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iprécis

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Trends at the Office of the controller general of Patents, Designs, and Trademarks

(CGPDTM)

Main Story_page 01

Index

- 7 Trends at the Office of the Controller General of Patents, Designs, and Trademarks (CGPDTM)
Page 1
- 7 Development & Trends In IP Litigation
Page 4
- 7 Landmark Judgements On Intellectual Property Rights
Page 7
- 7 Patents
Page 7
- 7 Copyright
Page 17
- 7 Trademark
Page 20
- 7 Design
Page 25
- 7 Trade Secrets
Page 26
- 7 Miscellaneous
Page 27

Dear Readers,

India's Intellectual Property (IP) sector has fared well in 2023. International Monetary Fund's projections expect India to become the third largest economy by 2030. AI-based patent registrations in India witnessed a massive 455% increase from 2018 to 2022, and these numbers are just a glimpse of the potential business growth that lies untapped in our country. The protection of these intangible creations via Intellectual Property Rights becomes indispensable for businesses to stay '*ahead of the curve*' – a philosophy that we, at Cyril Amarchand Mangaldas, truly value. Keeping in mind the evolving landscape of IP sector, including the developments in IP litigation space, we at CAM are proud to present the inaugural issue of our intellectual property newsletter – **Iprécis**.

The year 2023 saw increased IP filings, with the Indian TM office having the 3rd highest, and the Patent Office having the 5th highest patent application filings in the world. To deal with the surge in applications, the strength of the patent office is doubled, and new posts are sanctioned in the Trademark Office. This has led to a reduction in time spent on patent examination from an average of 72 months (2015) to 23 months (2022). Further, the trademark examination period has been reduced from 13 months to less than 30 days. Such changes would cause a domino effect to bring India's IP sector to the global forefront.

In the litigation space, we witness the ongoing establishment of special IP divisions in the High Courts, the conduction of virtual and hybrid modes of hearings, the adoption of a liberal and flexible approach to award remedies, increased shift towards mediation and alternative dispute resolution methods. The Hon'ble Courts have delivered several landmark judgments touching legal intricacies such as Standard Essential Patents (SEPs), patentability of computer-related inventions, infringement of personality rights using artificial intelligence, among others.

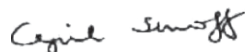
Cyril Amarchand Mangaldas, India's premier full-service law firm, has an industry-leading and dedicated Intellectual Property Rights practice. Our class-leading practice specialists are always on top of the latest developments in the sector. It is in

this light, we have launched **IPrecis - a carefully curated** quarterly roundup of significant events/cases in the IP sector –both in India and abroad.

We hope that you enjoy reading our newsletter as much as we have enjoyed preparing it. We hope you will find **IPrecis** interesting, informative, and insightful. We sincerely look forward to receiving your feedback and comments at cam.publications@cyrilshroff.com.

Regards,

CYRIL SHROFF



Managing Partner
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Trends at the Office of the Controller General of Patents, Designs, and Trademarks (CGPDTM)

Development & Trends in Line with Global Standards

Recent data indicates that India’s Intellectual Property Rights (IPR) ecosystem is on a continuous upward trend.¹ This is a result of the ongoing improvements such as simplification of registration and enforcement process, speedy examination of various applications, issuance of e-certificates, procedures for automatic renewal, etc. Some of these recent developments at the office of CGPDTM are discussed below:

1. Increase in IP filings

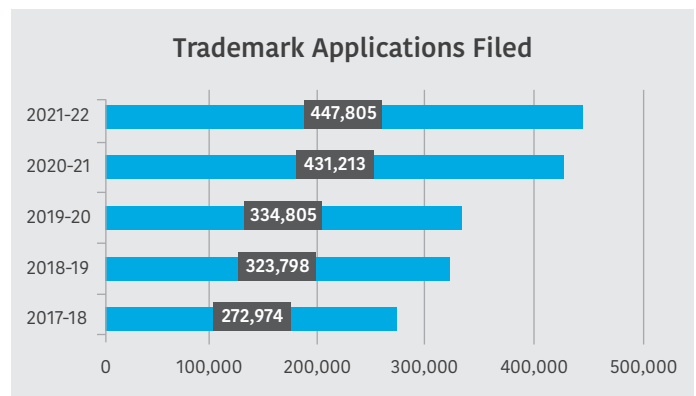
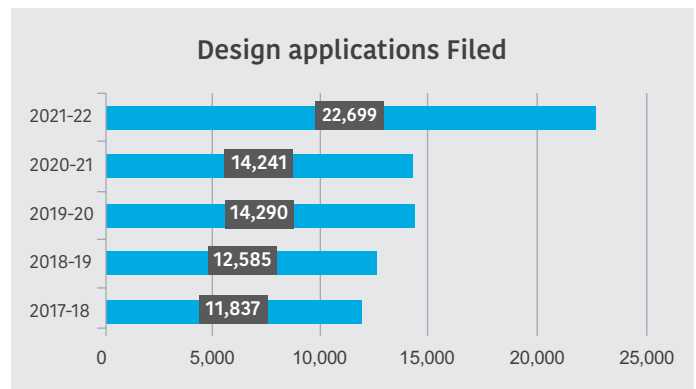
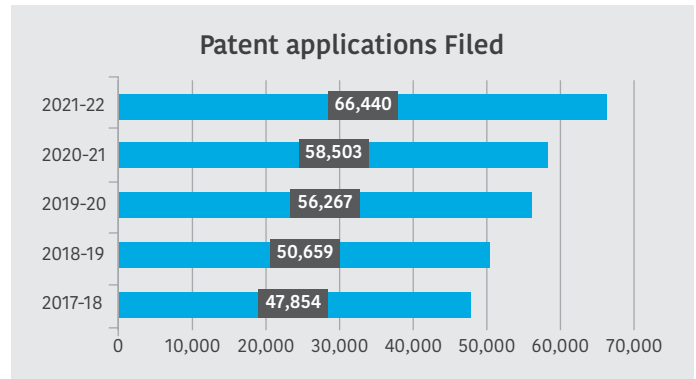
Per the World Intellectual Property Indicators 2023 report (published in November 2023), the Indian TM office had the 3rd highest trademark filings in the world in 2022 (up from the 5th highest trademark filings in 2021) and was surpassed only by the United States and China. Evidently, decade-long incremental growth in in terms of brand identity and protection justifies India’s ranking. India’s appetite for trademark filing is also evident from the vast number of home-grown brands that continue to make their mark, pun intended, across global markets.

In 2022, India recorded six successive years of growth in patent filings and at the fastest rate since 2005. The patent office also witnessed 5th highest patent application filings in the world in 2022. In 2016-2017, around 9,847 out of the 45,444 applications were granted patents. By comparison, in 2022-2023 around 34,153 patents were granted out of the 82,805 patent applications filed.

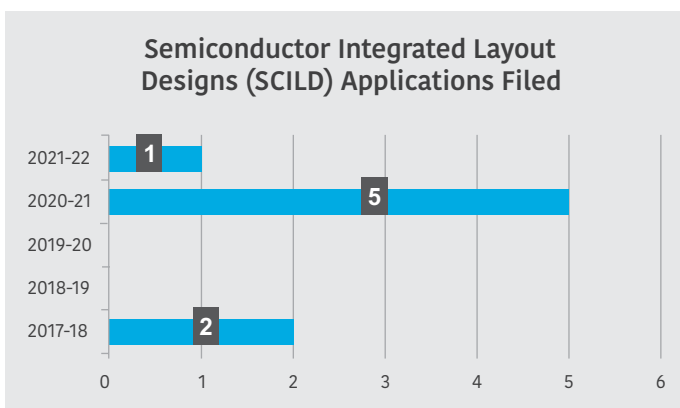
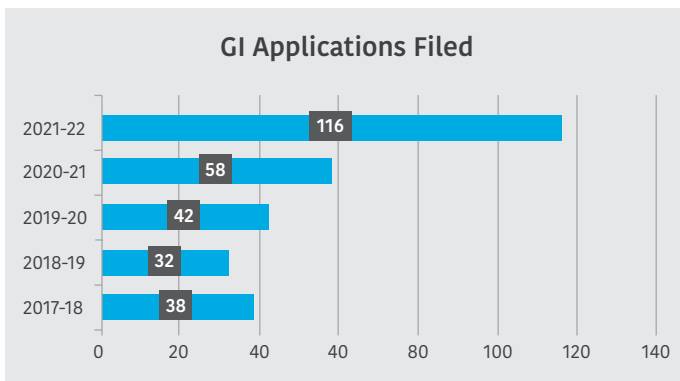
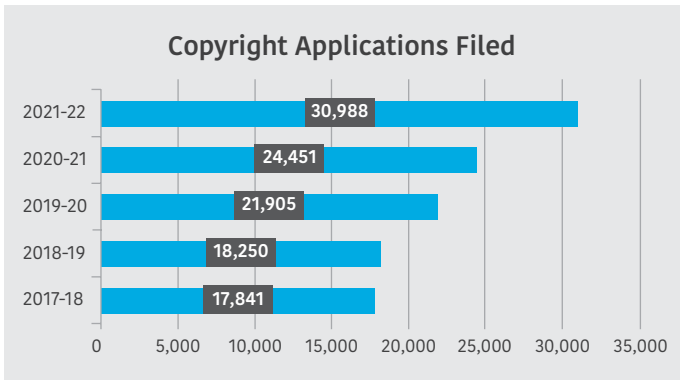
In 2023-2024, provisional figures from the Patent office suggest approximately 81,816 patent applications have been filed, out of which around 55,946 patents have been granted so far. In other words, approximately 68% of total patent applications filed until now in India have been granted registration.

The increase in patent applications filed in recent times is largely attributable to Indian residents. In fact, resident applications now account for more than half (52.3%) of the total patent applications filed in 2022-2023, as opposed to

contributing only 29% of the total patent applications filed in 2016-2017. The increase in patent registration by Indians reflects greater innovation in the country by Indians as opposed to the earlier trends of mostly foreign parties registering patents in India.



¹ WIPO’s “Global Innovation Index 2023: Innovation in the face of uncertainty” (16th edition) found India had ‘innovation performance above expectations’ in Lower middle-income group. See page 20 of the report available here: <https://www.wipo.int/edocs/pubdocs/en/wipo-pub-2000-2023-en-main-report-global-innovation-index-2023-16th-edition.pdf>



The above data are retrieved from Annual Report 2021-22 published by CGPDTM - https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Final_Annual_Report_Eng_for_Net.pdf

2. Industry trends

As of 2022, the top 5 industries in respect of which some of the highest number of trademark applications were filed are:

1. Pharmaceuticals (Class 5) in respect of which approximately 71,856 trademark applications were filed.
2. General business activities and functions and advertising (Class 35) in respect of which approximately 42,743 trademark applications were filed.
3. Clothing and footwear (Class 25) in respect of which approximately 33,645 trademark applications were filed.
4. Tea and coffee (Class 30) in respect of which approximately 25,657 trademark applications were filed.
5. Electronics and downloadable software applications (Class 9) in respect of which approximately 23,480 trademark applications were filed.

3. Manpower increase leading to speedy prosecution of IP applications

Indian patent office has increased its manpower, however, it still employs only 860 persons, including both controllers and examiners, which is very less in comparison to Chinese patent office which employs 13,704 personnel and the US patent office which has around 8,134 personnel, as of March 31, 2022.²

To deal with the growth in IPR ecosystem, the strength of the patent office is proposed to be further increased. It is estimated that the current proposal and/or sanction would result in over 1,961 patent officers, and approximately 250 contractual posts for technical assistants and researchers. For trademarks, 510 contractual posts were sanctioned for which hiring process is also concluded.³ This manpower increase can enhance India's capacity to annually grant over one lakh patents by 2025-2026.

4. Speedy grant of trademark and patent applications

Various measures taken by the Government including manpower enhancement, feedback mechanism setup, legislative amendments, modernisation of IP offices to enhance public interaction and trust, have helped reduce delay in the examination processes. As a result, the average time taken for patent examination has reduced from an

² Sanjeev Sanyal and Akanksha Arora, "Why India needs to urgently invest in its Patent ecosystem" EAC-PM/WP/1/2022 (August 2022), Economic Advisory Council to the PM, available at: <<https://www.ies.gov.in/pdfs/why-India-needs-to-urgently-invest-in-its-IPR-ecosystem-16th-Aug-2022.pdf>>

³ Ibid.



average of 72 months in 2015 to at most 23 months in February 2022. Further, the trademark application examination period has reduced from 13 months to less than 30 days.⁴ In Designs, the examination period for new application has dropped to less than a month, whereas examination of Copyright applications start after one month of filing, i.e., immediately after the end of the mandatory waiting period for raising any objections.⁵

5. *Special drives to enhance IPR regime in India*

The Trademarks and Patent offices launched special drives to address pendency where the parties are encouraged to dispose of the pending oppositions & rectification cases, and to inform the respective office about such formal settlement of dispute. Moreover, the Offices of CGPDTM encourage parties to settle disputes via alternative mechanisms for dispute settlement.

⁴ Ministry of Commerce and Industry, “Patent and Trademark Applications” (30th March 2022) available at <[⁵ The Office of the Controller General of Patents, Designs, Trademarks and Geographical Indications “Annual Report 2021-2022”, page 4, available at <\[https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Final_Annual_Report_Eng_for_Net.pdf\]\(https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Final_Annual_Report_Eng_for_Net.pdf\)>](https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1811561#:~:text=In%20view%20of%20the%20above,to%20less%20than%2030%20days.></p></div><div data-bbox=)

Development & Trends In IP Litigation

1. Establishment of special IP divisions at High Courts

The Commercial Courts Act, 2015 along with its 2018 amendment categorised IP disputes as ‘commercial disputes’ under Section 2(c)(xvii) of the Commercial Courts Act, 2015. In 2021, the Government of India enacted the Tribunal Reforms (Rationalisation and Conditions of Service) Ordinance, 2021, which abolished the Intellectual Property Appellate Tribunal (IPAB), the erstwhile forum for any appeals from the Trademarks and Patent office.

After the IPAB was abolished, specialised benches in the form of Intellectual Property Divisions (IPD) have been and are being created across high courts in India, to deal with various original and appellate proceedings relating to Intellectual Property.

The Delhi High Court was the first to announce and establish its IPD, which became functional in February 2022. In April 2022, the Parliamentary Committee Report recommended that the high courts across the country should establish their IPD. At present, along with the Delhi High Court, an IPD has been established at the Madras High Court and the High Courts of Gujarat and Calcutta are expected to follow suit (as they have already notified specific nomenclature for IP disputes). IPD Rules of the Madras High Court have also been notified. Calcutta High Court has also recently released Draft IPD Rules, for comments and suggestions.

2. Virtual and hybrid mode hearings being conducted

A welcome change post the pandemic has been the adoption of virtual hearings by district courts, high courts and the Supreme Court, which has enabled parties in India and overseas to attend hearings remotely. As appearance in matters is no longer constrained by physical presence, IP litigations are proceeding seamlessly. The hybrid format of court hearings has been standardised by the courts through their rules and regulations, which has bolstered the IP judicial ecosystem in India.

3. Liberal and flexible approach to award remedies

Indian courts have become more liberal and flexible in granting remedies. In Intellectual Property litigations, courts








have granted a wide range of remedies by addressing specific concerns arising at the interim and final stages. For instance, at interim stages, courts often grant injunctions and Anton Piller orders (which allow search and seizure at interim stages). Similarly, at final stages, courts often award damages ranging from compensatory to punitive or basis other considerations or calculations. At times, courts have granted Mareva injunctions to freeze bank accounts, etc., to prevent an infringing party from dissipating their infringing assets. Courts have also been known to grant John Doe orders which can be dynamic in nature when identity of the counterfeiter/ infringer is unknown.

4. Increased grant of protection to non-traditional trademarks

In recent years, a large number of non-traditional trademarks have been protected by the Indian courts. Traditional marks refer to word, logo, symbol, design, image, or a combination of these, and those which do not fall within this domain are non-traditional trademarks such as olfactory marks, sound marks, three-dimensional marks, taste marks, etc. Under the Trademarks Act 1999, to be registered, a trademark must be distinctive so as to be distinguish itself from marks of others and be capable of graphical representation.

Cases wherein non-traditional trademarks were granted recognition are illustrated in the table below:

Non-traditional trademark	Case wherein the non-traditional trademark was recognised
	<p>Delhi High Court in <i>Louis Vuitton v. Malik</i> [CS (OS) 1825/2003] protected Louis Vuitton’s “EPI Style” trademark and surface pattern</p>
	<p>In <i>Ferrero Spa v. M/s Ruchi International</i> [CS(COMM) 76/2018], the Delhi High Court held that similarity in the packaging of the products infringed the plaintiff’s rights under Section 29(5) of the Trademark Act, which essentially gave a 3D trademark over Ferrero Rocher’s packaging in India.</p>
	<p>The Delhi High Court in <i>Hermes International & Anr. v. Macky Lifestyle Private Limited & Anr.</i> [CS(COMM) 716/2021] recognised and protected the 3D shape of Hermes iconic Birkin handbag against third party infringement.</p>
	<p>In <i>Starbucks Corporation v. Nature Bake Pvt. Ltd.</i> the Delhi High Court protected store layout as trademark protected that it.</p>
	<p>In <i>Zippo Manufacturing Company v. Anil Moolchandani & Ors.</i> [CS(OS) 1355/2006], the Delhi High Court in its iconic decision recognised and protected the shape of the Zippo lighter as a trademark.</p>

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5. Increased focus upon well-known trademarks

In trademark infringement cases, a trademark proprietor may seek a declaration that the mark is well known. Such declaration is granted under Section 11(6) of the Trade Mark Act, 1999 after the proprietor can show that the trademark fulfils certain conditions, such as, the knowledge or recognition of that trademark, the duration and extent of use of such mark, a record of successful enforcement of rights in that trademark, etc. Courts in India have become far more active in recognising and granting ‘well-known’ status. For instance, the Delhi High Court recognised ‘Burger King’, ‘New Balance’ and ‘Atomberg’ as well-recognised trademarks under Section 2(1)(zg) of the Trademarks Act, 1999.

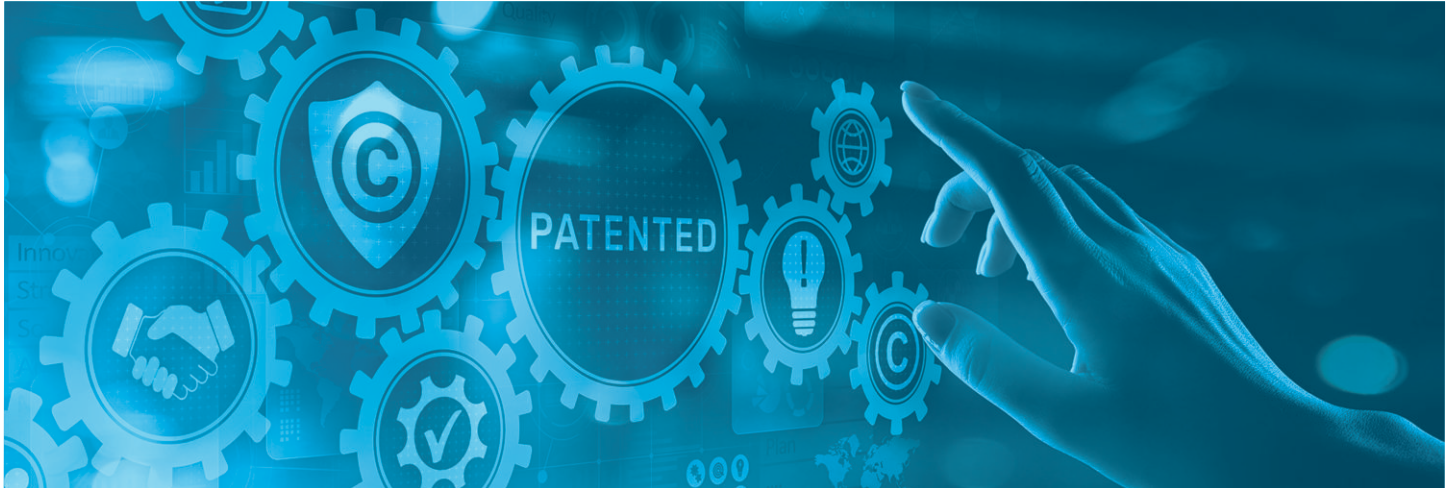
The greatest advantage of being recognised as a ‘well-known trademark’ is that the proprietor can prevent the misuse of the mark in relation to any goods and services, even if the well-known trademark is not registered in respect of such goods/services. Furthermore, the Trademarks Office may also raise *suo moto* objections against third parties attempting to register marks similar or identical to a declared well-known trademark.

6. Increased utilisation of mediation and pre-litigation mediation

The Offices of CGPDTM encourage parties to dispose of the pending disputes by utilising various alternate methods of amicable settlement, such as mediation, arbitration, negotiation, etc. In fact, mediation can be sought even before initiation of a lawsuit, this concept is known as Pre-Litigation Mediation. This is an attempt to reduce ongoing pendency and to ensure speedy dispute resolution, by enhancing trust in alternative dispute resolution mechanisms.

7. Enhanced legal understanding on Standard Essential Patent disputes

Standard Essential Patents (**SEPs**) protect technologies that are essential in complying with a standard. A standard provides a set of rules, guidelines or characteristics for material, products, processes, and services to interoperate. To avoid licensing problems and to ensure access to SEPs for the wide adoption of standards, standard setting organisations (**SSO**) created the concept of Fair, Reasonable, And Non-Discriminatory (**FRAND**) licensing terms. FRAND



aims at striking the right balance between interests of users and patent holders. FRAND pricing has to be reasonable, thereby enabling quicker adoption and sustainable implementation of new technologies while enabling adequate compensation to the SEP-holder so that innovation is not curtailed.

A surge of SEP cases in India has drawn courts' attention to interpret various interrelated aspects, such as abuse of dominance by SEP-holder, especially in light of 'abuse of dominance' concerns arising under the Competition Act, 2002. Further, an ongoing debate is whether during the

pendency of a SEP infringement suit, the patent holder would be entitled to injunctive relief by way of payment of royalty. In a landmark judgment of *Intex v. Ericsson*⁶ (2023), the Delhi High Court held that if the patent holder could sufficiently show that the alleged infringing party was an unwilling licensee, i.e., they lacked bona fide intention for FRAND negotiations, then, the patent holder could be entitled to almost 100 percent of the royalty. The Delhi High Court, in *Nokia Vs. Oppo* recognised the concept of pro-tem security and has held that the Courts have the power to pass deposit orders even on the first date of hearing if the facts so warrant.

⁶ 2023:DHC:2243-DB.

Landmark Judgements On Intellectual Property Rights

Patents

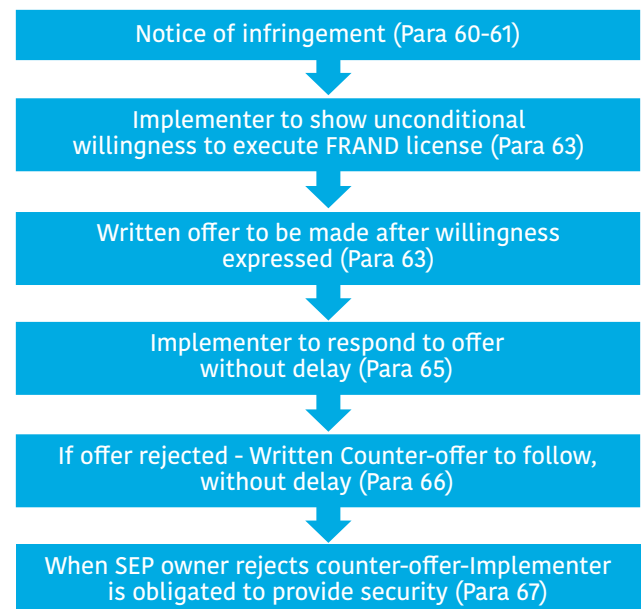
Intex Technologies (India) Ltd. v. Telefonaktiebolaget L M Ericsson: Delhi HC gives landmark judgment on SEPs and rights of injunctive relief of SEP holders

In this landmark judgment, a Division Bench (DB) of the Delhi High Court comprising Justice Manmohan and Justice Saurabh Banerjee⁷ issued guidelines in SEP related infringement aspects and further affirmed an eight-year-old interim injunction by the single bench. The single bench also required Intex to pay 50% of the expected royalty while the case was pending; and through this order, the Court directed Intex to pay 100% royalty to Ericsson.

The case dates back to 2014 where Ericsson had filed a suit⁸ against Intex for alleging infringement of its eight patents. In that suit, through an interim application,⁹ Ericsson was able to secure an order (**impugned order**) in its favour which held that Ericsson's eight suit patents were prima facie valid, essential and that Intex has prima facie infringed Ericsson's patents. It was further held that Ericsson demonstrated prima facie compliance with its Fair, Reasonable and Non-Discriminatory (**FRAND**) commitment and Intex's act of prolonging pre-suit negotiations and thereafter initiating proceedings against Ericsson before the Competition Commission of India (**CCI**) and now-defunct Intellectual Property Appellate Board (**IPAB**) during licensing negotiations showed its unwillingness to execute a FRAND licence. The single Judge also held that chipset basis for calculation of royalty cannot be accepted and the practice of royalty calculation on the end-device price is non-discriminatory. The single judge also directed Intex to pay 50% of the royalty to Ericsson at the interim stage and the remaining 50% by way of bank guarantee. The present order of the DB is a combined order to an appeal of Intex against that impugned order¹⁰ and a modification application¹¹ by Ericsson seeking 100 % payment of royalty by Intex at an interim stage.

In the order, the DB first discussed in brief what a SEP is and what are the obligations that arise out of them. As defined by the Court, a SEP is "a patent claiming technology that is essential to an industry standard's use". These standards are set by Standard Setting Organizations (**SSOs**) after voluntary FRAND commitments are made by the SEP-holder. After such

commitments, SEP holders would be under an obligation to provide licence for their patents to interested implementers at reasonable rates. However, the Court categorically clarified that FRAND obligations went both ways as implementers were under an obligation not to implement a technical solution covered by a SEP without paying the reasonable market value for a licence. The Court also approved the step-by-step process to be followed by the patent holders and implementers under FRAND Protocol as interpreted in the landmark case of *Huawei v. ZTE* and as reproduced below¹²:



The DB further, gave important observations which may be categorised under the following heads:

1. *Whether SEP owners can claim injunctive relief if the implementer is an unwilling licensee?*

An unwilling licensee is someone who is not inclined to participate in good faith FRAND negotiations and participates in "hold-out" i.e., using SEPs without obtaining appropriate licenses. In this case, the Court found that Ericsson had sufficiently shown that Intex was an unwilling licensee and hence were entitled to interim injunctive relief. They refused to accept Intex's argument that in case Ericsson won the suit, they could be sufficiently compensated through damages. This was because damages would not be able to

⁷ 2023:DHC:2243-DB

⁸ CS(OS) No.1045/2014, Del HC

⁹ I.A.No. 6735/2014, Del HC

¹⁰ FAO(OS)(COMM) No.296/2018, Del HC

¹¹ FAO(OS)(COMM) No.297/2018, Del HC

¹² *Huawei Technologies Co. Ltd. v. ZTE Corp. and ZTE Deutschland GmbH* dated 16th July, 2015, Case No.C-170/13.

prevent continuous and recurring infringement of patents during the pendency of a suit.¹³ Further, the lack of any interim relief would give very little incentive to the implementer to negotiate.¹⁴

2. What is the test of infringement in a SEP matter?

The Court categorically stated that the test of infringement had to be satisfied in prima facie stage in SEP matters. There are two possible tests - i) the direct test of infringement, which applied in all standard patent matters, and ii) the indirect test, which involved the **Law of Transitivity** i.e., if the patent is based on a standard and the standard is being used in the infringing product, then the product is infringing the patent.¹⁵

3. Whether injunction can be granted even if infringement of one patent is shown?

Finding the answer in the affirmative, the DB held that an injunction can be secured, even if the infringement of one patent is established either prima facie, or at the final stage. (Accordingly, if a case for infringement, even with regard to one patent, is made out, it is like a **‘silver bullet’**). The Court also held that as value is in the technology which forms a part of the standard and the suit patents is just representative of that technology, a Patentee is not required to offer individual patent licenses or country specific licenses and that global portfolio licenses are capable of being FRAND.

4. Whether the 4-fold test of Nokia v. Oppos¹⁶ could be applied here?

The Court ruled that the four-factor test required propounded in *Nokia v. Oppos* before granting injunctive relief was “contrary to the law” and was based on a misreading of the decision of the UK Supreme Court in *Unwired Planet v. Huawei*.¹⁷ The DB explained that the Nokia decision “**set an impossibly high bar**” in requiring “unequivocal admission on (i) essentiality and validity of the suit patents (ii) fact of utilisation (iii) fact that such utilisation ... would amount to infringement (iv) that the royalty rate proposed by the Plaintiff was FRAND.” The DB held such a burden “is completely alien to the patent jurisdiction and does not

apply even in normal patent suits.” The DB explained that having such a high burden for preliminary injunctive relief means “there will be no incentive to innovate, and it will have a **‘Domino Effect’** on account of giving undue leverage to implementers and devaluing SEPs.

DB was further of the view that it is counter-intuitive for a party alleging abuse of dominance to claim that the patents are invalid as there cannot be dominance let alone abuse thereof qua patents, which are invalid. Accordingly, DB was in agreement with Ericsson that there is no legal embargo which prevents a Court from reaching a finding of lack of a credible challenge on the basis of admissions made by parties. The DB also held that, just because a revocation petition had been filed by Intex, it cannot be presumed that Ericsson’s patents are prima facie invalid. Mere filing of a revocation petition is not sufficient.

DB found Ericsson to have adequately established essentiality of their patent and its subsequent infringement justified the payment demand of 100% royalty by Intex, who failed to show sufficient grounds to overturn the impugned order. The DB also re-affirmed the impugned order’s finding on calculation of royalty rates, which was to be based on end-products (not chipsets).

Nokia Technologies OY v. Guangdong Oppo Mobile Telecommunications Corp. Ltd. & Ors.- Delhi High Court allows pro-tem security to be paid to SEP holder without needing to go into the merits of case

In another landmark judgment dealing with Standard Essential Patents (**SEPs**), a division bench of the Delhi High Court granted the payment of pro-tem security to the plaintiff during the pendency of the patent infringement suit after sufficient reason was shown for a prima facie case in favour of the plaintiff, while the defendants were acting as unwilling licensees.

The above order was given in an appeal¹⁸ to an order of an interim application¹⁹ in a patent infringement suit²⁰ praying for deposit of security, which was denied originally. The suit in question is in relation to patent infringement by the plaintiff i.e., Nokia’s patent numbers IN300066, IN269929, IN286352, IN321300. All of these were all stated to be SEPs on the ground of unlicensed

¹³ Para 78, *Intex Technologies (India) Ltd. v. Telefonaktiebolaget L M Ericsson*

¹⁴ Para 89, Law of Transitivity, i.e., if A=B and B=C, then A=C, where A= Patent ; B = Standard ; C = Defendant’s device

¹⁵ US Court of Appeals for the Federal Circuit in *Fujitsu Ltd v. Netgear Inc.* (620 F.3d 1321).

¹⁶ 2022 SCC OnLine Del 4014

¹⁷ UKSC 2018/0214

¹⁸ *Nokia Technologies OY v. Guangdong Oppo Mobile Telecommunications Corp. Ltd. & Ors.*,FAO(OS)(COMM) 321/2022

¹⁹ I.A.7700/2021 in CS(COMM) 303/2021

²⁰ CS(COMM) 303/2021.

manufacture, sale, etc., of cellular device, which comply with 2G, 3G, 4G and 5G telecommunication standards by the Defendants. The interim security prayed for, according to Nokia, could be an amount based on either the latest counter-offer made by Oppo for a global licence of Nokia's portfolio of SEPs or of an amount equivalent to the royalty paid under a 2018 Agreement (a cross-license agreement, which expired on 30th June, 2021) proportionate to the ratio of the number of devices sold by Oppo in India vis-à-vis the number of devices sold globally.

The main issues that arose for consideration were thus, whether the Court has the power to pass a pro-tem order without an exhaustive exploration on merits and whether in the facts and circumstances of the present case a pro-tem order is called for, especially in view of the bank guarantee furnished by the defendants i.e., Oppo in Germany. Nokia asserted that Oppo had secured a licence for use of Nokia's SEPs in 2018 and it did not include patents relating to the 5G standards and considering that 52 per cent of Oppo's sales in India and 64 per cent of its global sales consist of 5G devices, any new licence fee would be substantially higher. According to Nokia, since the expiry of the 2018 Agreement, no royalty has been paid by Oppo despite using the SEPs therein, despite the former making efforts for re-negotiating terms.

The Court, relying on *Intex. v. Ericsson*²¹ (discussed above) held that the Delhi high Court had already recognised the concept of pro-tem security and has held that the Courts have the power to pass deposit orders even on the first date of hearing if the facts so warrant. While furnishing of pro-tem security was the obligation Even if the implementer (i.e., Oppo) did not furnish pro-tem security as it was obligated to do in the negotiation phase itself,²² the Courts could provide relief to the aggrieved party. Further, it was held that it may not be necessary for a SEP holder to seek any pro-tem order in foreign jurisdictions/other jurisdictions because proceedings elsewhere may be significantly faster than that in India.

It was also observed that a pro-tem security order could not be likened to an injunction order for it does not stop or prevent the manufacturing and sale of the infringing devices. With regards to the conduct of Oppo, the Court observed that the fact that they had paid royalty under the 2018 Agreement was a direct acknowledgement of Nokia's SEP validity. Oppo also filed a suit in Chongqing China for determination of FRAND rates following multiple offers/counteroffers²³, all of which contributed to the

Court finding *prima facie* evidence of patent infringement. Accordingly, the Court allowed that appeal and directed the payment of an appropriate pro-tem security to the plaintiff. Subsequently, the Supreme Court refused to interfere with the Delhi High Court's judgment.

Allergan Inc. v. The Controller of Patents: Delhi HC clarifies how to judge amended claims under Section 59 of Patents Act

In a landmark finding, Justice C Hari Shankar has given an important interpretation of Section 59 of the Patents Act, 1970.²⁴ The Court observed that the claims and the complete specifications have to be read together as a whole to determine whether an amended claim falls within the scope of the original claim or not as opposed to the pre-existing practice of evaluating claims separately.

This case involved the filing of a "method of treatment" patent containing detailed disclosure of the method along with the compositional specifications of the intracameral implant that was to be used in the treatment. As an objection was raised under Section 3(l) of the Act during the examination of the application, the claims were modified to an intracameral implant. However, citing Section 59, the application was rejected, not on patentability of the claim but on the ground that the amended claims did not fall within the scope of the original claims. In an appeal, filed against the rejection decision by Allergan Inc., the Court held the rejection to be unjustified for the following reasons:

1. Firstly, it was noted that the application with "method of treatment" claims was first filed in the US and an International application was filed thereafter. Further, Section 138(4) of the Indian Patents Act necessitated that entirety of international patent application be a part of complete specification filed in India. Hence, there was no scope of initial amendment of the application and the same had to be done at a later stage after being filed in India through Section 57.
2. Secondly, the intracameral implant claimed in the amended claim was also explicitly mentioned in the original claims. The Court observed that the claims and the complete specifications had to be read together as a whole to determine whether an amended claim falls within the scope of the original claim or not.

²¹ 2023/DHC/2243-DB

²² *Huawei Technologies Co. Ltd. v. ZTE Corp. and ZTE Deutschland GmbH* dated 16th July, 2015, Case No.C-170/13

²³ Para 82, *Nokia Technologies OY v. Guangdong Oppo Mobile Telecommunications Corp. Ltd. & Ors*

²⁴ 2023/DHC/000515

3. Finally, patent law had to be interpreted liberally and cannot discourage inventions. The Ayyanagar Committee Report had also recommended that the amendments to a patent specification or claims prior to grant ought to be construed more liberally rather than narrowly.

Novartis AG v. Natco Pharma Ltd.-Delhi HC gives landmark judgment on the requirements of validity of species patents; differentiates between “disclosure” and “coverage”

This case is an important judgment in the ongoing debate over the patentability of “Selection inventions” i.e., species patents. These patents are granted to subject matters which form a specific part of a broader subject area patented under genus patents.²⁵

This case involved a patent infringement claim by the plaintiff over its patented product [Indian Patent No. IN 276026, “Novel Pyrimidine Compounds and Compositions as Protein Kinase Inhibitors”] Ceritinib, which is a drug used for the treatment of lung cancer. After the grant of the patent to Novartis, Natco challenged it through post-grant opposition on the grounds that it lacked novelty as it fell under the Markush formula for which there were pre-existing genus patents. During the pendency of that, Natco started selling a generic version of Ceritinib and hence, the plaintiff was granted injunctive relief. Meanwhile the Patents Office revoked the impugned patent, through an order which was subsequently appealed before the learned Intellectual Property Appellate Board (“IPAB”).²⁶ The injunction order was also vacated on the grounds that with the revocation of patent, any corresponding right it conferred also did not survive. However, the IPAB stayed the patent revocation order of the Patents Office, and consequently, the injunction against Natco was revived. Later, the IPAB also found the patent to be valid. This judgment i.e., the one under consideration in this article was passed in the backdrop of a pending writ petition²⁷ of Natco against the IPAB’s order validating Indian Patent No. IN 276026 for Ceritinib.

At the very outset, the Court acknowledged that Natco’s defence of the suit is almost entirely based on challenging the validity of the suit patent’s validity. Since the final order of the learned IPAB upholds the validity of this suit patent, the plaintiff has substantial prima facie case even on that score, the Court



observed. On the aspect of novelty, the Court observed that Certinib was a species patent whose key inventive features were not found in any prior art documents and exhibited enhanced efficiency like lower toxicity²⁸.

The decision in this case has been mostly given relying on FMC Corporation²⁹ and Novartis³⁰. Most importantly, in this case, the Court acknowledged the distinction between ‘coverage’ and ‘disclosure’ and clarified that for a prior genus patent to ‘disclose’ the subject matter of a species patent, it must specifically teach a person with relevant expertise ‘how to reach’ the species patent, thereby making it an “enabling disclosure”. This was different from mere ‘coverage’, which meant that a genus patent covered hundreds of compounds under its subject matter. For a species patent to be non-patentable on the grounds that it was “disclosed” in the genus patent, mere coverage would not suffice for purposes of disclosure. The Court held that the prior arts cited, and allegedly prior claiming Ceritinibi, do not teach the way to reach the suit patent, or select the substituents from the generic disclosure to arrive at the specific disclosure or for that purpose. The Court further held that any statement by Novartis that merely amounts to an acknowledgement that Ceritinib was covered by some prior patent within the broad parameters of the Markush structure claimed therein, cannot estop Novartis from contesting that, vis-à-vis prior art; Ceritinib was a novel and inventive invention, entitled to a patent. Considering the above, the Court granted an interim injunction.

²⁵ 2023/DHC/000113

²⁶ Appeal No. OA/20/2019/PT/DEL

²⁷ WP (c) 9487/2020

²⁸ Para 66, *Novartis AG v. Natco Pharma Ltd*

²⁹ 2021 SCC OnLine Del 3647

³⁰ 2021 SCC OnLine Del 5340

Boehringer Ingelheim Pharma GMBH & Co. v. Vee Excel Drugs & Pharmaceuticals (P) Ltd. – No distinction between “coverage” and “disclosure”, Del HC refuses to grant interim relief due to overlap between species and genus patent

Justice Amit Bansal refused to grant an injunction to the plaintiff (Boehringer Ingelheim Pharma GMBH) for the infringement of their patent by various Indian pharmaceutical companies on the ground that the concerned species patent, which was allegedly being infringed, was a second patent on the same invention and hence *prima-facie* invalid.³¹

In this case,³² the species patent in question was Indian Patent No. IN 243301 (**suit patent**) titled “8 - (3 AMINOPIPERIDIN-1-YL)-XANTHINE COMPOUNDS” and the genus patent is already expired Indian Patent No. 227719 titled “XANTHINE COMPOUNDS” held by the plaintiff. The plaintiff manufactured Linagliptin covered by the genus and the species patent described above, a medicine whose generic version was being manufactured by the defendant after the expiry of the genus patent. The defendants alleged that the plaintiffs had indulged in evergreening and double patenting as Linagliptin was covered by the now-expired genus patent.

Agreeing with the defendants, the Court specifically disapproved the existence of dichotomy between the terms ‘coverage’ and ‘disclosure’ as was being argued by the plaintiff, stating that when a product is covered in the genus patent, the specific disclosure of the same is immaterial and the patentee cannot claim the same product in the species patent. Relying heavily on *AstraZeneca AB and Ors v. Intas Pharmaceuticals Ltd and Ors.*,³³ the Court held that once a patentee claims infringement of an earlier genus patent in respect of a product, it necessarily follows that the said product was the subject matter of the earlier genus patent. Further, if one of the combinations in the Markush patent includes the product in question, it would form part of the inventive concept of the earlier patent and cannot again be claimed as an inventive concept of a subsequent patent. In this case, using assertions made by the plaintiff that Linagliptin was covered by the earlier patent, and that its manufacture by the defendants would lead to the infringement of the genus and species patent, the Court concluded that the product was covered/disclosed by the previous patent, that is the genus patent and hence, the plaintiff was not entitled to any injunction.

In another important finding, the Court spoke on the presumption of validity of a patent once granted and stated that no such presumption exists in the Indian jurisdiction. It negated applicability of the English law six-year rule³⁴ [which states that for patents older than six years, courts may presume validity of patents] in India and stated that though in the present case, there was no pre- or post-grant opposition to the suit patent, the same could not be presumed to be valid only on that basis.³⁵

Delhi High Court’s orders providing clarity on Section 3(k) of the Patents Act

Firstly, in *Microsoft Technology Licensing v. Controller of Patents* the Delhi High Court gave an in-depth interpretation of what entails the phrase “computer program per se” in Section 3(k) of the Patent Act, 1970.³⁶ Section 3(k) provides that “a mathematical or business method or a computer programme per se or algorithms” are not-inventions.

The Court delved into the legislative history of Section 3(k) and advocated for a more comprehensive approach to be taken by the Patents Office while evaluating computer related inventions (**CRI**). The Court held that the expression “per se” implied that inventions comprising only of a computer programme could not be patentable. However, if a computer program was being used together with a hardware or resulted in the resolution of some problem or had some substantial technical effect, it may be eligible for patent protection. The 2017 CRI Guidelines released by the Patents Office went along these lines, focussing more on the substance of the application rather than form. However, the Court regretted that despite the presence of such guidelines, the Patents Office seldom actually followed the same and have necessitated the requirement of a novel hardware to overcome Section 3(k) even when such a requirement is not part of the guidelines.

The Court observed that the appellant’s application in question was rejected due to misinterpretation of Section 3(k) of the Act, and an oversight of technical effect and contribution of the claimed invention, resulting in erroneous determination that the subject application constitutes “computer program per se”. Invention could not to be deemed a “computer programme per se” solely due to use of algorithms and computer-executable instructions as that would amount to failing to appreciate the actual innovation in the invention. In this case, the Court found

³¹ S. 7(1) and S. 46(2) of Patents Act, 1970

³² 2023:DHC:2271

³³ 2021 SCC OnLine Del 3746

³⁴ *Smith v. Grigg Ltd.*, (1924) 41 RPC 149

³⁵ Para 22, *Boehringer Ingelheim Pharma GMBH & Co. v. Vee Excel Drugs & Pharmaceuticals (P) Ltd.*

³⁶ 2023:DHC:3342

that the invention was novel and had a technical contribution as it not only provided for a two-tier authentication process for accessing one or more sub-locations of a network location using two different cookies but also improved user experience by providing added security which was its technical effect. Hence, the subject matter could be considered an invention not barred by Section 3.

Secondly, the Delhi High Court in *OpenTV Inc. v. the Controller of Patents*³⁷ gave much clarity over exclusions under Section 3(k) of the Patents Act. The Court referred to UK and the European Provisions³⁸, and concluded that the exclusion of the business methods is qualified as “schemes, rules or methods for doing business as such”. Thus, the bar in these foreign jurisdictions is not absolute, and if there is something more than the business method itself, then the patenting could be permissible. However, in India the ‘per se’ clause in Section 3(k) does not relate to business methods. Thus, this bar of business methods has to be read absolutely keeping aside all questions of technical advancements, novelty and innovation.³⁹ Thus, while determining patentability of the applications for business methods, the Court shall look into whether the invention is primarily for enabling the business, whether it aims to claim exclusivity over a manner of doing business. If the application is only for business method, for instance, covering only the method of sale or purchase of goods and services, then it shall be excluded via Section 3(k).

Subsequently, the Court provided a ‘postscript’ where it referred to the 161st Parliamentary Standing Committee Report on ‘Review of Intellectual Property Regime in India’.⁴⁰ Relying upon this report, the Court recommended that the Parliament ‘have a relook at the exclusion in Section 3(k) of the Patents Act’. The underlying rationale is that several inventions in the emerging technologies could be in the field of business methods, computing application, digital technologies, *inter alia*. Hence, the decision rightly delineates the existing statutory provisions, while being mindful of the emerging needs to relax Section 3(k) to benefit the innovators/businesses.

Thirdly, the Delhi High Court in *Raytheon Company v. Controller General of Patents and Designs*⁴¹ held that “the patent office needs to examine if there is a technical contribution or as to what

is the technical effect generated by the invention as claimed”.⁴² The determination of Computer Related Inventions (CRIs) depends upon ‘whether it is of a technical nature involving technical advancement as compared to the existing knowledge or having economic significance or both, provided it is not subjected to exclusion under Section 3 of the Patents Act’. The Court relied upon Section 3(k) of the Patents Act and the interpretation of ‘Guidelines for Examination of Computer Related Inventions 2017 (CRI Guidelines, 2017)’.

The CRI Guidelines 2017 diluted Section 3(k) requirement by removing the ‘novel hardware’ requirement, while it reiterated the requirement of ‘technical contribution’.⁴³ The CRI Guidelines, 2017 further provides that the expression of such functionality has to be judged on the ‘underlying substance’ of invention, and not specifically the form of claiming it. The High Court said that the novel hardware requirement is not to be insisted upon in applications relating to computer programs.

Akebia Therapeutics Inc v. Controller General of Patents, Design, Trademark and Geographical Indications- Opposition to patents requires strict compliance with procedure sue to interest of natural justice

Through this order, Justice C Hari Shankar of the Delhi High Court underscored the importance of compliance with procedural requirements, particularly regarding filing evidence in the form of affidavits during post-grant opposition proceedings.⁴⁴ The Court agreed that the Opposition Board recommendations have high persuasive value and non-compliance with the procedure while formulating the same would lead to injustice.

In this case, a patent (IN 287720) was granted to the plaintiffs to which one of the respondent’s (opponent) filed a post-grant opposition. Under Rule 57 of the Patent Rules, the opposition was filed, however, the opponent filed the same along with few prior art documents without any affidavit. Thus, no evidence was filed in post-grant opposition by the opponent.⁴⁵ Consequently, the plaintiffs also did not file any evidence along with the reply to the Opposition under Rule 58. Under Rule 59, the opponent filed a rejoinder along with an affidavit. Aggrieved by the filing of rejoinder and also the affidavit under Rule 59, the patentee / petitioner filed a miscellaneous petition before the learned Controller:

³⁷ 2023/DHC/003305 (11th May 2023), available here <pms11052023cap142021184636-472239.pdf (livelaw.in)>

³⁸ See Section 1(2) of the Patents Act of UK and Article 52 of the European Patent Convention respectively.

³⁹ Para 72, *OpenTV Inc. v. Controller of Patents and Designs*

⁴⁰ Para 8.4 of the 161st Parliamentary Report.

⁴¹ 2023/DHC/6673, decided on 15th September 2023

⁴² Para 21, *Ibid*.

⁴³ Yogesh Byadwal, “[Raytheon Company v. Controller General of Patents and Designs: The Question of CRI and 3\(k\)](#)”, October 13, 2023. Available here < [Raytheon Company v. Controller General of Patents and Designs: The Question of CRI and 3\(k\) - Spicyip](#)>

⁴⁴ 2023: DHC: 5972

⁴⁵ Para 20, *Akebia Therapeutics Inc v. Controller General of Patents, Design, Trademark and Geographical Indications*.

1. objecting to the filing of the rejoinder by the opponent as the same is not prescribed by Rule 59;
2. objecting to the filing of the affidavit, contending that any evidence filed under Rule 59 of the Patents Rules cannot travel beyond the evidence filed by the patentee under Rule 58;
3. the patentee not having filed any evidence under Rule 58, no evidence had been filed by the opponent under Rule 59

The Petitioner also filed a second petition seeking to place on record further evidence under Rule 60 of the Patents Rules in case the evidence and the rejoinder filed by the opponent is taken on record. Rejecting the first petition, without deciding on the second petitions, the controller forwarded the opposition board's recommendations considering all documents filed under Rule 57 to 59. Aggrieved by the order rejecting the first petition, the procedure followed in formulating the Opposition Board's recommendations, and the Opposition Board's recommendations themselves, the patentee/petitioner approached the Court and filed a Writ Petition.

The Court noted that filing of affidavit which was done under Rule 59 by the opponent should have been done under Rule 57 at the very first instance so that the plaintiff would have been given sufficient opportunity to reply to the same with their own evidence under Rule 58. The Court further noted that Rule 59 does not envisage, or permit, filing of any "rejoinder" by the post grant opponent. It permits the post grant opponent to file evidence, and nothing more, and wherein said evidence must be confined to the evidence of the Patentee filed under Rule 58. As the evidence has only been filed under Rule 59, the Patentee has been deprived of the opportunity to file any evidence-in-reply.

The Court thus, deemed it fit to intervene in the instant petition and set aside the Opposition Board's recommendations as the Court accepted the contention of the petitioner that the recommendations have high persuasive value on the Controller's final judgement and therefore procedure prescribed in formulating the same should be followed.⁴⁶ Additionally, the Court deemed the rejoinder and affidavit of the Opponent to be evidence under Rule 57 and allowed the plaintiff to file additional evidences⁴⁷ as a response to the same. After filing of such evidence by the petitioner/patentee, the Opposition Board was directed to deal with the matter de novo and make fresh recommendations.



Similarly, in *Optimus Drugs Private Limited v. Union of India & Ors.*, the Madras High Court adopted a similar reasoning, and directed for the reconstitution of the Opposition Board and re-consideration of all evidence on record by holding that there were lapses in procedural requirements.⁴⁸ The Court observed that because the Patents Office had permitted the filing of additional evidence after the Opposition Board gave its recommendations, the recommendations became redundant, and the Controller could not base their decision on them. Consequently, in this case, the Court directed reconstitution of the Opposition Board and issuing of fresh opposition Board recommendation.

Astrazeneca AB v. Westcoast Pharmaceutical Works Ltd- Delhi High Court clarifies rights of patent holders during pendency of post-grant opposition proceedings- holds relevant portion of Aloys Wobben as obiter dicta

The Delhi High Court has clarified that there was no bar on the institution of a patent infringement suit during the pendency of a post-grant opposition proceeding as such an interpretation would make the rights of the patent-holder ineffective. The order was of an interim application⁴⁹ preferred by the defendant seeking rejection of the patent infringement suit⁵⁰ of the plaintiff.

In the present case, the suit patent IN 297581 claiming the compound "Osimertinib", was granted to the plaintiff on 11th June 2018, whereafter, post grant oppositions were filed by two

⁴⁶ *Cipla Ltd. v. Union of India*, (2012) 13 SCC 429

⁴⁷ Rule 60, *Akebia Therapeutics Inc v. Controller General of Patents, Design, Trademark and Geographical Indications*

⁴⁸ WP(IPD)/24/2023

⁴⁹ I.A.21995/2022

⁵⁰ CS (COMM) 101/2022

companies under Section 25(2) of the Patents Act. The present suit was filed during the pendency of those proceedings. The important issue in consideration was the Supreme Court judgement in *Aloys Wobben v. Yogesh Mehra*⁵¹ which, had observed that a final grant of patent occurred only after the culmination of post-grant proceedings and a patent infringement suit could occur only thereafter. Citing this case and two other cases⁵² which relied on *Aloys Wobben*, the applicant argued that neither had the right of the plaintiff to assert the suit patent crystallised yet, nor can the plaintiff institute an infringement suit at this stage.

Rejecting this argument, the Court sought to differentiate *Aloys Wobben* on facts. At the outset, the Court observed, *Aloys Wobben* was concerned with 23 revocation petitions⁵³ filed by Enercon against Aloys Wobben (the patent-holder), 10 infringement suits filed by Aloys Wobben against Enercon each with its own counterclaim by Enercon. The issue in consideration was thus, whether Enercon could simultaneously, institute revocation petitions and counterclaims. An important point to note herein that this case did not involve any post-grant opposition proceeding in its factual matrix; but the Supreme Court did observe that after the grant of a patent, the same was vulnerable to challenge via three ways- revocation petitions, post-grant opposition and counterclaims (in case of patent infringement suits), two of which was utilised in that case.

The Court in the present case, held that Enercon differed in facts from the present case. The Court also, relying upon the fact that obiter dicta are non-binding, held that the observations of the Supreme Court relied on by the applicants were obiter and hence, did not bind the present Court.⁵⁴ The Court reasoned that it would be unreasonable to expect a patent holder to not enforce their rights under Section 48 of the Patent Act (right of patent-holder to prevent infringement of their patent by third

parties), during the pendency of post-grant opposition which could drag on for years.

Further, there was a difference between grant of a patent and crystallization of right. While the crystallization of right might occur after the culmination of post-grant oppositions, the grant of a patent automatically led to the right to institute patent infringement suits and there was no unequivocal declaration of law to the contrary even in *Aloys Wobben*.⁵⁵ Accordingly, the Court refused to dismiss the suit and dismissed the application filed by the defendants.

Filo Edtech Inc. v. Union of India: Patent appeal jurisdiction to be determined by the location of the “appropriate office” and not the location of the “hearing officer”

Justice C Hari Shanker, of the Delhi High Court, recently held that the jurisdiction for appeals under Section 117A of the Patents Act has to be determined by the location of the “appropriate office” as provided by Rule 4⁵⁶ of the Patent Rules.⁵⁷

An application no. 202221006191 dated February 4, 2022 was filed by Filo Edtech Inc before the Mumbai Patent Office. In accordance with Office Order No. 15 of 2016 dated March 2016 and Office Order No. 34 of 2016 dated June 3, 2016 issued by the patent office to expedite patent prosecution and disposal, the application was allotted to an Assistant Controller of Patents posted in Delhi Patent Office. The examination report and notice of hearing were issued by the Delhi Patent Office and the matter was finally heard and an order passed by the Delhi Patent Office rejecting the application.

Filo Edtech Inc. appealed against the said order before the Delhi High Court. The respondent, however, raised an objection on the maintainability of the appeal. The Respondent argued that the appeal in the present case would lie before the High Court of

⁵¹ (2014) 15 SCC 360

⁵² *Pharmacosmos Holding A/S v. La Renon Healthcare Pvt. Ltd.*, 2019 (78) PTC 329; *Sergi Transformer Explosion Prevention Technologies Pvt. Ltd. v. CTR Manufacturing Industries Ltd.*, 2015 SCC OnLine Bom 6984

⁵³ S 64(1), Patents Act, 1970

⁵⁴ Para 52, *Astrazeneca AB v. Westcoast Pharmaceutical Works Ltd*

⁵⁵ Para 59, *Astrazeneca AB v. Westcoast Pharmaceutical Works Ltd*

⁵⁶ Rule 4 Appropriate office

- 1) The appropriate office of the patent office shall-
 - i) for all the proceedings under the Act, be the head office of the patent office or the branch office, as the case may be, within whose territorial limits-
 - a) the applicant or first mentioned applicant in case of joint applicants for a patent, normally resides or has his domicile or has a place of business or the place from where the invention actually originated; or
 - b) the applicant for a patent or party in a proceeding if he has no place of business or domicile in India, the address for service in India given by such applicant or party is situated; and
 - 2) The appropriate office once decided in respect of any proceedings under the Act shall not ordinarily be changed.
- 3) Notwithstanding anything contained in sub-rule (2), the Controller may transfer an application for patent so filed, to head office or, as the case may be, branch office of the Patent Office.
- 4) Notwithstanding anything contained in sub-rule (1), further application referred to in section 16 of the Act, shall be filed at the appropriate office of the first mentioned application only.
- 5) All further applications referred to section 16 of the Act filed in an office other than the appropriate office of the first mentioned application, before the commencement of the Patents (Amendment) Rules, 2013, shall be transferred to the appropriate office of the first mentioned application.

⁵⁷ C.A.(COMM.IPD-PAT) 30/2023

Bombay and in this respect relied upon the judgment of the Coordinate bench in *Dr. Reddys Laboratories Limited & Anr. Vs. The Controller of Patents & Ors*⁵⁸. The Respondent on behalf of the Controller General of Patents and Design, argued that the “appropriate office”, (which in the present case is the Mumbai Patent Office) exercises dominion over the application filed by Filo Edtech and the same should continue, from start to finish as is clear from the wording of Rule 4, of the Patent Rules.

Justice C Hari Shanker agreed with the respondent and also the decision of the Co-ordinate Bench, in *Dr. Reddy's Laboratories*, that the situs of the High Court which would hear the appeal under Section 117A(2) would also be determined by the location of the “appropriate office”.

Justice C Hari Shanker noted the Patents Act does not have any provision to identify a High Court which can exercise jurisdiction under Section 117A(2). As Section 159(1) of the Patents Act specifically empowers the Central Government to make rules for carrying out the purposes of the Patents Act by notification in the official gazette, Justice Shanker held that that it would not be incorrect to refer to the Rules to ascertain which High Court can exercise appellate jurisdiction under section 117 A of the Patent Act. Rule 4(1)(i) states that the appropriate office of Patent Office shall, “for all proceedings under the Act”, be the Patent Office where the application seeking grant of patent is initially filed. Sub-rule (2) of Rule 4 further provides that the appropriate office, once decided in respect of any proceedings under the Act, shall ordinarily not be changed.

Justice C Hari Shanker, therefore, held that, the Mumbai Patent Office, before which, the appellant filed an application for grant of the patent, is the “appropriate office” and the High Court which has jurisdiction over the “appropriate office”, would be the appropriate High Court to hear and entertain the appeal under Section 117A. The appeal was therefore dismissed for want of territorial jurisdiction, with the liberty to the appellant to institute the appeal before the Bombay High Court.

Syngenta Ltd v. Controller of Patents and Designs: Division Bench altering the interpretation of Section 16 of the Indian Patents Act

The order of the Division bench (DB) of the Delhi High Court in *Syngenta Ltd v Controller of Patents and Designs* brought an

overdue clarity on the interpretation of Section 16⁵⁹ of the Indian Patents Act, dealing with divisional patent applications.⁶⁰ The DB held that:

1. There is no distinction or dichotomy with respect to Divisional Applications based on whether the same is filed *suo-moto* or due to an objection raised by the Controller. The Court held that whether the divisional Application is filed by the applicant *suo-moto* or to remedy an objection raised by the Controller, there has to be a plurality of inventions.
2. A Divisional Application would be maintainable even if the plurality of inventions is disclosed in the provisional or complete specification of the parent.

For detailed discussion, you may refer to [cam blog](#) titled “Division bench altering the interpretation of Section 16 of the Indian Patents Act” ([Division Bench altering the interpretation of Section 16 of the Indian Patents Act | India Corporate Law \(cyrilamarchandblogs.com\)](#))

Chinese University of Hong Kong case : Interpreting ‘Diagnostic’ under Section 3(i) of the Patents Act

Section 3(i) of the Indian Patents Act makes patent ineligible “any process for the medicinal, surgical, curative, prophylactic diagnostic, therapeutic or other treatment of human beings or any process for a similar treatment of animals to render them free of disease or to increase their economic value or that of their products”. Two recent Madras High Court decisions, in respect of two separate appeals filed by the same Appellant, *Chinese University of Hong Kong* [CMA (PT) No. 14 of 2023 and CMA(PT) No. 1 of 2023] have deliberated upon the scope of “diagnostic” under Section 3(i) of the Patents Act, 1970. In both the cases, the Court, held that the word “diagnostic” in Section 3(i) of the Patents Act, should be construed, to consider processes that uncover pathology for the treatment of human beings, as being patent ineligible.

For detailed discussion, you may refer to [cam blog](#) on “Interpreting ‘Diagnostic’ under Section 3(i) of the Patents Act” ([Interpreting ‘Diagnostic’ under Section 3\(i\) of the Patents Act | India Corporate Law \(cyrilamarchandblogs.com\)](#))

⁵⁸ C.O. (COMM.IPD-PAT) No. 3/2021

⁵⁹ 16. Power of Controller to make orders respecting division of application.-

(1) A person who has made an application for a patent under this Act may, at any time 67 [before the grant of the patent], if he so desires, or with a view to remedy the objection raised by the Controller on the ground that the claims of the complete specification relate to more than one invention, file a further application in respect of an invention disclosed in the provisional or complete specification already filed in respect of the first mentioned application.

(2) The further application under sub-section (1) shall be accompanied by a complete specification, but such complete specification shall not include any matter not in substance disclosed in the complete specification filed in pursuance of the first mentioned application.

(3) The Controller may require such amendment of the complete specification filed in pursuance of either the original or the further application as may be necessary to ensure that neither of the said complete specifications includes a claim for any matter claimed in the other. 68 [Explanation.-For the purposes of this Act, the further application and the complete specification accompanying it shall be deemed to have been filed on the date on which the first mentioned application had been filed, and the further application shall be proceeded with as a substantive application and be examined when the request for examination is filed within the prescribed period.]

⁶⁰ C.A.(COMM.IPD-PAT) 471/2022.

Monsanto Holdings Pvt. Ltd. v. Competition Commission of India: Patents Act is the special statute to deal with anti-competitive agreements of patentee(s).

Delhi High Court in *Monsanto Holdings Pvt. Ltd. v. Competition Commission of India*⁶¹ discussed at length whether CCI can inquire patentee's actions under the Competition Act? The Court looked into the conflict between the Patents Act, 1970 and the Competition Act, 2002 and their resolution thereof.⁶² Earlier in *Ericsson v. CCI (2016)*⁶³, and in *Monsanto v. CCI*⁶⁴, the Competition Commission was allowed to entertain complaints regarding abuse of dominance in Patent rights.⁶⁵ The underlying rationale was based upon the legislative history and intention, the lack of comprehensive mechanism to deal with anti-competitive behavior of patentees under Patents Act, and that the mere overlap between these two parent statute does not restrict the power with the CCI under the Competition Act.⁶⁶

Now the Delhi High Court in the present case, has reversed this position by holding that CCI cannot exercise its jurisdiction over actions of an enterprise that are in exercise of their rights as a patentee.⁶⁷ The Court acknowledged that both these statutes are special laws in their respective fields. However, Chapter XVI of the Patents Act was introduced via an amendment in 2003, and it is a subsequent enactment. Moreover, the determination of

which law shall prevail would depend upon, *firstly*, the maxim *lex posterior derogate priori* (subsequent law prevails over prior law on the same subject matter); *secondly*, consideration of the subject matter to determine whether the statute is special or general; *thirdly*, by considering the purpose and policy underlying the two enactments and the language of the provisions.⁶⁸

The High Court conducted a comprehensive analysis of the provisions, nature and extent of power conferred. It also referred to the *Ericsson AB v. CCI (2016)* judgment which held that under Section 3(5)(i)(b) and 4 of the Competition Act, only the CCI can consider whether a condition imposed in an agreement licensing a patent is unreasonable i.e., whether it causes an appreciable adverse effect on competition or abuse of dominance. The High Court disagreed with the earlier position. It held that the factors to be considered by CCI under Section 19(3) and 19(4) of the Competition Act are “not very different from those that the Controller exercises in grant of compulsory license under Section 84(6) and 84(7)”.⁶⁹ The High Court held that Chapter XVI of the Patents Act is a complete code which was introduced after the enactment of the Competition Act, 2002. Hence, in relation to ‘anti-competitive agreements and abuse of dominant position by a patentee in exercise of rights under the Patents Act’, the Patents Act is a special statute and not the Competition Act.⁷⁰

⁶¹ 2023 SCC OnLine Del 4078

⁶² Para 20, *Monsanto Holdings Pvt. Ltd. v. CCI (2023)*

⁶³ Para 174, W.P.(C) 464/2014 & CM Nos.911/2014 & 915/2014

⁶⁴ W.P.(C) 1776/2016 and CM Nos. 7606/2016, 12396/2016 & 16685/2016

⁶⁵ Para 9, *Monsanto Holdings Pvt. Ltd. v. CCI (2023)*

⁶⁶ *Ibid.*

⁶⁷ Para 11, *Monsanto Holdings Pvt. Ltd. v. CCI (2023)*

⁶⁸ *Ashoka Mktg Ltd. v. Punjab National bank (1990) 4 SCC 406*

⁶⁹ Para 49, *Monsanto Holdings Pvt. Ltd. v. CCI (2023)*

⁷⁰ Para 54, *Monsanto Holdings Pvt. Ltd. v. CCI (2023)*



Copyright

Anil G. Karkhanis v. Kirloskar Press and Anr . - licence under Section 32 of the Copyright Act granted by the Bombay High Court

In a first of its kind, a single-judge bench of Justice Manish Pitale of the Bombay High Court granted a Section 32 licence for the translation of a literary work from English to Marathi.⁷¹ Under Section 32 of the Copyright Act, 1957 (r/w the Copyright Rules, 2013), any person may apply to the Appellate Board, i.e., the High Court for a licence to produce and publish a translation of a literary or dramatic work in any language after termination of a seven-year period since the publication of the work. Such a licence is granted without the requirement of authorisation from the author of the work i.e., a licence under this section may be granted even if the author expressly denies such translation.

The work in question, “The Spirit’s Pilgrimage” written by Madeleine Slade was published in India in the year 1960 by Orient Longman Private Limited and in Great Britain by the publisher Longmans, Green & Co. The petitioner expressed their interest in publishing the translated work and submitted that they were not able to find the author or her family members. Thus, the petitioner had done their due diligence in obtaining consent from the copyright holder. Further, the Court took note of the Petitioner’s competence to translate the work as well as the general absence of the translated version of the work in question. In satisfaction of the same, the Court had ordered notice to be published in compliance with Rule 33 of the Copyright Rules, 2013, which talks about giving notice of application under Section 32 of the Act.

The Court found that the concerned work fulfilled all the conditions for the grant of such a licence. *Firstly*, the work was published in India, *secondly*, it was published more than seven years before the petition being filed and *thirdly*, the petition/application was being moved in the prescribed form. Further, the petitioner stated that they were ready and willing to pay a royalty to the person entitled to such royalty under the provisions of the said Act i.e., the owner of the copyright and this, was accepted by the Court. The Court was further convinced that granting of such a licence would satisfy Rule 34(4) i.e., requirement of public interest. Accordingly, the licence was granted by the Court.

Trishul Media Entertainment v. Retrophiles (P) Ltd.- Only natural persons can claim moral rights of authors and no relief can be asked by companies filing cases even on behalf of companies

In a significant ruling, Justice Chagla of the Bombay High Court observed that rights under Section 57 of the Copyright Act, 1957 could not be claimed by a non-natural person, like a company, even on behalf of its employees, thus shedding light on the enigmatic existence of moral rights of authors.⁷² Section 57 of the Copyright Act recognises an author’s special rights to restrain or claim damages in respect of any distortion, mutilation, modification, or any other act about the said work if such distortion, mutilation, modification, or other act that would be prejudicial to the honour or reputation of the author of the work.

The present case involved a claim for credits in the movie “Adipurush” by the plaintiff on behalf of their employees. The

⁷¹ 2023 SCC OnLine Bom 678

⁷² 2023 SCC OnLine Bom 1824

petitioners had asked for permission to file a representative petition under Order I Rule 8 of the Civil Procedure Code, 1908. The Court noted that the most important criteria for granting leave under the said Rule is that the person willing to represent should have “commonality” with the individuals they wish to represent *vis-à-vis* the subject matter of the suit. “Commonality” refers to the presence of a common subject matter interest among the representative and the individuals they are representing.

The subject matter in the present case had to be the claim of special rights to which “authors” were entitled. However, the Court observed that the petitioner, being a juristic person, could not be included within the scope of “author” for the purposes of the Copyright Act and hence, did not have any commonality on “authorship” with its employees whom they hoped to represent. Accordingly, the interim application for injunctive relief against the defendants was dismissed.

RDB and Co. HUF v. HarperCollins Publishers India Pvt. Ltd.- Delhi High Court holds screenplay to be separate from film, says author of screenplay will have exclusive rights on it, not producer of film

In a significant ruling that widens the scope of rights of authors of literary works, it has been held by Justice C. Hari Shankar of the Delhi High Court that while a producer holds copyright over a film, the writer would have ownership over screenplay and script, during a lack of a contract to the contrary.⁷³ Differentiating between a cinematographic film and its underlying work like its screenplay, it was observed that the two copyrights, one over the film and one over the screenplay, could exist separately with two different individuals.

The present case involved RD Bansal signed a contract with Satyajit Ray to write a screenplay and direct a movie on it. Ray accordingly created “Nayak”, which evolved to be one of his greatest works of all time. In 2018, under the instructions of the defendant, Mr. Bhaskar Chattopadhyay novelised the screenplay of “Nayak”. The novel was, thereafter, published by the defendant and released on May 5, 2018. The plaintiff i.e., RD Bansal claimed to be the owner of the screenplay written by Ray and hence, alleged that the novelisation of the screenplay and subsequent publication by the defendant, constituted infringement of the plaintiff’s copyright, within the meaning of Section 51 of the Copyright Act, 1957. Under Section 51, copyright

infringement arises when exclusive right of the copyright holder is infringed without requisite licence, or any other violation of the Act.

The main issue here was to determine copyright ownership of a film if the author has been commissioned by the producer of the film to write the screenplay. Defendant contended that the copyright in the screenplay vested in Mr. Satyajit Ray, and after Ray’s death, the copyright of the screenplay vested in Ray’s legal heirs i.e., his son Sandip Ray and the Society for Preservation of Satyajit Ray Archives (SPSRA). The defendant claimed to have obtained a licence from Sandip Ray and SPSRA to novelise the screenplay of the film.

The Court determined that Section 13(4) of the Copyright Act clarified that “*the copyright in a cinematograph film or a [sound recording] shall not affect the separate copyright in any work in respect of which or a substantial part of which, the film, or, as the case may be, [sound recording] is made*”. Thus, a screenplay, being a substantial and underlying part of the film was considered separate from the film itself and had vested rights (i.e., copyright) on its author. Accordingly, the Court said that the screenplay of a film does not fall under the definition of “cinematograph film”⁷⁴ under Section 2(f) of the Copyright Act. In the present case, the screenplay came within the meaning of “literary work” under Section 2(o) and Section 13(1)(a) and Satyajit Ray was the first author of the same under Section 2(d)(i). Accordingly, he had exclusive rights to provide licenses to whomever he deemed fit for its novelisation. Therefore, after Ray’s death, Sandip Ray and SPSRA were justified in allowing the defendants to publish the novel.

Anil Kapoor v. Simply Life India: Personality rights under Copyright Act extend to AI/ Machine Learning generated content

In *Anil Kapoor v. Simply Life India*, the Delhi High Court ordered an interim injunction against the use/ misuse of personality rights of the actor Anil Kapoor.⁷⁵ Personality rights protect the commercial exploitation of the element’s associated with one’s persona, such as his name, voice, photograph, image, manner of speaking or dialogue delivery, signature, etc.⁷⁶ This is entitled to protection under the Copyright Act. And the copyright holder shall be entitled to rights, such as moral rights that the material should not be disparaged, advertised under passing off, misuse or tarnish the image over the internet, *inter alia*.

⁷³ 2023:DHC:3551.

⁷⁴ Para 69, *RDB and Co. HUF v. HarperCollins Publishers India Pvt. Ltd.*

⁷⁵ *Anil Kapoor v. Simply Life India*, CS (COMM) 652/2023

⁷⁶ Para 25, *ibid.*

The plaintiff alleged that the defendants are utilising the features of the Plaintiff's persona, and are misusing the same in malicious ways. This includes the generation of derogatory images and videos using artificial intelligence. The Court referred to the 'Prevention and Regulation of Dark Patters 2023' draft-guidelines of Ministry of Consumer Affairs to protect consumers against deceptive practices to subvert or mislead the consumer or to impair their decision-making skills. The Court held that celebrity's right of endorsement is a major source of livelihood which cannot be destroyed by permitting unlawful dissemination and sale of merchandise such as t-shirts, key chains, etc.⁷⁷

The Court held that the plaintiff's personality rights deserve to be protected, not only for the Plaintiff's own sake, but also for his family and friends who would not like to see his image, name, etc., being used especially in derogatory manner. Accordingly, the Court restrained the defendant or anyone on their behalf from using the personality rights of the plaintiff, including the misuse of the technologies such as Artificial Intelligence, Machine Learning, deep fakes, etc., for either monetary gains or otherwise. The domain names which were used for such infringement were ordered to be taken down within a week. This order is landmark as it extends that even the content generated via artificial intelligence, machine learning, etc., must be taken down if it infringes the copyright of the author, including his/her personality rights.

Saga Music Private Limited v. Satinder Pal Singh Sartaa⁷⁸ : ***Execution of multiple agreements in respect of the same work***

The Delhi High Court said that the present suit highlighted the 'precarious position in which artists, film producers, companies who manage rights in music, and others are placed due to the execution of multiple agreements in respect of the same work'. The rights in song 'JALSA' sung by Mr. Satinder Pal Singh (Defendant No. 1) were assigned for 'perpetuity' and the territory was the 'universe', the meaning of which was not clear. Subsequently, Sony Music executed an assignment agreement in favour of Defendant No. 2, thereby him acquiring rights in the song. Thereafter, in 2022, a subsequent copyright assignment agreement is executed with the Plaintiff No. 2, extending to perpetuity and the entire universe. The Plaintiff's grievance is that a film to be produced by Defendant No. 3 in which the song 'JALSA' with the same lyrics and voice of Defendant No. 1 has been incorporated. Plaintiffs contend rights in the song, including the underlying works and the right to public performance. While Defendant No. 1 contends that the underlying rights were already transferred to Sony Music. The Court concluded that having already assigned rights to Sony Music earlier, the Defendant No. 1 could not have transferred it subsequently in 2022 as he owned no rights in the underlying works. In light of this, the Delhi High Court rejected the ad interim injunction and directed Defendant No. 1 to deposit a sum of INR 25 lakh.

⁷⁷ Any form of misuse or commercial use of celebrity's name, voice, persona, etc has been disapproved by the Supreme Court in R.Rajgopal v. State of T.N (1994) 6 SCC 632.

⁷⁸ CS COMM (658/2023)



Trademark

Bundl Technologies (P) Ltd. v. Aanit Awattam - Bombay High Court clarifies as to nature of rights granted by trademarks and types of interim orders that maybe granted for their protection

The trademark in question was “Swiggy” and it pertained to the Swiggy Instamart platform,⁷⁹ and via an interim relief application, the plaintiff was able to secure orders that not only directed for the suspension of the allegedly infringing domain names and also prevented the registration of any domain name containing the Plaintiff’s mark ‘SWIGGY’ without prior authorisation of the Plaintiff (i.e., the blanket ban). It was for the recall/modification of this blanket ban in the impugned order that the instant interim application was filed by the defendants.

The defendants contended that they would not be able to comply with the blanket ban on registration of any domain name containing the plaintiff’s mark as the underlying technology for registration of domain names was an automated process. This process involved no manual intervention or involvement of a human element.⁸⁰ Further, considering the legal requirements, such a dynamic injunction cannot be granted.

The Court agreed with the plaintiff on the technical aspect and found that by paying additional costs, the defendants would be able to comply with the impugned order and hence, the plaintiff’s argument that compliance was beyond their control was invalid and unjustified. Further, on the scope of trademark rights existed in *personem* and had to be claimed after specific

instances of infringement. The impugned order in question amounted to “granting of an omnibus and global temporary injunction, operating in future” and could not be justified by law. The Court thus, directed modification of the order.

However, taking into consideration the rights of the plaintiff and after taking an overall balanced approach, the Court directed the modification of the impugned order. Moreover, under the new order, the defendants were placed under an obligation to inform the plaintiff as and when a domain with the mark “Swiggy” was registered.

Anubhav Jain v. Satish Kumar Jain & Anr - Delhi High Court analyses the interplay between Section 47, 57 and 124 of the Trade Marks Act, 1999

The single-judge bench comprising Justice C Hari Shankar analysed the interplay between Section 47, Section 57, and Section 124 of the Trade Marks Act, 1999. The Court held that rights under Sections 47 and 57 are independent of those under Section 124 i.e., petitions under each can co-exist. Section 47 allows for the removal of a trademark from the Register and Section 57 delineates who has that power. Section 124 on the other hand, allows for the stay of proceedings in a trademark infringement suit when the validity of the trademark is in question and some proceeding is pending for the rectification of the Register regarding the same. In the present case, respondent No. 1 had initially filed a petition⁸¹ before the trial court against the petitioner for trademark infringement and had secured interlocutory orders against the latter. While the appeal to those

⁷⁹ 2023 SCC OnLine Bom 227

⁸⁰ 12th June, 2020, passed by this Court in Interim Application No. 1 of 2020 in LC-VC-GSP-24 of 2020 (*Hindustan Unilever Limited Vs. Endurance Domains Technology LLP & Ors*)

⁸¹ CS (Comm) 171/2022

orders by the petitioner was pending, the petitioner instituted the present petition before Delhi High Court under Section 57 of the Trademarks Act, seeking cancellation of the registration granted to respondent No. 1. The respondents thus contended that such a petition was not maintainable under Section 124 of the Trademark Act.

Reference was drawn to Section 124(1)(a), which has a prerequisite that in a pending suit of trademark infringement, the defence must challenge the validity of the trademark. The pending trademark infringement suit, as required by clause (a), was the petition instituted by the respondent.⁸² The petitioners had to deny the validity of the trademark in that suit, but they never did. Accordingly, the Court found that Section 124(1)(a) had no applicability in this petition and the right to apply for cancellation/rectification under Section 57 had to be considered to exist independently.

The respondent relied upon *Patel Field Marshal Agencies v. P.M. Diesels Ltd*⁸³ to contend that rights under Section 57 stood subject to rights under Section 124. However, the Court refused to accept this interpretation and observed that the case was never concerned with the right conferred under Section 57 but simply explained the statutory scheme of Section 111 of the Trademarks Act of 1958 (the now-Section 124 equivalent). Any observation in that case regarding Section 57 was thus, obiter dicta and hence, not binding on the Court.

Armistice v. Trademark Registry - Delhi High Court grants relief to Armasuisse; rescinds registration of trademark alluding to Switzerland

In this case, an appeal was filed by Armasuisse, the Federal Agency of the Swiss Federation against the order of the Registrar of Trade Mark permitting registration of the word mark 'SWISS MILITARY'.⁸⁴ The Delhi High Court has now set aside the Registrar's decision by holding that the marks 'white cross on a red background', 'white cross on a black background' and 'SWISS MILITARY' were all ineligible for trade mark registration.

The appellant represented the military wing of the Swiss Government. The respondent had applied to the Registrar for registration of the trademark 'SWISS MILITARY' in Class 25 in respect of clothing, readymade garments, footwear, headgear, coats, overcoats, jackets, jerseys, undergarments, socks, and the application was on "proposed to be used" basis. The appellant opposed the trademark application but the same was rejected by the Registrar and the trademark registration was granted. The

appellant had no objection to the respondent using the 'white cross on a black background' mark for its products but it objected to register or use of either (i) a white cross on a red background or (ii) the word 'SWISS MILITARY'.

The Court opined that *"the right to registration must be sedulously guarded and any provision which abrogated, or even curtailed, the right to registration of a mark as a trademark had, therefore, to be strictly construed. The right of registration to a mark could not be denied on fanciful apprehensions"*. The Court further stated that although the words 'SWISS MILITARY' along with the proposed logo when used individually might not provide any direct indication regarding the country of origin of the goods, but when used in conjunction, a customer of ordinary prudence would falsely assume that the goods are of Swiss origin. Accordingly, the Court held that a mark which was a 'false trade description' under Section 2(1)(za)(iv) could not be registered. Consequently, the Registrar's order granting registration of the trademark was set aside.

Abu Dhabi Global Market v. Registrar of Trademarks- Inventiveness not a requirement for the grant of trademark

This case involved an appeal from an order of the Assistant Registrar which had rejected the same on grounds of it being *"not inventive or coined"*, *"non-distinctiveness"* and because it monopolised the name of a place (i.e., Abu Dhabi, the capital of UAE).⁸⁵

The petitioner argued that none of the grounds used by the Assistant Registrar could be said to be justified by either law or facts. On the aspect of "inventiveness", it was contended that the Federal Laws of the United Arab Emirates (UAE), specifically, decreed the creation of the "Abu Dhabi Global Market".⁸⁶ Further, the term Abu Dhabi was part of a composite mark and did not attempt to monopolise any specific location. To this effect, reliance was placed on the fact that the logo (see below) had already been registered in favour of the petitioner. Hence, if the logo had already been adjudicated to be "distinctive" and registered, it could not lose its distinctiveness by the addition, of the words "ABU DHABI GLOBAL MARKET".

The respondent restricted their submission to the objections relating to Abu Dhabi being the name of a place/geographical indicator and to the finding that the mark is lacking in distinctiveness. The Court found the case to be in favour of the petitioner. It was categorically stated by the Court that inventiveness was not a requirement for registration of

⁸² *ibid.*

⁸³ (2018) 2 SCC 112

⁸⁴ 2023 SCC OnLine Del 4

⁸⁵ 2023:DHC:3476

⁸⁶ Federal Decree No. 15 of 2013 dated 11th February 2013: "A Financial free zone shall be established under the name "Abu Dhabi Global Market"."

trademarks, as given in Sections 9 and 11 of the Trade Mark Act, 1999, (the same is a requirement for designs and patents) and hence, this was not a valid ground for rejection of trademark registration application.

Further, on the aspect of lack of distinctiveness due to failure to establish evidence of use, the Court observed that evidence of use of the mark was not required to establish distinctiveness. If such an interpretation were to be accepted, marks could never be registered on a “proposed to be used” basis as was sought in the present case. On the contrary, *“the most imperative requisite of the word “distinctive”, when used in relation to the goods in respect of which a trade mark is registered, is that the trade mark should be adopted to distinguish the goods of the proprietor from the goods of the other persons”*.⁸⁷

Finally, Section 9(1)(b) of the Trademarks Act, in its clear and explicit terms, proscribes registration only of trade marks *“which consist exclusively of mark or indications, which may serve in trade to designate the ... geographical origin... of the goods or services”*. It is only trademarks which consist exclusively of marks or indications which designate the geographical origin of the goods, which cannot be registered.⁸⁸ In the present case, however, the term “Abu Dhabi” was used in a composite trademark consisting of other elements. Hence, the bar of Section 9(1)(b) would not apply in this case.

The Court accordingly remanded the concerned application back to the office of the Registrar of Trademarks for advertisement and other required proceedings. Simultaneously, it rebuked the complete non-application of mind displayed by the Assistant Registrar as the same amounted to absolute redundancy of the obligation of the appropriate authority to record reasons of the refusal of a trademark application in writing.⁸⁹

Institut Europeen D Administration v. Fullstack Education Private Limited: DHC directs to conduct phonetic examination along with word search at the preliminary stage itself

On May 17, 2023, the Delhi High Court in *Institut Europeen D Administration v. Fullstack Education Private Limited* directed the trademark registry to conduct both word search and phonetic search even at the preliminary stage. The High Court also

revoked the ‘INSAID’ mark for being phonetically similar (i.e., similar sounding) to the earlier registered mark ‘INSEAD’ mark. Both the marks were registered, *inter alia*, in the common class of 41. The High Court said that phonetic similarity must be considered from the point of view of the ‘consumer, and not from the point of view of either of the parties’. And a consumer ‘is a consumer of average intelligence and imperfect recollection’. He/ she cannot be treated as one who is over-familiar with either of the marks.⁹⁰

The Court relied upon the ‘Pianotist test’ which involves: i) judging the words by their look and their sound; ii) to consider the goods to which they are to be applied; iii) consider the nature and kind of customer who would be likely to buy those goods; iv) consideration of all the surrounding circumstances; v) to consider what is likely to happen if each of those trademarks is used in a normal way as a trademark for the goods of the respective of the owner of the marks.⁹¹ The High Court said that the fact that later *“the confusion may be dispelled, and enlightenment may be dawn, does not wipe out the infringement which already stands committed”*.⁹²

The Court found out that ‘INSAID’ and ‘INSEAD’ are phonetically similar, and they are used for providing similar services i.e. of providing higher education involving AI. Thus, there arises likelihood of confusion and Section 11(1)(b) of the Trademarks Act proscribes the registration of confusing marks. Moreover, if word(s) is constituting a prominent part or an essential feature of both rival marks, then the mere fact that when used as a device mark along with surrounding features cannot lessen or mitigate the possibility or likelihood of confusion between the marks.⁹³ Accordingly, the Court directed the Registry to conduct phonetic search as well even at the preliminary stage.

Google LLC v. DRS Logistics: Showing competing firm’s links on search results for a query does not per se infringe Trademarks Act

The Delhi High Court in *Google LLC v. DRS Logistics*⁹⁴ held that the *“use of trademarks as keywords absent any confusion, unfair advantage, dilution or compromise of the trademark, is not infringement”*.⁹⁵ The Plaintiff argued that the use of its trademark as keywords for the Ads Program of Google resulted in

⁸⁷ *Mohd Rafiq v. Modi Sugar Mills*, AIR 1972 Delhi 46

⁸⁸ Para 29, *Abu Dhabi Global Market v. Registrar of Trademarks*

⁸⁹ Section 18(5), Trade Marks Act, 1999

⁹⁰ Para 24, *Institut Europeen D Administration v. Fullstack Education Private Limited* (2023/DHC/003524)

⁹¹ This test has been applied, over the years, by the Courts on numerous occasions, including in *Amritdhara Pharmacy v. Satyadeo Gupta* (MANU/SC/0256/1962) and in *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd* (MANU/SC/0199/2001).

⁹² Para 27, *Institut Europeen D Administration v. Fullstack Education Private Limited* (2023/DHC/003524).

⁹³ Para 34, *ibid*.

⁹⁴ MANU/DE/5136/2023 dated 10th August 2023.

⁹⁵ Para 131, *Google LLC v. DRS Logistics*.

diversion of internet traffic from its website to that of its competitors and the use of trademarks as keyword infringes the Trademark Act. The Plaintiff argued that such Ads deceived the potential customers to believe that they are availing their services.

Google argued that the use of keywords for the Ads program does not amount to ‘use’ under Section 29 of the Trademark Act, irrespective of any underlying similarity because the keywords are not visible to the users. Even if it amounts to ‘use’, then such use shall be attributed to the ‘advertiser who is seeking to display a sponsored result’. Google sought the ‘safe harbour’ protection under Section 79 of the IT Act, 2000.

The High Court reached the following conclusions. *Firstly*, the Court held that Google is an active participant in promoting the use of trademarks for its Ads Programme, as Google promotes the use of ‘keywords’, including trademarks and the advertiser that accords the higher Cost Per Click is accorded greater priority in display of the Ads. As an active participant, if Google fails to block infringing Ads then an action for contributory negligence may arise.⁹⁶ *Secondly*, under Section 29(1) of the TM Act a trademark is infringed if the mark which is identical or similar to the impugned mark is used by a person other than its proprietor or the person permitted to use the same. In Google’s algorithm, the trademark of a third party is used as a meta-tag, and it is used for searching and displaying the relevant results on the website. *Thirdly*, the Petitioner claimed that the display of competitors’ website on the search result page would result in clicking on their link in the belief that they are associated. However, the Court denied this claim under Section 29(2) as a case does not arise because the mere use of such keywords does not result in confusion.

The Court drew analogy with offline marketing, as for instance it said, ‘no infringement would arise if an entity engaged in commerce would put its advertising billboard next to an exclusive store of its competitor’.⁹⁷ Thus, as the Court rightly recognised that in light of the new dimensions added by the internet and e-commerce, the provisions of the TM Act have to be read in an expansive manner. Thus, the Court held that “identifying customers, who may be looking for goods or



services of a particular brand, for offering them alternative is not unfair”.⁹⁸

Resilient Innovations Pvt. Ltd v. Phonepe Private Limited: Delhi High Court permits intra-court appeals over the rejection of rectification petition by single judge bench

Delhi High Court in *Resilient Innovations Pvt. Ltd v. Phonepe Private Limited*⁹⁹, has recently clarified that the appeal from a single judge’s order rejecting the rectification petition would be heard by the division bench of the same Court. The High Court gave this clarification because the Trademarks Act does not mention the procedure for such situation.¹⁰⁰ The underlying litigation arose from the “BharatPe” application being opposed as in conflict with “PhonePe” mark. In this abovementioned appeal, the defendant challenged the maintainability of the appeal, claiming that the Trademark Act allows intra-court appeal when the rectification petition has been rejected by single judge bench of the same court under Section 124.¹⁰¹

The defendant relied upon Section 91 of the TM Act to claim that the Act is a self-contained code, and because it does not provide for intra-court remedies, hence the same cannot be claimed.¹⁰² The High Court relied upon two aspects, *firstly*, 1940 TM Act, which allowed intra-court appeals, and *secondly*, Clause 10 of

⁹⁶ Aditya Gupta, “Going back to First Principles – A Nuanced understanding of infringement in Google v. DRS” (August 20th, 2023), available: < [Going Back to First Principles – A Nuanced Understanding of Infringement in Google v DRS – Spicyip](#)>

⁹⁷ Para 138, *Google LLC v. DRS Logistics*

⁹⁸ Para 167, *Google LLC v. DRS Logistics*

⁹⁹ 2023/DHC/3426

¹⁰⁰ Shikhar Chauhan, “RIPL v. PhonePe: Delhi HC Clarifies the Convolutd position over technicalities of rectification application” (15th June, 2023) available here < [RIPL v. PhonePe: Delhi HC Clarifies the Convolutd Position over Technicalities of Rectification Application – Spicyip](#)>

¹⁰¹ Para 12.3, *Resilient Innovations Pvt. Ltd v. Phonepe Private Limited*

¹⁰² Para 7.4, *ibid*.

the Letters Patent. The High Court relied upon the *National Sewing Threat Co. v. James Chadwick & Bros case*¹⁰³ and reflected upon the intra-court appeal which was permitted under Section 76 of the TM Act, 1940. The High Court held that “*there is nothing in the framework of the 1999 TM Act which suggests that the legislature, by implication, sought to exclude one level of scrutiny that would be available by way of intra-court appeal under Clause 10 of Letters Patent.*”¹⁰⁴ The Judgment provides the required clarity, especially after the scrapping of IPAB and the bestowing of the sole authority to decide upon the appeals upon the High Court. The Court also said that Letters Patent Appeal is a special law, and this falls in line with the common law principle of *Generalis Specialibus Non-Derogant*. The absence of similar provision in the 1999 TM Act would not impact the sustainability of the such appeals.

Secondly, the Court said that under Section 124 a rectification petition can be filed only when a suit of trademark infringement is pending, and the *prima facie* tenability of the plea is satisfied before the Court. The Court also suggested the ratification petition should have been kept pending until the Court had decided whether to raise the issue of trademark’s validity.¹⁰⁵ Thus, once the court has decided upon the issue framing, then it

can decide upon the validity and acceptance of the Application. Accordingly, the Court has set aside the impugned judgment.

Berger Paints India Limited v. JSW Paints Private Limited – Use of the expression “SILK” for paint finish customary in the trade and is not capable of being protected as trademark with respect of paints, distempers, and emulsions

Berger Paints argued that it owned registration for the term “SILK” since the year 1980 for paints and related products. Berger contended that the term “SILK” used by JSW Paints for identical products constituted an infringement of their registered trademark. On the other hand, JSW Paints contended that its use of the term “SILK” only serves as a descriptive term along with other terms used to market its paint related products. Moreover, JSW Paints contended that Berger had not applied for standalone registration of the “SILK” mark. For Berger, the use of the word “SILK” was in conjunction with “BERGER”, and for JSW Paints, word “SILK” was used in conjunction with “HALO” mark. Accordingly, the Court concluded that there was no actual similarity between these rival marks. It also accepted JSW Paint’s contention that “SILK” is used as a description for the product, and accordingly, refused to grant an interim injunction in favour of Berger Paints.

¹⁰³ 1953 AIR 357.

¹⁰⁴ Para 25.3, *ibid*.

¹⁰⁵ Shikhar Chauhan, “*RIPL v. PhonePe: Delhi HC Clarifies the Convoluted position over technicalities of rectification application*” (15th June, 2023) available here < [RIPL v. PhonePe: Delhi HC Clarifies the Convoluted Position over Technicalities of Rectification Application – Spicyviva](#) >



Design

Pandrol Ltd. v. Patil Rail Infrastructure (P) Ltd. - Delhi High Court clarifies on when an intellectual property can be considered a design; gives drawings protection of copyright and not design as it does not reflect a finished product yet

In an interim application order in a suit of design and copyright infringement, Justice Amit Bansal of the Delhi High Court gave the implication that original drawings do have copyright, but they do not acquire protection under the Designs Act, 2000 until they are transcribed into a product at the finished stage.¹⁰⁶ This is an important observation as it delineates the point from which design-creators may claim right over their creation. In reference to copyright, courts have reiterated that even if the original drawings are used to industrially produce an article, they would continue to fall within the meaning of the “artistic work” defined under Section 2(c) of the Copyright Act, 1957 and would be entitled to the full period of copyright protection.

The case involved a case of copyright infringement of detailed drawings for the plaintiff’s ‘Pandrol Double Resilient Baseplate

Assembly System’ (**DBRAS**), which is a railway track fastening system used in metro rails. The plaintiff claimed for a permanent injunction after already receiving an interim injunction in their favour with regards to these drawings as well as for trademark infringement of their mark “PANDROL”. The defendants contended that the drawings in question constituted ‘design capable of being registered’ under the Designs Act, 2000 and as the plaintiff had already supplied a huge number of products based on parts of the drawing in various projects, no copyright subsisted in the drawings.¹⁰⁷

Relying on *Microfibres Inc. v. Girdhar and Co. and Anr.*¹⁰⁸, the Court rejected the submissions of the defendant and held that an original “artistic work” was different from a “design” and that the original drawings/ “artistic work” can lead to a “design” i.e., of the finished product. In the present case, the design of a finished product had not been produced yet i.e., they were simply drawings “relating to fastening systems, which are mere mechanical devices that had functional utility”. Thus, while granting interim injunction to the plaintiffs, the Court also imposed costs on the defendants.

¹⁰⁶ 2023 SCC OnLine Del 1494

¹⁰⁷ Section 15(2), Copyright Act, 1957

¹⁰⁸ 2009 SCC OnLine Del 1647

Trade Secrets

Transformative Learning Solutions (P) Ltd. v. Pawajot Kaur Baweja - Delhi High Court clarifies that customer lists are trade secrets if they are of economic value and hence, can be protected.

This interim order delivered by the Delhi High Court confirmed that every customer list cannot qualify as confidential information or a trade secret unless the confidentiality around such a list is of economic value/business value/commercial value. Accordingly, the Court denied the request of the plaintiff to form confidentiality clubs and exclude the defendant from the same.¹⁰⁹ This case thus, adds to the limited jurisprudence on confidentiality clubs and the protection of trade secrets in India.

The case involved unauthorised use of trade secrets and confidential information by the defendants, who were ex-employees of the plaintiff and had consequently resigned from the latter and were presently running a business under “Adya Ayurveda”. The plaintiffs alleged that one of the primary things that the defendants were guilty of exploiting was the customer database which has “immense economic value, and that each parameter of the data can be further utilised to predict and identify potential customers, which in turn would reduce the advertisement costs for further customer acquisition”. Apart from these, the plaintiffs made other allegations including but not limited to direct copy-pasting of materials from the plaintiff’s website to the defendant’s website.

The main issue in contention was whether the customer lists so used by the defendants could be protected as trade secret, especially in light of *Navigators Logistics Ltd. v. Kashif Qureshi*.¹¹⁰ In that case, the plaintiff had filed the suit against the defendants (ex-employees of the plaintiffs) for stealing confidential copyrighted information including customer



databases, account details, airway drawings, financial information, administrative and organisational information, and trade secrets of the company. The Court in that case did not find sufficient cause of action that could be formed *vis-à-vis* either copyright infringement or unauthorised use of confidential information. To that effect, they observed that “customer list cannot qualify as confidential information or a trade secret unless the confidentiality around such a list is of economic value/business value/commercial value”.

Distinguishing from *Navigators* case on facts, the Court in the present case held that the plaintiffs had sufficiently been able to show that the customer lists had commercial value and all the other instances of infringement together gave rise to a substantial cause of action. In *Navigators* case, the suit was quashed because it fell short of the requirements of Order VII, Rule 11 of the Code of Civil Procedure, 1908.¹¹¹ In the present case, however, all the essentials were fulfilled and hence, the suit was allowed to proceed to trial.

¹⁰⁹ 2023 SCC OnLine Del 5296

¹¹⁰ 2018 SCC OnLine Del 11321

¹¹¹ Grounds for rejection of plaint



Miscellaneous

Digital Collectibles v. Galactus Funware & Ors. - Delhi High Court navigates the thin line between the right to publicity and the use of publicly available NFT technology

The Delhi High Court held that the use of publicly available information of a celebrity to create Non-Fungible Token (NFT) based art will not amount to infringement of right to publicity.¹¹² Contributing significantly to defining the scope of publicity rights, the Court said that in the absence of a statutory basis for the right to publicity, one must rely on principles of the tort of “passing off”. Moreover, as NFT Technology was freely available, the plaintiffs could not claim exclusive rights over them.

The case involved the expansion of Online Fantasy Sports (OFS) in India. The government's recent regulatory efforts, manifested in the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2023, aimed to provide a regulatory framework for online gaming, especially OFS. OFS involves creating virtual teams based on real athletes, competing in virtual events through statistical data from actual sporting events, with users paying entry fees to participate.

In the present case, a Singapore-based company, "Rario," filed a suit against "Mobile Premier League" (MPL) and "Striker Club" for alleged unauthorised use of player attributes in OFS, particularly through the sale of Digital Player Cards using NFT technology. The plaintiff argued unfair competition, tortious interference, and breach of personality rights. MPL claimed to be a platform provider for Striker and denied using NFTs in OFS. Striker justified the use of the same by stating that the same was publicly available information and challenged the necessity of individual players' consent.

The Court rejected the plaintiff's reliance on the right of publicity as absolute, emphasising the need for contextual analysis and balancing against freedom of speech. The Court drew parallels between passing off and the right of publicity, underscoring the importance of misappropriation causing market confusion.

Applying these principles to OFS, the Court concluded that the use of publicly available information by platforms is protected by freedom of speech, and such use did not infringe on the common law right of publicity. The court dismissed the application for an interim injunction, citing the lack of merit in the plaintiff's claims.

¹¹² 2023:DHC:2796

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