought to be assailed by the defendant.

The Court also held that even if it is considered that the order under section 15 is order on merits, it goes without saying that the decision of Controller is not binding on this court. The opinion of the Controller can hardly be cited as grounds for High Court to revisit its decision.

Regarding order XXXIX Rule 4, the Court held that though there is an averment in the present application that it has been necessitated owing to a change in circumstances, the averment is not supported by any material whatsoever. The abandonment of divisional application cannot constitute a ‘change in circumstances” within the meaning of order XXXIX Rule 4 of the CPC.

The Court categorically held that there could be obviously no question or revisiting the decision merely on the basis of the submission made by Natco regarding the divisional application and its outcome. The court also concluded that the suppression of a fact that, if disclosed, would alter the outcome of the case, which can be regarded as a material fact, would justify a revisitation of the order of interim injunction. The court, while refusing the present application filed by Natco, held that refusal of the divisional application does not, either in fact or in law, extinguish the suit patent. The compound Ceritinib is covered under the suit patent; thus, until and unless the suit patent is invalidated, it remains valid, and any exploitation of Ceritinib would amount to infringement of the suit patent.

This judgment by the Hon’ble Delhi High Court has once again established strong jurisprudence in favour of the innovators. This judgement would send a good signal globally that India gives due respect to the innovator's rights, and just on the basis of public interest, the rights of the patentees would be jeopardised. This would definitely encourage the innovators to secure their intellectual property in India. We expect more such judgments from the courts, which would send a strong message to the public at large that infringement of intellectual property rights may not be tolerated by Indian courts.

19. The Legal Challenges in Software Inventions: Insights into Section 3(k) of Indian Patents Act, 1970

Case: Microsoft Technology Licensing, LLC vs Assistant Controller of Patents And Designs [C.A.(COMM.IPD-PAT) 185/2022]

Forum: Delhi High Court

Order dated: April 16, 2024

Order: The Delhi High Court, in **Microsoft Technology Licensing, LLC vs Assistant Controller Of Patents And Designs [C.A.(COMM.IPD-PAT) 185/2022]** appeal case examined the importance of Section 3(k) of the Patents Act, 1970, further establishing that a patentee must demonstrate that the overall method and system disclosed in the patent application, upon implementation in a general-purpose computer, must contribute directly to a specific and credible technical effect or enhancement beyond mere general computing processes. The Court, furthermore, observed that the inventive contribution of a patent should not only improve the functionality of the system but also achieve an innovative technical advantage that is clearly defined and distinct from ordinary operations expected of such systems. This appeal was filed against the rejection of an Indian Patent application (3304/DEL/2005) titled "***Reversible 2- Dimensional Pre- /Post-Filtering for Lapped Biorthogonal Transform***".

<u>Factual Matrix and Submission of the Counsel</u>

The Appellant/Applicant, MICROSOFT TECHNOLOGY LICENSING, LLC**,** filed an appeal against the order of the Controller dated May 23, 2019, for the refusal of the patent under Section 15 of the Act on the grounds that the Claims (1-15) of the patent application fall within the scope of Section 3(k) of the Act and are consequently not allowable under the Act. However, in this appealed case, the Respondent waived the objection to lack of inventive steps based on three prior art documents. The Appellant's Counsel contended that the claims of the subject patent application address the technical problem of inefficiency in encoding blocks of 2D digital media data by introducing a novel and inventive application of a one-dimensional lapped overlap operator.

Further, the Counsel submitted that the approach specified in the subject patent application improves the encoding process by partitioning the 2D digital media data into macroblocks, applying a reversible 2D overlap operator offset from the borders of these blocks, and employing a reversible 2D block transform aligned with the borders of the macroblocks. The result of this operation yields a compressed bitstream that includes data processed by the reversible 2D overlap operator, ensuring high efficiency while maintaining quality in compression.

Thus, the Appellant contended that the technical advancement in the subject patent lies in the methodology of first inputting 2D digital media data using an input device and then compressing it into a streamlined bitstream using a lapped transform. Further, the Appellant highlighted that the subject patent application minimises redundancy, cancels out cross-terms within the data block structure, and is suitable and effective for lossless and lossy compression.

The Appellant's Counsel also submitted that the Controller erroneously relied upon the Computer Related Invention ('CRI') Guidelines dated February 19, 2016, during the rejection of the subject patent application, which was already replaced by the CRI Guidelines of 2017. As per the CRI Guidelines published in 2016, there was a novel hardware requirement, which was required to be fulfilled by patentees if the invention was in the field of computer programmes, whereas the novel hardware requirement was removed in the 2017 Guidelines. The Counsel also urged that the decisions of the Court in ***Telefonaktiebolaget LM Ericsson (PUBL) vs. Intex Technologies (India) Ltd.***, ***Ferid Allani v. Union of India and Ors.*** have also not been appropriately implemented by the Patent Office while refusing the subject patent application.

The Counsel, while referring to the Court's decision in the case Microsoft Technology Licensing, LLC vs. The Assistant Controller of Patents and Designs, submitted that the technical effect and contribution in the present patent can be clearly deciphered from the reading of the Claims and also the Complete Specification of the subject patent application. Additionally, while making submissions for patentability of computer programs, the Appellant also placed reliance on the decision dated February 23, 2006, of the ***European Technical Board of Appeals in Case- T 0424/03*** referred to as the ***Clipboard formats/Microsoft*** as also the decisions of the UK Court of Appeal in ***Aerotel Ltd vs. Telco Holdings*** and ***HTC Europe Co. Ltd. v. Apple Inc***.

On the contrary, the Respondent's Counsel argued that the subject patent application is solely performed by employing a computer programme in C-language, as specified in the Complete Specification thereafter urging that the subject patent application is merely performed on software and thus, the objection of Section 3(k) of the Act is attracted. The Respondent also highlighted that if the technical contribution of the invention resides solely within the computer program per se, then the subject matter claimed in the subject patent application is not patentable; thus, the Claims of the subject patent application are objected to under Section 3(k) of the Act.

Analysis and Decision

In this case, the overall challenge tackled by the invention is in enhancing the encoding and decoding efficiency of image data using lapped transforms, addressing both technical and practical limitations in the state of the art. An analysis of the claims made by the Court shows that the subject invention enhances the functionality of the transform coding approach by detailing specific steps and methods that improve the efficiency and reversibility of the encoding and decoding processes. This is achieved through a series of operations, including reversible overlap operators and block transforms, which are crucial for reducing artifacts and improving the quality of compressed digital media. Thus, the Claims of the subject invention clearly articulate a specific approach to applying these techniques, thereby enhancing the traditional transform coding methods used in digital media compression.

Further, the Court observed that the Controller had erred in applying the novel hardware criteria by following guidelines that had already been replaced, i.e., the 2016 CRI Guidelines, as in the 2017 Guidelines, the novel hardware requirement was removed. Additionally, the Court cited ***Raytheon Company vs. Controller General of Patents and Designs,*** which determined the following points to be followed while examining Section 3(k) of the Act:

"20. Insofar as the novel hardware requirement is concerned, it is now well-settled that the requirement is not to be insisted upon in applications relating to inventions of computer programs. The manner in which such applications are to be examined and the interpretation of Section 3(k) is now settled by this Court in Ferid Allani (supra) and Microsoft (supra)…

21. <u>As can be seen from the above extracts, in the case of computer-related inventions, the patent office needs to examine if there is a technical contribution or what the technical effect generated by the invention as claimed</u>. In the present *case, it needs to be examined as to whether the system sought to be patented reduces the time period in scheduling job execution in the HPC system. The requirement for novel hardware is a higher standard that lacks any basis in law.*

22. The novel hardware standard existed in the 2016 CRI Guidelines, which were replaced by the 2017 CRI Guidelines. The patent office was in error by following the inapplicable 2016 Guidelines. Accordingly, the impugned order was not sustainable, but the appeal was allowed. The impugned order is set aside. The subject patent application of the Appellant shall now be examined afresh without insisting upon the novel hardware requirement…."

The Court then relied on the judicial precedent set by the Court in the case ***Lava International Ltd. vs. Telefonaktiebolaget LM Ericsson,*** which clarified that an invention that merely incorporates algorithms, sets of instructions, mathematical or business methods within a method or system and satisfies all the criteria for patentability, is not inherently non-patentable. Therefore, what has to be seen is that if the algorithms are directed at enhancing the functionality of a system or a hardware component, the effect or the functionality derived by the system or the hardware component is a patentable subject matter. However, the algorithm itself is not a patentable subject matter. Further, it was also held that patentability should be assessed based on its practical application in solving technical problems and the technical advancements it offers.

Thus, in the subject present application, the Court opined that the present patent application discloses a method and system that not only provides a real-world application for complex mathematical transformations, including lapped transforms and reversible overlap operators but also integrates these operations into a hardware component that performs digital media data compression. The Court adjudged that this integration significantly enhances the functionality of the hardware components of the subject patent application by enabling efficient and reversible compression, which directly contributes to improved system performance and efficiency and enhances the functionality of the general-purpose computers that implement the subject patent application.

The Court then held that the integration of the described methods and techniques as detailed in the subject present application are also implemented in a way that optimises the compression process for digital media data and also transforms the capabilities of general-purpose computing hardware into a specialised apparatus capable of efficient and effective data compression. Thus, the Court concluded that the subject patent application exhibits tangible benefits beyond ordinary computing functionality and is not barred by Section 3(k) of the Act.

mail@lexorbis.com | www.lexorbis.com

Therefore, in view of the aforementioned analysis and reasoning in the refusal order, the Court found this case fit to be allowed and the subject patent application liable to be granted after considering the requirements of novelty and inventive step that have already been satisfied and on the basis of the subject patent application satisfying all the requirements for patentability.

Conclusion

In this case, the Court reiterated that the Controller should give proper reasoning for the refusal on the grounds of Section 3(k) of the Act. If the subject matter is implemented on the general-purpose computer but results in a further technical effect that improves the computer system's functionality and effectiveness, the claimed invention cannot be rejected as non-patentable for being a 'computer programme per se'. The Court urged that inventions having elements within a system or method that enhance the functionality of a system or hardware component and meet all the criteria for patentability can be considered patentable.

Thus, this case highlights that to avoid the Claims of the said patent falling within the scope of Section 3(k) of the Act, it is vital that along with improving the functionality of the system, the invention must also solve the technical problem and achieve an innovative technical advantage that is clearly defined and distinct from ordinary operations expected from the systems of the prior arts.

20. Analysis of the Madras High Court Judgment in Pinnacle Engines Inc. vs Assistant Controller of Patents & Designs

Case: Pinnacle Engines Inc Vs Assistant Controller of Patent [(T) CMA (PT) No.17 of 2023]

Forum: Madras High Court

Order dated: April 30, 2024

Order: The contribution of the Intellectual Property Divisions of the High Courts in the fast-paced evolution of the IP framework of the country has been monumental. The Courts have provided timely and effective relief to the applicants/patentees, thus emboldening them to file more patent applications at the Indian Patent Office (IPO). The Courts have delivered several judgments in the last few years, ranging from commenting on the reasoning of the orders issued by the IPO to providing clarity on the interpretation of various statutes of the patent law, strengthening the overall IP framework.

One such judgment recently came from the Madras High Court in *Pinnacle Engines Inc. and others vs Assistant Controller of Patents & Designs*. This judgment yet again emphasised the criticality of a reasoned and speaking order by the IPO. In fact, the Court delved into the technical subject matter of the invention and the prior art documents, outlining the main technical issue and then remanding the matter back to the IPO for reconsideration on that limited aspect only.

This matter was an appeal filed under Section 117A of the Patents Act, 1970, to set aside an order of the Assistant Controller of Patents & Designs. The impugned order was issued on September 24th, 2020, in a patent application bearing number 8612/CHENP/2012 and titled "*Opposed piston engine with non-collinear axes of translation*", refusing the grant to the application on the ground of lack of inventive step.

mail@lexorbis.com | www.lexorbis.com

The invention relates to internal combustion engines, and more specifically to opposed piston engines having a combustion volume chamber that is at least partially defined by piston head crowns of two opposed pistons, which reciprocate along axes of translation within two-cylinder bores that are inclined relative to one another. Therefore, unlike a conventional opposed piston engine in which the axes along which the two opposed pistons are translated during their reciprocating motion are collinear, the two axes are inclined relative to each other at an angle that is greater than 0° and smaller than 180°, and such angle can be measured in a plane defined by the axis of translation of the two opposed pistons.

During the prosecution, the independent claims were amended to incorporate the feature of a first crank offset between the first piston and the first crankshaft and a second crank offset between the second piston and the second crankshaft. This feature aids in lowering the load on joints between the pistons and the rubbing of the pistons with the cylinder wall during engine operation. Another feature that was incorporated in the claims during the prosecution was that the crankshafts rotate in opposite directions, in effect reducing vibrations.

The Appellants argued that the prior art documents disclose inverted pistons with a collinear shaft. Such construction resulted in a bulky engine, which caused packaging problems and fuel leakage. In contrast, the relatively inclined axes of translation proposed by the present invention save space. Moreover, the crank offset proposed by the present invention reduces friction.

The appellants argued that none of the cited prior art documents, D1, D3, or D5, discloses that a first crank offset is provided between the first piston and the first crankshaft and that a second crank offset is provided between the second piston and the second crankshaft. Moreover, none of the prior art documents discloses that the rotation of the first crankshaft and second crankshaft are in opposite directions.

On the other hand, the respondent argued that the prior art documents disclose all the features of the claims of the present invention. Moreover, the respondent brought to the Court's attention that the appellants also applied for the grant of patent before the US patent office and the China patent office but subsequently abandoned the applications in response to the objections raised by the respective patent offices.

After hearing both the parties, the Court noted that the appellant's primary emphasis was on establishing the inventive step based on two features of the invention.

i. the provision of a crank offset between the first piston and the first crankshaft, the provision of a crank offset between the second piston and the second crankshaft, and

ii. the rotation of the two crankshafts in opposite directions.

However, neither of these features was present in the original claims. In fact, the appellants did not introduce these features in the claims, even when responding to the First Examination Report (FER). It was only in the Hearing submission filed after the oral Hearing that the appellants incorporated these features of crank offset and crankshaft rotation in the claims. The Court also found that these features are supported in the detailed description of the patent application.

The Court then turned to the impugned order and found that the Controller had merely set out the various elements of the invention in arriving at the conclusion. The Controller has simply concluded that the claimed invention would be obvious to a normal technical engineer based on the cited prior arts without any analysis or discussion of its features. The order does not even include any analysis of the features of the crank offset and crankshaft rotation. The Court, therefore, found the order effectively unreasoned and unsustainable.

The Court thereafter addressed the question of whether the matter should be remanded after setting aside the impugned order or whether the patent application should be directed to proceed to grant. To decide on that, the Court delved deeper into the cited documents. For D1, the Court held that the features of crank offset and crankshaft rotation are neither claimed nor shown in the drawings of D1. Regarding D3, the Court held that when looking at paragraphs [0030] and [0031] of the complete specification of the claimed invention, there is a similarity in the design of the cylinders, pistons and the common central combustion chamber defined by these elements in D3. However, Figures 1 and 3 of D3 show that the crankshaft is aligned with the cylinders and not offset. Similarly, in D5, it appears from Figures 8 and 9 that the crankshaft is aligned with the cylinders and not offset. The Court thus held that the features of the crank offset and crankshaft rotation are not disclosed in D1, D3, and D5. There is not even any teaching, suggestion, or motivation in any of these prior art documents, which would make these features obvious to a person skilled in the art.

However, the Court also acknowledged that the independent claims 1 and 11 were modified to incorporate these features only in the Hearing submission that was filed after attending the oral Hearing. Therefore, there is a possibility that the

Controller did not consider the prior art documents in the context of the features of crank offsets and crankshaft rotation.

The Court also commented on the allowability of incorporation of these features into the claims at the Hearing submission stage. The Court particularly held that this amendment was within the scope of the complete specification and is liable to be allowed as per Section 59 of the Patents Act, owing to the disclosure of these features, at least in paragraph [0059] of the specification.

The Court further held that based on their survey of the prior art in this technical field, there is a possibility that other relevant prior art may exist, disclosing these two features. Therefore, while they are not inclined to direct that the application proceeds to grant, the application is remanded for reconsideration on the limited aspect outlined above, i.e., focussing only on the abovementioned two features. Moreover, to preclude the possibility of pre-determination, the Court directed that any officer other than the officer who issued the impugned order shall undertake this reconsideration.

This judgment reiterates the indispensable duty of the IPO to issue a reasoned and speaking order. It further clarifies that any claim amendment, even if made at the stage of the hearing submission, shall be considered by the IPO when arriving at its decision on the grant of the patent. The evident effort taken by the Court in understanding the technical nitty-gritty of the matter and outlining the specific task for the IPO to perform in their reconsideration is encouraging for the applicants/patentees. We can expect more such judgments from Courts in the times to come, paving the way for a more evolved IP ecosystem.

21. Remedy Available to Pre-grant Opponent after Rejection of the Opposition: A Case Study

Case: Rich Products Corporation V. The Controller of Patents & Anr. [LPA 257/2024 & CM No.19528/2024]

Forum: Delhi High Court

Order dated: May 01, 2024

Order: A Pre-grant patent opposition proceeding provides a kind of check and balance in refining the quality of patents being granted. Some of the IP jurisdictions that have pre-grant opposition proceedings in place are India, Australia, Egypt, Portugal, etc. The objective of pre-grant opposition proceedings in the patent examination ecosystem is to increase the validity of granted patents through contributions from third parties with good knowledge of the prior art technology. However, this proceeding sometimes delays the prosecution and thus delays the grant of a patent if the provision is mis-utilized by filing frivolous and benami oppositions.

This could possibly be one reason why China in 1992 and Japan in 1996 did away with the pre-grant opposition system. Probably, considering that time is of the essence in patent prosecution, even in India, DPIIT has amended the Patent Rules (Patents (Amendment) Rules, 2024) for handling pre-grant opposition, whereby a pre-grant representation will be now assessed by the Controller within one month from the date of filing of the representation without intimating to the Applicant. Also, if there is no merit in the representation, the representation will be rejected. The amended Rules also reduced the time to file the reply statement to the representation by the Applicant, which indicates the inherent purpose of reducing overall time in the grant of a patent. With the recent amendments in the Patents Rules, 2003, the Patent office is equipped with enough power to deal with frivolous pre-grant opposition.

However, from the opponent's point of view, there is no remedy in the Patents Act to challenge the decision of the Controller to reject the opposition. This is probably because it may cause unnecessary litigation and delay the patent grant. Although the Patents Act, 1970 provides alternate remedies for the pre-grant opponent, such as the right to file a post-grant opposition or file a revocation proceeding, these proceedings can be filed only by those opponents who can be qualified as a person interested as defined as “a person engaged in, or in promoting, research in the same field as that to which the invention relates” under Section 2(1)(t) of the Patents Act. In other words, as explained by the Supreme Court in J. Mitra & Company v. Assistant Controller of Patents & Designs (2008) 10 SCC 368, as long as the person is able to show that he is a person “interested”, he is not without a remedy after his pre-grant opposition is rejected.

The same position was held in the case of M/s UCB Farchim SA v. M/s Cipla Ltd. & Ors (MANU/DE/0297/2010). In the decision, it was noted that there are two scenarios depending on whether the opponent is an 'interested person' or not. (i) The High Court was of the view that the statutory remedy against rejection of a pre-grant opposition by an 'interested person' was to file a post-grant opposition or revocation petition. (ii) The High Court further held that in case of rejection of a pre-grant opposition by any person other than the ‘interested person’, there appeared to be no statutory remedy available, and a writ petition under Article 226 might be maintainable in such case.

However, in the case of Glochem Industries Ltd. v. Cadila Healthcare Ltd AIR 2010 BOMBAY 76, the Hon’ble division bench of the Bombay High Court held that even if a person is a person interested whose pre-grant opposition has been rejected, that person can file a writ petition under Article 226 of the Constitution of India against the decision of the Controller, rejecting his pre-grant opposition, if that person is able to show to the Court that the decision of the Controller suffered from obvious jurisdictional error. In line with Glochem (above), Delhi High Court, in a recent case Precise Biopharma Pvt. Ltd. v. Assistant Controller of Patents and Designs & Anr. in W.P.(C) IPD 3/2022, admitted the writ petition filed by the pre-grant opponent in a challenge to an order rejecting the pre-grant opposition under Section 25(1) of the Act, and remanded the matter back to the Controller for re-considering the matter and passing a reasoned order. The reason for the maintainability of this writ petition was that the Controller’s order was bereft of any reason and was a non-speaking order and thus in violation of well-established principles of natural justice.

Therefore, one can conclude that in a case if a pre-grant opposition is rejected, the pre-grant opponent has the remedy to file a writ petition against the Controller decision if the petitioner can show that the Controller’s order is suffering from obvious jurisdictional error or the order passed is non-reasoned and is in violation of the principle of natural justice. In Special Director v. Mohd. Ghulam Ghouse (2004) 3 SCC 440, it was held that the law is well settled notwithstanding that a High Court has the power and the jurisdiction under Article 226 of the Constitution to interfere with the orders of any statutory authority that is of a quasi-judicial nature, it will decline to exercise such jurisdiction where there is an efficacious alternative statutory remedy available to the aggrieved person.

Although, as regards the remedy available to the pre-grant opponent in case of his opposition being rejected is well settled, the question again came up before the Hon'ble division bench of Delhi High Court in the case of Rich Products Corporation v. The Controller of Patents [LPA 257/2024 & CM No.19528/2024]. In this case, Rich Product Corporation (hereinafter RPC) has filed a pre-grant opposition against a patent application titled "An artificial liquid cream for utilisation in unsweetened cooking and whipping applications" filed by Tropilite Foods Pvt. Ltd. (hereafter TFPL).

The Controller, after following due procedure, rejected the Pre-grant of RPC. RPC filed a writ petition against the decision of the Controller before the IP division of Delhi High Court. The Hon'ble Single Judge did not entertain the said writ petition on the ground that RPC had recourse to an effective mechanism for assailing the grant of patent under the Act. Thus, the Hon'ble Single Judge relegated RPC to take recourse to other remedies as available. RPC filed a letter patent appeal before the division bench against the order of the Single Judge.

The issue before the Hon'ble division bench was whether the Hon'ble single judge erred by not entertaining the writ petition filed by RPC. The Hon'ble division bench discussed a series of cases as discussed above and held that a pre-grant opposition under Section 25(1) of the Act is a part of the examination process and is to aid the Controller in considering an application for the grant of a patent. The Hon'ble division bench reiterated the position as held in Glochem (above) that a pre-grant opponent will have a recourse to invoke writ jurisdiction under Article 226 of the Constitution of India if the Controller passes an order that suffers from jurisdictional errors or not. The Hon'ble division bench further held that the order passed by the Controller did not suffer from any jurisdictional or manifest error and, therefore, upheld the decision of the single judge to not entertain the writ petition filed by RPC.

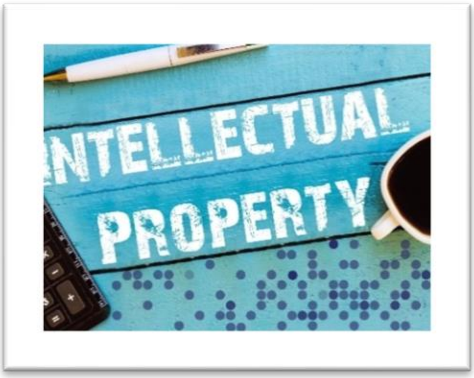
The decision in Rich Products Corporation v. The Controller of Patents again clarifies the remedy that a pre-grant opponent can have in case his pre-grant opposition is rejected. Writ jurisdiction is not a correct recourse to invoke if the pre-grant opponent is a person interested, as he will have an alternate efficacious remedy in terms of filing a post-grant opposition or revocation petition. However, in the circumstances, if the decision of the Controller to reject the pre-grant suffers from jurisdictional error or the order is non-speaking, the pre-grant opponent can take recourse to file a writ petition. However, the pre-grant opponent should be mindful that the writ jurisdiction is discretionary in nature. If they are taking recourse for a writ petition, they must qualify the minimum threshold of a manifest jurisdictional error to warrant entertaining the same under Article 226/227 of the Constitution of India.

22. Patent Law Harmonisation: Calcutta High Court Upholds the Constitutionality of Section 53 of the Patents Act, 1970 in Line with TRIPS

Case: Gunjan Sinha @ Kanishk Sinha and another v. The Union of India and another [WPA No. 8691 of 2023]

Forum: Calcutta High Court

Order dated: May 07, 2024



Order: In an order dated May 7, 2024, the Calcutta High Court delivered a significant verdict upholding the constitutionality of Section 53 of the Patents Act, 1970 (hereinafter referred to as "the Act"). The judgment reaffirmed the alignment of the Act with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), an international legal agreement between all the member nations of the World Trade Organization (WTO).

The Challenge

The petitioner challenged the vires of Section 53(1) of the Act, citing it to be inconsistent with Section 11-A(7) of the Act. Section 53(1) of the Act stipulates that the term of every patent is twenty years from the date of filing the application. Section 11-A(7), however, provides that a patent applicant shall have privileges and rights as if a patent for the invention had been granted on the date of publication from the date of publication of the application until the patent is granted, excluding the right to sue for infringement. The right to institute an infringement proceeding can be exercised only once the patent has been granted.

The petitioner argued that this creates an inconsistency within the Act. Specifically, while the patent term starts from the application date, full rights are only conferred upon grant, leaving a gap where only limited rights are available. It was contended that the twenty years' tenure of a patent ought to commence from

mail@lexorbis.com | www.lexorbis.com

the date of its grant or at least its publication. It was the primary contention of the petitioner that such period is not counted within the term of the patent since the period between the application and the grant of the patent is not of any practical benefit to a Patentee insofar as the assertion of rights on the basis of the patent is concerned.

Findings of the Court

The Court observed that although these provisions might appear contradictory regarding the activation of rights, they do not actually conflict. This is because the legislative intent behind them is to encourage early disclosure of inventions and to comply with international standards, which require a fixed patent term beginning from the application filing date. Following are the key takeaways from the verdict-

I. The Court observed that there lies no inherent contradiction between the two provisions. The Court reasoned that Section 53 and Section 11-A(7) serve different stages of the patent process and are not mutually exclusive. While Section 53 ensures a fixed patent term, promoting certainty and uniformity, Section 11-A(7) provides interim protection from the publication date to the grant date, safeguarding the applicant's interests without prematurely granting full patent rights. The rights of a patentee under Section 48 of the Act are only crystallised on the date of grant of a patent from the date of the application for the term, and the patentee is entitled to seek all damages on account of infringements of its right from the date of publication of the patent application. Following are three stages of patents and the rights that are accorded to the patentee-

   - From Application to Publication: During this initial stage, the applicant does not enjoy any enforceable rights. However, the date of application establishes the priority date for the patent.

   - From Publication to Grant: Under Section 11-A(7), the applicant enjoys certain limited rights akin to those of a patentee, except the right to institute infringement proceedings. This period ensures that the applicant has some degree of protection and can mark their invention as "patent pending."

   - From Grant to Expiry: Full patent rights are conferred, allowing the patentee to enforce their patent and seek damages for infringements dating back to the application date.

The Court further observed that the amendment brought by the Patents (Amendment) Act 2002 is an improvement from the perspective of the patentee as the term of all types of patents has been uniformly extended to 20 years from the date of application in compliance with Article 33 of TRIPS.

II. Article 33 of the TRIPS mandates a minimum patent term of 20 years from the filing date. The Court emphasised that Section 53 ensures India's compliance with these international standards, underscoring India’s commitment to its treaty obligations. Starting the patent term from the grant date would deviate from international norms and create uncertainty.

III. The judiciary typically avoids intervening in legislative matters unless there is clear evidence of arbitrariness or a violation of fundamental rights. The Court noted that the right in question is not a fundamental right protected by the Constitution but one granted by statute. The standard for challenging legislation is higher than for administrative actions, as there is a presumption of constitutionality for statutes. In this case, the Court deemed the legislative decision to begin the patent term from the filing date to be reasonable and balanced, showing careful consideration of various interests.

Decision and Implications

The Court decisively held that Section 53 of the Act is constitutional and rational, aligning with both domestic policy and international commitments. It clarified that the limited rights under Section 11-A(7) of the Act during the pre-grant period are intended to provide provisional protection without overstepping, ensuring a fair balance between protecting inventors and preventing stifling of competition.

This judgment reaffirms the stability and predictability of India's patent law, which is crucial for both domestic and international stakeholders. It highlights India's dedication to international harmonisation of patent laws, potentially encouraging foreign investment and technology transfer.

By upholding the constitutionality of Section 53 of the Act, the Court reaffirmed India's commitment to its TRIPS obligations, ensuring that the country's patent term starts from the filing date, thus providing a standardised 20-year protection period. The decision highlights the legislative intent to encourage early disclosure of inventions while safeguarding applicants' interim rights without granting premature enforcement powers. This approach not only promotes innovation but also maintains a fair competitive landscape.

Future Considerations

While the Court upheld the existing framework, the petitioner's arguments regarding limited pre-grant rights could prompt future legal challenges or legislative amendments to enhance these provisional rights. One potential area of reform could involve introducing patent term adjustment (PTA), similar to practices in the USA. PTA compensates patent holders for delays in the patent approval process, effectively extending the patent term to account for the time lost during administrative processing.

Implementing PTA in India could address concerns about the period between the filing and granting patents, ensuring that inventors do not lose effective patent terms due to bureaucratic delays. This adjustment could benefit domestic inventors and smaller entities, providing them a fair opportunity to fully capitalise on their inventions. By adopting such reforms, India could further bolster its patent regime, making it more equitable and encouraging innovation while maintaining compliance with international standards.

However, the debate around introducing reforms similar to patent term adjustment is not novel to the Indian patent regime. The Delhi High Court considered the same in the case of ***Nitto Denko Corp v. Union of India WP (C) No. 3742 of 2013.*** It concluded that any further extension beyond the already granted 20-year term would not be conducive to the Indian patent regime, which was considered to strike a perfect balance between promoting innovation and encouraging competition.

23. Ascertaining the Scope of Claim Construction for Resolving Patent Infringement Suit

Case: Guala Closures Spa vs AGI Greenpac Limited [CS(COMM) 706/2021]

Forum: Delhi High Court

Order dated: May 08, 2024

Order: On May 8, 2024, in the case of ***Guala Closures Spa** (“**plaintiff**”)* and ***Agi Greenpac Limited** ("**defendant**”),* the single Judge of the Delhi High Court rejected the plaintiff's application for an interim injunction alleging infringement of the plaintiff's patent on the grounds that the defendant's product/closure does not fall within the scope of the claims of the plaintiff's patent. The plaintiff had failed to meet the triple test for the grant of injunction, and the balance of convenience strongly favoured the defendant.

Facts and Submissions

The plaintiff claimed to be a multinational company engaged in the manufacture of closures for spirits, wines, mineral water beverages, olive oil, etc. The plaintiff filed a suit in relation to its grant of patent No. IN'522, titled '*Tamper- Evident Closure with Tear Off Seal*", granted on 19th October 2020 in India ("Patent"). The plaintiffs patented its products globally and have had a considerable presence in India since 1994, and the two-level tamper-proof closure is an exclusive innovation, as per the plaintiff. The defendant is also a manufacturer of closure seals, involved in manufacturing tamper-proof security caps and closures, and commenced business in 2017. The defendants launched a new range of closures called 'the Voila Closure,' which, according to the plaintiff, infringes the plaintiff's patent.

The plaintiff issued a cease-and-desist letter on 28th June 2021, asserting its patent and demanding that the defendant cease manufacturing and selling the infringing products. The defendant stated that their product is altogether different and

mail@lexorbis.com | www.lexorbis.com

involves a proprietary technology, which is the subject matter of another granted Indian patent IN 326637. Subsequently, the plaintiff filed a suit seeking interim injunction alleging infringement of their patent by the defendant.

The plaintiffs outlined the features of the patent and demonstrated their similarity to the defendant's product. They argued that despite the additional features introduced by the defendant, the infringement is evident when the patent is mapped onto the defendants' product. The plaintiff contended that, according to the settled legal position with respect to the patented product, a third party could obtain an improvement patent only with the consent of the original patentee, which the defendant had failed to obtain.

The defendant argued the differences between their closures and the plaintiffs' closures and asserted that these variations were crucial for claim construction. The defendant made substantial investments and sales in the manufacture of the closures, whereas the plaintiffs did not have a sale of a single closure manufactured as per the patent, and only one purchase order has been filed. Thus, the balance of convenience would favour the defendants, and irreparable harm would be caused to the defendants if any interim injunction is given. The differences are essential features of the claims of the patent and the defendant's patent. Since the defendants are implementing their own patent, there cannot be any infringement of the plaintiff's patent.

Analysis by the Court

After a detailed analysis of the plaintiff's and defendant's submissions, the Court observed that the main emphasis has been on the question of infringement, and no submissions have been made on the question of the patent's validity. Accordingly, the Court dealt with the issue of patent infringement.

The Court highlighted that in a patent infringement suit, "Claim construction" is generally the first and most crucial step in adjudicating such suits, especially when confronted with products like tamper-evident closures based on mechanical features. In this regard, the Court highlighted Chapter 9 - 'Construction of the Specification and Claims'-from **Terrell on the Law of Patents**, which emphasises the determination of the actual scope of the Claims of a complete specification, is one of the most significant issues in litigation involving patents. Once the scope of the claims is clarified, the questions regarding infringement and invalidity often find swift resolution. In addition, the Court relied upon Rule 2(c) of the High Court of Delhi Rules Governing Patent Suits, which defines a 'Claim construction brief.' As per this rule, claim construction can be understood to be the process of breaking down the construction of each of the terms contained in the claims, their meaning, and the overall scope and effect of all the claims relied upon.

Accordingly, the Court examined the closures and the complete specification submitted and observed that the second tear-off seal of the plaintiff's closure disconnects the cap from the container. But the second tear-off seal in the Defendants' closure separates the cap from the lower sleeve. This is the basic structural difference between the patented closure of the plaintiffs and the defendant's closure. The characterisation also further shows that the purpose of the second tear-off seal in the plaintiff's patent differs from that in the defendant's product.

The Cout also highlighted that tamper-evident closures are well-known in the market. There could be different methods of using tamper-proof seals. A monopoly cannot be claimed on the manufacture and sale of tamper-proof seals per se. It is only on the patented tamper-proof seal that a monopoly can be claimed. The plaintiff's Patent IN'522 and the defendants' Patent IN'637 have similar yet distinctively different features. Both products relate to closures, but they are not identical in their construction and structural features. Thus, the plaintiff's patent cannot monopolise tamper-proof closures. There were fundamental differences as the characterisation and purpose of the suit Patent were different from the defendants' closure. The plaintiff's patent was cited as the prior art in the examination report of the corresponding EPO application of the defendant's, and the same was granted after overcoming the objections in itself, demonstrating the differences in both the closures.

In this case, the features in the defendants' closure show distinct operational mechanisms when compared to the patent. While the plaintiff argued that the defendants' products infringe upon the suit Patent, a comparative assessment reveals that the defendants' products incorporate unique features that establish distinct methodologies. Since the defendants' product incorporates genuine technical advancements that differentiate it from the Patent, prima facie, the defendant's product cannot be termed merely an improvement over the plaintiff's basic patent and, therefore, is a non-infringing product.

Conclusion

The Court concluded that for infringement to be established, it is required that a plaintiff must demonstrate that the defendant's product/closure falls within the scope of the claims of the plaintiff's patent and that the defendant's product operates in the same way as the patented invention. In this case, the detailed analysis of the patent and the defendant’s product reveals significant differences in both mechanism and purpose. The sequential separation process and distinct functionality of the second tear-off seal in the defendant’s closure are different from the detachment and tamper-evident function of the plaintiff's patented closure. Since the main characterisation lies in the second tear-off seal, the function, purpose, and mechanism of the suit Patent are entirely different; hence, prima facie, the defendants' product does not infringe the plaintiff's patent.

In order to reach this conclusion, the Court relied on the case of ***American Cyanamid Company v. Ethicon Ltd., (1975) 1 All. E.R. 504,*** *wherein it was held that “prima facie, there is no case of infringement made out, as the defendants' product operates differently and does not incorporate all essential elements of the plaintiff's patent claims. Moreover, the balance of convenience heavily favours the defendants on account of their substantial sales and market presence. They have been producing their closure products and have filed their sales figures, indicating an established business that would be jeopardised by a finding of infringement”*.

Thus, considering the significant operational disparities between the plaintiff's patent and the defendants' product/ closure, any injunction or legal action for infringement would unduly harm the defendants' business interests. Additionally, no irreparable harm is demonstrated to the plaintiff, as the defendants' closure does not directly compete with the plaintiff's patented closure.

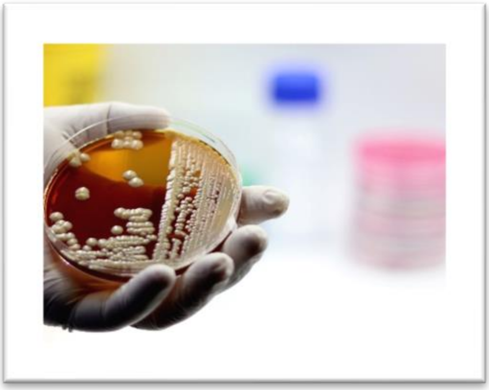
In light of the foregoing analysis, the Court concluded that the triple test for grant of injunction is not met, and the balance of convenience strongly favours the defendant. Accordingly, the Court dismissed the request for an interim injunction and held that prima facie, there is insufficient evidence to establish a case of infringement.

24. Bifidobacteria Breakthrough: Delhi High Court’s Landmark Ruling in Alimentary Health Limited Case

Case: Alimentary Health Limited *versus* the Controller of Patents and Design [C.A.(COMM.IPD-PAT) 458/2022]

Forum: Delhi High Court

Order dated: May 14, 2024



Order: In a significant ruling, the High Court of Delhi pronounced judgment in the case of Alimentary Health Limited *versus* the Controller of Patents and Design on May 14, 2024. This case has far-reaching implications, particularly in the realm of intellectual property rights and the patenting of innovations in the healthcare sector. This ruling delves into the intricate balance between innovation, access to healthcare, and the protection of intellectual property rights. Specifically, it re-establishes the importance of assessing an invention in whole width and breadth while determining its inventive step. In biological sciences, it is pertinent that the inventive step is examined considering various essential aspects, one of which is acknowledging the negative teachings in the art.

Factual Background of the Case

Alimentary Health Limited [hereinafter referred to as "the appellant"] sought to obtain a patent for its invention titled “PROBIOTIC BIFIDOBACTERIUM STRAIN” and filed the patent application number 3989/DELNP/2012 on May 07, 2012, as national phase entry of PCT application at the Indian Patent Office (IPO). The First Examination Report (FER) issued on March 27, 2017, *inter alia*, held that the claims lacked inventive step under section 2(1)(ja) and were non-patentable under Section 3(c), 3(d) and 3(i) of the Patents Act, 1970 [herein after referred to as “the Act”]. The appellant filed a response to the FER on August 31, 2017. The claims were amended and limited to a total of 13 claims from the original set of 38 claims. Subsequently, respondent [the Controller of Patents and Design] issued a notice of hearing dated July 10, 2018, with the objections under

Section 2(1)(ja) over cited prior art Documents D1 to D5 and the subject matter of claims 1-13 as not inventions under section 3 (c), (d) and (e) of the Act. The hearing was scheduled and conducted on August 10, 2018.

In response to the hearing notice, the appellant revised the principal claim by incorporating elements from claims 6 and 10 into claim 1, aiming to clarify and strengthen the patentability of the invention and also providing a thorough response. Despite these efforts, the Controller of Patents and Designs was not persuaded by the amendments and the arguments presented. Consequently, the application was denied pursuant to Section 15 of the Act via order dated November 27, 2018 [herein after referred to as 'impugned order'] on the ground of lack of inventive step under Section 2 (1) (ja) of the Act, leading to the appeal C.A. (COMM.IPD-PAT) 458/2022 at the Hon'ble Delhi High Court.

Arguments

Appellant's arguments were as follows:

- The respondent has merely quoted paragraphs related to different strains of Bifidobacterium from cited documents from D1 to D5 without actually analysing and interpreting the cited documents in their entirety. None of the cited documents provides any teaching or suggestion to arrive at a novel strain of *Bifidobacterium longum* NCIMB 41676 (AH1714), which works synergistically.

- The respondent overlooked the corresponding patent applications; for instance, the appellant has been granted a patent in Europe and the United States despite similar prior art citations. Reliance is placed on the decisions of the Intellectual Property Appellate Board dated January 11, 2021, in OA/16/2016/PT/KOL in the matter of ***Arthritis Relief Plus Ltd. v. Controller of Patents and Designs***.

- The respondent has disregarded the experimental data in the specification, which establishes the technical advancement of *Bifidobacterium longum* NCIMB 41676 (AH 1714) over other strains.

- The respondent has made a critical error in the appreciation of facts. While acknowledging the novelty of both the strain and the formulation comprising this strain and further recognising that neither the strain itself falls under the ambit of Section 3(c) nor do the strain and its formulation fall under Sections 3(d) or 3(e) of the Act, they have nonetheless overlooked a crucial aspect. The respondent failed to acknowledge that the formulation comprising the said strain possesses inventiveness, which sets it apart from the prior art cited in the proceedings.

- The respondent has presented a contradictory stance in their evaluation. On one hand, they have acknowledged that the formulation claimed in Claim 1 is patentable under Section 3(e) — a section that typically excludes 'inventions' from patentability. On the other hand, they have denied the patent application on the grounds of lacking an inventive step. Given that the respondent has already recognised the formulation as patentable, it logically follows that an acknowledgement of the inventive step is implicit. To hold otherwise would be inconsistent with the initial finding of patentability under Section 3(e).

- The claimed formulation of the subject patent application contains a non-obvious strain of *Bifidobacterium longum*, which is neither present in any of the prior arts nor sufficient teachings that can be found in prior arts D1-D5.

<u>Respondent's contentions are provided here below:</u>

- The claims in the patent application are obvious to a person skilled in the art, and therefore, since the prior arts disclosed the claim invention, the application has been rightly refused on the grounds of lack of inventive step. In this respect, the respondent detailed the features of the cited prior arts which led to the present invention. For instance, the respondent mentioned that D1 discloses the use of *Bifidobacterium longum* as a probiotic in composition for treating depression. D2 discloses edible compositions that include *Bifidobacterium longum*, ranging from 104 to 1010 CFUs. D3 discloses a composition comprising a probiotic bacteria selected from the group consisting of Lactobacillus casei F19 (LMG P-17806), Lactobacillus acidophilus NCFB 1748 and *Bifidobacterium* lactis Bb12, and combinations thereof comprising at least one of milk, a cereal, a fruit. D4 discloses the ability of different strains of *Bifidobacterium longum* to induce cytokine production by peripheral blood mononuclear cells (PBMCs), which has been evaluated. D5 discloses the anti-inflammatory activity of probiotic *Bifidobacteria* in Bifidobacteria-fermented milk (BFM), which is effective against active ulcerative colitis (UC) and exacerbations of UC, and explores the immunoregulatory mechanisms.

- The appellant's oral as well as written arguments and documents were considered, but not found persuasive. The prior art clearly advocates for and discloses the significant health benefits associated with probiotics, such as strains of *Bifidobacterium* and *Lactobacillus*. It suggests these probiotics can be formulated for various health benefits. Consequently, for a person skilled in the art, it would be a routine undertaking to explore well-known probiotics like *Bifidobacterium longum*, isolate a strain demonstrating beneficial activity, and then develop and claim a formulation for therapeutic applications. The ability to achieve predictable results from such an exploration renders the claim obvious and lacks the requisite inventiveness stipulated by patent law.

- Prior arts disclose that probiotics such as *Bifidobacterium* and *Lactobacillus* strains have excellent health benefits and could be explored as a formulation for various health benefits. Further prior art also discloses edible compositions comprising probiotic *Bifidobacterium* strains.

- The instant formulation contains only 1 active ingredient *Bifidobacterium longum* NCIMB 41676 (AH1714) in the amount of more than 10^6 cfu per gram.

- It is further submitted that the instant application is not inventive as the application of edible probiotic formulations of *Bifidobacterium* strains, in the claimed amount, having excellent health benefits (including depression, cytokine interleukin (IL)-10 and pro-inflammatory cytokine tumour necrosis factor (TNF) – production) is already known and explored herein without any inventive merit. There is "no surprising element" in the instant formulation when seen in the light of prior arts. Whatever is emphasised in the instant application is obvious in light of prior arts, referred hereinabove.

Court's Analysis

The Hon'ble Justice Mr. Sanjeev Narula Court established the legal standards for assessment of inventive steps by re-emphasising the pertinent framework from the *Hoffmann-La Roche Ltd & Anr. v Cipla Ltd*. and crucial findings in the case of *Biswanath Prasad Radhey Shyam v. Hindustan Metal Industries Ltd.* The Court, relying on the legal precedents, noted that in the evaluation of the inventive step in patent law, the jurisprudential guidelines established through judicial precedents emphasise the importance of avoiding <u>hindsight bias</u>. This is crucial to ensure that the inventive step is assessed based solely on the information that was available to the public before the priority date of the patent application.

Going forward, the Court analysed key distinctions between the cited prior art documents D1-D5 and the present invention. It was observed that none of the cited documents teach or suggest the specific strain of *Bifidobacterium,* i.e. *Bifidobacterium longum NCIMB 41676 (AH1714)*, let alone the formulation comprising the same. Further, the Court pointed out that the appellant provided sufficient comparative data with respect to technical advancement during the prosecution. The Court listed the following unique therapeutic benefits of B. longum NCIMB 41676:

i) Anti-inflammatory Benefits: NCIMB 41676 has demonstrated efficacy in reducing undesirable inflammatory activity, as detailed in Examples 3, 4, 5, and 6 of the specification (pages 155 to 162).

ii) Gastrointestinal Health: It is effective in the treatment and prevention of ulcerative colitis and irritable bowel syndrome, detailed in Example 5 (page 161, lines 10-18).

iii) Cytokine Modulation: This strain modifies the levels IL-10 and reduces pro-inflammatory cytokines, as shown in Examples 3 and 4.

iv) Mental Health Applications: NCIMB 41676 has been found effective in the treatment or prevention of depression, mood disorders, and anxiety disorders, with specific findings presented in the description of the invention (pages 161 and 164) and reinforced by Example 7.

The Court particularly mentioned that ‘it is well established within the scientific community that significant diversity exists within species. Different strains within these species distinctly influence immune responses, which can be directed toward pro-inflammatory or regulatory outcomes. These variations play a crucial role in impacting human health, either positively or negatively.’ Considering the vast potential for variation among these strains, the key issue of whether the characteristics and benefits of the NCIMB 41676 strain represent a substantial improvement in therapeutic efficacy over these existing solutions was analysed, and the Court highlighted the therapeutic benefit *(supra)* of the same.

Further, the cited prior art document D4 (M. Medina *et al.*) was closely analysed by the Court and the following was observed (*cf.* page 18 of the order):

"…..The scientific consensus, as reflected in D4, advises against generalisations concerning the probiotic effects of Bifidobacterium strains, highlighting the complexity and specificity required in developing therapeutically functional probiotics. In conclusion, D4 illustrates that developing new, therapeutically useful strains of Bifidobacterium longum involves overcoming significant scientific challenges. It is not merely a matter of identifying a new strain but ensuring that the selected strain meets specific therapeutic criteria, a process that lacks any guarantee of success and involves extensive empirical testing…."

In continuation with the above, while evaluating the obviousness of the invention in view of the disclosure in the prior art and judicial decisions, the Court acknowledged that the subject invention "lies so much out of the track of what was known before" as document D4 underscores that strains of *Bifidobacterium longum* can exhibit widely divergent effects, negating any reasonable expectation of success.

The Court re-emphasised the improvement that is required for issuing a 'speaking order' by the respondent and referred to the decision in Agriboard International, which reiterates this requirement, drawing upon the Supreme Court's ruling in ***Manohar v. State of Maharashtra & Ors***. The following aspects were advised to keep in mind while issuing an order:

- the disclosures of the prior art;
- the invention claimed in the current application;
- The reasoning why the claimed invention would be obvious to a person skilled in the art in light of the prior art.

Court's Order

The inventive step under Section 2(1)(ja) of the Act of the invention has been acknowledged by the Court after a detailed analysis of prior art documents and data submitted with the submissions during the prosecution, and the appeal has been disposed of with the directions of fresh examination by the respondent. The Court also framed a set of questions that are to be addressed by the respondent in the final order (within a period of four months from the date of conclusion of the hearing) after providing the appellant with an opportunity to respond to said question. These are:

a. Is the strain of Bifidobacterium longum designated as NCIMB 41676 (AH1714), and is the specific formulation claimed in Claim 1 novel or not? For the said analysis, the Controller shall consider whether the patent publication WO2010055499 (and its priority documents), and specifically Claim 15 of the publication, constitutes prior art, given that the earliest priority date of said claim is November 11, 2008, and the priority date of the subject patent application is November 11, 2009.

b. Does the claimed formulation pertain to a specific dosage or method of administration for using the strain, and is the same responsible for the technical advancement of the subject patent application? If yes, whether such a patent can be granted under the Act?

c. Whether the Claims in the subject patent application are directed towards the second medical use of Bifidobacterium longum NCIMB 41676 (AH1714). If so, are claims concerning second medical use permissible under the relevant guidelines of the Patent Office and the Act?

Future Outlook

The Delhi High Court's ruling in the Alimentary Health Limited case carries significant implications for the pharmaceutical industry, patent law jurisprudence, and public health policy. By affirming the inventive merit of the probiotic formulation, the Court reaffirmed the importance of incentivising innovation in healthcare and the importance of analysing the non-obviousness of the invention without a hindsight approach.

25. Madras High Court Denies Patent to IIT Madras Based on Lack of Data to Establish Economic Significance

Case: Indian Institute of Technology V. Controller of Patents and Design [(T) CMA (PT) No.52 of 2023]

Forum: Madras High Court

Order dated: June 11, 2024

Order: The Madras High Court has upheld a decision made by the Controller of Patents & Designs, which rejected a patent application filed by IIT Madras for a method of doping potassium into ammonium perchlorate. The court's ruling was based on the fact that the patent application lacked sufficient experimental data to demonstrate the economic significance of the invention, and therefore, failed to meet the requirement for an inventive step under Section 2(1)(ja) of the Patents Act.

Facts of the Matter

The Indian Institute of Technology (IIT), Madras, filed a patent application titled "Method of Doping Potassium into Ammonium Perchlorate". Initially, the First Examination Report (FER) issued on October 1, 2018, raised objections based on prior art document D1, stating that the claimed invention lacked novelty, was not inventive, and was not eligible for patent protection under Section 3(d) of the Patents Act, 1970. The applicant responded to the FER by amending the complete specification on April 1, 2019. Despite this, the hearing notice maintained objections under Sections 2(1)(ja) and 3(d) of the Patents Act. During the physical hearing, the applicant made oral submissions and filed written submissions with revised claims. Ultimately, the impugned order was passed on April 20, 2020, rejecting the application under Sections 2(1)(ja), 3(d), and 3(a) of the Patents Act, prompting the filing of this appeal.

Arguments

The invention pertains to a method of incorporating potassium into ammonium perchlorate (AP) to enhance the burning rates of solid propellants used in defence and space applications. The appellant claimed that when potassium is added to ammonium perchlorate through a recrystallisation process, it alters the latter's thermal properties and results in an incremental increase in the solid propellant's burning rates. The appellant maintained that the inventive aspect of the claimed invention lies in eliminating the use of external reagents by utilising the filtrate material, such as stainless steel sieve, cotton cloth, or filter paper, to dope varying percentages of potassium into AP, thereby producing recrystallised AP doped with potassium (RAP) with enhanced thermal properties.

The appellant also argued that the rejection under Section 3(a) was not justified as it was first raised in the impugned order, and they were not given the opportunity to respond to this specific objection, thereby denying them a fair chance to address the concern.

The High Court's Findings

The court concurred with the appellant's assessment that the objection based on the invention being frivolous was apparent, as it was first raised in the impugned order. The court observed that since the appellant was not afforded the opportunity to respond to this specific objection, the principles of natural justice and the objectives of the Act were contravened.

Regarding the rejection under Section 3(d) of the Patents Act, wherein the Controller initially acknowledged the novelty of the invention but ultimately deemed it ineligible for patent protection under Section 3(d) due to its process nature, the court specifically highlighted three exclusions under Section 3(d) and concluded that only exclusion (c) is applicable, given the process claim in question. The court observed that the product resulting from the claimed invention is not novel but rather a variation of a product already described in D1. Moreover, the court emphasised that for a substance to be considered a reactant, it must initiate or cause a chemical reaction to form a new compound. Consequently, the court concluded that the filtrate material cannot be regarded as a reactant. The claimed invention involves a series of known processes, including dissolution, filtration, heating, drying, and reheating. Since no new reactant was employed and the known processes do not yield a new product, the claimed invention falls outside the scope of patentability under Section 3(d) of the Patents Act due to its lack of novelty and inventive step.

In addition, the court examined the claimed invention's inventive step, highlighting that it must meet two crucial criteria to pass this test: (i) it must demonstrate technical advancement or economic significance in the industry, or both, compared to existing knowledge; and (ii) the purported technical advance must not be obvious to a person skilled in the art. The court concluded that without any empirical data to compare the costs of using filtrate material, which requires frequent replacement, with using an external reagent, the economic significance of the claimed invention could not be established. As a result, the claimed invention failed to meet the inventive step requirement under Section 2(1)(ja) of the Patents Act. The court also concluded that the claimed invention passed the test of being capable of industrial applicability.

Upholding the rejection of the patent application, the court held that the Controller's decision to reject the application under Section 3(a) and on industrial applicability under Section 2(1)(j) was not maintainable, whereas the rejection based on Sections 3(d) and 2(1)(ja) was maintained.

mail@lexorbis.com | www.lexorbis.com

26. Calcutta High Court Refuses to Grant Interim Injunction in Favour of Patentee for Commonly Known Product Ferric Carboxymaltose

Case: West Bengal Chemical Industries vs M/S. GTZ (India) Pvt. Ltd. & Ors [IA No. GA 1 of 2023]

Forum: Calcutta High Court

Order dated: June 25, 2024

Order: In a recent judgment, the Calcutta High Court dealt with an interesting question regarding the grant of an interim injunction to West Bengal Chemical Industries Limited (WBCIL) for infringement of their patents IN370845 and IN434424.

WBCIL is a patentee of patent IN370845, which relates to Ferric Carboxymaltose, and a patentee of an improvement patent IN434424, which relates to Improved Ferric Carboxymaltose with fewer side effects obtained cost-effectively. Both patents are product-by-process patents and relate to iron replacement therapy with low toxicity compared to the other therapies on the same footing. WBCIL claims that the pharmaceutical composition of its patents is novel because of (i) having a molecular weight of 82KDA, (ii) iron content of 34.55%, and (iii) less than 10% Ferric Carboxyl complex molecular weight of less than 10,000 D.a.

Around 12th December 2022, WBCIL came to know that GTZ (India) Pvt. Ltd. published a brochure which mentioned that their product is similar in nature. At around the same time, Mr. Atanu Ghosh, who happens to be an ex-employee of WBCIL, approached Abihakem International, with whom WBCIL has a long business relationship. WBCIL then issued a legal notice to GTZ (India) and others to refrain from continuing such illegal acts of infringement of their patents. In reply to this notice, GTZ (India) and others denied all the assertions, and they accepted that they are manufacturing and/or trading various products, including ferric carboxymaltose.

mail@lexorbis.com | www.lexorbis.com

WBCIL, aggrieved by this, approached the Calcutta High Court to obtain an interim injunction against GTZ (India) and others. It was argued by WBCIL that GTZ (India) and others had adopted an impugned process for the preparation of Ferric Carboxymaltose, by which they are infringing their patents IN370845 and IN434424. WBCIL claimed that due to this unauthorized manufacture and commercialization, their business was affected, which caused them to incur a huge loss of two crores and above, which cannot be calculated in monetary terms.

On the other hand, the respondents in this matter, GTZ (India) and others submitted that on receipt of the legal notice from WBCIL, they had examined IN370845, which, as per them, appears to be frivolous, and the invention has been granted without proper application of mind. It was also argued that the patent IN370845 does not protect the product “Ferric Carboxymaltose” per se. They argued that the complex is a well-known complex which has been prepared by many companies like Dr Reddy’s Laboratories, Global Calcium, Weefsel Pharma, Trumac Health Care, Kavya Pharma, Medzeel Life Sciences, etc.

The respondents argued that the claims of both patents do not involve any inventive step, as the claimed invention is publicly known or publicly used in India or was published in India or elsewhere. They also argued that the complete specifications of both patents do not sufficiently and fairly describe the invention and the method by which it is to be performed. As the claims of both patents are directed towards the “Product by Process” claim, the product must qualify for novelty and inventive step irrespective of the novelty or inventive step of the process. Further, claim 4 was also argued as non-patentable under section 3(e) and section 3(d) of the Patents Act.

IN 434424 was also contested by stating that it is not a valid improvement patent, as the only difference between the two patents is that oxidation of maltodextrin was carried out by using citric acid in IN370845, while the same oxidation step in IN434424 is carried out by using ozone gas, which is a colourable imitation based on common general knowledge.

The court considered the arguments presented by both parties. The court observed that WBCIL produces and offers generic ferric carboxymaltose for sale, which is known in every respect and has nothing to do with patent protection. The product has a CAS no 9007-72-1. Further, the patentee, WBCIL, while submitting a working statement for the financial year 2020-2021, stated that the patented invention has not worked for further research and development to scale it into the commercial account. For the financial year 2022 – 2023, it was submitted as not working due to ongoing marketing strategy.

The court held that WBCIL had not produced any material on the record of any scientist or any technical expert who tested the products of both parties and arrived at a finding to identify the process used. The court, while rejecting the interim injunction prayer of WBCIL, held that they do not have any right over ferric carboxymaltose composition per se. Thus, they cannot enforce their rights as per section 48(a). The court finally held that WBCIL failed to make out any prima facie case for a grant of interim injunction. Also, they failed to pass the test for balance of convenience and irreparable loss, and thus, the court has refused to grant an interim injunction.

This judgement has further established that grant of patent did not give a patentee an absolute right to enforce the rights. The patent must be a strong patent and not just a “paper patent”, which will not withhold the test of revocation in the courts. This judgment will now make the innovators more cautious while drafting and prosecuting the patent applications. Also, this judgement reiterates that in the case of product by process claims, the product has to satisfy the requirement of novelty as well as inventive step, on its own.

27. High Court Calls for Transparent Review of Nokia Patent Rejection, Cites Insufficient Justification

Case: Nokia Of America Corporation vs Assistant Controller of Patents [(T) CMA (PT) No.199 of 2023]

Forum: Madras High Court

Order Dated: July 2, 2024

Order: On July 2, 2024, the High Court of Judicature at Madras delivered a pivotal judgment in the case between Nokia of America Corporation and the Assistant Controller of Patents and Designs. This case centres around Nokia's appeal against the rejection of its patent application by the Indian Patent Office. The plaintiff, Nokia of America Corporation, based in Murray Hill, New Jersey, USA, had filed a patent application numbered 61/CHENP/2009.

On February 4, 2019, the respondent rejected this application, citing a lack of novelty and inventive step under section 2(1)(j), referencing documents D1, D2, and D3. The plaintiff contested the rejection arguing that the order was a non-speaking order, lacking a thorough explanation of why the invention was deemed obvious to someone skilled in the art. The plaintiff highlighted that the impugned order failed to provide a detailed discussion of the invention's merits and the prior arts cited. The plaintiff further argued that the application in question had been granted patents in multiple other countries, a fact that was not considered by the respondent. However, the respondent's counsel argued that the decision was made after a thorough review of the plaintiff's submissions and asserted that it was indeed a speaking order. The respondent maintained that the evaluation of the prior arts was correct, and that the invention lacked novelty and inventive step.

After carefully examining the arguments and reviewing the complete record of the application, including the impugned order, the court identified several shortcomings in the respondent's approach. The court concluded that the

mail@lexorbis.com | www.lexorbis.com

respondent merely concluded that the claimed invention is not novel and inventive over the prior arts without providing any reasoning. In particular, the court concluded that the respondent merely stated that technical glitches and additional journey time could be calculated by combining prior arts (D1, D2, and D3) without thoroughly testing these against the claimed invention. The court further concluded that the respondent failed to consider written submissions that distinguished the prior arts from the claimed invention.

The court decided to remand the case for fresh consideration, highlighting the need for a detailed and reasoned review. Accordingly, the court remanded the application back to the respondent for a fresh evaluation by a different Patent Controller. The court also directed that the plaintiff must be given an opportunity for a hearing and such exercise must be completed within four months from the receipt of the judgment copy.

The appeal was allowed, emphasizing the necessity for a thorough and transparent evaluation process in patent applications.

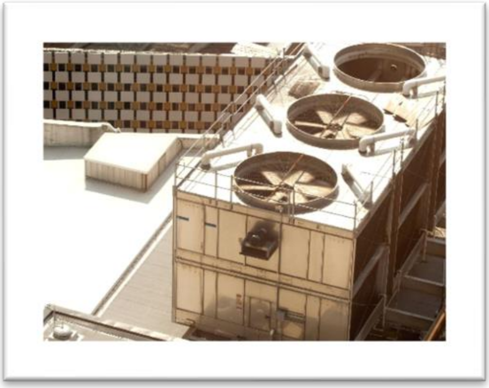
This case underscores the importance of detailed and reasoned decision-making in the patent application process. The court's directive for a fresh review ensures that all aspects of the invention and prior arts are meticulously considered, promoting a fair assessment of patentability. The judgment serves as a reminder of the critical role that thorough evaluation and clear reasoning play in intellectual property law.

28. Analysis of Delhi High Court's Judgment on Permanent Injunction in ITW GSE APS Vs. Dabico Airport Solutions

Case: ITW GSE APS & Anr. Vs. Dabico Airport Solutions Pvt Ltd & Ors. [CS(COMM) 628/2023 CC(COMM) 1/2024]

Forum: Delhi High Court

Order dated: July 4, 2024



Order: Intellectual Property (IP) rights are the cornerstone of innovation, fuelling continued growth and development in any industry. The true value of the IP rests not only in its creation but also in its enforcement and commercialisation. It would be only through effective enforcement and commercialisation that the innovators get to reap the rewards of their economic and intellectual investment, promoting further innovation and technological advancements. The Hon'ble High Court of Delhi recently adjudicated an application for permanent injunction in *ITW GSE APS & Anr. Vs. Dabico Airport Solutions Pvt Ltd & Ors*., where the Court also reaffirmed a few principles relating to claim construction, double patenting, and inventive step.

This application was filed by plaintiffs as a part of the suit seeking permanent injunction to restrain defendants from dealing with the impugned products manufactured by defendants and sold to airport authorities, and also from the act of using, making, selling, distributing, advertising, exporting, offering for sale, importing or in any other manner, directly or indirectly, dealing in any product that infringes the subject matter of the plaintiffs' registered patent bearing number IN 330145, hereinafter referred to as IN '145 or suit patent.

Plaintiff no.1, ITW GSE ApS, a Danish affiliate company of ITW, is the assignee of IN '145 and has manufactured and supplied PCA units, which are installed under the passenger boarding bridge or mounted on the apron at airports. The suit patent is titled "*A Preconditioned Air Unit with Variable Frequency Driving*" and relates to a Preconditioned Air (PCA) unit supplying preconditioned air, i.e.,

mail@lexorbis.com | www.lexorbis.com

heated or cooled air, to an aircraft parked on the ground. The plaintiffs have another patent bearing number IN 310952 (“IN ‘952”), which also pertains to PCA units and has the same priority date as that of the suit patent. According to the plaintiffs, the scope of the suit patent and IN ‘952 are different, primarily because the latter focuses on modularity, which is not the subject matter of the suit patent.

In their application, the plaintiffs submitted that since 2020, the defendants have bid in tenders floated by the Government to install PCA units and have also won tenders at Goa, Hyderabad, and Delhi Airports. However, the technical specifications of the defendants’ PCA units correspond to the claims of the suit patent. Therefore, The plaintiffs had put the defendants to notice of the infringement of the suit patent in the UK and India since 2020 but did not receive a satisfactory response from the defendants. Thereafter, in March 2023, the plaintiffs initiated the pre-litigation mediation with the defendants, but owing to the absence of any progress on that front as well, the mediation failed on 4th September 2023.

Moreover, the defendants interestingly chose not to disclose their products to the plaintiffs, prompting the plaintiffs to file an application seeking inspection of the defendants' PCA units through a Local Commissioner. However, the plaintiffs’ application was refused by the Court, based on the defendants’ submission that their operation & instruction manuals and the Government tenders’ specifications are sufficient for adjudication on the infringement and that they would stand by these documents, to which the plaintiffs seek to map their claim.

During the Hearing before the Court, the plaintiffs submitted that the objective of the suit patent was to design a PCA unit that automatically adjusts cooling performance based on at least one type of aircraft, ambient temperature, humidity, and cabin temperature. The suit patent aimed to supply preconditioned air using ambient air through multiple refrigeration systems controlled through a central controller, which manages Variable Frequency Drives (VFDs) attached to the compressor. Therefore, the technical contribution of the suit patent is a PCA unit having at least two refrigeration systems, each system having a VFD-controlled compressor connected to a central controller. This allowed the individual compressors to run at different speeds, managing the best and most efficient compressor speed mode. Without the suit patent, multiple refrigeration circuits will operate as per fixed capacity irrespective of their requirement. It also allows management of cooling in the event there is failure of any one refrigeration circuit, by varying the capacity of other circuits.

The plaintiffs further submitted that while the suit patent (IN '145) was neutral to modularity, their other patent (IN '952) was a modular arrangement in which the refrigeration modules could be removed and readjusted in a modular process. The infringement claimed was *qua* the suit patent IN '145 and not IN '952. The plaintiffs argued that they never intended to limit the scope of the claims to modularity, and this was evident from the independent claim 1 of the suit patent, which does not mention modularity. Also, the fact that the complete specification of the suit patent merely elaborated on modular embodiment as an example but did not disclaim a non-modular embodiment substantiates their argument.

The plaintiffs cited various authorities to emphasise that it was improper to import or "*read-in*" a limitation from the general discussion in specifications, embodiments, and examples. They also relied on various decisions of the Court to assert that patent rights in respect of claims are broader than the embodiments and that the reading of the claim should not be restrictive and limited but should be read purposively. They also emphasised that the categorisation of the claims based on modularity is irrelevant because the claims of the suit patent would be infringed both by a modular as well as a non-modular PCA unit.

On the other hand, the respondent argued that the essential features of the claim indicate modularity, whereas the defendants' unit is integrated and not modular, and hence does not infringe the suit patent. Moreover, a PCA unit effectively uses the same mechanism as that of a conventional air conditioning system using the conventional refrigeration cycle, which has been known since the 1800s. The defendants relied on multiple prior art documents to argue that the suit patent shall be revoked as the subject matter is non-patentable under Section 3(d) and Section 3(f) of the Patents Act, as it is using the very same technology in a different environment and the claim mirrored a conventional air conditioning unit.

The defendants further argued that there were four essential elements of a PCA unit - plurality, modularity, refrigeration units, and controller. The modularity of refrigeration systems was well-known in the prior art. Modularity was an essential aspect which the defendants did not implement. The refrigeration units involved compressors, which are the basic components in a refrigeration cycle. Furthermore, VFD controllers were well-known before the priority date and were employed in multiple systems.

Particularly on modularity, defendants relied on a prior art WO/1986/000977 (13/2/1986) ["D6"], which discloses both modular constructions permitting additional slave modules to be added to increase the capacity and the ability to manage shutdown of one module using a control circuit. The plaintiffs' earlier patent, IN '952, had modularity, and the suit patent is also essentially modular in scope. Defendants also cited the decision in *Allergan Inc. vs The Controller of Patents* to assert that the claims would have to be read in the light of specifications and that the claims and accompanying specifications could not be dichotomised. Moreover, considering that the problems in the prior art were cost, efficiency, flexibility, and serviceability, for the suit patent to provide a solution to these problems, it had to be a modular PCA unit with a VFD compressor and a central controller. Therefore, the plaintiffs' argument that the claims of the suit patent were non-modular is not sustainable.

Defendants also alleged double patenting by the plaintiffs, citing their two patent applications, one resulting in IN '952 and the second in the suit patent. According to the defendants, the specifications of the two patents were similar, and they essentially dealt with the same invention, the same implementation, and provided the same solution to the same problem. Therefore, the suit patent should also be revoked under Section 64(1)(j) of the Patents Act for being obtained on a false suggestion or representation. Essentially, it was argued that the plaintiffs engaged in misrepresentation by failing to disclose the suit patent to the Controller examining IN '952, considering both patents are substantially similar.

The plaintiff thereafter argued that the main problem being solved by the suit patent was not serviceability but control and management of the life of the compressor and the ability to adjust cooling depending on ambient conditions. The invention in the suit patent was neutral to the issue of modularity, and it was only the cooling modules that were "*self-contained*". Since the claim did not limit itself to modularity, it essentially covered all options of modularity and non-modularity.

On the inventive step, the plaintiffs enunciated the defendants' reliance on 20 prior arts of different technical fields to question the inventive step of the suit patent as a validation of the inventive step of the suit patent. They relied on the judgement in *Prism Cement Limited vs Controller of Patents and Designs* to reiterate that the greater the number of documents which must be combined to reach the invention, the higher the likelihood that it has an inventive step. The plaintiffs also argued that the defendants failed to identify a person skilled in the art in performing the inventive step analysis for the suit patent. Moreover, the defendants claim that conventional air conditioning was already covered and that it is not sustainable since PCA and HVAC units are not comparable.

The plaintiffs also highlighted that the defendants' sister concern, Ipalco B.V., filed a similar patent application, i.e., US patent US2014/0102125 A1, wherein the control unit performed a function similar to the suit patent, 2 years after the priority date of the suit patent and was granted protection in the US. The plaintiffs cited the judgement in the *Avery Dennison* matter as well to argue on the age of the prior art, submitting that reference to an old prior art of conventional refrigeration system cannot lead to an inference that it was obvious. The passage of at least 23 years since the prior art D6 establishes that the invention was not obvious.

On the issue of double patenting, the plaintiffs submitted that the two patents have the same priority date, ruling out the possibility of evergreening. In addition, separate First Examination Reports (FER) were issued by the Controller for both patent applications on the same date, which substantiates that there was not any misrepresentation or suppression by the plaintiffs, and the Indian Patent Office (IPO) was aware of both the inventions.

Lastly, the plaintiffs submitted that the defendants' contention that invalidity would also be on account of Section 3(d) and 3(f) of the Patent Act was not sustainable since the patent was not a process claim, and it was also not a mere arrangement or rearrangement or duplication of devices functioning independently "*in a known way*".

After hearing both the parties, the Court first focused on the claim construction and then on the comparison of the claims with the defendants' product. The Court acknowledged that the claim construction, in this case, hinged on the issue of modularity of the PCA units and noted that claim 1 of the suit patents does not speak of modularity and focuses on the aspect of the VFD attached to the compressor and the management of various VFD's through a central controller. Instead, IN '952 having the same priority date seems to specifically advert to modularity. The Court, therefore, concurred with the Plaintiffs' submission that while IN '952 focuses on the mechanical arrangement, i.e. modularity, the suit patent relates to the electrical and functional aspects of a PCA unit. The Court also referred to the specification, which specifically provides that other preconditioned air units may be provided in the scope of the appended claims, including ones which are not modular. It is also apparent from the reading of the specification that the predominant aspect of the suit patent is of a compressor being driven by a VFD and details various aspects of how a VFD would control the respective compressors, as well as the central controller configured for controlling the operation.

The Court also affirmed the plaintiffs' submission that the fundamental principle is not to "*read in*" or import structural and functional limitations in the claim or cut down or extend the clear meaning or language of the claim by reference to the body of specifications. In contrast, the Court was not persuaded by the defendants' argument that the purposive construction of the claim would result in interpreting the claimed term "*plurality of refrigeration systems*" to be modularly interpreted, as that is the only embodiment sufficiently disclosed and enabled in the specification, while the non-modular embodiment was not "*enabled*". The Court observed that the claim, along with the specifications, seems to focus on the application of the VFD to the compressor, the variable controlling factor, and the overall central controller. The plurality of refrigeration systems, as claimed, does not in itself assert modularity and, therefore, the claims would have to be seen as granted, and it would be improper to read a critical limitation into the claims. The difference with IN '952 is also evident in this regard, where modularity has been specifically claimed.

Further, the Court identified the inventive concept of the suit patent to be that at least one VFD is attached to a compressor in the refrigeration unit of the PCA, supervised by a controller that is configured for variation of the output frequency of at least one variable frequency driver. After analysing the prior art documents, the Court found clear improvement and categorical differences between the said prior arts and the invention in the suit patent. Also, the Court observed that these prior arts are used to combine different elements to somehow demonstrate a lack of inventiveness, which basically is the mosaicking of unrelated documents and is not permissible in inventive step analysis unless the documents are interlinked or cross-referenced.

On double patenting, the Court held that issuance of the FERs for both the suit patent and IN '952 by the same Controller and on the same date confirms that the IPO was aware of the two inventions, negating the possibility of any misrepresentation by the plaintiffs in securing the suit patent.

Regarding the infringement, after the comprehensive mapping of the features of the defendants' product, as could be derived from the operational manual and the defendants' Goa tender bid, the Court found the features to be mapping with the claims of the suit patent. Moreover, in the absence of any arguments by the defendants to rebut the specific mapping claims, the Court was persuaded, at least *prima facie*, to accept the claim mapping submitted by the plaintiffs, subject to the final adjudication post the trial.

The Court, therefore, held that the plaintiffs have made out a prima facie case for an interim injunction, and the grounds stated for irreparable harm and balance of convenience are also in favour of the plaintiffs. The Court directed not to displace the already won tenders of defendants, as it may affect third-party rights and may also cause loss to the State Exchequer. The Court, therefore, allowed the interim injunction, restraining the defendants from manufacturing, selling, promoting, distributing, and dealing with the contentious PCA unit that infringes the IN'145 patent. Further, the defendants were directed to disclose their turnover from the existing deployment of their infringing product within a period of 4 weeks.

While this judgement primarily decides on the issue of interim injunction, it also reiterates essential principles of claim construction, double patenting, and inventive step analysis, making it a critical decision for consideration by the stakeholders. All these aspects must be considered by the applicants/patentees along the course of prosecution of their applications and enforcement of the patents, ensuring successful commercialisation of their innovation. Such judgements serve as a beacon of light for the applicants/patentees navigating the lanes of IP protection and commercialisation and, in turn, foster a more conducive IP framework in the country.

29. Invention "in effect" is "in fact" a traditional knowledge- The Zero Brand Zone Pvt. Ltd v. Controller of Patent

Case: M/s. The Zero Brand Zone Pvt. Ltd v. The Controller of Patents & Designs [(T) CMA (PT) No.146 of 2023]

Forum: Madras High Court

Order dated: July 5, 2024

Order: Traditional knowledge (TK) is knowledge, skills, know-how, ideas, and practices that are developed, sustained and passed on from one generation to another within a community, often forming part of its cultural or spiritual identity. TK per se is bared from patentability. Section 3(p) of the Patents Act, 1970 proscribes patentability of an invention which ***in effect***, is traditional knowledge or which is an **aggregation or duplication** of known properties of traditionally known component or components. Does that mean that an innovation arising out of traditional knowledge are not protected under any IP system? Generally, protection of innovation arising out of TK is done by way of defensive protection i.e., it is protected as a trade secret or confidential information. Recently, Hon'ble Madras High Court had the opportunity to examine a patent application, in the case of *the Zero Brand Zone Pvt. Ltd v. Controller of Patent*, the subject matter of which was falling under Section 3(p) of the Patents Act, 1970 i.e., TK.

A Brief Summary of the Facts:

The Zero Brand Zone (hereinafter "the Appellant") filed a Patent Application No.201721043812 on 06.12.2017 for the grant of patent for an invention titled 'Eco-friendly lamp made up of composition based on panchagavya with the combination of leaves used in traditional herbal medicine'. The said application was examined, and a First Examination Report (FER) was issued on 29.06.2018 and a response to this FER was filed by the Appellant. In the meantime, a pre-grant representation was filed by Mr. R.A. Swaminathan on 22.08.2018. The appellant filed a reply to the pre-grant representation on 23.10.2018. Subsequently a hearing was fixed by the Controller of Patent (Hereinafter "the Respondent") to be conducted on 04.09.2019. While the appellant attended the hearing, the pre-grant opponent failed to attend the hearing. The application was heard and refused by impugned order dated 11.04.2020 in the above facts and circumstances on various grounds such as Section 3(p), 3(d), 3(i), and Section 2(1)(ja) of the Patents Act. Aggrieved by the said refusal order passed by the Respondent, the Appellant filed a miscellaneous appeal under Section 117A of the Patents Act before Madras High Court.

Claim under Challenge and Applicable Law and Legal issues involved:

The Appellant in its patent application sought protection on following claims.

1. A lamp made up of natural ingredients for one time use only comprising:

i) 40-60% Cow dung;

ii) 5-20% Cow urine;

iii)2-8% Cow ghee;

iv) 2-8% Cow butter;

v) 1-5% Cow milk;

vi) 1-10% Cow curd; and

vii) 10-25% Mixture of leaves selected from 5% to 15% from the Neem tree (Azadirachta Indica), 5% to 10% from the lemon tree (Citrus Limon) and 5% to 15% from the Peepal tree (Ficus religiosa).

2. A Process for the preparation of lamp as claimed in claim 1 comprising the steps of:

i) Mixing wet cow dung with cow urine, cow ghee, cow butter, cow milk and cow curd to obtain a mixture;

ii)Grounding of leaves of neem tree (Azadirachta Indica), lemon tree (citrus limon)

and peepal tree (Ficus religiosa) to obtain a wet paste.

iii) Adding wet paste obtained in step (ii) to the mixture obtained in step (i) to obtain a composition which is poured into a mould to obtain a lamp by applying *pressure in the range from 900 -1100 psi and temperature in the range from 80-100°C"*

Applicable law:

Section 3 of the Patents Act, 1970

(p). *an invention which in effect, is traditional knowledge or which is an aggregation or duplication of known properties of traditionally known component or components.*

Both claims relate to a lamp made from six ingredients that originate from the cow and a mixture of leaves selected from the neem tree, lemon tree and peepal tree. The appellant has indicated the proportions in which these ingredients should be used The Legal issue which was involved is whether the selection of proportion involved in making lamp would fall under a traditional knowledge and not patentable under Section 3(p) of the Patents Act.

Analysis and Decision of the Hon'ble Court:

The Appellant contended that though individually components cow dung (cow dung cake), cow ghee, cow butter usage as fuel, however cow urine, cow milk and cow curd are not known to be used as fuel." In the impugned order this argument of the Appellant was rejected based on the term "Panchagavaya" which is used in Ayurveda to describe five major substances obtained from cow, which include cow's urine, cow's ghee, cow's curd and cow's dung." Panchagavya is known from years. The essential components of the prior art and the present invention are same.

The Hon'ble Court after hearing the contentions of both the parties give a detailed interpretation of Section 3(p) and held that Section 3(p) provides defensive protection of traditional knowledge by excluding inventions which are "in effect" traditional knowledge from patent eligibility. The term "in effect" in the provision ensures that there is no circumvention of the prohibition by concealing the usage of traditionally known components or their properties in a claimed invention.

The Court held that all the ingredients used in the claims are known and have been used traditionally in India. The question which Court had to answer is whether combination of these ingredients in specific proportions for the production of lamp would fall outside scope of the clause (p) of Section 3 or not. The Court referred the term "Panchagavya" used by respondent in the impugned order. The expression "panchagavya" in ayurveda means referring to five substances derived from the cow, namely, urine, milk, ghee, curd and dung. The Court further held that it is traditionally known that the use of cow dung cake, cow ghee and cow butter can be used as fuel and also neem and lemon leaves can be used as insect repellents. The Court reasoned that even assuming that urine, milk and curd from the cow were not known to be used as fuel, as contended by the appellant, since one of the known properties of other ingredients is their use as fuel, the claimed invention would fall within Section 3(p). The Court went on to say that indeed, a Google search is sufficient to establish the conventional use of cow dung as fuel, in combination with neem and lemon leaves (for fragrance and as insect repellents), and to make lamps during festivals, such as Diwali. In the claimed invention, the lamp is produced from the mixture of these components and, upon being lit, it has the effects of, inter alia, emitting light, acting as a mosquito repellent and not leaving a carbon footprint. The usage of such traditional knowledge, including by using known properties of the ingredients, therefore, falls within the exclusion in Section 3(p).

In summary, the Court laid down the test for examining patentability of subject matter which prima facie falls under Section 3(p). As per the test, what has to be seen is the, in effect what the traditionally available ingredients result into. In the instant case there were a number of ingredients which were known traditionally for acting as fuel. The Appellant combined these traditionally known ingredients with the urine, milk and curd from the cow which were not known to be used as fuel. However, by mere combining the additional ingredients do not change the nature of the resulting combination i.e., addition of urine, milk and curd from the cow will also in effect result into fuel. Had it been the case that addition of these ingredients would have resulted into some other properties, then it would have passed the hurdle of "in effect" test and would have been patentable subject matter. The Court does not rule out patentability of inventions under Section 3(p) of the Act, provided that the traditionally known ingredients/components exhibit 'unknown properties'. In other words, an invention which is 'an aggregation of unknown properties of traditionally known components' may deem as patentable under Section 3(p) of the Act.

Conclusion:

By this decision, the Hon'ble Court first time gave the test for examining patentability of an invention under Section 3(p). The "in effect" test is in fact a real test to check whether the combination of known properties of ingredients with other ingredients exhibits different properties not known traditionally may be considered as a patentable subject matter. The Author believes that the Hon'ble Court should have gone one step ahead and examined that what would be the change in effect of the properties if the urine, milk and curd from the cow have been removed. If the resulting outcome is same then certainly, the addition of unknown ingredients would in effect do not change the properties. However, the addition of these unknown ingredients, would have significantly enhanced the quality of the fuel, then in that case, it might have cleared the hurdle of Section 3(p). Nevertheless, this was the first stride to clarify the provision of Section 3(p), which will be further clarified by future Judicial pronouncements.

The Hon'ble Court also clarified that clause (p) of section-3 does not use the expression 'per se' unlike Section 3(k), therefore the hurdle for an invention to clear the exclusion under Section 3 (p) is higher. However, it should be noted that the exclusion is not intended to completely shut out inventions that draw on the traditional knowledge provided the patent applicant is able to establish that the product or process can no longer be described as being, in effect, traditional knowledge. As there is not much jurisprudence available across the globe, the test laid down by the Hon'ble Court was much needed to clear the cloud of uncertainty and give a definite meaning to the term traditional knowledge.

30. Conduct of defendants leads to grant of quia timet injunction

Case: F Hoffmann La Roche AG & Anr. V. Zydus Lifesciences Limited [CS(COMM) 159/2024 & I.As. 4196/2024]

Forum: Delhi High Court

Order dated: July 9, 2024

Order: On 9th July 2024, the Delhi High Court issued an *ad-interim* order restraining the defendant (Zydus Lifesciences Ltd.) from marketing or selling its product 'Sigrima', a biosimilar version of the monoclonal antibody biologic 'Pertuzumab'/ 'Perjeta' patented by plaintiffs (F-Hoffmann La Roche & Anr). Initially, the instant suit [CS(COMM) 159/2024] was filed as a *quia timet* action along with an interim application for injunction as the plaintiffs strongly apprehended that the threat of launch of the infringing biosimilar product by the defendant was imminent and would cause irreparable harm to the plaintiffs if not injuncted. A *quia timet* (etymologically, means "since he fears") action allows an innovator or patentee, in advance, to take preemptive measures against potential infringement. However, amidst the ongoing proceedings on the grant of an interim or *quia timet* injunction, the plaintiffs have brought certain facts to the Court's attention that the defendant has obtained regulatory approvals, launched its product named 'Sigrima', and entered into a commercial licensing arrangement with a third party for co-marketing its product. The defendant has not disclosed this crucial information, which triggered the Court to pass the aforenoted order.

In its previous order of 23rd February 2024, rather than granting any relief the Court issued several directions to ensure a comprehensive adjudication of the interim application (in *quia timet* action), which included the submission of claim mappings by parties, process disclosure by the defendant, setting up of a confidentiality club, employing hot-tubbing, and appointing an independent scientific advisor. The absence of claim mapping between the plaintiffs' and defendant's patents substantially restricted the Court from fully assessing the infringement allegations. During the hearings on the interlocutory application conducted on 23rd February and subsequent dates, the plaintiffs had repeatedly stressed that there was a lack of transparency regarding the status of regulatory approvals for the defendant's biosimilar and, therefore, explicitly requested the Court to direct the defendant not to launch their product in the market. In response to the plaintiffs' expressed apprehensions, the Court had specifically inquired from the defendant about the status of their application for drug approvals. Despite specific inquiries in those hearings, the Court was not informed that regulatory approval was imminent.

Rather, in the hearing on 9th July, the plaintiffs informed the Court that the defendant received approval from the regulatory authority (Central Drug Standard Control Organization) on 4th April 2024. The Court thus noted that, in the two hearings conducted after this regulatory approval, the defendant chose not to disclose this significant development to the Court. Moreover, permission to market the biosimilar drug in question was obtained on 27th June 2024 from the National Institute of Biologicals which was apprised to the Court only in the hearing on 9th July. The Court believed that the defendant's failure to communicate vital regulatory development transparently during the Court's deliberations raised serious concerns about fairness in procedural conduct. The defendant's recent conduct, including undisclosed regulatory approval and subsequent commercial launch of its biosimilar product, bolstered by its business venture with a third party, exemplified the potential to undermine the fair and equitable handling of the case.

The Court also noted that the timing of the biosimilar product's launch suggested a strategic move by the defendant to establish a market presence before any potential judicial restrictions could be imposed. Allowing the defendant to continue the sale and distribution of the impugned product could alter the market situation, which would significantly disadvantage the plaintiffs, especially if the product is later found to infringe upon the plaintiff's patents. The defendant would merely be delayed from benefiting from a product whose legality was to be fully adjudicated. Thus, the balance of convenience was also titled in favour of the plaintiffs. By applying the principles of ***fairness, equity, and the balance of convenience***, the Court restrained the defendant from marketing or selling its biosimilar product untill the next date of hearing.

In conclusion, the defendant had a duty to disclose any pertinent information regarding the launch of the impugned product, particularly when the Court

mail@lexorbis.com | www.lexorbis.com

explicitly inquired about the timeframe for regulatory approvals during the hearings. The lack of such disclosure deprived the plaintiffs and the Court of timely and accurate information that could influence the Court's decision and the plaintiff's responses. Such transparency was crucial in a *quia timet* case of this significance. The absence of a *prima facie* finding of infringement in the Court's order is not unusual. The instant order neither grants a *quia timet* injunction on the previous interim application nor is it a decision on the recently filed interlocutory application; rather, it provides a mere *ad-interim* direction (also clarified in the subsequent order of 15th July 2024) which was largely prompted by the defendant's conduct.

mail@lexorbis.com | www.lexorbis.com

31. Patent Protection vs. Generic Drugs: The Dasatinib Dispute

Case: Bristol-Myers Squibb Holdings Ireland & Anr. vs. KM Swarnalatha & Ors., [CS(COMM) 693/2018]

Forum: High Court of Delhi

Judgment Date: August 27, 2024

Judgment: This case revolves around a patent infringement dispute concerning the drug Dasatinib, a medication used in cancer treatment. Bristol-Myers Squibb Holdings Ireland (Plaintiff) filed a suit against multiple defendants, alleging infringement of its Indian Patent No. IN 203937, which covered Dasatinib and its pharmaceutical derivatives. The lawsuit sought a permanent injunction restraining the defendants from manufacturing, selling, or distributing Dasatinib without authorisation, alongside claims of passing off and other related reliefs.

The case originated in August 2015 when Bristol-Myers Squibb discovered that Defendants Nos. 1 to 3 were advertising Dasatinib on their websites, indicating an intention to launch a generic version of the drug. Alarmed by this, the plaintiffs initiated legal action, prompting the Delhi High Court to issue an ex-parte ad interim injunction on September 4, 2015. This injunction was later made absolute on December 19, 2019, extending until the expiration of the patent on April 12, 2020.

A subsequent cause of action arose in November 2016 when the plaintiffs found that a Dasatinib product branded as "DASA SPL" had entered the Indian market at the distributor level. Upon investigation, it was discovered that the manufacturer was Defendant No. 7, SP Labs, a company based in Dhaka, Bangladesh. Further inquiries linked SP Labs to an Indian company, SP Labs Pvt. Ltd. (Defendant No. 6), which was allegedly facilitating the import and distribution of the infringing product in India.

mail@lexorbis.com | www.lexorbis.com

The plaintiffs relied on precedents from related litigation, particularly CS(COMM) 4/2016, where the same set of defendants were involved. In that case, the court had found conclusive evidence linking the Bangladesh-based SP Labs to its Indian counterpart and to other co-defendants. Bristol-Myers Squibb argued that the defendants were acting in concert to circumvent the injunction and continue distributing Dasatinib unlawfully. The plaintiffs presented screenshots and website records to establish the association between SP Labs Bangladesh and its Indian counterpart.

The defendants, on the other hand, sought to distance themselves from SP Labs Bangladesh. Defendants Nos. 1 to 3, 5, and 6 contended that they had not commercially exploited Dasatinib and had fully complied with the injunction. They also claimed that any connection with Defendant No. 7 was unsubstantiated. The legal representatives of these defendants emphasised that their clients had neither manufactured nor sold Dasatinib during the patent's validity and had no commercial interest in the disputed product.

Despite these claims, Defendant No. 7, SP Labs Bangladesh, failed to appear in court. The High Court noted that this defendant had been validly served but had chosen not to present any defence, strengthening the inference of infringement. Given the evidence on record and the absence of a rebuttal from Defendant No. 7, the court proceeded ex parte against it.

Justice Mini Pushkarna, presiding over the case, conducted a detailed review of the claims and counterclaims. The court took note of the order dated January 6, 2020, in which Defendant No. 3 had sought permission to manufacture Dasatinib under Section 107A of the Patents Act, 1970, which allows for limited exceptions to patent infringement in cases involving research and regulatory approvals. However, this request was rendered moot as the patent had expired by April 12, 2020, and the court found no evidence of actual commercial exploitation before the expiration date.

In its final ruling, the High Court decreed the following:

1. Defendants Nos. 1 to 3, 5, and 6 had not launched any Dasatinib-containing product before the expiry of the patent and had acknowledged its validity during its term.
2. Defendant No. 7, SP Labs Bangladesh, had introduced an infringing product, DASA SPL, in the Indian market and had wilfully avoided appearing before the court.

3. Given SP Labs Bangladesh's unresponsiveness and clear evidence of infringement, the court imposed costs of ₹5,00,000 on Defendant No. 7, payable to the Delhi High Court Bar Association Employee Welfare Fund.

The court concluded the case by issuing a permanent injunction against Defendant No. 7, restraining it from further manufacturing, distributing, or selling Dasatinib in India in violation of patent laws. Since the patent had expired, the focus of the ruling was on past infringement and penalties rather than ongoing restrictions.

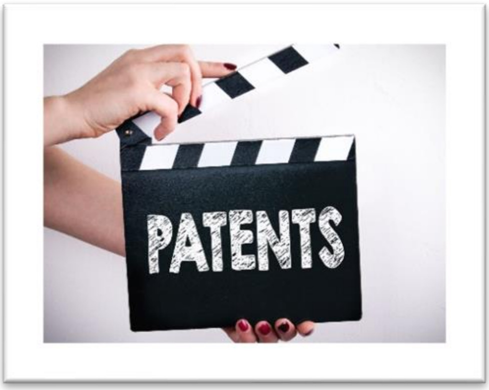
For the pharmaceutical industry, this case sets a precedent on the liability of distributors and manufacturers operating under complex corporate structures. It reinforces the principle that companies cannot escape liability merely by outsourcing production to foreign entities while continuing to benefit from sales within India. Moreover, the imposition of costs on SP Labs Bangladesh serves as a deterrent against deliberate non-compliance with court proceedings, reaffirming the need for accountability in intellectual property disputes.

32. Algorithm or Innovation? The BlackBerry Patent Dispute

Case: BlackBerry Limited vs. Assistant Controller of Patents and Designs [C.A. (COMM.IPD-PAT) 229/2022]

Forum: High Court of Delhi

Judgment Date: August 30, 2024



Judgment: BlackBerry challenged the rejection of its patent application for an invention related to the administration of wireless systems. The primary legal issue was whether BlackBerry's invention, which involved conflict resolution in wireless servers, was merely an algorithmic process falling under the exclusion clause of Section 3(k) of the Patents Act, 1970.

BlackBerry had originally filed its patent application (No. 1762/DEL/2008) on July 25, 2008, as a convention application, claiming priority from three US patent applications. The invention, titled "Administration of Wireless Systems," aimed to manage conflicts between primary and secondary wireless servers to ensure seamless operation of mobile wireless clients. The invention claimed a technical solution by evaluating and prioritising configuration data from different servers to resolve inconsistencies in device operations.

During the examination process, the IPO issued a First Examination Report (FER) in 2015, citing objections regarding redundancy of claims, lack of inventive step, and non-patentability under Section 3(k), which excludes mathematical methods, business methods, and computer programs per se from patent protection. The IPO referenced five prior art documents to support its objections, but after subsequent amendments by BlackBerry, only the objection under Section 3(k) remained. The Assistant Controller ultimately rejected the application in an order dated September 25, 2019, stating that the invention was essentially a "set of instructions" without any inventive hardware features.

BlackBerry appealed this decision first before the Intellectual Property Appellate Board (IPAB) in 2020. However, with the abolition of IPAB in 2021, the appeal was transferred to the Delhi High Court under the Tribunals Reforms Act, 2021.

The key argument presented by BlackBerry was that its invention provided a technical effect beyond a mere algorithm, as it resolved conflicts between wireless servers, ensuring optimal device operation. The company asserted that its claims were not directed solely toward software or instructions but included a broader framework involving server architecture, policy management, and conflict resolution mechanisms.

The respondent, represented by the IPO, maintained that BlackBerry's patent application was fundamentally algorithmic, with no substantial transformation in hardware. The Assistant Controller argued that the claimed invention merely dictated how configuration policies were evaluated and prioritised, which was an abstract computational process rather than a patentable technical advancement.

The court conducted a detailed analysis of the claims and the impugned refusal order. It first examined whether the technical contribution of BlackBerry's invention was merely a sequence of instructions. The court found that the invention primarily involved conditional logic (if-then-else steps) to determine whether secondary server configurations should override primary configurations. This evaluation of policies and resolution of conflicts was performed through predefined logical conditions, making the invention algorithmic in nature.

Furthermore, the court scrutinised whether BlackBerry's invention had a technical effect that would justify its patentability. It acknowledged that while the invention aimed to optimise wireless system administration, it did so by employing computational logic rather than any hardware-based innovation. The court referred to the precedent in Lava International Ltd. v. TLM Ericsson, which held that patent claims directed toward a sequence of instructions without a tangible transformation in hardware fall under the exclusion of Section 3(k). Additionally, the court cited OpenTV Inc. v. Controller of Patents and Designs, which affirmed that in India, business methods and algorithms are outrightly non-patentable, unlike in jurisdictions such as the US or EU, where certain software-based innovations may be patentable if they provide a technical solution beyond computation.

BlackBerry relied on the Vicom Systems Inc. decision from the European Patent Office (EPO) to argue that its invention was a technical process rather than a mere algorithm. However, the court rejected this argument, noting that Indian patent law, unlike European law, does not provide exceptions for algorithms when they produce a technical result. The court reiterated that under Section 3(k), algorithms are explicitly excluded from patentability, regardless of whether they are implemented in a larger system.

Ultimately, the court ruled that BlackBerry's invention did not meet the requirements for patentability under Indian law. It concluded that the invention was fundamentally an algorithm that dictated how configuration data was processed without any novel hardware integration or tangible technical effect. Since Indian patent law strictly prohibits patents on algorithms, the court upheld the IPO's rejection order.

The appeal was dismissed, affirming that software-related patents must demonstrate a technical contribution beyond algorithmic processes to be considered patentable in India. The decision reinforces the strict interpretation of Section 3(k) and serves as a precedent for future patent applications involving computer-implemented inventions. It underscores that in India, a mere improvement in computational logic or data processing does not qualify as a patentable technical advancement unless it leads to a demonstrable improvement in hardware functionality.

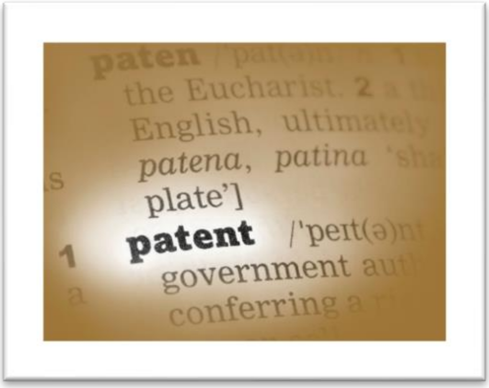
This case highlights the ongoing global debate over software patents and the different approaches taken by jurisdictions such as India, the US, and the EU. While some countries allow patents on software-based innovations that produce technical effects, India's legal framework remains rigid, excluding algorithms and computational processes from patent protection. The judgment serves as a cautionary precedent for companies seeking patent protection for software-driven inventions in India, emphasising the need for clear hardware integration or a significant technical advancement beyond mere data processing.

33. Reassessing Innovation: The Biotyx Patent Dispute

Case: Biotyx Medical (Shenzhen) Co. Ltd. vs. The Assistant Controller of Patents and Designs [C.A.(COMM.IPD-PAT) 403/2022]

Forum: High Court of Delhi

Judgment Date: September 20, 2024



Judgment: This case revolves around a patent dispute between Biotyx Medical (Shenzhen) Co. Ltd., a medical technology company based in China, and the Indian Patent Office, represented by the Assistant Controller of Patents and Designs. The case concerns the rejection of Biotyx Medical's Indian patent application (No. 201817029244) for an "Absorbable Iron-Based Alloy Implantable Medical Device." The patent application was initially refused under Section 15 of the Patents Act, 1970, on the grounds of lack of novelty and inventive step. Biotyx Medical challenged this rejection before the Delhi High Court, which was tasked with reviewing the validity of the refusal order.

The subject patent application was filed as a national phase entry of a PCT (Patent Cooperation Treaty) application on August 3, 2018, with a priority date of January 8, 2016. The invention described an absorbable iron-based alloy implantable medical device comprising an iron-based alloy substrate, a degradable polymer coating, and a zinc-containing protective layer. The role of the zinc-containing protector was to delay corrosion of the iron-based alloy during the early stages of implantation, ensuring that the mechanical properties of the device met clinical requirements.

The Assistant Controller of Patents and Designs rejected the application in an order dated July 10, 2020. The rejection was based on multiple grounds, including lack of novelty under Sections 2(1)(j) and 13(1)(b) of the Patents Act, 1970, and lack of inventive step under Section 2(1)(ja). The primary prior art cited against the application included previous patents and scientific literature related to iron-based medical devices with corrosion-inhibiting coatings. Among them was document D1, which was found to contain claims similar to those in the Biotyx Medical application, leading to the rejection based on prior claims.

Biotyx Medical argued that the prior art cited by the Controller did not disclose an invention identical to its claimed device. Specifically, the company contended that while D1 described an iron-based alloy with an alkaline protective coating, their invention used a zinc-containing protector, which functioned differently. They further argued that the rejection order did not provide adequate reasoning to establish that their invention lacked novelty. In contrast, the Controller maintained that the core concept of the invention was already disclosed in D1 and that the use of zinc in corrosion prevention was well-known in the field, making the claimed invention an obvious modification.

Regarding inventive step, the rejection order cited additional prior art documents (D2-D5), which disclosed various iron-based medical devices with corrosion-resistant coatings. The Controller concluded that a person skilled in the art (PSITA) would have been able to combine these prior teachings to arrive at Biotyx Medical's claimed invention, thereby making it an obvious and non-inventive modification. The Controller referenced the five-step test for inventive step assessment, as established in Hoffmann-La Roche Ltd. & Anr. v. Cipla Ltd., 2015, but failed to provide a structured application of this test.

The Delhi High Court reviewed the rejection order and found multiple deficiencies in the Controller's analysis. The court emphasised that for a claim to be rejected on novelty grounds, it must be shown that every element of the claimed invention is disclosed in a single prior art reference. In this case, the prior art document D1 described an alkaline protector rather than the zinc-containing protector claimed by Biotyx Medical. Since the two materials had distinct physical and functional properties, the court found that the novelty rejection was flawed.

On the issue of inventive step, the court criticised the Controller for failing to adequately assess whether the specific use of a zinc-containing protector introduced an unexpected technical advantage. The court noted that the rejection order simply assumed that substituting an alkaline protector with a zinc-containing protector was a routine modification, without exploring whether the change led to a significant improvement in performance. The court also pointed out that the rejection lacked detailed scientific reasoning and failed to properly apply the five-step test for inventive step.

The court referred to precedents such as Biswanath Prasad Radhey Shyam v. Hindustan Metal Industries Ltd., which emphasised that an inventive step must involve a technical advance that is not obvious to a skilled person. It also cited Manohar v. State of Maharashtra & Ors., which stressed the importance of reasoned decision-making in administrative orders. Based on these principles, the court held that the rejection order did not meet the necessary legal and scientific standards.

As a result, the Delhi High Court set aside the impugned order and remanded the case back to the Patent Office for reconsideration. The court directed the Controller to reassess the inventive step by applying a recognised assessment test with clear scientific reasoning. It also instructed the Controller to issue a fresh hearing notice to Biotyx Medical, specifically outlining the objections and analysis related to inventive step. The reconsideration process was to be completed within four months of the conclusion of the hearings.

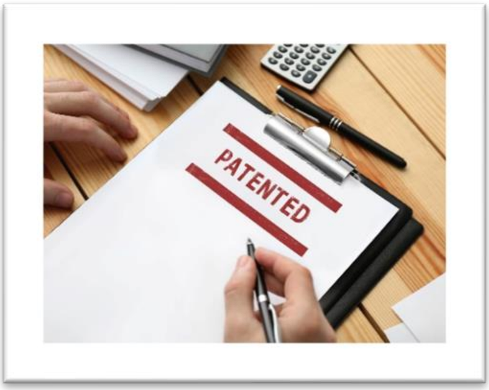
This case highlights the importance of a rigorous and structured approach in patent examination, particularly in assessing novelty and inventive step. The Delhi High Court's decision underscores that rejections must be based on clear, reasoned analysis rather than broad assumptions. For patent applicants, the ruling serves as a reminder that challenging a rejection successfully requires demonstrating that the examiner has failed to properly distinguish the claimed invention from prior art. Additionally, the judgment reaffirms the need for patent offices to apply well-established legal tests consistently and transparently.

34. Revving Up Innovation: TVS Motor's Legal Battle for Patent Recognition

Case: TVS Motor Company Limited vs. The Assistant Controller of Patents and Designs [CMA(PT) No. 8 of 2024]

Forum: High Court of Judicature at Madras

Judgment Date: September 24, 2024



Judgment: The case of TVS Motor Company Limited vs. The Assistant Controller of Patents and Designs revolves around the rejection of a patent application filed by TVS Motor Company Limited. The appellant, a well-established Indian automobile manufacturer, sought to patent its invention titled "System for Selectively Operating Regenerative Braking in a Vehicle and Method Thereof." The application was rejected by the Patent Office on November 9, 2023, on the grounds of lack of inventive step and insufficient disclosure. Dissatisfied with this decision, TVS Motor filed an appeal before the Madras High Court under Section 117-A of the Indian Patents Act, 1970, seeking to overturn the rejection and secure a reconsideration of its patent application.

TVS Motor had initially submitted Indian Patent Application No. 202141013547, claiming a novel system that allows users to selectively operate regenerative braking in a vehicle based on multiple parameters, including the battery pack's state of charge, temperature, and fault conditions. Following the submission, the Patent Office issued a First Examination Report (FER) on May 20, 2022, raising objections regarding novelty and inventive step, citing prior art document D1. Additionally, concerns were raised about the sufficiency of the disclosure in the application. In response, TVS Motor submitted written arguments on November 10, 2022, amending its claims to address the objections. Despite these efforts, the Assistant Controller of Patents maintained the objections and issued a hearing notice on January 4, 2023, further citing prior art document D2. Subsequent hearings and written submissions ensued, culminating in the rejection of the patent application.

mail@lexorbis.com | www.lexorbis.com

TVS Motor's counsel contended that the claimed invention provided a significant technical advancement over prior art. The innovation allowed users to manually select a regenerative braking mode, thereby improving vehicle efficiency and energy recovery. Unlike prior art D1, which disclosed a regenerative braking system without user selection, TVS's invention introduced a system where regeneration could be activated based on user input and vehicle parameters. The appellant argued that this feature was not obvious from the cited prior art and demonstrated a clear inventive step. Furthermore, TVS's counsel emphasised that prior art D2 related to power-assisted bicycles and was fundamentally different from the claimed invention, which pertained to motor vehicles.

The appellant also challenged the Patent Office's finding of insufficient disclosure. TVS Motor argued that the complete specification provided adequate details for a person skilled in the art (PSITA) to work the invention without undue experimentation. The company highlighted that essential vehicle parameters, such as battery state of charge and temperature, could be monitored using standard battery management systems and sensors, which were well-known in the industry. TVS also relied on the Indian Patent Office's guidelines, asserting that an invention need not specify every detail explicitly if a skilled person could reasonably deduce them from the disclosure.

On the other hand, the respondent, represented by the Assistant Controller of Patents, defended the rejection, maintaining that the claimed invention lacked an inventive step. The Patent Office contended that both prior art documents D1 and D2 sufficiently disclosed regenerative braking concepts, and the claimed system did not introduce any non-obvious technical advancement. Additionally, the respondent argued that the appellant had failed to disclose crucial information, such as predefined values for battery state of charge and regenerative current limits, making it impossible for a PSITA to fully implement the invention.

The High Court, after reviewing the submissions and examining the claims, found merit in TVS Motor's appeal. The court noted that the Patent Office had inadequately analysed the inventive step by narrowly focusing on prior art D1 while failing to appreciate the fundamental distinction between a system with user-selectable regeneration modes and prior regenerative braking systems. The court emphasised that the ability for users to manually select a high or low regenerative mode, as claimed in TVS Motor's patent application, was a unique feature that was not disclosed in D1 or D2. The court further observed that the Patent Office had not provided a well-reasoned explanation for its conclusion that the claimed invention was obvious.

Regarding sufficiency of disclosure, the court acknowledged that while some predefined values were not explicitly mentioned in the specification, this did not necessarily render the disclosure insufficient. The court held that the essential parameters required to implement the invention, such as battery monitoring systems and temperature sensors, were common knowledge in the field of electric vehicles. However, it also noted that certain technical details, such as predefined regenerative current limits, were not explicitly disclosed and might require further clarification during reconsideration.

Consequently, the Madras High Court set aside the rejection order and remanded the case for reconsideration by the Patent Office. The court directed that a different officer, other than the one who had previously rejected the application, should conduct the review to ensure an impartial assessment. The court also allowed TVS Motor the opportunity to amend its claims if necessary, in accordance with Section 59 of the Patents Act, 1970. It instructed the Patent Office to provide TVS Motor with a fair hearing and to issue a reasoned decision within four months.

This judgment underscores the importance of a thorough and reasoned approach in evaluating patent applications. It highlights the necessity for the Patent Office to carefully distinguish between what is truly obvious and what constitutes a non-obvious technical advancement. The ruling also reinforces the principle that patent disclosures should be assessed in a practical manner, taking into account the knowledge of a person skilled in the art rather than demanding exhaustive details that a skilled professional could reasonably infer.

By securing a remand for reconsideration, TVS Motor has taken a significant step toward obtaining patent protection for its regenerative braking innovation. This case serves as a vital precedent for patent applicants, particularly in the automotive and electric vehicle industries, emphasising the need for precise yet pragmatic disclosure standards and robust legal scrutiny of inventive step assessments. The decision reaffirms the judiciary’s role in ensuring that legitimate innovations are not unfairly denied patent protection due to overly rigid or superficial evaluations by the Patent Office.

35. Patent Protection Upheld: The Legitimacy of Malladi Drugs' Chiral Beta-Amino Alcohol Process

Case: Embio Limited vs. Malladi Drugs & Pharmaceuticals Ltd. [(T)OP(PT) No. 45 of 2023]

Forum: High Court of Judicature at Madras

Judgment Date: October 4, 2024

Judgment: The case of Embio Limited vs. Malladi Drugs & Pharmaceuticals Ltd. revolves around the challenge to the validity of a granted patent under Section 64 of the Patents Act, 1970. The petitioner, Embio Limited, sought the revocation of Indian Patent No. 249376, which was granted to Malladi Drugs & Pharmaceuticals Ltd. for an invention titled "A method for the preparation of new chiral beta-amino alcohols from R(-)-phenyl acetyl carbinol." The petitioner alleged that the patent lacked novelty, an inventive step, and technical advancement, making it liable for revocation.

The patent in question pertained to a novel process for synthesising chiral beta-amino alcohols, which are essential intermediates in the production of pharmaceuticals, particularly in the synthesis of ephedrine and related compounds. The granted claims covered a method that involved asymmetric reduction using a noble metal catalyst, leading to high optical purity and superior yield compared to existing processes. Malladi Drugs' patent was published in 2007 and granted in 2011, with its term set to expire in 2027.

Embio Limited, a major competitor in the pharmaceutical industry and one of the world's largest manufacturers of ephedrine and pseudoephedrine salts argued that the patented invention did not meet the requirements of novelty and non-obviousness. The petitioner cited multiple prior art documents, including European Patent EP 1 142 864 A1 and U.S. Patents US 2,509,309 and US 2004/0249212 A1, to demonstrate that similar processes were already known. It was contended that the steps involved in Malladi Drugs' process, including the selection of catalysts, temperature ranges, and reaction conditions, were all disclosed in prior arts and did not constitute an inventive advancement.

The petitioner also argued that Malladi Drugs' patent did not introduce any new compound or improved efficacy in the final product, which meant it failed the test of technical advancement. Embio Limited asserted that the method claimed in the patent was merely a routine optimisation of known techniques, which should not have been granted patent protection. Further, it was claimed that the patent did not sufficiently describe the invention, a crucial requirement under the Patents Act.

In response, Malladi Drugs defended the validity of its patent, asserting that the granted claims demonstrated both novelty and inventive step. The company argued that the process involved a novel synthetic route that significantly improved the optical purity and yield of the chiral beta-amino alcohols, making it distinct from the prior arts cited by the petitioner. Unlike conventional methods, which achieved optical purity of around 82% and yields of approximately 42%, Malladi Drugs' process led to an optical purity of nearly 100% with yields in the range of 60%–70%.

Malladi Drugs also contended that the petitioner lacked the standing to challenge the patent, arguing that Embio Limited had not established itself as a direct competitor in the field covered by the invention. The respondent maintained that the patent had been granted after a thorough examination process, including amendments to claims in response to objections raised by the Controller of Patents. Given that Embio Limited had not opposed the patent at the pre-grant stage and had waited several years post-grant to file for revocation, the challenge was not made in good faith.

The court, after reviewing the submissions and prior art references, held that the patent demonstrated a clear technical advance over existing knowledge. The court noted that the invention provided a significant improvement in yield and purity, which were crucial factors in the commercial viability of pharmaceutical synthesis. It found that none of the prior art references disclosed a process that achieved the same level of optical purity or efficiency as claimed by Malladi Drugs.

Regarding the argument of obviousness, the court emphasised that inventive step must be assessed as a whole rather than by isolating individual elements of a claim. Just because some components of an invention were known in prior art did not mean that their combination in a specific manner was obvious. The court applied the test of whether a person skilled in the art would have arrived at the invention without any inventive effort and concluded that the claimed method required technical ingenuity beyond routine experimentation.

The court also rejected the petitioner's argument regarding the sufficiency of disclosure. It found that Malladi Drugs had provided detailed descriptions of the reaction conditions, catalysts, and purification methods, allowing a skilled person to replicate the process. The patent specifications included sufficient experimental data, and the petitioner had failed to demonstrate any critical omission that would render the invention non-workable.

Furthermore, the court addressed the issue of delay in challenging the patent. It observed that the patent had been published in 2007, granted in 2011, and had been in force for more than a decade before Embio Limited filed for revocation. The court noted that while an interested party could challenge a patent at any time, undue delay without justifiable reasons weakened the credibility of such a challenge. Given that Malladi Drugs had commercialized its patented process and invested in its implementation, revocation at a late stage would be unjustified.

Citing precedents such as Novartis AG v. Union of India and F. Hoffmann-La Roche Ltd. v. Cipla Ltd., the court reiterated that a patent could not be invalidated merely because a minor improvement had been made to an existing process. The law required a meaningful technical contribution, which the respondent had successfully demonstrated.

In conclusion, the Madras High Court dismissed the petition, upholding the validity of Malladi Drugs' patent. The court found that the petitioner had failed to establish grounds for revocation under Section 64 of the Patents Act. It affirmed that the granted patent met the legal requirements of novelty, inventive step, and industrial applicability. The decision reinforced the principle that patents should not be revoked without strong evidence of lack of novelty or inventive step and that long-standing patents should not be lightly challenged unless substantial grounds exist.

36. Court Examined Non- applicability of Morality Exclusion and Claims Amendment

Case: Regeneron Pharmaceuticals vs Controller of Patents and Designs [(T)CMA(PT) No.191 of 2023]

Forum: High Court of Madras

Order Dated: October 22, 2024

Order: Section 3(b) of the Indian Patents Act prohibits patenting of technology, use, or application at the sole discretion of the Controller if assessed to be 'contrary to public order or morality or which causes serious prejudice to human, animal, or plant life or health or to the environment'. This widely worded provision contains the ambiguous term 'morality', and its subjective application may lead to the refusal of socially useful inventions under patent protection. In *Regeneron Pharmaceuticals v Controller of Patents* [(T)CMA(PT) No. 191 of 2023], the patent was refused on two grounds, viz.

"(a) Holding that the amendment could not be allowed as per Section 59 of the Patents Act.

(b) The amendment is not patentable as per the Section 3(b) of the Patents Act."

In the patent application, the applicant (Regeneron Pharmaceuticals) had claimed the patent of a mouse, cell, and the usage of the mouse. During the examination, the Controller raised objections to such claims since animals are non-patentable in India, and thereby the applicant has later amended the claims to a method of making a genetically modified mouse. However, the Controller has rejected the patent application by holding that firstly, the claimed method was contrary to morality and secondly, the amendment of claims changed the entire scope of the invention, and hence, the amended claim could not be allowed. Therefore, the applicant has challenged the Controller's order in the appeal to the High Court on these two grounds.

On the first issue of non-patentability under Section 3(b), the Controller had held that the claimed method involved serious questions about morality, and such modification of the genetic identity of the animal (mouse) would cause them

mail@lexorbis.com | www.lexorbis.com

suffering without any substantial medical or other benefit to men or women. However, the Court noted that the applicant in its response to the examination report had specifically stated that the claimed invention would be for the benefit of humankind. The same had been briefly recorded by the Controller in his order. The recording of such a statement clearly indicated that the applicant had made a claim that the subject matter of the invention was actually beneficial to humanity in terms of medical research. However, the Controller's reasoning that there had been no substantial medical or other benefit to mankind in genetically modifying mice was against his own recording of the statement of facts. Therefore, the rejection on the ground of clause 3(b) was found to be without proper application of mind.

On the second issue relating to Section 59, the Controller has held that the amendment from mouse and use claims to method claims was beyond the scope of the claims as originally filed and thus not permissible under the Patents Act. The Court perused the amended claims, which sought to claim a method of making a genetically modified mouse, an antigen binding protein, a targeting vector, and a nucleic acid construct. The Court further noted that there had been no change in the specification, or the subject-matter disclosed therein.

The subject-matter of the amended claims was disclosed in the specification. However, the Controller had only considered the original claims and the amended claims, without the complete specification. In this context, the Court relied on and concurred with the seminal judgment of the Delhi High Court in *Allergan Inc v Controller of Patents* (2023/DHC/515). Accordingly, the Madras High Court reaffirmed that claims amendment can be made by considering the complete specifications of the pre-amended claims and not merely a textually cabined reading of the pre-amended claims themselves.

Therefore, the Controller's refusal on claims amendment was not found to be sustained. In view of the above analysis, the Court set aside the Controller's order. The court directed the Patent Office to reconsider the application for the amendment and "*in order to preclude the possibility of predetermination, an officer other than the officer who issued the impugned order shall undertake reconsideration*."

The Court's decision would guide the Patent Office in assessing the non-patentability under Section 3(b) more objectively based on the facts of the case and with an application of mind while passing an order with adequate and consistent reasoning. The Court's approach in the instant case also indicates that pre-grant amendments could be construed more liberally. Amendment in the category of claims may be possible if the amended claims are considered in light of the disclosures contained in the complete specification, not necessarily the literal reading of original claims.

37. Patent Denial and the Need for a Speaking Order: A Judicial Review

Case: Signal Pharmaceuticals vs Deputy Controller of Patents and Designs [(T)C.M.A(PT).No.145 of 2023]

Forum: High Court of Judicature at Madras

Judgment Date: November 21, 2024

Judgment: The case revolves around the patent application filed by Signal Pharmaceuticals, a US-based pharmaceutical company, seeking protection for its invention titled "mTOR kinase inhibitors for oncology indications and diseases associated with the mTOR/P13K/AKT Pathway." The patent application was rejected by the Deputy Controller of Patents and Designs on May 17, 2019, on two primary grounds: (1) lack of an inventive step under Section 2(1)(ja) of the Patents Act, 1970, and (2) non-patentability under Section 3(d) of the Act.

Aggrieved by this decision, Signal Pharmaceuticals filed an appeal under Section 117-A of the Patents Act, arguing that the rejection was a non-speaking order, lacking adequate reasoning and failing to consider the amendments made to the claims. The appellant contended that its invention presented a significant technical advancement over prior art, particularly in its core structure, and met the required standards for inventive step and therapeutic efficacy.

The appellant raised several key arguments; firstly, the Deputy Controller allegedly disregarded crucial evidence submitted by the appellant, including responses to objections raised in the First Examination Report (FER), expert affidavits, and written submissions. The appellant claimed that the cited prior art, WO 2008/051493, contained a different molecular structure and did not anticipate the claimed invention. The appellant argued that its invention demonstrated significantly higher biological activity and therapeutic efficacy than prior art.

 mail@lexorbis.com | www.lexorbis.com

The appellant cited the Supreme Court's ruling in Novartis AG v. Union of India, (2013) 6 SCC 1, which held that to reject a patent under Section 3(d), the authority must establish that the claimed invention lacks a significant enhancement in therapeutic efficacy. The appellant argued that its invention satisfied this test, and the rejection order failed to provide any reasoning on why it did not.

The appellant relied on Avery Dennison Corporation v. Controller of Patents & Designs, [2022/DHC/004697], where the Delhi High Court emphasized that a significant technical advancement is sufficient to meet the inventive step requirement. The appellant also referred to Blackberry Ltd. v. Assistant Controller of Patents & Designs, where the Delhi High Court set aside a patent rejection due to the lack of reasoning in the order. The appellant also highlighted that it had amended its claims in response to the FER, yet the Deputy Controller did not consider these amendments before rejecting the application.

On the other hand, the respondent—the Deputy Controller of Patents and Designs—defended the rejection, arguing that the appellant's claimed invention lacked novelty and was structurally similar to the prior art document (D1). It was also highlighted that the appellant failed to provide documentary evidence proving a significant enhancement in therapeutic efficacy. The rejection was based on a valid interpretation of Sections 2(1)(ja) and 3(d) of the Patents Act, and the impugned order sufficiently explained why the claims lacked an inventive step.

The Court examined the matter in detail and found that the rejection order did not provide sufficient reasoning for denying the patent. The court emphasised that the Patents Act requires authorities to issue speaking orders—orders that explain the reasoning behind their decisions. The court noted that the impugned order did not properly analyse the differences between the appellant's claimed invention and the prior art. The appellant had contended that its invention possessed a unique pyrazino-pyrazine core structure, which was distinct from the prior art (D1). However, the rejection order did not address this distinction.

The court reiterated that, as per Novartis AG v. Union of India, Section 3(d) of the Patents Act applies only if the applicant fails to prove a significant improvement in therapeutic efficacy. The rejection order merely stated that the invention was not patentable under Section 3(d) without explaining why the appellant's data and expert affidavit were insufficient. The court criticised the Deputy Controller for not engaging with the amendments made by the appellant. It cited Blackberry Ltd. v. Assistant Controller of Patents, where the Delhi High Court set aside an order on similar grounds.

The court reaffirmed that patent authorities must provide detailed reasoning when rejecting applications. It cited Avery Dennison Corporation v. Controller of Patents & Designs and Blackberry Ltd. v. Assistant Controller of Patents as precedents where courts struck down orders for lack of reasoning.

Given these findings, the court quashed the rejection order dated May 17, 2019, and remanded the matter back to the patent office for reconsideration. The court ordered that reconsideration must be conducted by an officer other than the one who issued the impugned order to ensure impartiality.

The court held that the patent office must allow the appellant to submit additional amendments if they are within the scope of the original application, and a fresh order must be issued within six months from the receipt of the judgment.

This ruling reinforces the principle that patent rejection orders must be well-reasoned and supported by substantive analysis. The case serves as a reminder to the Patent Office that decisions affecting intellectual property rights must be transparent, fair, and in line with established judicial principles.

38. Refining Innovation: A Legal Battle over Patent Amendments

Case: Gautam Bhatia vs Vinayak Enterprises [CS(COMM) 255/2023 with CC(COMM) 2/2024]

Forum: High Court of Delhi

Judgment Date: November 25, 2024

Judgment: The case concerns a patent dispute between Gautam Bhatia, the plaintiff, and Vinayak Enterprises, the defendant, revolving around Indian Patent No. 410993. The plaintiff sought a permanent injunction restraining the defendant from infringing his patent, which pertains to an innovative adhesive formulation. The defendant, in response, filed a counterclaim under Section 64 of the Patents Act, 1970, seeking revocation of the patent. Additionally, the plaintiff filed an application under Section 58 of the Patents Act, 1970, seeking amendments to the granted claims of the patent to narrow its scope.

The patent in question relates to a method for preparing an adhesive that involves blending modified starch with caustic soda and mixing it with soapstone powder, dry talc powder, or bentonite powder. The invention aims to strengthen bonds between layers of paper, which has significant commercial applications. The plaintiff originally applied for this patent on March 24, 2022, with ten claims defining the scope of the invention. The final granted claims outlined a structured formulation and process for preparing the adhesive. However, during the course of litigation, the plaintiff sought to amend claims 1 and 8 to clarify and limit the scope of the patent by specifying the ratio of ingredients, ensuring that the formulation remains within a 1:1 to 1:5 ratio of modified starch to the added powder component.

The defendant opposed the amendment, arguing that it was a strategic move to cover up deficiencies in the patent and set up a new case rather than a legitimate attempt to refine the claims. The defendant contended that such amendments should not be allowed as they sought to change the fundamental scope of the patent and could unfairly impact the pending revocation proceedings.

The court examined the legal provisions under Sections 58 and 59 of the Patents Act, 1970. The judge noted that Section 58 allows patentees to seek amendments in pending revocation proceedings, but these amendments are subject to restrictions under Section 59, which ensures that no new subject matter is introduced and that the amendments remain consistent with the original claims.

In support of this interpretation, the court referred to the precedent set in AGC Flat Glass Europe SA v. Anand Mahajan & Ors., which held that amendments that merely clarify or narrow the scope of a patent without introducing new claims or broadening the scope of existing claims are permissible. The ruling emphasised that amendments that serve to crystallise and refine the invention while maintaining consistency with the original specifications are legally valid.

Upon reviewing the amendments proposed by the plaintiff, the court found that the modifications only served to define the ratio of the ingredients more clearly, making the claims more specific rather than expanding their scope. The court observed that granted claims 1 and 8 were initially open-ended, allowing for broad interpretations. The proposed amendments set clear limitations on the range of the composition, thereby making the scope of protection more precise and avoiding ambiguity. The plaintiff's counsel also successfully demonstrated that the amended claims were already supported by the original complete specification and did not introduce any new material.

The Controller of Patents, who was also a party to the proceedings, confirmed that the proposed amendments did not violate patent law principles. In a short reply, the Controller of Patents acknowledged that the amendments narrowed the scope of the claims rather than expanding them and were, therefore, in compliance with the Patents Act, 1970.

Given the legal framework and supporting judicial precedent, the court ruled in favour of the plaintiff and allowed the amendments. It directed the Patent Office to issue a fresh certificate incorporating the revised claims. Furthermore, the court instructed the plaintiff to complete all formalities related to the amendments by January 13, 2025. The suit, along with the counterclaim, was scheduled for further hearings on April 15, 2025.

39. Procedural Missteps in Patent Litigation: Pre-Institution Mediation as a Mandatory Step

Case: M/s Shilpa Medicare Limited v. M/s Salus Pharmaceuticals & Another (OMP No. 921 of 2024 in COMS No. 05 of 2024)

Forum: High Court of Himachal Pradesh, Shimla

Judgment Date: November 27, 2024

Judgment: The plaintiff filed a commercial suit seeking a permanent injunction against the defendants, preventing them from manufacturing, selling, and distributing a pharmaceutical product that allegedly infringed its patent, IN'695. The plaintiff also sought damages, delivery of infringing stock, and an account of profits from the defendants. However, the defendants challenged the maintainability of the suit, arguing that it was filed in violation of Section 12-A of the Commercial Courts Act, 2015, which mandates pre-institution mediation before initiating commercial litigation, except in cases requiring urgent interim relief.

The defendants, through an application under Order VII, Rule 11 read with Section 151 of the CPC, contended that the plaintiff had not demonstrated any urgency to bypass the statutory pre-institution mediation process. They argued that the plaintiff was aware of the alleged infringement since May 2023 but took no steps to engage with the defendants or initiate mediation. Even after securing the patent in September 2023, the plaintiff delayed legal action until February 2024. The defendants maintained that this demonstrated a lack of urgency, and the suit was therefore barred under Section 12-A of the Commercial Courts Act.

In response, the plaintiff argued that it only became certain of the infringement after conducting independent and internal testing of the defendants' product. This process, including obtaining an expert affidavit, took time, and the suit was filed promptly once infringement was confirmed. The plaintiff maintained that the sale of the infringing product constituted a recurring injury, justifying the urgency required to bypass pre-institution mediation.

mail@lexorbis.com | www.lexorbis.com

The court thoroughly analysed the statutory framework of Section 12-A. The provision mandates pre-institution mediation in commercial suits, except where the plaintiff seeks urgent interim relief. The court relied on Patil Automation Private Limited v. Rakheja Engineers Private Limited, where the Supreme Court affirmed that Section 12-A is a mandatory provision, and non-compliance results in the rejection of the plaint under Order VII, Rule 11 of CPC. The ruling underscored that mediation was an essential procedural step aimed at reducing commercial litigation burdens.

Further, the court referred to Yamini Manohar v. T.K.D. Keerthi, where the Supreme Court clarified that courts must scrutinise whether a suit genuinely requires urgent interim relief or if urgency is merely a pretext to bypass mediation. The judgment emphasised that plaintiffs cannot abuse the urgency clause to circumvent statutory mediation requirements.

Applying these principles to the case, the court examined the plaintiff's timeline of actions. It found that the plaintiff became aware of the alleged infringement in May 2023 but took no immediate steps to engage with the defendants. It also observed that the patent was granted in September 2023, yet the plaintiff delayed filing the suit until February 2024. Internal and external testing was conducted between September and December 2023, but the plaintiff still waited until February 2024 to initiate legal action.

The court highlighted that the plaintiff relied on an expert affidavit obtained on February 1, 2024, to justify urgency. However, the court noted that the expert was an internal employee of the plaintiff company, raising questions about the objectivity of the claim.

Given these observations, the court held that the plaintiff had failed to establish genuine urgency. The delay of nearly ten months between the alleged discovery of infringement and the filing of the suit suggested that the plaintiff could have utilised the pre-institution mediation process. The court concluded that the plaintiff's attempt to bypass mediation was unjustified and that the application under Order 39, Rules 1 and 2 of CPC (seeking an interim injunction) was merely an attempt to circumvent statutory requirements.

Consequently, the court allowed the defendants' application and rejected the plaint under Order VII, Rule 11 of CPC, reiterating that compliance with Section 12-A of the Commercial Courts Act is mandatory.

40. Addressing Procedural Lapses: A Second Chance for Innovation

Case: Boehringer Ingelheim Vetmedica GMBH vs The Controller of Patents [C.A.(COMM.IPD-PAT) 225/2022]

Forum: High Court of Delhi

Judgment Date: December 2, 2024

Judgment: This was an appeal filed by Boehringer Ingelheim Vetmedica GMBH against an order by the Controller of Patents rejecting its patent application for lack of novelty and inventive step. The patent application, No. 3157/DELNP/2012, titled "Containers for Compositions Comprising Meloxicam," pertains to innovations in container materials aimed at improving the storage and shelf life of pharmaceutical compositions.

The appellant filed the patent application in April 2012, followed by a request for examination in August 2013. A First Examination Report (FER) was issued in January 2019, raising objections related to lack of novelty under Section 2(1)(j) and lack of inventive step under Section 2(1)(ja) of the Patents Act, 1970. In response, the appellant submitted detailed written arguments and amended claims in May 2019. Despite further amendments and oral hearings, the Controller dismissed the application in March 2022, citing prior art references (D1 and D2) and concluding that the claims did not meet the standards for patentability.

The appellant challenged this decision, asserting that the Controller had failed to appropriately evaluate its submissions. It argued that the prior art references, D1 and D2, did not address the specific technical advancements claimed in the invention, including the use of specific polymeric materials like polypropylene (PP) and polyethylene terephthalate (PET) to prevent absorption of sodium benzoate. The appellant highlighted that its invention differed from D1, which disclosed multi-layered containers, and D2, which focused on a unique compartment arrangement without addressing material-specific improvements.

mail@lexorbis.com | www.lexorbis.com

During the hearing, the appellant contended that the Controller had relied heavily on objections raised in the FER and hearing notices without addressing the distinctions made in its written submissions. The appellant emphasised that the Controller's decision lacked the detailed analysis required under Section 2(1)(ja), which defines "inventive step" as involving technical advance or economic significance.

In contrast, the respondent maintained that the appellant had failed to substantiate the inventive step of its claims and argued that combining D1 and D2 made the invention obvious to a person skilled in the art. The respondent further argued that the appellant's claims were not supported by sufficient evidence to demonstrate the technical advancements or economic significance required for patentability.

Justice Amit Bansal, adjudicating the matter, reviewed the submissions and evidence. The court underscored the importance of reasoned decision-making, especially in matters involving intellectual property. Citing precedents such as Agriboard International LLC v. Deputy Controller of Patents and Designs and F. Hoffmann-La Roche Ltd. v. Cipla Ltd., the court emphasised that a rejection for lack of inventive step must include an analysis of the prior art, the claims in the application, and the reasoning for concluding that the invention is obvious.

The court observed that the impugned order lacked a thorough evaluation of the appellant's submissions and primarily reiterated the objections raised in the hearing notice. This failure to engage with the distinctions presented by the appellant constituted a breach of natural justice. The court also noted that the appellant's claims involved a specific selection of container materials and configurations not disclosed or suggested in the cited prior art.

Consequently, the High Court set aside the Controller's order and remanded the matter for fresh consideration. It directed the Patent Office to thoroughly evaluate the appellant's submissions, including the technical distinctions between the invention and the prior art, and to issue a reasoned order within two months. The court also emphasised the need for the Patent Office to ensure that future decisions comply with procedural fairness and address all relevant arguments.

This judgment highlights the judiciary's critical role in ensuring that procedural lapses do not undermine the rights of innovators. By remanding the matter for reconsideration, the court reaffirmed the principle that patent applications should be evaluated comprehensively, with due regard to the technical and legal merits of the claims. The decision serves as a reminder that intellectual property law must balance rigorous examination with fairness, fostering an environment that encourages innovation and protects inventors’ rights.

mail@lexorbis.com | www.lexorbis.com

41. The Battle Over Fuel Cap Innovation: A Patent Dispute Unfolds

Case: Jay Switches India Pvt Ltd vs Sandhar Technologies Ltd & Ors. [CS(COMM) 301/2023]

Forum: High Court of Delhi

Order Date: December 2, 2024

Order: The plaintiff, a company engaged in manufacturing automotive parts, alleged that Sandhar Technologies Ltd and its associates (the defendants) infringed upon its registered patent (IN 427110) and its registered design (275676) for a fuel tank cap. The plaintiff sought a permanent injunction to prevent the defendants from manufacturing and selling the allegedly infringing products.

The plaintiff's patent, filed in 2010 and granted in 2023, had undergone scrutiny through multiple pre-grant oppositions, two of which were initiated by the defendants. These oppositions challenged the novelty and inventive step of the patent, but they were ultimately dismissed, leading to the grant of the patent. However, after obtaining the patent, the plaintiff discovered that the defendants were manufacturing and selling a similar product under Model No. COML-13, allegedly targeting the same customer base, particularly Tata Motors.

In response, the plaintiff conducted an internal analysis through an expert, concluding that the defendants' product closely mirrored the technical aspects of the patented invention. The plaintiff contended that the fuel cap manufactured by the defendants deployed an identical structural and functional solution, particularly in the way it ensured air-tightness, thereby infringing upon the claims of the suit patent.

The defendants, on the other hand, contested the infringement claim by arguing that their product was structurally distinct. They contended that the core difference lay in the measurement of a critical component: the "Main Circular Plate" (MCP).

 mail@lexorbis.com | www.lexorbis.com

According to the defendants, the plaintiff's claim relied on a misinterpretation of this component's dimensions. The plaintiff considered the MCP and an additional element, the "Engagement Projections," as a single entity when measuring thickness, whereas the defendants argued that these were separate components. The defendants demonstrated that, when measured correctly, the "predetermined distance" parameter of their product exceeded the defined range of 10-100% specified in the plaintiff's patent. This, they asserted, meant that their product did not fall within the scope of the claimed invention and thus did not constitute an infringement.

Another aspect of the dispute involved the history of amendments made by the plaintiff during the patent prosecution process. The court examined the amendments made in response to opposition proceedings, particularly a modification in which the plaintiff added the letter "l" to specify the length of the MCP. The defendants relied on this amendment to argue that the plaintiff had deliberately narrowed the scope of its claim during the prosecution stage and could not now argue for a broader interpretation that included additional structural elements.

The court undertook a detailed analysis of claim construction principles, emphasising that patent claims must be interpreted as they are written, without adding or subtracting words. The court examined the wording of Claim 1 and Claim 2 in the suit patent, as well as the accompanying diagrams. It noted that the plaintiff had explicitly used different numerical references for the MCP and the engagement projections, suggesting that they were distinct components. The court also relied on legal precedents, including *Guala Closures SPA vs Agi Greenpac Ltd*., which stressed the importance of claim construction in patent disputes.

The court found that the plaintiff's interpretation was inconsistent with the language used in the claims and the amendments made during the prosecution. Given that the plaintiff itself had defined the length of the MCP separately from the engagement projections, the court held that the defendants' measurement approach was more consistent with the patent specification. Consequently, it concluded that the defendants' product did not infringe the patent.

Furthermore, the court emphasised that when the scope of a patent claim is unclear or ambiguous, it is not appropriate to grant an interim injunction at the preliminary stage. It held that patent infringement cases, particularly those involving technical claim construction disputes, often require a full-fledged trial with expert testimony. Since the plaintiff had failed to establish a prima facie case of infringement, the court ruled in favour of the defendants and refused to grant the requested interim injunction.

However, as a precautionary measure, the court directed the defendants to maintain detailed accounts of the manufacture and sale of the disputed product and to submit periodic reports. This would ensure that in the event the plaintiff ultimately succeeded at trial, the damages could be accurately calculated.

42. Reviving Innovation: A Case of Miscommunication in Patent Prosecution

Case: Waterotor Energy Technologies Inc. vs. Union of India & Anr. [W.P.(C)-IPD 7/2024]

Forum: High Court of Delhi

Judgment Date: December 9, 2024

Judgment: Waterotor Energy Technologies Inc., a Canadian company, had filed an Indian patent application (No. 202017037539) through its appointed First Patent Agent in Canada. This agent, in turn, engaged a Second Patent Agent based in India to handle the filing and prosecution of the patent application. However, due to a communication lapse between the two agents, the petitioner did not receive the First Examination Report (FER) issued by the Indian Patent Office within the prescribed time. Consequently, the petitioner failed to submit a timely response, leading to the application being deemed abandoned under Section 21(1) of the Patents Act, 1970.

The petitioner approached the Delhi High Court, seeking to set aside the abandonment order. The primary contention was that the failure to respond was not due to any negligence on its part but rather a breakdown in communication between the two patent agents. The petitioner's counsel explicitly stated that the company did not wish to press the issue of negligence against either of the agents. Instead, they argued that the fundamental issue was the non-receipt of the FER, which led to the unintended lapse.

The respondents, representing the Indian Patent Office, contended that, as per standard practice, all communications, including the FER, were sent to the registered patent agents. The Second Patent Agent in India confirmed receipt of the FER and asserted that it was duly forwarded to the First Patent Agent in Canada. This raised the question of whether the First Patent Agent had properly

mail@lexorbis.com | www.lexorbis.com

conveyed the communication to the petitioner, thereby ensuring compliance with procedural requirements.

In determining the case, the court considered a similar precedent set in Saurav Chaudhary v. Union of India & Anr. In that case, the court had highlighted the technical complexity of an FER, which necessitates proper discussions between the patent agent and the applicant. The judgment emphasised that merely conveying the existence of an FER over a brief phone call without forwarding the actual document or outlining the next steps could not be deemed adequate. The court had held that the patent agent bore a significant responsibility in ensuring proper prosecution and communication. Applying these principles to the present case, the court recognised the unique challenge posed by the petitioner's international engagement of patent agents and the resulting communication gap.

Given that the petitioner had no direct knowledge of the FER and had no opportunity to respond, the court found it appropriate to exercise its discretionary power to remedy the situation. The court set aside the abandonment order dated February 16, 2024, and directed the Indian Patent Office to reflect the status of the application as pending on its web portal within two weeks. Following this update, the petitioner was granted a further four weeks to submit its reply to the FER, which the Patent Office was instructed to consider in accordance with the law.

Significantly, the court refrained from making any findings regarding the negligence of the patent agents involved, limiting its decision to the extraordinary circumstances of the case. It acknowledged that the presence of two patent agents in different countries had contributed to the miscommunication and that such cases required a degree of judicial intervention to prevent the unfair loss of patent rights.

In conclusion, this case serves as a crucial reminder of the importance of clear and timely communication in patent prosecution. While legal procedures mandate strict compliance with deadlines, the court recognised that inadvertent lapses caused by miscommunication should not always lead to irreparable consequences. By reviving the patent application, the court reaffirmed the principle that justice must balance procedural rigour with fairness, particularly in cases involving international applicants navigating complex regulatory frameworks.

43. A Second Chance for Innovation: SPV Laboratories' Patent Restoration

Case: SPV Laboratories Private Limited vs The Controller General of Patents and Designs [C.A.(COMM.IPD-PAT) 41/2024]

Forum: High Court of Delhi

Judgment Date: December 12, 2024

Judgment: This case involves an appeal filed by SPV Laboratories Private Limited against the order of the Assistant Controller of Patents and Designs, which denied the restoration of a lapsed patent. The patent in question, No. 404239, pertains to a "Herbal Pain Relief Ointment and a Process for the Preparation Thereof," granted on August 23, 2022. The appellant sought relief under Section 117A of the Patents Act, 1970, challenging the refusal to restore the patent, which had lapsed due to the non-payment of the renewal fee.

SPV Laboratories was granted the patent in 2022, requiring payment of the first renewal fee by November 23, 2022. An extension for payment was permissible until May 23, 2023. However, the fee was not paid due to a family exigency affecting the appellant's attorney, specifically the death of the attorney's mother. Consequently, the patent lapsed, prompting SPV Laboratories to file a restoration application under Section 60 of the Patents Act, accompanied by Form-15, on June 9, 2023. The Assistant Controller of Patents reviewed the application but rejected it on June 13, 2024, citing non-compliance with the requirements under Section 60(3) of the Act and Rule 84(3) of the Patents Rules, 2003.

The appellant argued that the delay in payment was unintentional and caused by circumstances beyond their control. They emphasised their diligent efforts to maintain the patent, as evidenced by their timely filings of Form 27, which detailed the working of the patent for the financial years 2022 and 2023. The appellant also pointed out that the restoration application was filed within the statutory 18-month period from the date of cessation, demonstrating their intent to retain the patent rights. Furthermore, it was revealed that the Patent Office sent renewal reminders to the appellant's previous agent rather than the current one, adding to the procedural lapse.

The respondent, represented by the Controller General of Patents and Designs, argued that the responsibility to pay renewal fees rested with both the patentee and their authorised attorneys. They contended that the family exigency of one attorney did not justify the failure of the other attorney or the appellant to meet the statutory obligations. The respondent maintained that the appellant had failed to provide sufficient evidence to establish compliance with Section 60(3) of the Act, which requires demonstrating that the failure to pay was unintentional and that due care was taken.

Justice Amit Bansal, presiding over the matter, scrutinised the evidence and arguments presented by both parties. The court observed that the appellant had taken timely steps to rectify the lapse, including filing the restoration application within the permissible period. The court also acknowledged that the appellant had been proactive in complying with other statutory requirements, such as filing Form 27, which indicated their commitment to maintaining the patent.

The court criticised the Assistant Controller's rigid interpretation of the law, noting that procedural lapses should not result in the forfeiture of valuable intellectual property rights, particularly when the appellant had acted in good faith. Justice Bansal emphasised the need for a liberal approach in cases where the patentee's intentions to retain the patent were evident, and the procedural failure was not deliberate.

The court further noted that the Patent Office's failure to send renewal reminders to the current agent contributed to the lapse. It held that this administrative oversight should not penalise the appellant, who had no intention of abandoning the patent. The court concluded that the Assistant Controller erred in denying the restoration application, as the appellant had satisfied the criteria under Section 60 of the Patents Act.

In its judgment, the High Court set aside the impugned order of the Assistant Controller and directed the restoration of Patent No. 404239. The court instructed the Patent Office to accept the renewal fee along with any applicable penalties and ensure the patent's reinstatement. It further directed the Registry to communicate the order to the Office of the Controller General of Patents, Designs, and Trade Marks for compliance.

This case underscores the importance of balancing procedural compliance with equitable considerations in the realm of intellectual property law. The judgment reaffirms that procedural lapses, when accompanied by genuine efforts to rectify them, should not deprive innovators of their patent rights. By adopting a liberal approach, the court has reinforced the principle that intellectual property laws must facilitate innovation and protect inventors rather than penalise them for minor administrative oversights. This decision serves as a valuable precedent for future cases involving patent restoration, highlighting the judiciary's role in ensuring fairness and justice in the enforcement of intellectual property rights.

44. Pfizer's Patent Battle: Safeguarding Innovation Against Generic Infringement

Case: Pfizer Inc. & Ors. vs Everest Pharmaceuticals Limited & Ors. [CS(COMM) 118/2020]

Forum: High Court of Delhi

Judgment Date: December 13, 2024

Judgment: The case of Pfizer Inc. & Ors. vs Everest Pharmaceuticals Limited & Ors. is a significant patent infringement dispute in the pharmaceutical industry, reflecting the ongoing battle between global innovators and generic manufacturers. Pfizer Inc. and its subsidiaries, globally recognised for their research and development in pharmaceuticals, filed the suit against Everest Pharmaceuticals Limited and other entities, alleging infringement of their Indian Patents Nos. 241773 and 218212. These patents covered Tofacitinib and its pharmaceutical salts, particularly its mono-citrate form, which was the active ingredient in Pfizer's rheumatoid arthritis drug, Xeljanz®.

Pfizer, a pioneer in pharmaceutical innovation, has a long-standing commitment to the development of high-quality medical treatments, investing millions in research, patent protection, and regulatory approvals. The plaintiffs argued that they held exclusive rights over the patented drug and that the defendants had unlawfully introduced a generic version of the product, marketed as 'Tofaxen,' thereby violating Pfizer's intellectual property rights. The key defendant, Everest Pharmaceuticals Limited, a Bangladesh-based pharmaceutical company, along with various Indian distributors, was alleged to have supplied and sold the infringing drug in India, leading to significant losses for Pfizer.

Investigations by Pfizer revealed that the infringing drug was available for sale through several Indian distributors, including Kavya International in Delhi, SG Overseas in Gujarat, Life Care Medicos in Delhi, and Genius Remedies in Maharashtra. These entities were found advertising and selling the generic version of Tofacitinib through various online platforms, including IndiaMart. The plaintiffs commissioned an investigator who successfully procured the infringing product from these entities, thereby establishing the presence of unauthorized sales in India. Further, the investigation confirmed that Everest Pharmaceuticals was not only manufacturing the infringing product but was also exporting it to India and other countries, further expanding the scope of the violation.

Given the extensive evidence of infringement, the High Court of Delhi, on May 4, 2020, granted an ex-parte ad-interim injunction restraining the defendants from manufacturing, selling, distributing, advertising, or otherwise dealing in the infringing product, 'Tofaxen.' Despite summonses being issued, the defendants failed to appear before the court on multiple occasions, leading to further adverse orders against them. The court took strict measures, including freezing bank accounts and issuing bailable warrants against key defendants, to ensure compliance with its orders.

However, a significant development in the case was the expiration of the suit patents during the pendency of litigation. Indian Patent No. 241773 expired on November 23, 2020, while Indian Patent No. 218212 expired on November 25, 2022. With the expiration of the patents, the legal exclusivity Pfizer once enjoyed ceased to exist, rendering the demand for a permanent injunction moot. Consequently, on December 1, 2022, the injunction in favor of Pfizer was vacated, as there was no longer a legal basis to prevent the defendants from selling the product post-expiration of the patents.

Despite the expiration of the patents, the court proceeded with the suit and ruled in favour of Pfizer, holding that the defendants had indeed infringed upon the plaintiffs' patent rights during their subsistence. The court found that Everest Pharmaceuticals had deliberately manufactured and sold the infringing product in blatant disregard of Pfizer's exclusive rights. Furthermore, the distributors had engaged in illicit business practices, such as cash-only transactions and failure to issue proper invoices, to evade regulatory oversight. The fact that these generic versions were being sold without prescription raised concerns about public health and regulatory violations, adding another layer of seriousness to the infringement.

The court also took note of Everest Pharmaceuticals' repeated infringement of Pfizer's patents, citing prior cases where the company had been injuncted for similar violations. The persistence of such infringing activities led to Pfizer filing a contempt application against the defendants, demonstrating the blatant disregard for intellectual property rights within the industry. The court found that the defendants' actions not only caused financial harm to Pfizer but also undermined the regulatory framework meant to protect pharmaceutical innovation.

In its final judgment, the Delhi High Court ruled in favour of Pfizer, granting relief under clause 57(e) of the plaint. While the relief of permanent injunction was not pressed due to the expiration of patents, the court acknowledged the infringement and ordered the defendants to bear the litigation costs incurred by Pfizer. The plaintiffs were directed to submit a bill of costs, and the taxation officer was tasked with determining the actual litigation expenses to be recovered from the defendants.

While patents provide exclusivity and financial incentives for continued innovation, their expiration marks the entry of generics, often leading to price reductions and wider access to essential drugs. However, the infringement of patents before their expiration remains a significant legal issue, as evidenced by this case. The judgment serves as a deterrent to generic manufacturers who might seek to bypass patent laws, reaffirming the need for strict enforcement of intellectual property rights in India's growing pharmaceutical market.

DESIGNS

1. Design Infringement and Passing Off: TTK Prestige Ltd vs Arjun Ram & Anr.

Case: TTK Prestige Ltd vs Arjun Ram & Anr. [CS(COMM) 915/2022]

Forum: Delhi High Court

Order Dated: January 31, 2024

Order: The Plaintiff- TTK Prestige Ltd, filed this case seeking a judgment decree as the defendants had failed to appear. The Plaintiff referred to an order dated 19th October 2023, where the Court granted an ad interim injunction.

The defendants had previously appeared on multiple dates, as recorded in para 9 of the said order. Despite this, subsequent attempts to serve the defendants were unsuccessful, indicating a lack of response from the defendants.

The Court's order dated 19th October 2023 granted an ad interim injunction and subsequent attempts to serve the defendants through their counsel. Paragraphs 12 and 13 of the order highlight the Court's efforts to contact the defendants, which yielded no response or appearance on behalf of the defendants. Considering the defendants' repeated non-appearance and lack of response, the Plaintiff sought a decree in compliance with Order VIII Rule 10 of the Code of Civil Procedure, 1908.

The Court referred to its previous order dated 19th October 2023, where it adjudicated various aspects of infringement alleged by Plaintiff. The Court found that the defendants had replicated distinctive features of the Plaintiff's product, establishing prima facie cases of design piracy and trademark infringement.

The Court noted that the defendant's trade dress Paristone DELUXE was almost identical to the Plaintiff's Prestige, leading to a prima facie case of passing off. The

mail@lexorbis.com | www.lexorbis.com

defendants' actions were seen as potentially deceiving consumers and infringing on the Plaintiff's rights.

Considering the defendants' continued non-appearance, the Court decided to grant a decree in favour of the Plaintiff. The conclusions drawn by the Court in the previous order formed the basis for the decree.

The Court clarified that no decree or injunction was pressed against the defendant's use of their trademark "PARISTONE" unless used deceptively. Permanent injunctions were decreed against the defendants for engaging in specific activities related to manufacturing, selling, or using trade dress similar to Plaintiff's .

Hence, the Court passed a decree for permanent injunction restraining the defendants, their associates, dealers and agents, and all acting on their behalf from manufacturing, selling, offering for sale, exporting, advertising or directly or indirectly dealing in any manner (including online through websites or other shopping portals or offline) in pressure cookers (in any size or variation) bearing the impugned design or any other design being an obvious imitation of the Plaintiff's Design Registration No. 324727-001.

The Court further restrained the defendants, their associates, dealers and agents, and all acting on their behalf, from manufacturing, selling, offering for sale, exporting, advertising or directly or indirectly dealing in any manner (including online through websites or other shopping portals or offline) in pressure cookers or any other identical or similar/ cognate and allied goods using label/trade dress/ packaging or any other label/packaging/ trade dress which may be identical and or deceptively similar to the Plaintiff's packaging/label/ trade dress which is likely to cause confusion and deception amongst the consumers and amount to passing off.

2. Delhi High Court Remands Case Involving Alleged Design Infringement

Case: Pardeep Kumar, Proprietor Of T.G. Solar vs Prakash Enterprises & Ors [FAO (COMM) 65/2024 & CM APPL. 21504-05/2024]

Forum: Delhi High Court

Order Dated: April 10, 2024

Order: In a recent development, the Delhi High Court has issued an order remanding the case of Pradeep Kumar, the proprietor of T.G. Solar Pump, versus Prakash Enterprises & Others. The appellant, Pradeep Kumar, filed an appeal against an order dated 19.03.2024 passed by the learned Commercial Court in C.S. (COMM) No.184/2024. This order declined the appellant's request for an ad interim injunction restraining the respondents from infringing its registered designs as outlined in the plaint.

Pradeep Kumar alleged infringement of his registered designs concerning Solar Panel Trolleys (SPT) by Prakash Enterprises and others. The appellant claimed to hold nine registered designs for SPTs, asserting that the respondents were manufacturing similar SPTs. The appellant presented images of his SPTs constructed according to the registered design alongside those allegedly fabricated by the respondents.

It's noted that respondent No. 1 had previously been accused of infringement and had undertaken not to infringe upon the appellant's registered designs. However, the other respondents did not provide such an undertaking, and no cease-and-desist notice was issued to respondent No. 2.

The Commercial Court denied the ad interim order primarily because the appellant failed to demonstrate that the designs of SPTs manufactured and sold by the respondents were not registered. Additionally, the Court observed that invoices provided by the appellant did not mention design details, and no photographs of the allegedly infringing SPTs were submitted.

However, the High Court found the Commercial Court's reasoning insufficient. It noted that the appellant had provided details of their registered designs and highlighted the lack of evidence suggesting that the respondents' SPTs were based on registered designs.

The High Court, therefore, set aside the impugned order and remanded the matter to the Commercial Court. The Court directed the Commercial Court to reconsider the appellant's request to appoint a local commissioner without issuing any notice to the respondents. The case is scheduled to be heard again on 23.04.2024.

This decision by the Delhi High Court marks a significant development in the ongoing legal battle over alleged design infringement. The remand order provides an opportunity to further examine the evidence and underscores the importance of procedural fairness in intellectual property disputes.

3. Legal Showdown: Rishabh Plast India Takes Swastik Industries to Court Over Design Infringement

Case: Rishabh Plast India Private Limited V. Swastik Industries & Anr. [CS(COMM) 481/2024]

Forum: Delhi High Court

Order dated: May 30, 2024

Order: In the intricate realm of intellectual property rights, clashes often arise, showcasing the delicate balance between innovation and protection. One such saga unfolded in the case of Rishabh Plast India Private Limited vs Swastik Industries & Anr., illuminating the legal landscape surrounding design infringement in India.

Background

Rishabh Plast India Private Limited (plaintiff) is a well-known manufacturer in the plastic products industry, recognised for its innovative designs and high-quality offerings. The company registered a unique design for one of its key products under the Designs Act, 2000. This registration provided Rishabh Plast with exclusive rights to use and exploit the design, legally protecting it from unauthorised use by competitors.

Rishabh Plast's registered design for storage containers represents not just a product but a culmination of creativity and painstaking effort. Yet, Swastik Industries & Anr. (**defendants**), another player in the plastic industry, allegedly sought to replicate this design, sparking a fierce legal confrontation.

The plaintiff claimed that the defendant's products bore a design under the model's name '**JONY VINTAGE'** that was substantially similar to its own registered design for storage containers **'NIKOLA'**, leading to market confusion and potential damage to its business and thus faces accusations of capitalising on the goodwill and reputation built by the plaintiff over the years. The plaintiff also claimed that the products sold by the defendant had strikingly similar features, which were copied from the plaintiff's registered design.

The infringing activities of the defendants came to the knowledge of the plaintiff when the plaintiff received several complaints from consumers. Thereafter, the plaintiff sent a cease-and-desist notice dated January 08, 2024, to the defendants via email. To this, a response dated January 13, 2024, was received from the defendants wherein it was stated– ***firstly***, they found the plaintiff's assertion valid and acknowledged the same; ***secondly,*** they were undertaking not to use the infringing design in the future; ***thirdly,*** assuring that they would discontinue the infringing product with immediate effect; and ***lastly***, they would destroy manufacturing moulds, dies, and related apparatus uses to manufacture the infringing product and for the same, time until February 29, 2024 was sought.

However, post the said undertaking, the defendants continue with selling of infringing products, including advertising it through social media handles of Instagram and Facebook. As a result, the plaintiff has filed a suit seeking permanent injunctions and damages, which was admitted by the court.

Delhi High Court's Insightful Observation

The Delhi High Court meticulously analysed the designs in its order, focusing on substantial similarities and the likelihood of consumer deception. It upheld the plaintiff's exclusive rights, confirming that the defendant's design was not only similar but likely to mislead consumers, constituting an infringement.

The court granted the injunction in favour of Rishabh Plast India Private Limited, ordering Swastik Industries to cease using the infringing design immediately in all forms of manufacturing, marketing, and sales activities. The court's order emphasised the importance of protecting trademark rights to maintain business integrity and consumer trust.

The matter is now listed for further proceedings on October 16, 2024, wherein the court will further examine any additional evidence presented, assess compliance with the interim orders, and address any pending issues related to the case.

Conclusion

This case underscores the importance of design registration in protecting the unique visual appearance of products and preventing market confusion. It highlights the robust legal framework provided by the Designs Act, 2000, which safeguards the interests of design owners against unauthorised copying and use by competitors. The judgment reinforces the need for businesses to respect intellectual property rights and the legal consequences of infringement.

The implications of this case extend far beyond legal precedent. It serves as a clarion call for businesses to uphold ethical standards and respect the intellectual property rights of others. Moreover, it underscores the role of legal recourse in preserving innovation and fostering a climate conducive to creativity by protecting the rights of creators and innovators. The case of Rishabh Plast India Private Limited vs Swastik Industries & Anr. thus becomes a cornerstone in the ongoing evolution of design protection in India.

mail@lexorbis.com | www.lexorbis.com

PERSONALITY RIGHTS

1. The Cyber Showdown: Jackie Shroff's Battle Against Digital Infringement

Case: Jaikishan Kakubha Saraf alias Jackie Shroff v. The Peppy Stores & Ors. [CS(COMM) 389/2024]

Forum: Delhi High Court

Order dated: May 15, 2024

Order: Renowned Indian actor Jackie Shroff recently filed a lawsuit to protect his name, image, and other distinctive attributes from unauthorised use online. In the court proceedings before the Delhi High Court, Shroff detailed various infringements and sought protection for his personality rights, publicity rights, and trademarked identities.

Beyond his acting career, the plaintiff highlighted his efforts in brand cultivation, evident in trademarks like 'BHIDU' and 'Bhidu ka khopcha,' as well as social media handles like @apnabhidu and @bindasbhidu. The plaintiff stated that his commercial endorsements rely on his distinct personality traits, which are protected under his personality and publicity rights. He also emphasised the importance of safeguarding his name, voice, image, and unique mannerisms, which are crucial to his public identity, the unauthorised use of which infringes on his exclusive rights.

Additionally, it was claimed that the plaintiff's name, "JACKIE SHROFF," holds substantial goodwill and is globally recognised, with associated names like 'Jackie,' 'Jaggu Dada,' and 'Bhidu' exclusively linked to him. The plaintiff asserted that these names are protectable trademarks under the Trademarks Act of 1999, along with personality rights, copyright protection, common law rights against passing off and unfair competition, and trademark rights marks like 'BHIDU' and 'Bhidu Ka Khopcha.'

The lawsuit identified several parties engaging in activities infringing upon Shroff's rights, including online retailers selling merchandise featuring his likeness to content creators distorting his image for commercial gain. The plaintiff accused Defendant No. 1 of selling wall art featuring animated images of the plaintiff alongside other actors on their website, which the Defendant confirmed has been removed. Defendant No. 1 argued that the artwork while resembling the plaintiff, fell under fair use and cited a prior Instagram video in which the plaintiff appeared to appreciate similar artwork.

The Court's assessment carefully weighed the balance between Shroff's rights and the defendants' creative expression, recognising the complexities of modern digital culture. The Court noted that the facts presented by the plaintiff undoubtedly established his status as a celebrity. The Court relied on ***D.M. Entertainment Pvt. Ltd. v. Baby Gift House***, wherein it was held that the right of publicity protects individuals against the unauthorised use of their personality, which includes their name, image, voice, and other distinctive attributes. The Court also recognised that such unauthorised use could lead to unearned commercial gain for another party, thereby infringing on the individual's personality rights.

The Court applied this principle to the present case and stated that the alleged activities of some of the defendants, on a prima facie basis, resulted in commercial benefits through the unauthorised exploitation of the plaintiff's personality. The defendants had utilised the plaintiff's name, image, voice, and other unique characteristics without permission, infringing on his personality and publicity rights.

Defendant No. 2, an online store, stated they removed infringing listings and wouldn't use the plaintiff's attributes further. The plaintiff also raised objections against a video produced by Defendant No. 5, which compiles interviews with the plaintiff and adds elements like a photoshopped gold chain and sunglasses with the caption "Thug Life." The plaintiff argued it portrays him derogatorily, with the term "Thug Life" associated with rebellion, and objected to monetising the video, which garnered 1.3 million views.

The Court examined the video titled "JACKIE SHROFF IS SAVAGE (*) JACKIE SHROFF THUG LIFE!" and noted that the term 'Thug Life' is commonly used in rap music and social media to denote resilience and toughness, often with humour. The video, comprising interview clips of Mr Shroff with added elements like 'Thug Life' captions, could be interpreted as a tribute to his assertive demeanour rather than a derogatory portrayal. Moreover, it aligns with meme culture's celebration of boldness. The Court awaits Defendant No. 5's response to the plaintiff's allegation of tarnishing his reputation.

Additionally, the Court acknowledged the substantial viewership of such videos on YouTube, highlighting their popularity as humorous renditions of public figures' interviews. These videos, akin to memes or parodies, contribute to a growing comedic genre on the platform and serve as a vital source of income for creators, particularly the youth. Restricting such creative expressions could have significant consequences, including stifling freedom of expression. Therefore, the Court refrained from granting an ex-parte ad-interim injunction against Defendant No. 5 until hearing their response.

However, Defendants Nos. 6 and 7 created videos with distortions and profane language that were prima facie prejudicial to the plaintiff's reputation. While Defendant No. 7 removed the infringing video, Defendant No. 6's video remained, distorting the plaintiff's face and featuring profane language. The Court found these actions tarnishing the plaintiff's reputation and granted an ad-interim injunction against them.

Further, the Court noted that Defendant No. 13 operated an unlicensed chatbot platform featuring a chatbot imitating the plaintiff's responses, likely infringing on the plaintiff's personality rights and warranting restraint. Defendant No. 14 sold wallpapers of the plaintiff, which prima facie violated the plaintiff's personality rights.

Defendant No. 18, identified as John Does, was involved in hosting pornographic content using the plaintiff's name and selling infringing merchandise. These actions were prejudicial to the plaintiff's reputation and violated his personality rights, justifying an ex-parte ad interim injunction against them.

Considering the above, the Court stated that the plaintiff had established a prima facie case for an ex-parte injunction. The balance of convenience favoured the Plaintiff against Defendants Nos. 3-4, 6-7, 13, and 14, and failure to grant an injunction would result in irreparable harm to the plaintiff financially and in terms of dignity.

Hence, the Court restrained the defendants from infringing the plaintiff's personality/publicity rights by utilising/exploiting/misappropriating the plaintiff's name 'JACKIE SHROFF" and other sobriquets, including "JACKIE" and "JAGGU DADA", voice, image and for making downloadable wallpaper, creating distorting videos of the plaintiff which tarnishes his reputation and violates his moral rights for any commercial purpose, by commercially using an unlicensed Al chatbot that uses attributes of the plaintiff's persona, in any manner without his consent and authorisation.

The Court further directed the Department of Telecommunications (DoT) and the Ministry of Electronics and Information Technology (MeitY) to issue necessary directions to telecom and internet service providers to block the infringing URLs/ links.

The legal action in this matter underscores the evolving landscape of intellectual property rights in the digital age, where public figures navigate complex challenges posed by online content creation and dissemination. Shroff's case is pivotal in defining the boundaries between creative freedom and protecting individual rights in the digital sphere.

mail@lexorbis.com | www.lexorbis.com

2. Bombay High Court Grants Interim Relief to Karan Johar in Personality Rights Case

Case: Karan Johar vs IndiaPride Advisory Pvt. Ltd. & Ors. [Interim Application (L) NO.17865 of 2024]

Forum: Bombay High Court

Order dated: June 13, 2024

Order: In the recent dispute titled *Karan Johar v. Indian Pride Advisory Pvt. Ltd & Ors. COMM IPR SUIT (L) NO. 17863 OF 2024*, the Bombay High Court, *vide* its order dated June 13, 2024, granted interim relief to the Plaintiff Karan Johar by restraining the release of the film "Shadi Ke Director Karan Aur Johar" / "Shadi Ke Director Karan Johar", which amounted to unauthorised use of the Plaintiff's name in the title of the said film, and further affecting the personality rights as well as other related rights of the Plaintiff.

<u>Background of the Case</u>

The Plaintiff, Karan Johar, is a renowned Bollywood film producer and director who has given major blockbuster movies. In the present case, the Plaintiff has filed an interim application before the Bombay High Court, seeking an order of temporary injunction, for restraining the Defendants Indian Pride Advisory Pvt Ltd. & Ors. from unauthorisedly using the Plaintiff's name "Karan Johar" or making any other attributes/references of the Plaintiff in any manner, in the title, promotion, endorsement and publicity of the film, "Shadi Ke Director Karan Aur Johar" / "Shadi Ke Director Karan Johar". Additionally, the Plaintiff has also prayed for restraining the Defendants from releasing the said film on any mode or medium whatsoever, including theatres, or running any promotional campaign on social media in relation to the said film, including the trailers, until and unless the Defendants removes the name/reference of the Plaintiff from the title of the said film.

The grievance of the Plaintiff is the title of the said film, stating that the Defendants have unauthorizedly made use as well as direct reference of the Plaintiff's name, "Karan Johar", in the said film, along with the inclusion of the term "Director" in the title of the film. Plaintiff stated that there is clear mala fide intent apparent on the face of the Defendants for misleading the public so as to make them believe that the said film is associated with Plaintiff. Plaintiff further pointed out that the trailers of the film indicated that the film is about individuals named "Karan" and "Johar" who collaborate to become Bollywood directors and are shooting a Bollywood film.

The Plaintiff argued that the Defendants ought to have been aware of the brand name and reputation of the Plaintiff, since both the parties are in the same line of business, and through such unauthorised and illegal use of its name, the Defendants are seeking to capitalise itself by making unjust profits/unlawful gains at the expense of the Plaintiff, and thereby causing wrongful losses to the Plaintiff. The Plaintiff stated that it is a settled position of law that when an entity has obtained a celebrity status, it tends to secure personality rights, rights of publicity and right to privacy unless his consent is taken for using his personal attributes such as his name and profession.

In support of his arguments, the Plaintiff relied upon the decision of *Mr. Shivaji Rao Gaikwad v Varsha Production* 2015 (62) PTC 351 (Madras), in which the Madras High Court had dealt with the issue of the personality rights of south superstar Rajnikanth. The Plaintiff relied upon the operational portion of the said decision, in which the court examined the earlier law on the right of publicity and privacy, and it stated that the said law has evolved from the right of privacy, which can inhere only in an individual or in any indicia of an individual's personality like his name, personality traits, signature, voice, etc.

The court further observed that personality rights tend to vest on those persons having attained the status of being a celebrity. The court rejected the contentions of the Defendants as to the name "Rajnikanth," which is a common name and does not refer to the Plaintiff alone. The court also rejected the argument of the Defendant that personality rights have not been recognised under statute in India, whereas it has already been held that various courts in India have recognised personality rights, and thus, the court granted an injunction in Plaintiff's favour.

Apart from the above decision, the Plaintiff relied upon various other judicial precedents, in which the issue of personality rights was at the forefront, such as *Anil Kapoor Vs. Simply Life India and Ores*., *Arun Jaitley Vs. Network Solutions Private Ltd. & Ors*, and *Titan Industries Ltd. Vs. M/s. Ramkumar Jewellers*. The

Defendants were duly served with the suit papers through various modes, including emails, WhatsApp, and Facebook, as well as by hand delivery, which was duly acknowledged on receipt by those present at the office of Defendant No. 1. Despite this, Defendants did not contest the matter.

Observation:

The court, after hearing the submissions, observed that the Plaintiff has been able to make out a strong *prima facie* case in its favour for the protection of his personality rights, in view of his popularity and fame in the film industry and has given several blockbuster movies, which have transformed the careers of several successful actors. The court accepted the submissions of the Plaintiff that the said film amounted to an unauthorised/unlawful use of the Plaintiff's name. The court observed that by using the term "Director" with "Karan Johar" in the title of the said film, the Defendants are unauthorisedly using and interfering with the personality rights of the Plaintiff, which will result in creating confusion in the minds of the public at large that the said film is associated with the Plaintiff, as the public will identify and associate the use of the Plaintiff's name with the title of the said film only after becoming aware of the said film.

The court took note of the judicial precedents, in which the personality rights of the individuals who have obtained the status of a celebrity have been duly protected and enforced. The court held that the Defendants have thus, *prima facie*, violated the personality rights, right to publicity and right to privacy of the Plaintiff. Accordingly, the court granted an interim relief to the Plaintiff. The matter has now been listed for further consideration on July 10th, 2024.

Conclusion

The above case law highlights the scenario of how, in the recent past, Bollywood celebrities and personalities have often been subjected to wilful misuse of their celebrity status in the recent past. As a result, to secure such protection and retain their status, they have no other option but to seek the intervention of the courts. The courts have even taken judicial notice of the misuse of personality rights by celebrities like Amitabh Bachchan, Anil Kapoor, and Jackie Shroff in the recent past.

The personality rights of an individual are analogous to the source of livelihood of such an individual, and hence, any unauthorised or illegal attempt to violate such rights would be tantamount to misappropriation of such status and fame which the celebrities have achieved in the years of struggle. In today's time, wherein technology is at its rampant pace, especially with the advent of AI, it is high time that the government came out with legislation in order to enforce and recognise celebrity status and foster public awareness and education about personality rights.

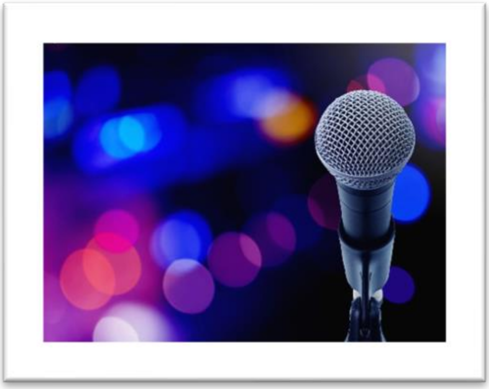
mail@lexorbis.com | www.lexorbis.com

3. Arijit Singh's Legal Battle: A Landmark Case in Celebrity Rights

Case: Arijit Singh vs Codible Ventures Llp [INTERIM APPLICATION (L) NO.23560 OF 2024]

Forum: Bombay High Court

Order dated: July 26, 2024



Order: In a landmark case before the Bombay High Court, celebrated playback singer Arijit Singh took a stand to defend his personal brand and artistic work against unauthorized commercial exploitation. Arijit Singh filed the case under Interim Application (L) No. 23560 of 2024 against Codible Ventures LLP and other entities, marking a significant moment in the legal protection of celebrity personas in the digital age.

This case centred on Arijit Singh's rights to protect his traits, including his name, voice, and image, from unauthorized commercial use. The case also referenced Section 38-B of the Copyright Act, 1957, regarding moral rights in performances, strengthening Arijit Singh's control over his persona.

Background

Arijit Singh, a globally renowned singer known for his dynamic performances, initiated the lawsuit to address multiple misuses involving his persona. The case involved several key issues:

- **AI Voice Replication:** Defendants 1-8 were accused of using advanced AI technologies to replicate Plaintiff's voice and personal traits without consent. These AI platforms generated synthetic versions of the Plaintiff's voice for commercial purposes, infringing his legal rights and jeopardizing his established reputation.
- **Falsely Representing an Association with the Plaintiff:** Defendant No. 9, a Bengaluru restaurant/pub, used the Plaintiff's name and image without

permission to promote an event. Additionally, Defendant No. 37 misleadingly advertised a virtual music event on www.maicity.io, suggesting Plaintiff's involvement or endorsement, which was not authorized.

- **Unauthorized Merchandising:** Plaintiff stated that Defendants 11-23 were selling merchandise featuring his name, image, and likeness without authorization. This included t-shirts and posters that exploited his public persona for financial gain, violating his personality and publicity rights.
- **Unauthorized Use of GIFs Featuring the Plaintiff:** Defendants Nos. 24 and 25 allowed users to create, store, and share GIFs of the Plaintiff's performances, exploiting his image and likeness without permission. This unauthorized use has commercialized the Plaintiff's persona, causing reputational harm and undue embarrassment.
- **Misrepresentation and Domain Issues:** The lawsuit also addressed the misrepresentation of the Plaintiff's association with certain events and the registration of domain names using his name. Such actions misled the public and exploited his image and brand for commercial profit.

Legal Precedents and Context

The Plaintiff relied on established legal principles to protect his rights from unauthorized commercial exploitation. Key precedents included:

- Karan Johar v. Indian Pride Advisory Pvt. Ltd.: Affirmed that unauthorized use of a celebrity's persona violated their personality and publicity rights.
- Anil Kapoor v. Simply Life India: Emphasized the harm caused to a celebrity's livelihood through unauthorized image use.
- R. Rajagopal v. State of T.N.: The Supreme Court recognized the right to privacy, including protection against unauthorized commercial use of one's persona.

Court's Findings and Interim Orders

The Court, recognizing the urgency and importance of the allegations, permitted an ex-parte motion to advance the Plaintiff's claims without notifying the defendants beforehand.

The Court stated that it is now well-settled that celebrities are entitled to protect the facets of their personality, such as their name, images, likeness, voice, signature, etc., against unauthorized commercial exploitation by third parties.

Hence, the Court's prima facie view is that the Plaintiff has made a strong case for granting an ad-interim injunction, which may also operate as a dynamic injunction. The noted that the balance of convenience is in favour of the Plaintiff and against the Defendant. Unless the reliefs as prayed for are granted, the Plaintiff will suffer irreparable injury that cannot be compensated in money.

Thus, the Court issued a temporary injunction to prevent the defendants from using the Plaintiff's personality traits commercially. This injunction covered various forms of misuse, including unauthorized merchandise, domain names, and AI-generated content.

Specific Directions:

Defendants 1-25, 37, 38: These parties were restrained from using Singh's name, image, and other personal traits without his consent.

Defendants 26, 27, 30: Ordered to lock or suspend the domain names "arijitsingh.com" and "arijitsingh.in," with no transfer of these domains to third parties until further court review.

Defendants 1, 2, 7: Directed to remove all references to Singh from specific online videos.

Defendants 26-36: Required to disclose details of other involved defendants and cooperate with Singh in implementing the Court's orders.

The Court instructed the defendants to comply with the interim orders and provide necessary details within two weeks. The Court scheduled a review of the case for September 2, 2024, to consider additional reliefs, and the interim orders remain effective until September 3, 2024.

Conclusion

The advancement of AI technologies capable of creating unauthorized voice models and digital likenesses has introduced a modern challenge to the legal framework. This case highlights how technological advancements can infringe on personal rights and underscore the necessity for strong legal protections to safeguard creative professionals.

Arijit Singh's legal action represented a pivotal moment in the defence of celebrity personas in the digital age. The case addressed urgent concerns about the misuse of personal attributes and set a precedent for how the law would adapt to emerging forms of digital infringement. Arijit Singh's battle underscores the ongoing and pressing need for legal mechanisms to protect individuals from unauthorised exploitation, ensuring celebrities can maintain control over their brand and creative legacy.

mail@lexorbis.com | www.lexorbis.com

4. Protecting Personality and Media Rights: The Rajat Sharma Case

Case: Rajat Sharma & Anr. vs. Tamara Doc & Ors. [CS(COMM) 1147/2024]

Forum: High Court of Delhi

Judgment Date: December 18, 2024

Judgment: The matter was regarding the protection of personality rights, trademark infringement, and unauthorised use of digital content belonging to prominent journalist Rajat Sharma and his news channel, India TV. The plaintiffs, Rajat Sharma and Independent News Service Pvt. Ltd. (which owns India TV), filed a suit against multiple defendants, alleging unauthorised use of Rajat Sharma's name, image, and voice, as well as infringement of India TV's registered trademarks and copyrighted news content. The case raises critical issues related to digital impersonation, misrepresentation, and artificial intelligence (AI) use in fabricating and distributing false content.

The plaintiffs sought a permanent injunction restraining the defendants from engaging in activities that violated Rajat Sharma's personality rights and misappropriated India TV's intellectual property. They alleged that the defendants were exploiting Sharma's public image by creating and circulating fabricated content, including AI-generated videos and deepfake technology, falsely portraying him as endorsing various medical products and remedies. These videos and other misleading materials were being disseminated on social media and other online platforms.

Rajat Sharma, a respected journalist and the host of the popular television show Aap Ki Adalat, enjoys considerable public recognition. His reputation and credibility, built over decades, have made him a trusted figure in Indian news broadcasting. The plaintiffs argued that the defendants had unlawfully used Sharma's image and likeness to endorse fraudulent health remedies for diabetes, joint pain, and other ailments. They contended that such misrepresentation not only

mail@lexorbis.com | www.lexorbis.com

harmed Sharma's personal reputation but also deceived the public into believing that he had endorsed these dubious products.

The lawsuit also alleged that the defendants were engaging in trademark infringement by misusing India TV's registered trademarks, including its name and logos, to lend credibility to their misleading content. Unauthorised use of India TV's broadcast footage and show clips further compounded the infringement claims, as such acts violated the company's copyright in cinematographic works under the Copyright Act, 1957.

Additionally, the plaintiffs contended that the use of AI and deepfake technology to manipulate Sharma's voice and image amounted to a violation of personality and publicity rights. They emphasised that personality rights protect public figures from unauthorised commercial exploitation of their name and likeness. In this case, the false endorsements presented a significant risk, as they misled the public into purchasing unverified medical treatments, potentially endangering health and safety.

The court examined the plaintiffs' claims and found a prima facie case in their favour. The court recognised the serious implications of the alleged misrepresentation, not only for Sharma's reputation but also for public trust in legitimate journalism. The court noted that digital impersonation, particularly through AI-driven content manipulation, posed new challenges in legal enforcement and protection of individual rights.

The court emphasised that unauthorised use of Rajat Sharma's name, voice, and likeness—especially in the context of fraudulent health endorsements—amounted to unfair trade practices and was a clear violation of his personality rights. It acknowledged that public figures, particularly journalists, rely on their credibility, and any misrepresentation could cause irreparable harm to their professional integrity.

On the issue of trademark and copyright infringement, the court found that the defendant's actions amounted to the unauthorised exploitation of India TV's intellectual property. The misuse of the channel's name, branding, and broadcast footage in misleading content violated its exclusive rights as a media entity. Given the increasing concerns over digital content manipulation, the court observed that strong enforcement of intellectual property laws was necessary to prevent reputational damage and public deception.

Given the urgency of the matter, the Delhi High Court issued interim relief in favour of the plaintiffs. The court granted an ex parte ad interim injunction, restraining the defendants from using Rajat Sharma's name, image, voice, or any other aspect of his personality without explicit authorisation. The court also restrained the defendants from employing AI, deepfake, or any digital technology to manipulate Sharma's likeness in a manner that creates false endorsements or misleading associations and misusing India TV's trademarks, logos, or brand identity to falsely imply an association with the fraudulent content They were also restrained from infringing India TV's copyrights, including unauthorised reproduction and dissemination of its shows and news footage.

The court also directed Meta Platforms Inc. (Facebook's parent company) to remove and block specific URLs containing misleading content. Additionally, the Department of Telecommunications (DoT) and the Ministry of Electronics & Information Technology (MeitY) were instructed to take necessary steps to prevent further circulation of the infringing material.

Recognising the potential for ongoing violations, the court allowed the plaintiffs to file affidavits identifying additional infringing content during the course of the proceedings. The plaintiffs were granted the liberty to seek further take-down requests if new instances of digital impersonation emerged.

This case sets an important precedent in personality rights and digital impersonation law in India. By acknowledging the risks posed by AI-generated deepfake content, the court has reinforced the need for strong legal protections against unauthorised digital exploitation of public figures. The ruling underscores the judiciary's proactive approach to addressing emerging threats in the digital age, particularly in cases where technology is used to deceive the public and tarnish reputations.

For celebrities, journalists, and public figures, this ruling provides a strong legal foundation for pursuing action against unauthorized digital use of their persona. It also places responsibility on digital platforms and regulatory authorities to prevent the misuse of AI and deepfake technologies for fraudulent purposes. As India's legal landscape continues to evolve with technological advancements, this case serves as a crucial step in shaping the future of digital rights protection, intellectual property enforcement, and ethical AI regulation.

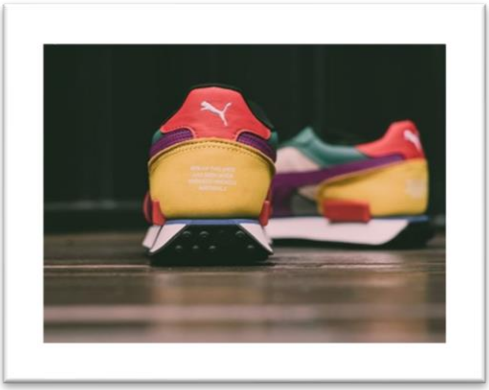
DOMAIN NAMES

1. Trademark Turmoil: PUMA's Legal Battle Against Counterfeits on IndiaMART

Case: Puma Se vs Indiamart Intermesh Ltd [CS(COMM) 607/2021]

Forum: Delhi High Court

Order Dated: January 3, 2024



Order: This suit was filed by PUMA SE (plaintiff) against the website www.indiamart.com owned by IndiaMART IndiaMESH Ltd. for displaying various counterfeit goods bearing fake "Puma" marks, put up by third-party sellers for purchase.

Puma SE is one of the world's leading manufacturers of sportswear and accessories. It uses distinctive logos, which are its source identifiers. "PUMA" is registered in the plaintiff's name as a word mark. The defendant IndiaMART IndiaMESH Ltd ("IIL") operates the website www.indiamart.com. Merchandise from various manufacturers is available on the said website.

The website allows a consumer to enter a search option in the space provided. The plaintiff's grievance is that if one enters, in the said space, the search word "PUMA", various counterfeit goods bearing fake "Puma" marks, put up by third-party sellers, are displayed for purchase. These goods also bear the plaintiff's registered trademarks.

The plaintiff submitted that most of the goods that various sellers put up as genuine PUMA sportswear or allied products are, in fact, counterfeits. IIL's IndiaMart e-commerce website is, therefore, being used to peddle counterfeit goods of the plaintiff. Using the plaintiff's registered trademarks on such counterfeit goods amounts to infringement within the meaning of Section 29 of the Trademarks Act, 1999. It was alleged that by using the said marks, the goods on which they are used and sold on the IndiaMart e-commerce platform are also, therefore, being passed off as genuine goods of the plaintiff.

mail@lexorbis.com | www.lexorbis.com

The plaintiff's grievance against IIL, the sole defendant in the suit, is that IIL is aiding, abetting, and facilitating such infringement and passing off. IIL does no prior verification before accepting a seller registered on its website as peddling the goods of a particular reputed brand. The result is that IIL's IndiaMart platform is used to market counterfeit goods, in the bargain defrauding customers, infringing the plaintiff's registered trademarks, and passing off the counterfeit goods as the plaintiff's goods.

By not conducting any verification of the seller's credentials and by providing "Puma shoes" as a drop-down option that the seller can choose while registering himself as a dealer in a particular product or product range, it is alleged that IIL is facilitating infringement and passing off by sale of counterfeit products. He alleges this amounts to aiding and abetting infringement and passing off.

The Court noted that it is a settled principle of law that the expression "in advertising" is not synonymous with "in an advertisement". For a registered trademark to be regarded as having been used "in advertising", therefore, it is not necessary that the registered trademark must feature in an advertisement. Thus, using a trademark as a keyword to trigger the display of an advertisement for goods or services would amount to using the trademark in advertising.

Therefore, in the present case, the use of the plaintiff's registered trademark as one of the drop-down choices available to the seller at the time of registration with the IndiaMart platform would also amount to "use" of the trademark within the meaning of Section 2(2)(b) and 2(2)(c)(i). Section 2(2)(b) clarifies that any reference in the Trademarks Act to the use of a mark shall be construed as a reference to the use of printed or other visual representation of the mark.

The Court observed that though the "Puma shoes" option provided in the drop-down menu is visible only to the seller at the time of registering himself with the IndiaMart platform and is not visible to the consumer who visits the website with intent to purchase goods, and though it is provided only at the "backend" of the registration process, the providing of the option itself constitutes "use of a mark" of the plaintiff, within the meaning of the Trade Marks Act.

IIL does not include all brands in its drop-down menu but only selects brands of reputed manufacturers. There is a conscious participation by IIL in determining the drop-down choices. Thus, a prima facie case of infringement within the meaning of Section 29(1), (2) and (4) of the Trademarks Act exists.

On the aspect of safe harbour, the Court observed that Rule 3(1)(b)(iv) of the IT Rules requires every intermediary to make reasonable efforts to cause users of its computer resource not to host, display or upload any information that infringes any patent, copyright, or other proprietary rights. Having been cautiously inserted, this requirement must be given a strict interpretation. Strict adherence and compliance with the requirements are mandatory.

Rule 3(1)(b)(iv) of the IT Rules has to be read alongside Section 79 of the IT Act. While sub-section (1) of Section 79 insulates an intermediary from third-party information, data or communication links made available or hosted by it, subsection (2) sets out the circumstances in which this protection would be available and sub-section (3) sets out the circumstances in which this protection would not be available. Both these provisions prima facie against IIL in the present case.

The Court further observed that Section 79(2) stipulates the three circumstances in clauses (a), (b) and (c) thereof, in which Section 79(1) would apply. Of these, clauses (a) and (b) are separated by the conjunction "or", whereas there is no conjunction between (b) and (c). One presumes, however, that clauses (b) and (c) are also to be deemed as having been separated by the conjunction "or".

This indicates that it is not necessary that all three clauses (a) to (c) must simultaneously apply for Section 79(1) to apply and that Section 79(1) would apply if any one of the three clauses (a) to (c) of Section 79(2) is applicable. In the present case, however, none of the three clauses (a) to (c) of Section 79(2) applies. Thus, As IIL has, therefore, prima facie aided the commission of the unlawful act of counterfeiting and infringement, it cannot claim the benefit of safe harbour under Section 79(1).

Thus, the Court held that the plaintiff has been able to make out a prima facie case of infringement by IIL of the plaintiff's Puma trademark as would justify it to an injunction as sought.

2. Why Well-Known Marks Need That Extra Protection

Case: Infiniti Retail Ltd. v. Croma-Share [CS(COMM) 838/2022 & I.As. 20435/2022, 863/2023]

Forum: Delhi High Court

Order Dated: January 19, 2024

Order: A well-known trade mark deserves protection against unauthorised use across all categories of goods and services. It flows from its exalted reputation, and its unauthorised use has the potential to cause confusion and deception to mislead the public and members of trade. An unscrupulous entity may also misuse a well-known trade mark to defraud the public and obtain an undue commercial advantage.

In a recent case decided on January 19, 2024, by the Delhi High Court, protection against misuse of a well-known trademark was awarded to the plaintiff, namely, Infiniti Retail Limited, the proprietor of the well-known and registered trademark CROMA. As the defendants, M/s Croma-Share & Ors., did not appear before the court despite being summoned, the matter was heard *ex-parte*. It was the case of the plaintiff that they owned trademark registrations for the marks CROMA, cromā, INFINITI RETAIL, and their formatives. The plaintiff offered a wide range of electronics, consumer products, household and kitchen appliances, mobile phones, computers, audio and video products, cameras, grooming and wellness products, etc., at more than 260 stores spread across India as well as through their website www.croma.com. The plaintiff's goods and services were first launched in 2006 and garnered significant goodwill. Its mark CROMA / cromā, a coined term, had been declared a "well-known trademark" by the Trade Marks Registry on February 24, 2020. In November 2022, after receiving several complaints, the plaintiff discovered that the defendants were operating the websites "www.croma-share.com", "www.croma-2.com",

mail@lexorbis.com | www.lexorbis.com

“www.croma-1.com”, and www.croma-3.com with the modus operandi to defraud people by taking money under the pretext of recruiting them for part-time jobs with “CROMA”/ the plaintiff company. The job description required the recruitees to shop online to help increase sales in return for a commission along with a refund of the principal amount.

The process was divided into different levels, requiring the recruitees to pay increasing amounts of money for each subsequent level, from Rs. 180/- to Rs. 42,000/-. When the recruitees asked the defendants for proof of authenticity, the defendants supplied false and fabricated employee IDs, corporate registration in Belize, communications bearing the plaintiff company's letterheads purportedly signed by the plaintiff’s CEO, etc.

The court, on December 5, 2022, while issuing summons, passed an *ex-parte* ad-interim injunction restraining the defendants from infringing the plaintiff’s CROMA marks through instances such as misuse of the trademark or registering corporate names, domain names, including the impugned websites viz. www.croma-share.com, www.croma-2.com, www.croma-1.com and www.croma-3.com or listings on social media and e-commerce websites.

The court observed that the impugned websites depicted the plaintiff's CROMA mark and solicited personal information and money from the consumers/recruitees. As the domain names fully incorporated the plaintiff’s CROMA mark, the unsuspecting public was deceived into believing they were securing a lucrative job offer at the plaintiff's company, thereby falling prey to the defendants' ploy.

The court noted that the likelihood of confusion was evident and that the defendants’ activities amounted to infringement and passing off of the plaintiff’s CROMA marks. The court also acknowledged the submissions of the plaintiff that since the impugned websites also emulated the terms and conditions of use, privacy policy, etc., displayed on the plaintiff's website, www.croma.com, it amounted to infringement of the plaintiff’s copyright vested therein.

The court held and observed that since the plaintiff had a high standing in the market and its CROMA mark also enjoyed a well-known status, the impugned activities of the defendants were causing irreparable loss to the goodwill and reputation of the plaintiff. Thus, the plaintiff was entitled to a permanent injunction as sought. The court also ordered that the impugned websites be permanently blocked and the UPI IDs and mobile numbers of the defendants, as mentioned in the plaint, be permanently suspended and disabled.

Trademarks are part of the unique identity of proprietors and their products and services, and they should be protected. Building a reputation that the courts will protect takes much time, resources, and investment. The courts' protection for well-known trademarks will encourage their proprietors to expand their business activities and safeguard against misuse and fraud.

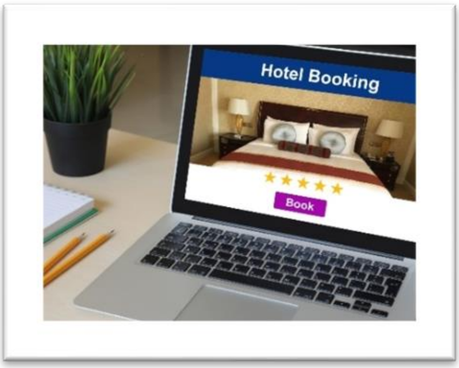
mail@lexorbis.com | www.lexorbis.com

3. Curtailing Online Fraud: Delhi High Court Issues Directions Against Fake Hotel Booking Websites

Case: The India Hotels Company Limited vs John Doe and Others. [CS(COMM) 370/2024]

Forum: Delhi High Court

Order dated: May 07, 2024



Order: A significant crackdown was initiated through court orders against fraudulent and illegal activities by people involving fake hotel booking websites. In this case, Defendant No. 1 were the unknown persons who were impleaded in the suit as John Doe(s), and the said defendant contacted unwary customers through their fake and infringing websites.

The fraud perpetuated by Defendant No. 1 is that they displayed the plaintiff's registered trademark, GINGER, on their websites and used genuine photographs of the plaintiff's hotels. Using these fraudulent websites, Defendant No.1 induced customers to book rooms by contacting them at phone numbers given on their websites. They offered to book hotel rooms under the guise that they were booking the reservations on the plaintiff's official website. Once the customers were engaged, the defendant manipulated the customers into making payments for ‘reservation charges’ on certain UPI IDs or by asking customers to divulge sensitive banking details, including OTPs and card information. These deceitful operations and infringing activities by Defendant No.1 resulted in substantial financial losses for many consumers as well as to the plaintiff.

The fraudulent conduct of the Defendant No. 1 went beyond just financial fraud. They also infringed upon the trademarks and copyrights belonging to the plaintiff. By falsely associating themselves with the plaintiff's brand GINGER, the defendant engaged in “passing off” as well, misleading the public and unfairly gaining from the plaintiff's established goodwill.

Considering the evidence presented by the plaintiff, the Court intervened to address these gross and blatant violations. Recognising the prima facie case presented by the plaintiff, the Court issued an injunction order prohibiting Defendant No. 1 from using the registered trademark of the plaintiff as well as from using copyrighted photographs of Plaintiff's GINGER Hotel properties.

The Court also directed the domain name Registrars responsible for the infringing websites to suspend the domains and provide complete details about the registrants, including their identities, contact information, and particulars of the payment. Such information sought by the Court, was very crucial in knocking down the fraudulent network of the Defendant No.1 and also those responsible for such illegal actions.

The Court order also extended to several Banks, who were directed by the Court to suspend operations in connection with the fraudulent UPI IDs used by Defendant No. 1. In addition, the National Payment Corporation of India was also directed to suspend the UPI IDs used by the Defendant No. 1 and to submit detailed information, including KYC documents, associated with those accounts. These steps were crucial in cutting off the financial network that aided the fraudulent transactions.

This case and such legal action serve as a reminder of new tactics that are employed by cyber criminals to exploit the online marketplace. The case also stresses the importance of robust legal frameworks and proactive measures by the Court to combat digital fraud effectively. It also highlights the role of consumer awareness in identifying and avoiding potential scams. It is also very important for consumers to exercise caution when making online payments, especially through unfamiliar platforms and websites.

4. Lying Through One's Teeth – Illegal Use of Trade Marks as Domain Names

Case: Colgate Palmolive Company & Anr vs Nixi & Anr. [CS(COMM) 193/2019 & I.A. 31775/2024]

Forum: Delhi High Court

Order dated: June 26, 2024

Order: A suit was filed by the Plaintiffs, Colgate Palmolive Company, before the Delhi High Court to issue directions to Defendant No. 3, GoDaddy.com LLC, to permanently block and not allow any future registrations of the domain name www.colgatepalmolive.work. Additionally, the suit also prayed for a permanent injunction, restraining infringement and passing off the trademarks, restraining infringement of the copyright, damages, rendition of accounts, delivery details, and a comprehensive explanation of the timeline and incidents that led to the registration of the domain name and the activities of the Defendants.

The Plaintiffs claimed that the Defendants were operating misleading domain names and email addresses which contained the well-known names of the Plaintiffs, such as Colgate and Palmolive, which were used as www.colgatepalmoliveindia.in, hr@colgatepalmoliveindia.in, vishal@colgatepalmoliveindia.in, and info@colgatepalmoliveindia.in. The Plaintiffs alleged that the Defendants had indulged in scrupulous activities online and misrepresented themselves as employees of the Plaintiffs' recruitment team through email. The individuals operating these email addresses contacted fresh graduates and promised them employment against a security deposit in their account.

The Court has already passed orders in April and May 2019 to block the accounts, emails, and websites, as well as the domain name www.colgatepalmoliveindia.in. Despite the orders being passed, the Defendants continued impersonating the Plaintiffs and contacted job seekers by illegally using well-known marks of the

Plaintiffs to send letters for an interview printed on the letterhead of the Plaintiffs. They also registered a fresh domain name – www.colgatepalmolive.work. The Defendants contacted various prospective employees, three of whom contacted the Plaintiffs about the activities of the Defendants. The Plaintiffs then attempted to identify the individuals and identified one of the members of the Defendant as having a registered mobile number with Reliance JIO INFOCOM Limited.

The Plaintiffs submitted that Defendant No. 3 was the Registrar of the infringing and fraudulent domain names bearing the well-known names of the Plaintiffs and stated that Defendant No. 3 had been registering these domains without verifying whether such right had been granted to the Defendants by the Plaintiffs. The Plaintiffs stated that there was no website parked at the mentioned domain name and that the domain name was used solely for the purpose of sending emails bearing the extension @colgatepalmolive.work. The Plaintiffs stated that the activities of the Defendants diluted their reputation and goodwill. The Plaintiffs then drew the attention of the Court to an order passed by the Roster Bench wherein, under similar circumstances, an order was passed in favour of the Plaintiffs.

The Court, satisfied with the arguments and the evidence that was presented, directed an injunction against the use of the infringing domain name, www.colgatepalmolive.work. Further, Defendant No. 3, Canara Bank, and Reliance JIO INFOCOM Limited were directed to provide the details of the Defendants. Defendant No. 3 was also directed, in view of the previous orders, to refrain from registering the domain name www.colgatepalmolive.work.

5. The Digital Siege: How Star India Shut Down Rogue Streaming Websites

Case: Star India Pvt Ltd v. Vegamovies.Pet & Ors. [CS(COMM) 809/2024]

Forum: Delhi High Court

Order Dated: September 20, 2024

Order: In the recent battle against online piracy in the ever-evolving digital landscape, Star India Pvt. Ltd. filed a lawsuit before the Delhi High Court seeking a permanent injunction to stop multiple websites, including Vegamovies.Pet & Ors., from illegally hosting and distributing its copyrighted content. Star India claimed the unauthorised use was causing significant financial loss and reputational damage. In response, the Court granted an ad interim ex-parte injunction, restraining the defendants from continuing their infringing activities, recognising the urgency of the case and the irreparable harm to Star India's intellectual property.

Plaintiff's Arguments

The Plaintiff, Star India Pvt. Ltd is a media giant known for producing and broadcasting many popular television shows, films, and web series. It is a part of The Walt Disney Company India and has established itself as a powerhouse in the entertainment sector, distributing content across its various Star channels and the popular Disney+ Hotstar streaming platform.

Following the merger of Novi Digital Entertainment Pvt. Ltd**.** with Star India Pvt. Ltd. in May 2024, all rights, interests and liabilities previously held by Novi Digital were transferred to Star India. As a result, Star India argued that it has the sole authority to authorise the reproduction, distribution, and communication of its content under **Section 14(d)**, read with **Section 17** of the **Copyright Act, 1957**. Recently, the plaintiff identified various defendants in the suit who infringed on its IP rights by streaming and distributing its content without authorisation, mainly through websites like vegamovies.pet and extramovies.my.

The plaintiff stated that these platforms made over twenty of Star India's copyrighted works available to the public without permission. The plaintiff argued that this unauthorised streaming and distribution amounted to a serious violation of its copyright and highlighted specific famous works, such as "The Legend of Hanuman" and "Criminal Justice", which were being disseminated illegally.

The plaintiff stressed that the Defendants' activities were causing it significant financial and reputational harm, while the Defendants were reaping profits unlawfully by profiting from the plaintiff's works without any investment in their creation. Moreover, the widespread illegal availability of Star India's content undermined the company's goodwill and threatened the reputation it had built over the years as a trusted media producer.

The plaintiff also informed the Court that it had taken legal steps by sending notices to the infringing websites (defendants 1-23), but none had responded. This deliberate evasion of legal action and efforts to conceal contact details and domain registrations demonstrated the Defendants' intention to continue their infringing activities. The Defendants' disregard for copyright laws was apparent from the fact that their websites state that they provide content from third-party websites, which are not authorised to distribute copyright materials of the plaintiff or other rights holders. Moreover, the fact that the plaintiff's latest content was regularly made available on the majority of the Defendants' websites also highlighted the Defendant's disregard for copyright laws.

The plaintiff also stated that the infringers rapidly changed domain names or created mirror websites to avoid detection. In this context, the plaintiff referred to ***UTV Software Communication Ltd. and Ors vs 1337X.to and Ors 2019:DHC:2047,*** which set important legal parameters for dealing with such "rogue" websites. To effectively address this issue, the plaintiff requested a dynamic injunction allowing it to tackle new infringing websites as they emerge.

Hence, the plaintiff requested immediate relief in the form of an ad interim injunction to prevent further unauthorised distribution of its content, stating that the losses being incurred were irreparable and could not be compensated by monetary damages alone. The plaintiff also argued that Domain Name Registrars (defendants 24-34) and Internet Service Providers (defendants 35-43) be directed to suspend the domain names of the infringing websites and block access to them. Additionally, regulatory authorities such as the Department of Telecommunications (defendant 44) and MEITY (defendant 45) were urged to ensure compliance with any orders passed by the Court.

After hearing Star India's arguments, the Delhi High Court acknowledged the urgency of the case and granted an ad interim ex-parte injunction. The Court restrained the Defendants from hosting, streaming, or distributing any of Star India's copyrighted works without authorisation. Recognising the dynamic nature of online piracy, the Court granted Star India the Dynamic+ Injunction it had requested. The Court stated that this injunction is essential in an era of rapidly evolving technology, where infringers frequently shift domain names or create mirror websites to bypass legal blocks.

The Dynamic+ injunction empowered Star India to implead any future infringing websites that might emerge under different domain names or variations, offering comprehensive and ongoing protection for its copyrighted works. The Court's decision was crucial in curbing further unauthorised use of Star India's content, preventing the Defendants from continuing their infringing activities.

The Court also directed the Domain Name Registrars (Defendant Nos. 24-34) to suspend the registration of the infringing domains and disclose details about their operators. This included crucial information like IP addresses, contact details, and payment methods used for registering these websites. Additionally, the Court ordered Internet Service Providers (Defendant Nos. 35-43) to block access to the infringing websites and requested DoT and MEITY to ensure that the ISPs complied with these instructions within four weeks.

With the entertainment industry increasingly moving to digital platforms, the protection of intellectual property in the online space has become a matter of utmost importance. Star India Pvt. Ltd. vs Vegamovies.Pet & Ors. demonstrates how courts are willing to adapt to the dynamic threats of piracy by granting comprehensive injunctions that address current and future infringements.

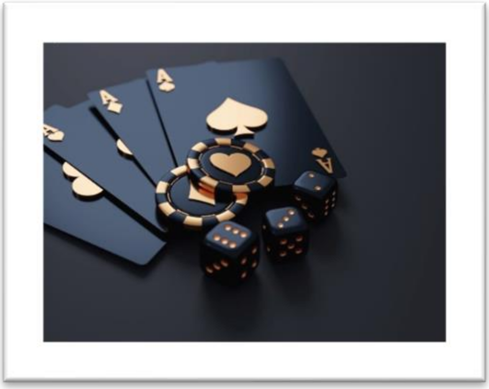
In an industry where new content is created and distributed at a fast pace, obtaining dynamic relief against rogue websites is a powerful tool for rights holders. The Dynamic+ Injunction granted in this case acknowledges that the fight against piracy is ongoing, and legal remedies must be flexible and robust enough to keep up with the ever-changing tactics of infringers.

6. Study Illegal Betting and Trademark Misuse: Key Takeaways from the DREAM11 Case

Case: Sporta Technologies Pvt. Ltd. & Anr. vs John Doe & Others [CS(COMM) 852/2023]

Forum: High Court of Judicature at Delhi

Order Dated: October 16, 2024



Order: The case Sporta Technologies Pvt. Ltd. & Anr. vs John Doe & Others was heard in the High Court of Delhi under CS(COMM) 852/2023. The case involved a dispute over domain name, trademark infringement and passing off concerning the DREAM11 fantasy sports platform owned by the plaintiffs.

The plaintiffs, Sporta Technologies Pvt. Ltd. (incorporated in India) and Dream Sports Inc. (a Delaware-based holding company), operate the renowned DREAM11 fantasy sports platform. Launched in 2012, the platform allows users to form virtual teams based on real-life player performances. Due to its popularity and investments, DREAM11 has gained significant goodwill and has been recognised through various awards. The plaintiffs have also secured sponsorship agreements, including a notable one with the Board of Control for Cricket in India (BCCI) for the Indian Premier League (IPL). The plaintiffs hold multiple registered trademarks for DREAM11 in India under various classes, covering goods and services related to their platform.

The primary defendant, John Doe (Defendant No. 1), operated the website www.dreams11exch.com and a mobile application under the name Dreams11, offering online betting and gambling services. The plaintiffs alleged that this unauthorised use of a deceptively similar name violated their trademark rights and misled consumers into believing that the platform was associated with DREAM11. The gambling activities hosted on the defendant's platform were illegal under Indian law, further tarnishing the reputation of the plaintiffs' brand. Defendant No. 2, Amazon Registrar, Inc., was the domain name registrar for dreams11exch.com.

Defendants No. 3 and 4, the Department of Telecommunications (DoT) and the Ministry of Electronics and Information Technology (MeitY) were impleaded to obtain blocking orders against the website.

- 30th November 2023: The Court granted an ex-parte ad-interim injunction against Defendant No. 1, directing Defendant No. 2 to lock and suspend the domain dreams11exch.com.
- 1st July 2024: Due to failure to file a written statement, Defendants No. 3 and 4 lost their right to contest the suit.
- 16th August 2024: The Court noted that Defendant No. 1 had also failed to file a written statement within the permissible period of 120 days.
- 1st October 2024: The Court directed Defendant No. 2 to transfer the impugned domain name dreams11exch.com to Plaintiff No. 1, effectively removing it from the array of parties.

The Court found that the DREAM11 trademarks were valid and had acquired a high degree of reputation and goodwill. It determined that the defendant's use of Dreams11 was deceptively similar and intended to mislead consumers. Additionally, the gambling services offered by the defendant were illegal in India and could not be protected under the law. The defendant's failure to appear before the Court indicated the absence of a valid defence. Based on these findings, the Court ruled in favour of the plaintiffs, granting a permanent injunction restraining Defendant No. 1 from using the marks Dream11, Dreams11, Dreams11exch, or any similar variants. Furthermore, the Court awarded actual costs to the plaintiffs.

PLANT VARIETY AND FARMER'S RIGHTS

1. Registration of a Plant Variety Cannot be Revoked Until the Errors are Fundamental, Deliberate or Intentional

Case: PepsiCo India Holdings (P) Ltd. v. Kavitha Kuruganti [LPA 590/2023 & CM APPL. 42282/2023]

Forum: Delhi High Court

Order Dated: January 09, 2024

Order: PepsiCo, Inc., a renowned American multinational food, snack and beverage corporation, applied for registration of its potato variety FL-2027 on February 18, 2011, with the Protection of Plant Varieties and Farmers' Rights (PPV&FR) Authority (hereafter "the Authority") to secure its intellectual property rights in India. On February 01, 2016, a certificate of registration was issued by the Authority.

On June 17, 2019, Kavita Kuruganti, a famous farmers' rights activist, filed an application for revocation of registration on the ground that registration was based on incorrect application details and was granted to a person not eligible for protection, also the grant of registration not being in the public interest. After hearing both parties, the Authority revoked the registration of the plant variety registration of PepsiCo., under section 34(a), (b), (c) and (h) of the PPV&FR Act.

Being aggrieved by the order of the Authority, PepsiCo filed an appeal against the order at the Delhi High Court. The learned single judge upheld the revocation. PepsiCo preferred the present appeal to the Division Bench of Delhi High Court.

Key Issues

In the present case, the key issues before the Court were whether the submission of incorrect information relating to the date of first sale of the candidate variety by PepsiCo, as well as its failure to provide the requisite documentation at the time of registration, are appropriate ground for revocation of its registration under section 34 (a), (b) & (c) of the PPV&FR Act. Also, whether the act of PepsiCo for instituting various suits against farmers is not in the public interest, therefore, the certificate of registration granted is liable to be revoked under clause (h) of Section 34 of the PPV&FR Act.

Decision of Learned Single Judge

In the impugned judgement, the learned single judge held that as the certificate for registration was ultimately granted under the 'extant' category,' therefore the appellant PepsiCo could not have been held guilty of having obtained the registration by providing incorrect information on the category of candidate variety in the application form and thus it could not be a ground to revoke the registration under section 34 (a) of the Act.

However, since the applicant had made a *bona fide* mistake by providing an incorrect date of commercialisation of the variety, the learned single judge in the impugned judgement held that the date of the first sale of the variety is important and material information for the application. It is the duty of the applicant to provide correct information in the application, failing which it opens itself up to revocation of the registration granted under section 34 (a) of the Act.

Also, PepsiCo, during the prosecution of the application, did not file any document that it is authorised to file the application as an assignee; therefore, the learned single judge in the impugned judgement upheld the revocation of registration granted under section 34 (b) of the PPV&FR Act. Regarding section 34 (c) of the PPV&FR Act pertaining to the issue of the assignment deed not being signed by the breeder and being insufficiently stamped, the learned single judge in the impugned judgement held that the appellant PepsiCo filed the amended application without rectifying the error therefore, the application filed by the appellant contains deficiencies and the Authority, under section 34 (b) and (c) of the Act, was justified in revoking the registration granted.

Regarding section 34 (h) of the PPV&FR Act pertaining to the issue that PepsiCo had instituted various suits against innocent farmers, the learned single judge in the impugned judgment decided the issue in favour of appellant PepsiCo and decided that mere filing of litigations by the appellant-respondent against the farmers cannot be construed that registration not being in public interest therefore the PPV&FR Authority erred in revoking the registration under section 34 (h) of the PPV&FR Act.

Court Analysis

In the present case, two cross-appeals were filed by PepsiCo India Holdings Pvt. Ltd. (hereafter "the appellant-respondent") and Kavita Kuruganti (hereafter "the respondent-appellant") against the learned Single Judge judgement dated July 05, 2023. After hearing both the parties and based on the review of the impugned judgement of the learned single judge, the Court observed that as per paragraph 48 of the impugned judgement, there did not appear to be any dispute that FL 2027 was an extant variety.

Also, in paragraph 57 of the impugned judgment, it was observed that PepsiCo had nothing to gain by representing FL 2027 as a new variety. In view of the above, the Court observed that the appellant-respondent could not be held guilty of having obtained the registration by furnishing an incorrect declaration on the category of candidate variety. It was a clerical error noticed by the Registrar, and registration was granted in the correct category.

Therefore, this is decided in favour of the appellant-respondent. After examining the records of the PepsiCo application, the Court observed that the prescribed rigorous registration process was followed before the granting of registration. In view of the above, the principal issue for consideration before the division bench is the scope and intent underlying section 34 and identifying the circumstances that would warrant the power of revocation being invoked, as exercised by the Authority.

After a close reading of Section 34 (a)-(e) of the PPV&FR Act, the Court establishes that these clauses are concerned with the inherent invalidity of the grant and specify grounds that would have a material and foundational impact on the validity of the grant. Therefore, the Court decided that section 34 power is neither intended to be exercised nor would it be attracted at the slightest infraction. Section 34 (a) and (b) would be merited when the Authority finds that circumstances and facts evidence that registration could not have been granted at all. Section 34 (c) says that the breeder has failed to provide the information and documentation that would have a material bearing on the grant itself.

In view of the above, the power of revocation would thus be confined only to situations where it is found that the grant has come to be made in favour of a person or variety that was ineligible or where a variety that was otherwise not entitled to be registered has been accorded protection. To substantiate its decision on the issue of incorrect information furnished by the appellant-respondent, the Court referred to the Delhi High Court Division Bench judgment in *Koninklijke Philips Electronics N.V. vs Maj. (Retd) Sukesh Behl & Anr.* (CS (OS) No. 2206 of 2012), where it was held that revocation is not automatic, and it would follow only if the Court believed that omission to furnish the information was deliberate.

In the present case, although PepsiCo had repeatedly ticked the box meant for the new variety, it had clearly communicated in response to the Registrar's letter dated June 09, 2011, that it was seeking registration of FL-2027 under the extant category. Therefore, the Court concurred with the findings of the learned single judge that registration was not liable to be revoked under section 34 (a) of the PPV&FR Act.

The Court disagreed with the conclusion drawn by the learned single judge that incorrect disclosure of the date of the first sale of candidate variety would materially affect the grant and observed that PepsiCo would not derive any benefit in making a deliberate or conscious declaration of the date of first sale as December 17, 2009, as the variety is still eligible for registration and it would also not affect the term of protection.

Therefore, this issue is also decided in favour of the appellant-respondent. Further, the Court observed that section 2(j) and section 15(3)(a)(ii) pertain to novelty clauses with respect to new varieties and are not relevant to extant varieties. Therefore, the Court disagrees with the possibility of PepsiCo having made declarations with respect to the first sale, bearing in mind the language in which Section 2(j) of the Act stands couched. Also, the Court is not satisfied with the submission of respondent-appellant that the absence of a formal assignment by FLNA in favour of PepsiCo was fatal to the application.

The Court observed that section 16(1)(c), read with clause (e), empowers the assignee of the breeder, FLNA in the present case, to authorise PepsiCo to seek registration of FL2027 under the Act, thus obviating the requirement of the original breeder signing the application. In view of the above, the Court decides that neither the application nor the ultimate grant suffers from fundamental misdeclaration or a failure to provide information as required by the provisions of the Act read along with the Rules.

Therefore, the revocation of registration under sections 34(a), (b), and (c) is not sustainable and is liable to be quashed. Also, the respondent-appellant failed to discharge the burden that suits filed by the appellant-respondent are intimidatory or vexatious. Therefore, revocation under section 34 (h) is also unsustainable and liable to be quashed.

Decision of Division Bench

The Division bench of Delhi High Court consisting of Justice Yashwant Varma and Justice Dharmesh Sharma had decided that the learned single judge in the impugned judgement rightly concluded that the mistake of styling the candidate variety as new variety is remediable and not fatal since the Registrar itself had decided to process the application under extant category. The Court also affirmed the impugned judgement in so far it negatived the challenge based on section 34 (h).

However, the Court does not uphold the view of the learned single judge pertaining to the incorrect mention of the date of the first sale as well as a conclusion drawn on the ineligibility of PepsiCo to apply for registration and non-submission of relevant documentation. The appeal of PepsiCo is allowed, and the impugned judgment and order dated July 05, 2023, is set aside to the extent mentioned above.

Consequentially, the order of the Authority dated December 03, 2021, and the letter issued by the Authority on February 11, 2022, is also annulled. The application for renewal of registration made by the appellant-respondent dated January 28, 2022, shall stand restored and will be proceeded by the Registrar in accordance with the prescribed law.

Conclusion

In the present case, the division bench of Delhi High Court decided that a registration certificate issued under the PPV&FR Act is liable to be revoked under section 34 of the Act only if the error noticed is fundamental, deliberate, or intentional. Accordingly, in future, the Authority should use such discretionary powers only if the deficiencies pointed out go to the very root of the registration and cloud the eligibility of the applicant.

The examination process of the application at the Registry of the Authority should be done diligently to avoid such clerical errors, and the applicant must follow the prescribed procedures to comply with the requirements of the Act. Also, the Authority should take effective measures to promote the enforcement of plant breeders' rights granted under the Act and should create awareness among the farmers about the provisions of the Act. It would help promote plant variety registration in India so that improved crop varieties would reach the farmers and ultimately boost the agricultural economy of India.

mail@lexorbis.com | www.lexorbis.com

2. Resurrection of Section 24(5) of the Plant Varieties Act

Case: PepsiCo India Holdings (P) Ltd. v. Kavitha Kuruganti [LPA 590/2023 & CM APPL. 42282/2023]

Forum: Delhi High Court

Order Dated: February 22, 2024

Order: Section 24(5) of the Protection of Plant Varieties and Farmers' Rights Act, 2001 ["PPVFR Act"] has been a contentious clause in intellectual property law. Even before the registration of plant variety, the said provision enables an applicant to seek injunctive relief and damages against any abusive act committed by any third party. In *Prabhat Agri Biotech v. Registrar of Plant Varieties* (2016:DHC:7792-DB), a Division Bench of the Delhi High Court has held this provision to be ***ultra vires*** as it confers unguided and uncanalized power on the authority. Later, this judgment of the Division Bench was **stayed** by the Supreme Court in *Pioneer Overseas Corp. v. Kaveri Seed Co. Ltd.* (SLP(C) 19195/2017). Recently, a Single Bench of Delhi High Court ['Court'] in ***UPL Limited v. Registrar & Anr.*** (2024:DHC:1913) elucidated the ramifications of the Supreme Court's stay on the High Court's declaration of the provision as *ultra vires*, concluding that Section 24(5) has **not** been **erased** from the statute.

Relevant Law & Facts

Section 24(5) of the PPVFR Act in dispute is reproduced as follows:

> *"24. Issue of certificate of registration.—*
>
> *(5) The Registrar shall have power to issue such directions to protect the interests of a breeder against any abusive act committed by any third party during the period between filing of application for registration and decision taken by the Authority on such application."*

The appellant (UPL Limited) had applied for registration of its hybrid *Raadhika* Okra varieties. Further, the appellant in its application u/s 24(5) stated that Respondent No. 2 by commercialising varieties *Bindu*, was abusing the commercial interest of the applicant's varieties and, therefore, reliefs of injunction, damages, and rendition of accounts were sought against Respondent No. 2. By way of the impugned order, the Registrar of PPVFR Authority (Respondent No. 1) has rejected the appellant's application by holding that an application under Section 24(5) is maintainable only upon grant of plant variety registration and not while the application for registration is still under consideration. The Registrar also stated that legally, the interest of a breeder cannot be enforced. Only a right can be enforced. Upon hearing the parties, the Court provided the following insights:

Court's Analysis

A. Literal interpretation of statutory provision

The Court addressed the first issue as to whether the Registrar could have rejected an application under Section 24(5) of the PPVFR Act on the ground that it was premature as there was no registration of the plant variety. The Court held that a **plain reading** of the provision and the expression *"during the period between the filing of an application for registration and decision taken by the Authority on such application"* explicitly provides that Section 24(5) of the PPVFR Act vests the Registrar with the power to issue directions during the period between the filing of an application for registration and the rendering of a decision.

Thus, the reasoning of the Registrar in the impugned order was held to be contrary to the mandate of the statute. The Court further observed that the Registrar's rationale in the impugned order diverged from the Registrar's stand in the pleadings submitted before the Supreme Court in connected Civil Appeals No. 19653-19654/2017, wherein Section 24(5) was interpreted as an interim measure (during the period commencing from the application till the final decision on the application). Therefore, the Court concluded the Registrar's decision to be fundamentally flawed.

B. Legal implications of Supreme Court's stay

The Court next turned to the central issue as to whether the Supreme Court's stay in *Pioneer Overseas (supra)* nullified the effect of the Division Bench's declaration of Section 24(5) of the PPVFR Act as *ultra vires*. Citing an Apex Court's precedent and a few High Courts' judgments on the legal effect of a stay order, Respondent No. 2 argued that the Supreme Court's stay merely suspends the execution or enforcement of the Division Bench's decision without erasing its findings or reasoning. Respondent No. 2 further contended that the reasoning set forth by the Division Bench would still apply to the extent that Section 24(5) continues to be unconstitutional and, therefore, has no legal effect.

However, the Court did not find these arguments compelling. Rather, the Court emphasised the need for a nuanced case-by-case examination when assessing the effect of a stay order. The Court held that the rationale behind imposing a stay depends on the nature of the dispute and is often tailored meticulously to fit the unique circumstances of each case. Whether a dispute involves individual parties or raises questions of wider legal or constitutional significance would be a pertinent factor in understanding the implications of any stay granted.

Applying the aforesaid principle in the instant case, the Court noticed that the Division Bench's decision in *Prabhat Agri Biotech (supra)* **specifically addressed the constitutional validity** of Section 24(5) of the PPVFR Act as below:

> *"40. …the danger of abuse of the provision itself and the attendant (likely) long-term injury to innocent breeders, farmers, and those in the business of development of hybrids and plant varieties far outweighs its benefits, in view of the unguided nature of the power, which is … contrary to Article 14 of the Constitution of India. Section 24(5) …, is, therefore, declared void. …"*

When the Supreme Court intervened and issued a stay on the operation of the Division Bench's judgment, the Court noted that the **precise determination** of the constitutionality of Section 24(5) had been **put on hold by the Supreme Court's interim stay order,** which was issued without any specified conditions or limitations. It indicates the Supreme Court's intention to suspend the effect and operation of the Division Bench's declaration of unconstitutionality.

Thus, the Respondent's argument regarding the continued precedential influence of the Division Bench's judgment despite the stay would essentially negate the Supreme Court's intent behind issuing the stay. Such a perspective, as per the Court, would undermine the stay's practical effect, suggesting that the Supreme Court's interim measure is without substantive legal consequence.

Decision

In light of the above analysis, the Court finally deduced that the Division Bench's declaration of Section 24(5) as *ultra vires*, while not wiped from existence, would still have no legally binding effect on this Court, given the stay granted by the Supreme Court. Consequently, the Court set aside the Registrar's impugned order, restored the appellant's application under Section 24(5), and directed the Registrar to decide the same on merits per law.

Conclusion

The Court cautioned that a *one-size-fits-all* approach to interpreting the effects of a stay should be avoided. In the instant dispute, the Single Bench clarified that the most logical interpretation of the Supreme Court's interim order is to view it as a temporary stay on the Division Bench's declaration, thereby **maintaining the *status quo* of Section 24(5)** until the Supreme Court provides a conclusive judgment. In effect, the Court revived the enforceability of Section 24(5) of the PPVFR Act.

mail@lexorbis.com | www.lexorbis.com

CHOOSING LEXORBIS

With a complete range of IP Services and a qualified team of trained professionals, our working philosophy is to tailor our services to individual needs and help clients navigate all stages of the intellectual property lifecycle. Our attorneys, while focusing on quality as their first goal, use their diverse experience and knowledge to achieve the kind of partnership that leads to mutual trust and respect.

New Delhi

709-710 Tolstoy House,
15-17 Tolstoy Marg,
New Delhi – 110001

Mumbai

146 Jolly Maker Chamber II,
Vinay K Shah Marg, Nariman Point,
Mumbai – 400021

Bengaluru

606-607, Gamma Block,
Sigma Soft Tech Park No. 7, Whitefield Main Road,
Varthur Hobli, Bengaluru – 560066

Chennai

Century Centre, 3rd Floor, No. 75 (Old No. 39)
TTK Road, Alwarpet
Chennai – 600018

Ahmedabad

Office No. 501, Fifth Floor, Palak Prime
Opp. Hotel Double Tree by Hilton
Iscon Ambli Road, Ahmedabad – 380058

LexOrbis | Intellectual Property Attorneys & Advocates

mail@lexorbis.com / www.lexorbis.com /