



Confederation of Indian Industry



# EVOLVING LANDSCAPE OF IP LITIGATION IN INDIA & THE WAY FORWARD

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# EVOLVING LANDSCAPE OF IP LITIGATION IN INDIA & THE WAY FORWARD

Tamil Nadu



**TDPC**



**APTDC**



Confederation of Indian Industry

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# Acknowledgement

This handbook outlining the Intellectual Property Litigation in India is a capsule that summarizes the practices, the procedures and the developments in the realm of Intellectual Property Law and the trends that are foreseeable in the near future. It is to equip you with the key knowledge that will empower you to enforce and protect your intellectual property rights in the most effective manner that strengthens the distinctiveness of your business, brand, products and services.

We give our sincere thanks to our **title and knowledge partner, ANAND & ANAND**, for their extreme commitment and valuable inputs in preparation of this knowledge manual for the concerned audience.

# Foreword



I take great pleasure in bringing this report on IP Litigation in India and the way forward on the eve of Conference on IP Litigation (LITCON-2017). I feel this is an important step towards sensitizing the Litigation process and procedures in India among the innovative industry and, the improvements required for shaping up effective IP Jurisprudence in India.

IP Litigation in India has steadily increased over last 10 years. The Courts in India are increasingly conscious of the importance of awarding damages and are ensuring the establishment of a culture of grant of compensatory and/or punitive damages. However, the obvious consequence is that most IP litigation in India is instituted before the Delhi High Court. Also, most of the cases are pending and taking very long time than the normal. There is also a need of a standard system providing access to IP litigation statistics to the general public. The establishment of Commercial Courts is a step toward improving India's IP regime, however special Forums and Special Treatment of IP including appointment of experienced IP judges are something yet to be implemented through the newly constituted Commercial Courts Act., This apart, it is crucial that the IPAB under the auspices of its newly appointed Chairman, takes steps to clear the pending cases.

The Confederation of Indian Industry (CII) and its Technology Centers have over the years been actively working towards IPR awareness and creating many platforms to discuss various IPR and litigation issues and, best strategies to tackle them. Andhra Pradesh Technology Development & Promotion Centre (APTDC) of CII takes great pleasure in presenting this report for the benefit of all. I believe that this report helps the start-up and medium scale companies especially to understand the Litigation process and procedures for effective decision making while resolving IP disputes.

A handwritten signature in black ink that reads "Pradeep Banerjee". The signature is written in a cursive, flowing style.

Best Regards,

**Mr Pradeep Banerjee**

Chairman, CII National Committee on Intellectual Property & Executive Director Supply Chain,  
Hindustan Unilever Limited

**Message from Mr. Pravin Anand,**  
**Managing Partner, Anand and Anand**



At the outset, we are grateful to be associated as the Knowledge and Title Partner in association with Andhra Pradesh Technology Development and Promotion Center (APTDC) of Confederation of Indian Industry (CII).

The IP Practice in India in India has been quite eclectic and a knowledge manual such as this would enable the readers to develop an insight into the practice, procedure about Intellectual Property Law in India. This would familiarize the readers with the broad width of issues and agendas that have shaped the Intellectual Property Law in India over the course of years. The practice of IP has seen various trends over the course of years such as:

- a) For decades, the main litigation has related to trademarks and copyrights and it is only in the last 10-15 years that patent litigation has become big.
- b) Judges manage litigation to a greater extent today and in almost all courts the lifespan of litigation has shrunk. Some courts like the Delhi High Court do a marvelous job of it; partly due to the Commercial Courts Act and partly the culture to adopt technical solutions and systems that would speed up matters. A lot of us know that there is also a cultural aspect which makes some courts more relief oriented than others ("an IP friendly environment").
- c) In matters that are one side – the outcome can be predicted with fair accuracy and the general feeling is that our judiciary is extremely honest and brilliant.
- d) In borderline cases particularly where both sides are heavy players, a factor 'X' does come into play. Judges have likes or dislikes and factor 'X' could be who appears before them and whose order is under attack. It is unfortunate but true.

As this report is made in-line with LITCON-2017: Conference on IP Litigation which brings along with the objective for companies and IP lawyers to review and understand various disputes arising from the protection and enforcement of Intellectual Property Rights including understanding the litigation scenario in the country, we hope that this brief knowledge manual provides you with a key understanding of these aspects enumerating the recent trends in the curve of IPR Litigation.

We hope that you are able to enrich your understanding in as much depth as we tried to cover the essential key elements of IPR in India.

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## INTRODUCTION ON IP LITIGATION AND BACKGROUND OF INTELLECTUAL PROPERTY LAWS

### I. BRIEF INTRODUCTION AND INSIGHT INTO THE NATURE AND TYPES OF INTELLECTUAL PROPERTY

The Intellectual Property (IP) refers to any such creation of the mind, including an invention, a literary and artistic work, design, symbol, images and names used in the trade and business.

These rights are like any other property right as it allows creators or owners of Copyrighted works, trademarks and Patents to benefit from the protection accruing from their work including the investment in the creation.

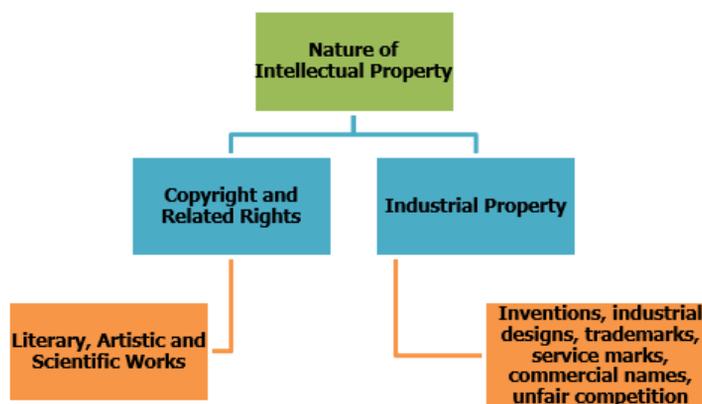
These rights are outlined under **Article 27 of the Universal Declaration of Human Rights** as:

The importance of the rights under IP were first recognized in the Paris Convention for the Protection of Industrial Property (1883) and the Berne Convention for the Protection of Literary and Artistic Works (1886).

The Convention Establishing the World Intellectual Property Organization (WIPO), concluded in Stockholm on July 14, 1967 (Article 2(viii)) provides that "intellectual property shall include rights relating to:

### II. TYPES OF INTELLECTUAL PROPERTY

Intellectual property is broadly divided into two major categories by the World Intellectual Property Organization (WIPO), as follows:



**Copyright and Related rights:** The areas pertaining to rights accruing from literary, artistic and scientific works along with the performing rights, phonograms and broadcasts are usually termed as 'Copyright and Related rights', pertaining to copyright in its entirety.

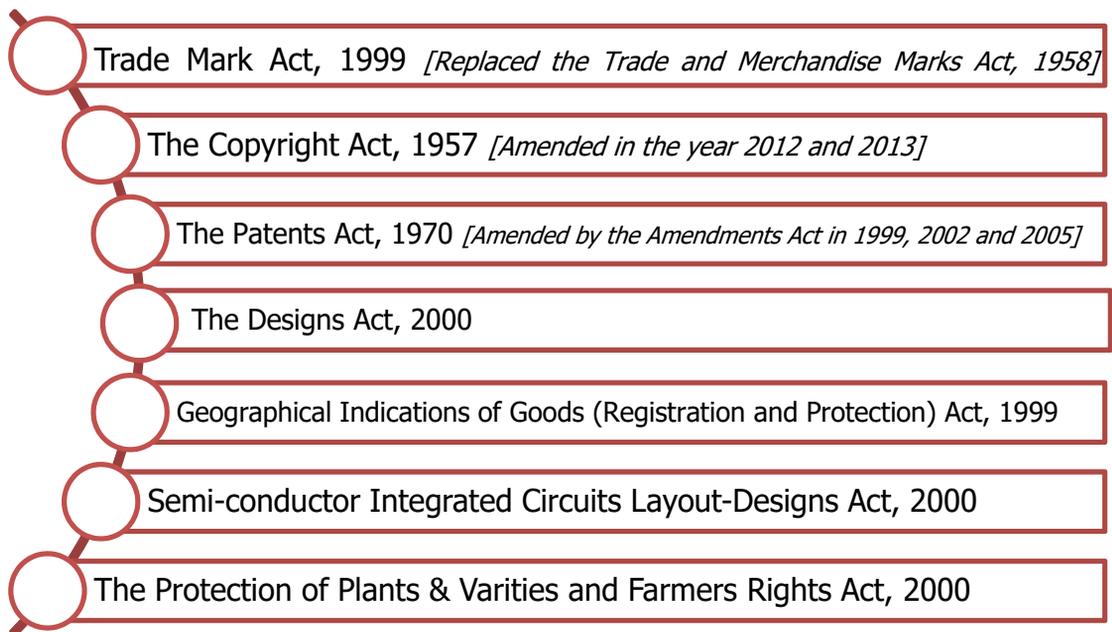
**Industrial Property:**

- i. The areas referring to the inventions, industrial designs, trademarks and other such commercial allied rights including the protection against unfair competition are protected under Industrial Property;
- ii. Further, the Paris Convention under Article 10bis (2) also elaborates under what constitutes 'unfair competition' among the areas of industrial property: "as any act of competition contrary to honest practices in industrial and commercial matters constitutes an act of unfair competition";

India is a signatory to the following treaties and conventions encapsulating the protection of Intellectual Property as follows:

**III. INTELLECTUAL PROPERTY RIGHTS LEGISLATIONS IN INDIA**

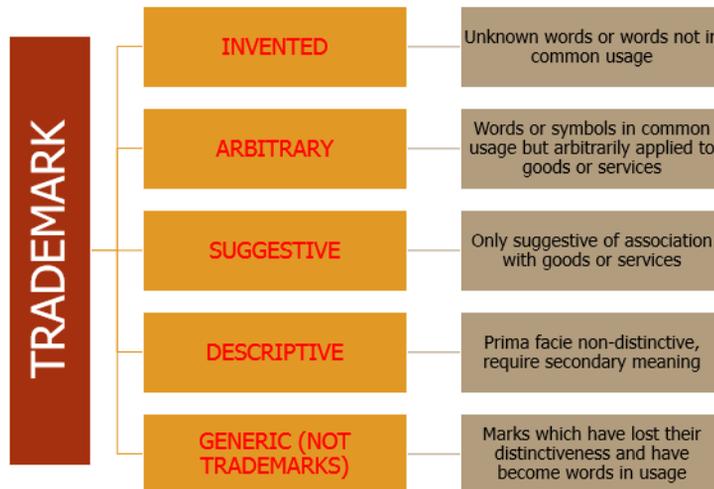
The legislations governing the rights of protection and preservation of Intellectual Property Laws in India are as follows:



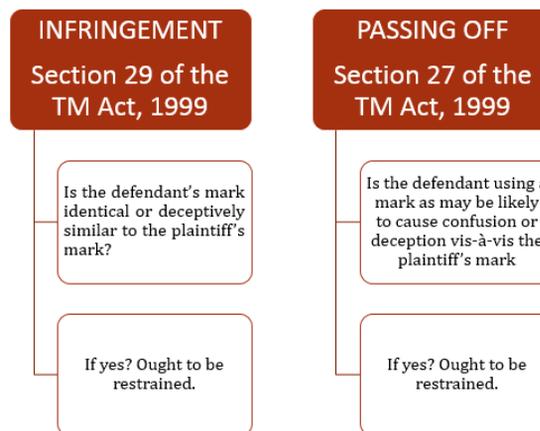
**a) THE TRADEMARKS ACT, 1999**

**• Nature of a Trademark**

Any mark (device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape, packaging, combination of colors) which are capable of being represented graphically and capable of distinguishing the goods and services.<sup>1</sup>



**• What constitutes Trademark Infringement?**



**• Offences under Trademarks Act<sup>2</sup>:**

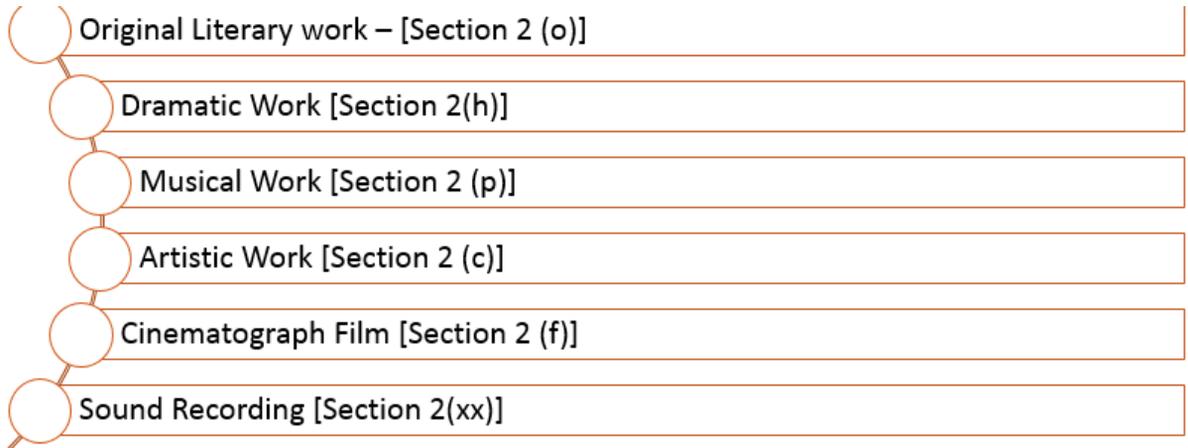
- i. Falsifying or falsely applying trademarks without the consent of the proprietor.
- ii. Applying deceptively similar trademarks on goods and services.
- iii. Using packages bearing the identical marks.
- iv. Makes, disposes or uses any dies or blocks for falsifying marks.

<sup>1</sup> SECTIONS 2(M), 2(ZB) OF THE TRADEMARKS ACT, 1999

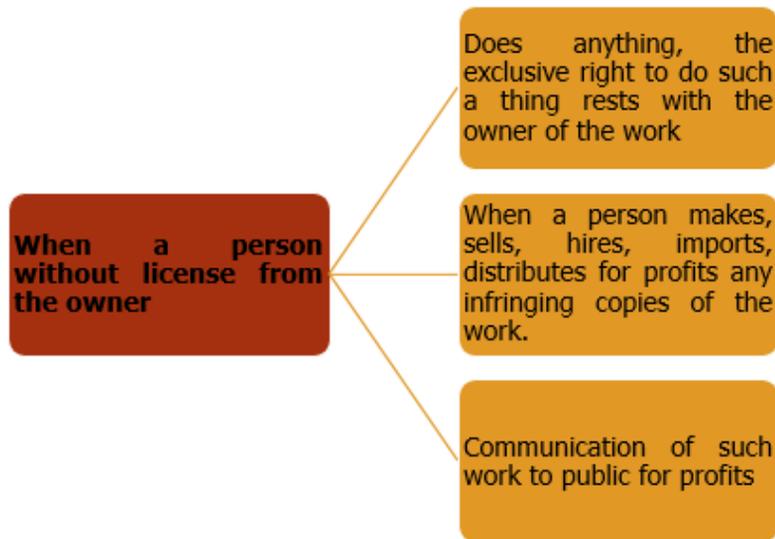
<sup>2</sup> SECTIONS 102-103 OF THE TRADEMARKS ACT, 1999

**b) THE COPYRIGHT ACT, 1957**

**• Section 13 of the Copyrights Act Read With Section 14 of the Act, 1957:**



**• What is © infringement? [Section 51 of the Copyrights Act, 1957:**



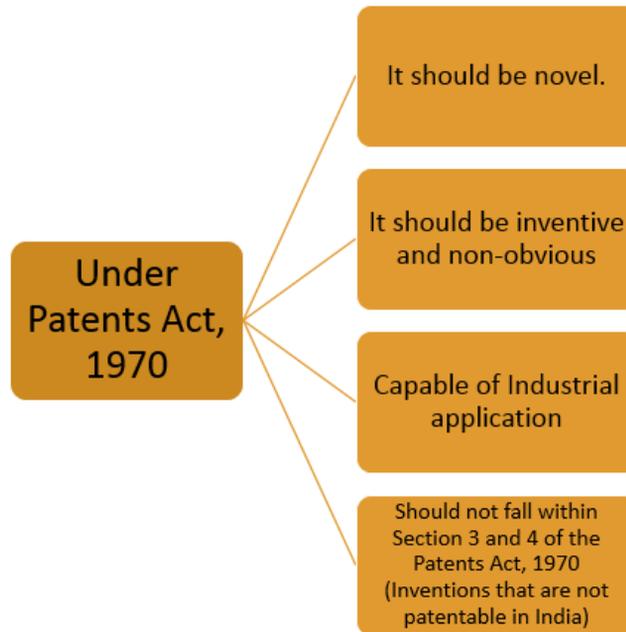
**• Offences under the Copyright Act, 1957<sup>3</sup>**

- i. Intentionally infringing the copyright in artistic work, computer programs.
- ii. Possession an disposal of plates for purpose of making infringing copies

<sup>3</sup> Offences under The Copyright Act, 1957 [Section 63 – 66]

c) THE PATENTS ACT, 1970

• **Nature of a Patent**



• **Grounds for opposition of a Patent:**

- Patent wrongfully obtained
- Insufficient disclosure of the invention
- Subject of any claim is not an invention
- Obvious Invention
- Invention was publicly known
- Prior Publication
- Insufficient disclosure of the invention
- Invention was available within any local or indigenous community in India or elsewhere.

#### **d) THE DESIGNS ACT, 2000**

**Design under the Design Act, 2000 means the following:**

- The features of shape, configuration, pattern or ornament or composition of lines or colour or combination thereof
- Applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye

**Non-Registrable Design:**

- The design which is contrary to public order or morality.
- The design which is not new or original.
- The design which is previously published or used in India.
- The design which merely includes methods or principles of construction.
- The design which is not significantly distinguishable from known designs or combination of known designs.

#### **e) GEOGRAPHICAL INDICATIONS OF GOODS (REGISTRATION AND PROTECTION) ACT, 1999**

India is the epitome of rich and diverse culture. Each region has a potent significance in the realm of its cultural identification and development as regards geographical identifications. Examples of geographical indications can be Scotch whiskey, Nagpur oranges, Kanjivaram sarees, Darjeeling Tea, etc. Handicrafts for one have become a very important facet of Geographical Indications and reflect extensive craftsmanship owing to its source of origin.

Instances of protecting the same and recognising them as Geographical Indications have been witnessed on various occasions. In one instance, Pochampally Ikkat was recognised as a traditional weave for the iconic saree weaving clusters. Protecting the revered Laddoo of Tirupati of the temple at Tirumala Hills as GI was a great achievement. The local sweet shops in Chennai selling the laddoos were found to be encashing on the sentimental value of the Tirupati laddoo which is offered to devotees as prasadam and an attempt to trade upon the popularity and sanctity of the laddoos was restricted.

Currently India has 279 Geographical Indications to its registration. The entire list can be accessed at: <http://ipindia.nic.in/writereaddata/Portal/Images/pdf/Registered-GIs-of-India.pdf>

## IV. THE LITIGATION PRACTICE IN INDIA



- **Civil Litigation** – Lawsuits concerned with rights and duties of parties towards each other.
- **Object of Civil Law** - Redress wrongs by compelling compensation or restitution by the violator.
- **Unlike Criminal Law**, the Defendant is not punished *per se*, but required to reimburse the Plaintiff for its losses.

### A. CIVIL ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

- **Procedure for filing a civil suit for violation of Intellectual Property Rights:**
  - i. **Plaint** - Facts, violation and relief.
  - ii. **Court Fees** - Fee payable to the court.
  - iii. **Vakalatnama** - Authorization in favor of counsel.
  - iv. **Documents** – In support of the Plaintiff's case

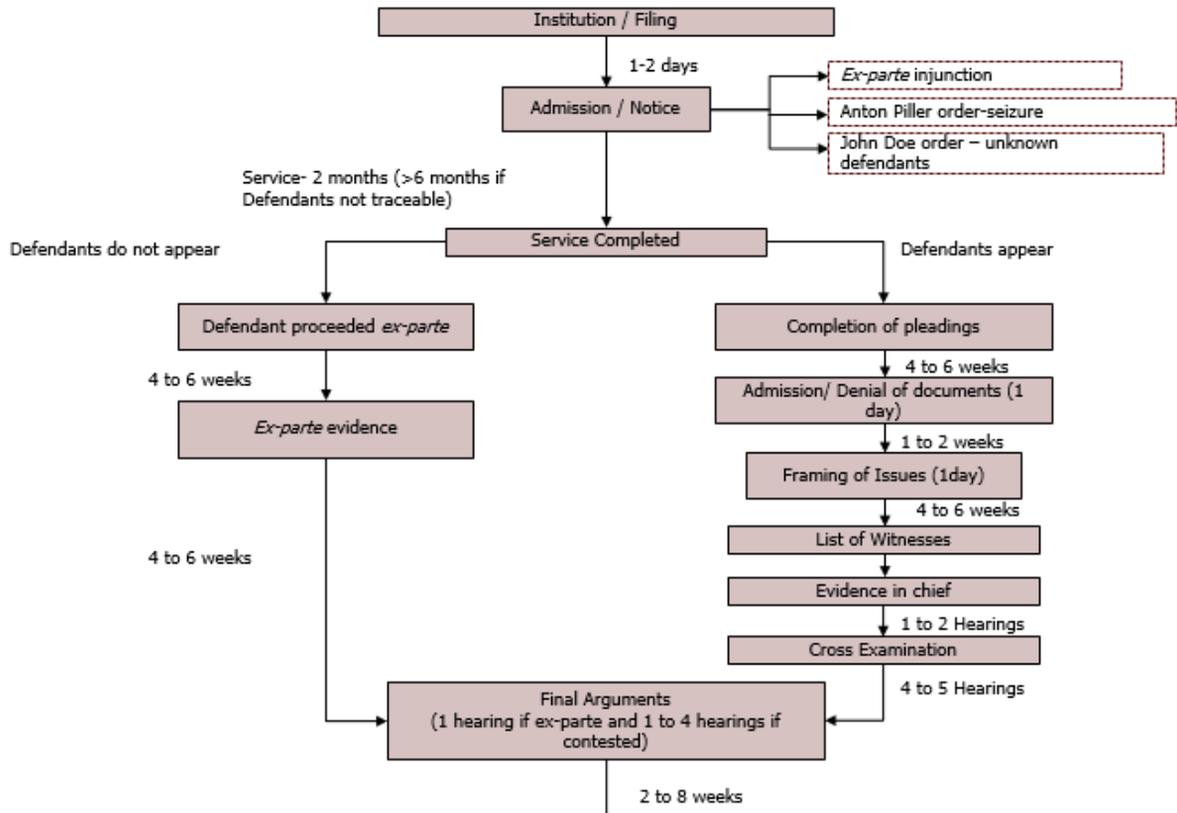


**a) PROCEDURE ADOPTED IN CIVIL SUITS**

S.NO	RELEVANT PARTICULARS	PROCEDURE
1.	<b>Application for Temporary Injunction</b>	<ul style="list-style-type: none"> <li>i. Application seeking temporary relief for the pendency of the suit.</li> <li>ii. Listed before Court on the first date before the Defendant is informed about the proceedings.</li> <li>iii. If urgent relief warranted, Court will grant ex-parte interim injunction.</li> <li>iv. Subject to 'confirmation' once Defendant joins the proceedings and presents its defense.</li> </ul>
2.	<b>Application for appointment of Local Commissioner (Anton Piller order)</b>	<ul style="list-style-type: none"> <li>i. The Plaintiff must prove that the Defendant is carrying on the infringing activities</li> <li>ii. A Defendant (especially counterfeiters) may simply deny that they are involved in the activities as alleged</li> <li>iii. Advisable to file an application for appointment of a Local Commissioner.</li> <li>iv. LC is empowered to visit the Defendant's premises, without prior notice, inspect the premises and seize infringing goods</li> <li>v. LC then submits a report of the raid to the Court</li> </ul>
3.	<b>John Doe Orders</b>	<ul style="list-style-type: none"> <li>i. The Plaintiff must satisfy the Court that the infringement is being carried out on a large scale involving multiple entities with a common factor.</li> <li>ii. The Court authorizes the LC to enter the premises of multiple unnamed parties suspected of being in possession of infringing goods and seize these.</li> <li>iii. Any party found in possession of the infringing goods is made a Defendant in the proceedings.</li> <li>iv. The John Doe order is one of the biggest advantages</li> </ul>

in a civil action.

**b) STAGES IN A CIVIL LAWSUIT**



**B. CRIMINAL ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS**

To invoke criminal remedies in both Copyright and Trade Marks Act, a Complaint can directly be filed before a Magistrate seeking directions for registration of First Information Report. Thereafter, a police raid can be conducted at various targets.

- **Police Action under the Trade Marks Act, 1999**

- i. Under sections 102 and 103 of the Trade Marks Act 1999, such offences are cognizable,
- ii. The Police can carry out search and seizure at the Infringer’s/Counterfeiter’s premises without warrants provided that before such search and seizure, the officer in charge has sought opinion from the Registrar of Trade Marks in accordance with the requirements under Section 115(4) of Trade Marks Act.

- **Police Action under the Copyright Act, 1957**

- i. The Copyright Act, 1957 provides for various criminal remedies under its provisions such as imprisonment up to 3 years and/or a fine up to Rs. 2 Lacs for infringement of copyright.

## EVOLVING LANDSCAPE OF IP LITIGATION IN INDIA AND THE WAY FORWARD

- ii. The offences covered under the Act are cognizable offences therefore the police can carry out search and seizures without warrants and can also arrest the culprit.
- iii. The Act also provides for seizure of infringing goods without warrant by a Police Officer not below the rank of a Sub-Inspector of Police.

### C. FACTORS TO BE DECIDED BETWEEN CIVIL VIS-À-VIS CRIMINAL ACTION

Jurisdiction	Impact	The degree of culpability and profile of parties involved
Volume and extent of counterfeiting	Assets of the accused/defendant and damages	Availability of complainants and/or witnesses
Ease of exit from the proceedings	Convenience of the trademark owner	Costs

## V. COMMERCIAL DIVISION AND COMMERCIAL APPELLATE DIVISION OF HIGH COURTS AND COMMERCIAL COURTS

### a) A BRIEF BACKGROUND

An important aspect of Intellectual Property Law involves addressing its procedural and practical related issues effectively. In India, addressing procedural and practical aspects of adjudication is perhaps as important as the legislative and jurisprudential aspects of the law itself. Time and again, innumerable recommendations have emphasized upon the importance of facilitating an efficient system to ensure speedy disposal of matters and to breathe fresh life into the age old proverb '*Justice Delayed is Justice Denied*'. Consequently, the Indian legislature had tabled the *Commercial Division and Commercial Appellate Division of High Courts and Commercial Courts Bill, 2015 (Bill)*, (*the Commercial Courts Bill*) which aimed to resolve many practical and procedural defects faced by the judicial system in the present day. The Bill also aimed to improve the overall and collective jurisprudence in complex, commercial matters through the establishment of specialized and dedicated commercial courts.

While the Bill was tabled to the legislature, the Government of India had brought the provisions of the Bill into effect in the form of the *Commercial Courts, Commercial Divisions and Commercial Appellate Divisions of High Courts Ordinance, 2015*. This Ordinance was brought into force on October 23, 2015. Subsequently, the Ordinance received Parliamentary assent and was given effect to in the form of a designated statute on December 31, 2015. However, the legislative history leading up to it as follows:

*a) The 188<sup>th</sup> report of the law commission*

The Seventeenth Law Commission of India had taken up the issue of setting up Commercial Divisions in High Courts and it had submitted its recommendations through its Report No.188 titled "*Proposals for Constitution of Hi-tech Fast Track Commercial Divisions in High Courts*".

The Commercial Division of High Courts Bill, 2009 (hereinafter "*the 2009 Bill*") was drafted in 2009 to provide for the constitution of a Commercial Division in the High Courts for adjudicating commercial disputes other related matters. The Commission had examined the international practice of setting up commercial courts to deal with high value or complex commercial cases, and the need for such commercial courts in India.

Its aim was to give a clear assurance to investors that high value commercial suits would directly go before the Commercial Division to be constituted in all High Courts, which would follow fast track procedures similar to those recommended in the 176th Report on "*Arbitration and Conciliation (Amendment) Bill, 2002*"<sup>4</sup>

*b) The 253rd report of the law commission – introducing commercial courts in India*

The Two Hundred and Fifty Third Report of the Law Commission of India titled *Commercial Division and Commercial Appellate Division of High Courts and Commercial Courts Bill, 2015 (Bill)* recommended the establishment of separate Commercial Courts, Commercial Divisions and Commercial Appellate Divisions in the High Courts in order to ensure speedy disposal of high value commercial suits. Recognizing the above mentioned need to have introduced such a legislation, the Law Commission specifically stated that the legislation aimed to facilitate ease of business in India.<sup>5</sup>

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<sup>4</sup> Law Commission of India, Report No. 253.

<sup>5</sup> *Cabinet approves bill for exclusive commercial courts*, The Indian Express, April 23, 2015, as available on <http://indianexpress.com/article/business/business-others/cabinet-approves-bill-for-exclusive-commercial-courts/>

### b) Drawbacks of the Commercial Division of High Courts Bill, 2009

The 2009 Bill posed difficulties in implementation, which needed to be rectified in order to provide for a viable commercial court system in India. Some of the drawbacks that marred the Bill were:

- Lack of original jurisdiction in all High Courts
- Differing pecuniary jurisdictions within the same Court
- Lack of an effective mechanism to redress delayed progress of matters before the Commercial Courts
- No Emphasis on Specializations in the Commercial Division

Owing to the defects contained in the Bill, the Upper House of the Indian Parliament had not passed the Bill and had recommended that amendments be carried out instead.

### c) The Need for Commercial Courts in India:

The concept of commercial court as a dedicated forum perhaps offers the best solution for addressing complex commercial disputes. Not only do specialized and niche forums offer speedy resolution of disputes, but their expertise in the concerned subject matter also would lead to more reasoned adjudication.

## VI. REASONS FOR INTRODUCTION OF THE COMMERCIAL COURTS ACT, 2015

### 1. Speedy Disposal

India is no alien to the sight of overflowing dockets of the judiciary coupled with ever-increasing workload due to further awareness amongst the masses of legal rights and remedies. Resultantly, the Indian judiciary's biggest enemy is believed to be its huge backlog of cases. As of 2014, the High Courts (generally the appellate courts) had a severe backlog of about 4.4 million cases alone. <sup>6</sup>

### 2. Expert Adjudication:

With the advent of economics and technology, the complexity of commercial matters such as those relating to Intellectual Property has also increased over time. With a specialized bench

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<sup>6</sup>Sourjya Bhowmick, *Justice has a mountain to climb, of 31.3 million pending cases*, (Hindustan Times, New Delhi, September 04, 2014) as available on <http://www.hindustantimes.com/india-news/justice-has-a-mountain-to-climb-of-31-3-million-pending-cases/article1-1259920.aspx>

dedicated to adjudicating matters pertaining to Intellectual Property, not only will the adjudication be speedy but it would also bear the depth and knowledge of persons who better understand the subject other persons.

**3. Economic growth:**

The importance of a stable, efficient and certain dispute resolution mechanism to the growth and development of trade and commerce is well established. Quick enforcement of contracts, easy recovery of monetary claims and award of just compensation for damages suffered are absolutely critical to encourage investment and economic activity, which necessarily involves the taking of financial and enforcement risks.

**4. Improving the international image of the Indian Commercial Environment:**

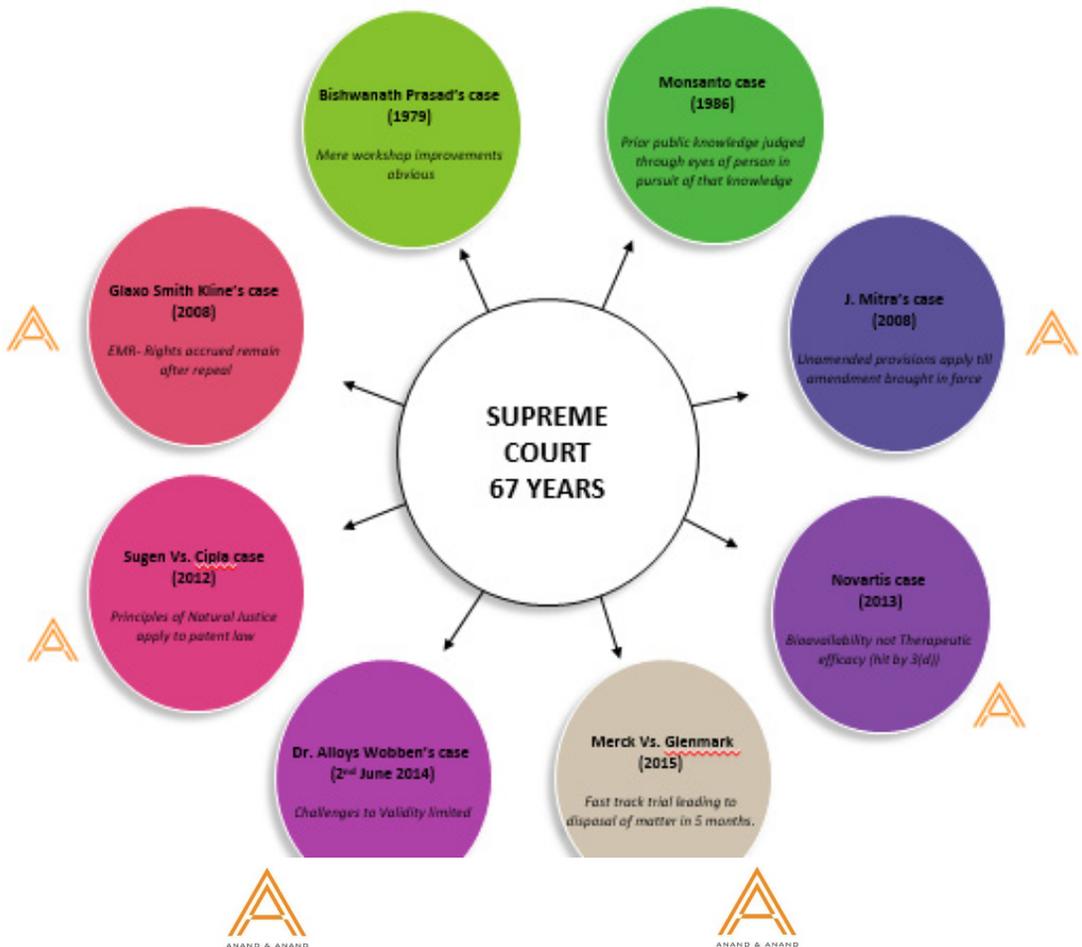
Among 189 nations surveyed in the World Bank Group's *Doing Business Report*, India was ranked a dismal 142<sup>nd</sup> overall<sup>7</sup>. Moreover, it was ranked at the bottom of the pit at 186th in the category of "Enforcing Contracts". This is definitely an area of concern. With the ever-increasing backlog of cases and a very few specialized authorities adjudicating commercial disputes, there existed a very dire need to improve India's 'commercial' image to attract further investments from countries abroad. Moreover, considering the strong relationship between Intellectual Property and the economic world, the importance of including IP matters within the ambit of such commercial disputes was also felt strongly.

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<sup>7</sup> *Ease of Doing Business in India*, World Bank Group, as available on <http://www.doingbusiness.org/data/exploreconomies/india>

**RECENT IP CASE LAWS: PATENT/TM/DESIGN AND COPYRIGHT THAT CHANGED THE LITIGATION JURISPRUDENCE**

**I. PATENT LAW**



▪ **Telefonaktiebolaget Lm Ericsson v. Competition Commission Of India<sup>8</sup>**

In March, 2016, Ericsson had challenged two orders by the anti-trust body where it was held to be abusing its dominant position for use of its SEPs relating to technology used in mobile handsets by Micromax Informatics Ltd and Intex Technologies (India) Ltd.

The court allowed Competition Commission of India (CCI) to continue its investigation into anti-competitive practices by Ericsson regarding use of its SEP's by other companies such as Micromax and Intex. This could be seen as the first time that a court looked at how IP law interfaced with competition law. It also offered a security blanket for home grown mobile companies as against

<sup>8</sup> W.P.(C) 464/2014 & CM Nos.911/2014 & 915/2014

international companies. Further, the judge categorically held that, *"In my view, there is no irreconcilable repugnancy or conflict between the Competition Act and the Patents Act. And, in absence of any irreconcilable conflict between the two legislations, the jurisdiction of CCI to entertain complaints for abuse of dominance in respect of Patent rights cannot be ousted."*

### ▪ **Dr Snehlata C. Gupte v. Union of India & Ors<sup>9</sup>**

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

At the core of the legal challenge was the existing process, which resulted in a time gap between the grant of a patent and the issue of the patent certificate. The court held that the date of the grant of a patent is the date on which the controller passes an order to that effect on the file i.e. on the day in which the Controller makes a decision to grant a patent. The issue of a certificate at a later date is then nothing more than a mere formality.

The court also came down strongly against the practice of filing serial pre-grant oppositions. through aliases, a practice now fairly common in most pharmaceutical patent cases.

Therefore, the decision taken by the Controller on the file is the determining event for ascertaining the date of grant of patent and the acts of sealing of the patent and entering the same in the Register are ministerial acts evidencing the grant of patent.

### ▪ **F. Hoffmann La Roche & Anr. vs. Cipla Ltd.; RFA (OS) No. 92 of 2012 & Cipla Ltd. vs. F. Hoffmann La Roche & Anr.; RFA (OS) No. 103 of 2012; (before the Delhi High Court), Division bench order dated 27<sup>th</sup> November 2015:**

This is India's first pharma patent infringement case in a post TRIPS world. The Plaintiffs had filed a suit against the Defendant for Patent Infringement. By the order dated 27<sup>th</sup> November 2015 (corrected on 8<sup>th</sup> December 2015) the Hon'ble Division Bench held that the Patent is valid and infringed. However, in view of the fact that the Patent expires in March 2016, no injunction was granted. Costs of Rs. 5 lakhs against Defendant and in favour of the Plaintiffs was granted. Further, the Hon'ble Bench held that the Defendant would be liable to render accounts concerning manufacture and sale of their product. Briefly, the findings are as follows:-

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<sup>9</sup> WP (C) No. 3516 and 3517 of 2007

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1. The Court found that in an infringement analysis, the comparison has to be made between the claims of a Patent sought to be infringed and the product asserted to be infringed. It is not the Patentee's product that has to be compared with the infringer's product.
  2. The principles of Claim construction were laid down.
  3. The Court further held that Claims must be interpreted on its own language and if they are clear then resort cannot be had to subsequent statements and documents either to enlarge or to narrow the scope of the claims.
  4. Further, the Court also struck a distinction between commercial utility and patent utility and recognized that at the time the inventions are invented, they may not be commercially the most viable for immediate marketing.
  5. The Court laid emphasis upon the importance of expert testimony and it was held that the expert witness of the Defendant was unable to prove obviousness and therefore the Defendant was unable to discharge the onus of invalidity based on obviousness.
- **Blackberry v. UOI – Blackberry's abandoned patent application remanded back to the Patent Office for re-determination as the Patent Office, in a bold and encouraging step, admits to its error!**

The Delhi High Court recently gave a decision in favour Blackberry Limited (previously known as Research in Motion) (*hereinafter referred to as the 'Petitioner'*) who had filed a writ petition against Union of India challenging the order dated 22<sup>nd</sup> August, 2012 by which the Indian Patent Office abandoned patent application number 980/DEL/2004 on the ground that it had that it was not put in order for grant within the statutory period of one year prescribed under the Patents Act, 1970 (*hereinafter the Act*).

- **TEVA Vs. NATCO - Teva Pharmaceutical Industries Limited & Ors. v. Natco Pharma Limited (FAO (OS) 144 of 2014) – Delhi High Court (Division Bench)**

The Appellate Bench of the Delhi High Court overturned the decision of the Single Judge returning the Plaint filed by Teva Pharmaceutical Industries Limited (Teva) on the grounds of lack of territorial jurisdiction.

Teva had filed a suit in the nature of a *quia timet* action against Natco Pharma Limited (Natco) seeking an injunction against the use of its patented process of manufacturing Glatiramer Acetate, a treatment for Multiple Sclerosis. The said process is covered under Indian Patent No. 190759.

The Single Judge returned the Plaint for presentation before an appropriate forum on the following grounds:

- a. That the patent in question is a process patent and not a product patent and there is no pleading to the effect that the infringing process is either being or is likely to be practiced in Delhi.

- b. That the entire focus of the Appellants' case was that the product is going to be exported to the US and it is not the case that the product will be exported from Delhi.
- c. That Section 48(b) of the Patents Act, 1970 which gives a patentee the right to exclude third parties from using a patented process or from selling a product obtained directly by the patented process would not give rise to sufficient apprehension of infringement in Delhi to give a court in Delhi jurisdiction in a *quia timet* action.

## **II. TRADEMARKS LAW**

- **Yahoo! Inc. v Akash Arora & Anr<sup>10</sup>**

In what is known till date as a Landmark judgment in cybersquatting, the Delhi High Court held that a domain name served the same function as a trademark and was therefore entitled to equal protection. As the domain names of the plaintiff 'Yahoo!' and defendant 'Yahoo India!', were nearly identical and phonetically similar, there was every possibility that internet users would be confused and deceived into believing that the domain names had a common source or a connection. The court further observed that the disclaimer used by the defendants was not sufficient because the nature of the Internet is such that use of a similar domain name cannot be rectified by a disclaimer, and that it did not matter that 'yahoo' is a dictionary word. The name had acquired uniqueness and distinctiveness and was associated with the plaintiff. The Bombay High Court, in *Rediff Communication v. Cyberbooth & Anr<sup>11</sup>* also observed that the value and importance of a domain name is like a corporate asset of a company.

- **Tata Sons Limited & Ors vs. John Doe & Ors, CS (COMM) 1601/2016: -**

*Vide* order dated 27<sup>th</sup> April 2017, the Delhi High Court granted that service of summons may be through text message and Whatsapp in a suit. The said suit was listed before Hon'ble Mr. Justice, Rajiv Sahai EndLaw for return of summons on the newly impleaded Defendants i.e. the email address holders who were circulating the defamatory emails against the TATA Group and several top TATA officials. In an interesting turn of events, while three of the newly Defendants stood served, there was a problem of service on the fourth Defendant as on the address available, there were three Defendants. The Hon'ble Judge on hearing the submissions and noting that there was a mobile number of the fourth Defendant, ordered service of summons on the said Defendant through Whatsapp as well as text message.

- **Thoughtworks Inc. v. Super Software Pvt Ltd & Anr. before the Delhi High Court, order dated 12<sup>th</sup> January 2017-**

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<sup>10</sup> 1999 (19) PTC 201 (Del)

<sup>11</sup> 2000 PTC 209

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*Vide* order dated 12<sup>th</sup> January 2017, Justice Muralidhar allowed the application under Section 34 of the Arbitration and Conciliation Act, 1996 filed by ThoughtWorks Inc. challenging an Award dated 12<sup>th</sup> July, 2015 passed by the sole Arbitrator, National Internet Exchange of India (NIXI) dismissing the domain name complaint regarding the domain name Thoughtworks.in. The Hon'ble Court held that the learned Arbitrator failed to apply his mind to the facts on record. One of the findings in the award was that no copy of the certificate of registration of the trademark of any country, including India, was submitted or provided by the complainant and even the date of registration of the trademark "ThoughtWorks" in India was not provided. The Hon'ble Court held that a copy of the trademark registration certificate of the complainant was enclosed with the complaint and yet the learned Arbitrator failed to have noticed this fact. In any event, the complaint itself contained details of its various registrations. If there was any doubt, the learned Arbitrator ought to have sought a clarification from the complainant on this aspect as well. Further, no finding was given by the arbitrator whether the use of the domain name by Respondent No. 1 would lead to confusion and deception. With the domain name taking up the entire name of the Petitioner, there could be no doubt that the use of such domain name by the Respondent would be deceptively confusing and erroneously indicate a connection of Respondent No. 1 with the Petitioner when there is none. The Court further held that there were numerous glaring errors which appear on the face of the Award.

- **Icon Health and Fitness Inc. v. Sheriff Usman**<sup>12</sup>

The plaintiff, a US-based company, filed a suit against the defendants, companies based in India and the UAE, alleging passing off of their trademark, iFIT, which was used, among other things, in the plaintiff's online fitness software and sold through Apple's App Store and Google's Play Store. On the issue of Jurisdiction, the court held that the defendant's allegedly infringing products were available online and could be accessed from 'all over the country, including from Delhi', and then went on to hold that the defendants could be said to be 'carrying on business' in Delhi, for the purpose of territorial jurisdiction of the Court under Section 20 of the Code of Civil Procedure, 1908. The court further held that plaintiff had established cross border reputation in order to substantiate the claim of passing off. This kind of broad and vague limitation on jurisdiction paves a clear way for unscrupulous litigants to engage in forum shopping.

- **DM entertainment v Baby Gift House and Ors.**<sup>13</sup>

Daler Mehndi's company has sued for permanent injunction from infringing the artist's right of publicity and false endorsement leading to passing off as the Defendant had used unauthorized or unlicensed part of the reputation of the artist, with respect to goods or services of any manner will lead to make an

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<sup>12</sup> CS(COMM) 216/2016

<sup>13</sup> MANU/DE/2043/2010

impression on the public that the goods or services are associated with the singer. It was further averred by the plaintiff that such use was done for commercial exploitation without adequate permission from the person or any other authorized by him, shall constitute infringement of the person's right to publicity. The courts in India prior to this case, had not dealt much with publicity rights. In this case the Court did so quite emphatically. The court meted out a compensatory amount to the tune of Rs. 1,00,000 to the Plaintiff.

- **Sri Krishna Sweets Pvt. Ltd. v. M Murali**<sup>14</sup>

In an interesting case before the Madras HC, the popular "Sri Krishna Sweets" from Coimbatore became embroiled in a trademarks dispute. The case involved a trademark dispute between two brothers. The Court opined that it was clear from the evidence on record (i.e. the website screenshots, invoice copies and advertisements) that the name "Sri Krishna Sweets" had been established and used since 1948 by the late Mahadeva Iyer. The Court struck down the plaintiff's argument that any and all association of the business name with the late Mahadeva Iyer was out of reverence. Relying on *Narasus's Coffee Company v. Narasu's Roller Flour Mill*, it held that in cases of trademark disputes between families, the court will treat it as a family dispute instead of a trademark dispute simpliciter.

- **Freudenberg Gala Household Product Pvt. Ltd. v. GEBI Products**<sup>15</sup>

The predecessor of the plaintiff (a company doing business in household and industrial cleaning tools, i.e. mops, brooms, etc.) adopted the trademark "LAXMI" for its brooms, which had trademark registration. The plaintiff noticed in 2015 that the defendants are using the trademark "MAHALAXMI" for its own brooms. The plaintiffs approached the Court claiming trademark infringement. Justice Patel refused interim relief in 2016 and posted the suit for framing of issues. The plaintiffs, then appealed this refusal claiming that the order suffered from a patent illegality. The Court agreed with the defendants and J. Patel that a label mark is different from a word mark. Then, the court considered both the marks separately and opined that the two marks are neither identical not deceptively similar – being entirely different in design and make. The differences are enough to distinguish the two marks in the minds of the consumer of average intelligence and imperfect recollection. Further, it held that names of Hindu Gods are not exclusive and cannot be monopolized by one party. Finally, it held that according to settled law, the appellate court can only interfere with an interim order if it is found to have been delivered arbitrarily or in ignorance of settled principles of law.

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<sup>14</sup> MANU/TN/2910/2017

<sup>15</sup> MANU/MH/1859/2017

- **Taj Mahal Palace becomes first Indian building to receive trademark registration-**

In a first, The Indian Hotels Company Limited has been granted protection for the Taj Mahal Palace hotel in Mumbai by the Registrar of Trademarks as an image mark. The over-100-year-old hotel and one of the most recognizable buildings in the country, Taj Mahal Palace in Mumbai has become the first to receive trademark protection for its architectural design. The hotel joins a rarified club of iconic buildings around the world that have been accorded trademark protection, including the Empire State Building in New York and the Eiffel Tower in Paris.

- **Rubiks Brand Ltd & Anr V. Mahesh Vaman Manjrekar & Ors**<sup>16</sup>

This suit was instituted by Rubiks Brand, which has the exclusive right to market and distribute the Rubik's cube. In their plaint, the plaintiffs set forth as to how they have exclusive rights over the use of the Rubik's cube and have obtained trademark registration for the same in multiple jurisdictions.

Defendant no. 1, Mahesh Vamen Manjrekar, decided to name his Marathi feature film 'Rubik's Cube'. Consequently, the plaintiffs filed a suit for passing off to restrain the defendants from using this title. Applying the three factors of the classic trinity ( (1) acquisition of goodwill and reputation by the plaintiff; (2) misrepresentation by the defendant, whether intentional or not; and (3) consequent causation of damage to the plaintiff or existence of likelihood of such damage) to the case at hand, the court held that there was no plausible way in which the defendants could argue that the plaintiffs had not acquired goodwill and reputation over the Rubik's Cube, given its unparalleled popularity. Holding that a critical mass of the viewing public was likely to form a connection between the plaintiffs' puzzle and the defendants' film, the court arrived at the conclusion that the plaintiffs had successfully established that the conduct of the defendants amounted to misrepresentation.

- **A.Rajendran vs Thenandal Studios Limited**<sup>17</sup>

A suit was filed praying for an injunction restraining the respondents permanently from passing off of the title for a motion film, 'MERRASALAITAN' with 'MERSAL' in C.S.No.747 of 2017 along with a interim injunction in O.A.No.492 of 2017. The applicant/plaintiff was a film producer claiming proprietary right over the title 'MERRASALAITAN' wherein the title was registered in 2014 with the Tamil Nadu Film Producers Council ('TNFPC' in short), having obtained a no objection in this regard from M/s.Green Apple Pictures that had earlier registered the title 'NAAN MERRASALAITAIN'. It was stated that if both films were released together it would create confusion, however it was admitted that there is no similarity in the story of both the movies. The Respondent, had stated that "Mersal" is a generic Tamil word and no

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<sup>16</sup> BOMHC COMMERCIAL SUIT (L) NO. 150 OF 2017

<sup>17</sup> Order dated 6.10.2017, Paras 11 and 12

one could claim exclusive right over it. They had also added that the registration with TNFPC was only to avoid duplication of titles and does not create any enforceable right over it. The Hon'ble Single Judge of the Madras High Court while declining the application of an interim injunction, had held that:

*"The right claimed on the title by the applicant is for a film that does not exist as on date. Mere registration of title with TNFPC would not offer any statutory protection to the applicant. The word 'Mersal' is a local and casual adoption of the existing Tamil word 'Miratchi', which as per the modern Tamil dictionaries mean fright; dismay; bewilderment. The Plaintiff having registered the title with TNFPC in 2014, admittedly had not put it to use even for himself and now only claims the production has commenced. Thus the Plaintiff having gathered no reputation and/or goodwill for the title cannot claim that the respondents are now planning to ride on its reputation."* The Plaintiff herein had also made an unsuccessful attempt at an Appeal before the division bench of the Hon'ble High Court. This appeal was turned down by an order dated 13.10.2017 refusing to interfere with the order of the single judge as there is no error of law or facts.

- **EROS INTERNATIONAL MEDIA LIMITED V. TELEX LINKS INDIA PVT. LTD<sup>18</sup>.**

This case opened the doors in India for arbitration of IP disputes arising out of licensing and other commercial transactions dealing with IPRs. The court commendably clarified that such disputes are 'in personam' and not 'in rem' and thus perfectly arbitrable in absence of any law that suggests otherwise.

- **WORLD WRESTLING ENTERTAINMENT, INC. v. M/S RESHMA COLLECTION & ORS<sup>19</sup>**

The case at hand laid to rest the question of where a contract is deemed to be concluded when a transaction takes place over the internet. It is a settled law that jurisdiction in e-commerce cases involving trademark and copyright disputes would be determined by the buyer's place of residence. The Appellant filed a suit seeking permanent injunction restraining infringement of copyright, infringement of trade mark, passing off, dilution, rendition of accounts, damages, etc. in respect of their Trade Marks 'WWE Scratch Logo' and 'WORLD WRESTLING ENTERTAINMENT'. The suit was dismissed by a Learned Single Judge of the Delhi High Court on the ground of want of jurisdiction. WWE was a company incorporated under the laws of the State of Delaware, USA and the defendant (Reshma Collections) is a company incorporated in Mumbai. The appellant had invoked the jurisdiction of the Delhi HC on account of the provisions of Section 134(2) of the Trademarks Act and Section 62(2) of the Copyright Act.

It was submitted by the plaintiff that it carries on business within the territorial limits of the Delhi HC; this was supported by the fact that the plaintiff's programmes are broadcast in Delhi, the plaintiff sells books and merchandise in Delhi and most importantly, the plaintiff's goods and services are sold to customers

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<sup>18</sup> 2016 SCC OnLine Bom 2179

<sup>19</sup> FAO(OS) No. 506 of 2013

in Delhi through the plaintiff's websites which can be accessed all over India, including Delhi. Thus began the questions before of the court to determine the scope of carries on business". To determine this, they relied on the judgment of *M/S. Dhodha House vs S.K. Maing*<sup>20</sup> which laid down a three pronged test to determine whether there was business being carried on –

The 3 conditions are:

- i. The agent must be a special agent who attends exclusively to the business of the principal and carries it on in the name of the principal and not as a general agent who does business for any one that pays him;
- ii. The person acting as agent, must be an agent in the strict sense of the term and a manager of a Joint Hindu Family cannot be regarded as an —agent within the meaning of this condition; and
- iii. To constitute —carrying on business at a certain place, the essential part of the business must be performed at that place.

Based on the above reasoning, the Court was of the opinion that the plaintiff could be said to carry on his business in Delhi and allowed the appeal in the present case, including a permanent injunction against the Defendants.

• **Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries, SLP (C) No. 11505 – 11507 / 2017 before the Supreme Court of India**

This case is one of the most contested trademark battles in recent Indian history. In a nutshell, the Supreme Court has to decide whether Toyota, the manufacturer of the world's first hybrid car PRIUS (which continues to remain successful even today) could restrain an Indian entity from using the same mark in relation to the sale of automobile accessories.

While deciding to hear the appeal, the Supreme Court had recognized the need to pass a judgement quickly, considering this case is a rare instance where a trademark dispute has been appealed to the Supreme Court after conclusion of trial and final arguments before the Appellate Court and the Single Judge. As a result, the matter was given priority—"to be on the top of the list" and was concluded within a record of 3 hearings.

At the heart of the dispute lie fundamental ground-norms such as:

- i. Trans-border reputation;
- ii. Well-known nature of a trademark (extent of knowledge of the mark)
- iii. Publici juris (is a mark generic merely because it appears in the English dictionary?)
- iv. The test for passing off (is it proving actual confusion or merely that confusion is likely?)

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<sup>20</sup> 2006 (32) PTC 1

The Plaintiff, i.e. Toyota in enforcing its rights in the trademark PRIUS and spearheading the campaign on clarity on the law of trans-border reputation, well-known status and passing off in India. Needless to state, the judgement to be delivered by the Supreme Court (regardless of the decision on merits) shall become the leading precedent for trademark disputes in future.

### **III. COPYRIGHT LAW**

- **The Chancellor, masters and Scholars of the University of Oxford and ors. v. Rameshwari Photocopy Services** <sup>21</sup>

In 2012, publishers Oxford University Press, Cambridge University Press United Kingdom, Cambridge University Press India Pvt. Ltd., Taylor & Francis Group, United Kingdom and Taylor & Francis Books India Pvt. Ltd. sought to restrain the photocopy shop from supplying photocopied course packs to students. The lawsuit against the Rameshwari Photocopy Service and Delhi University accused the defendants of "infringing the copyrights of the plaintiffs in their publications by photocopying, reproduction and distribution of copies of plaintiffs' publication on a large scale and circulating the same..." The publishers sought a ban on all course packs, in an aggressive interpretation of the [Indian Copyright Act, 1957](#). The action of the defendants was held to be infringing the copyright of the plaintiffs. The Hon'ble Division bench however reversed the order of the Learned Single judge and refused to grant interim injunction. The Defendant was asked however maintain accounts until the disposal of the case. Interestingly, the students association wrote an open letter to the publishers not to appeal against the order and surprisingly, the Plaintiffs withdrew their case along with a statement released in the media stating that, "*We support and seek to enable equitable access to knowledge for students and we understand and endorse the important role that course packs play in the education of students,*".

- **Myspace Inc. v. Super Cassettes Industries Ltd.** <sup>22</sup>

A division bench of the Delhi High Court reversed a decision of the single bench on the issue of liability of an intermediary in copyright infringement. The appellant in case of Myspace Inc. v. Super Cassettes Industries Ltd. , was a service provider providing free platform for uploading of audio or video along with other interactive features. The court was of the view that Section 51(a) (ii) in the case of Internet intermediaries, contemplates actual knowledge and not general awareness, and to impose liability on an intermediary, conditions under Section 79 of the IT Act have to be fulfilled.

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<sup>21</sup> MANU/DE/2497/2016

<sup>22</sup> 2017 (69) PTC1 (Del)

The division bench in this regard held that Sections 79 and 81 of the Information Technology Act and Sections 51(a) (ii) of the Copyright Act have to be read harmoniously. It was held that proviso to Section 81 does not preclude the affirmative defence of safe harbour for an online intermediary in case of copyright actions. Finally, it was held that in case of internet intermediaries, interim relief has to be specific and must point to the actual content, which is being infringed. It was observed that without a notice containing the details and location of the exact works in which infringement is complained of, the intermediary cannot be expected to scan through a large number of videos to discern infringement.

### ▪ **Union of India v. BCCI**

The Sports Act, 2007 was specifically introduced with an aim to maximise public access to sporting events of national importance. The appellants argued that given this object, Section 3 of the Sports Act, 2007 ought to be interpreted coextensively with Section 8 of the Cable Act, 1995 so as to maximize public access. A strong case was made in favour of the respondents' private rights, under both the Copyright Act, 1957 and the Media Sharing Arrangement between Star India/ESPN and BCCI. The Sports Act, 2007, which demanded these rights be shared with Prasar Bharti, had been characterized as an "*expropriatory legislation*" that required strict construction. This found favour with the court, which held (using some rather confusing modifiers) that Section 3 was indeed expropriatory, and accordingly "*has to be interpreted very strictly.*" An interesting point to consider is that prior to this decision, there has been no instance in copyright law, or for that matter in other areas of IP law, where legislation (or a provision) has been labeled "*expropriatory*". In fact, the few instances where Indian courts have ever called legislation expropriatory have been in typical police power cases.

### • **Super Cassettes Industries Ltd v HRCN Cable Network<sup>23</sup>**

Super Cassettes (Plaintiff), one of the leading music companies instituted a suit for infringement of copyright of its copyright in its musical works. The act of infringement was carried out by the Defendants, cable operators, by airing musical works of Super Cassettes without having secured prior permission and or requisite licenses. Award of Damages as follows:

- i. Compensatory damages: Grant of INR 16,20,000 to compensate the Plaintiff for the loss of license fees, reputation and goodwill with reference to the formula: 15,000 (No of Subscriptions of Defendant) x 18 (Per month license fee of Plaintiff) x 6 (No of months) = INR 16,20,000/-
- ii. Punitive/Exemplary damages: The Defendant's act was deliberate, dishonest and harmful to the Plaintiff, hence exemplary damages should be awarded. However, the court held: This case did not entitle the award of punitive/exemplary as compensatory were adequate and this fell outside the purview of 'criminal propensity';

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<sup>23</sup> Delhi High Court judgment dated October 09, 2017

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- iii. Conversion damages: Value of infringing copies of the article (Rs. 500/per subscription) x No. of subscriptions (15,000) = INR 75,00,000 i.e. the entire cost of the subscription fee loss due to the infringing acts of the Defendants should be granted to the Plaintiff. It was held that conversion damages are overlapping with compensatory in the present case, as the Court is not able to ascertain loss of market to the Plaintiff, hence it is stated that compensatory damages must prevail and sufficient.

- **ICC Development International v. Arvee Enterprises**<sup>24</sup>

This is a case concerning the principle of ambush marketing wherein ICC Development (International) Ltd. (hereinafter to as the plaintiffs) was a company formed by the members of the International Cricket Council to own and control its commercial rights which included media, sponsorship and other intellectual property rights relating to their events. The plaintiffs was the organizer of the ICC World Cup in 2003. There were 9 official sponsors of the World Cup which didn't include Philips India Ltd. Arvee Enterprises was an authorized dealer of Philips India Ltd. and were engaged in the business of sale and service of electronic goods manufactured by the latter. They launched a sale promotion campaign offering Cricket World Cup tickets as prizes to the buyers. When the plaintiffs came to know about this, they filed a suit in the Delhi High Court seeking temporary injunction against the defendants, thereby restraining them from publishing any advertisement associating themselves with the plaintiff and the "Cricket World Cup" in any manner whatsoever. They contended that the defendants were engaging in unfair trade practice and were trying to derive commercial benefits for themselves by unlawfully associating themselves with the plaintiffs by using the slogans. They further contended that the defendants' action was mala fide and dishonest and were aimed towards the plaintiffs in order to damage their reputation in the eyes of the sponsors of the event. The case was decided by the a Single Judge Bench of the Delhi High Court who held that the act of offering tickets of the event by the defendants as prizes did not amount to "ambush marketing". They were genuinely interested in providing a chance to the buyers of their products to witness the event. And that there was no question of making any profits out of this as they had already paid the amount of tickets to the concerned travel agency authorized by the plaintiffs.

- **Bharti Bhawan and Anr. v M/s Shree Jee Prakashan and Ors, CS (COMM) 550/2016 order dated 24<sup>th</sup> August 2017, Justice Yogesh Khanna of the Delhi High Court-**

The Plaintiffs had filed the present suit against the Defendants for permanent injunction restraining infringement of copyright of the book '*Concept of Physics*'. The Plaintiffs were the copyright owners having all the rights in the said book including the right to translate. The grievance of the Plaintiffs was the unauthorized translation of the Plaintiffs book '*Concept of Physics*' as '*Bhautiki ke Moolbhoot Sidhant*'

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<sup>24</sup> 2003 (26) PTC 245 Del

that was being published and sold in the market by the Defendants without seeking any license from the Plaintiffs. As the Defendants had been proceeded ex-parte, the Plaintiffs moved an application Order 13A Commercial Acts, 2015 for summary judgement. The Hon'ble Court held that the Plaintiff was entitled to a decree under Order XIII-A of the Commercial Courts Act, 2015 as the said provision empowers this Court to pass a summary judgment, without recording evidence, if it appears that the defendant has no real prospect of defending the claim. Accordingly the suit was decreed in favour of the Plaintiffs with actual costs.

#### **IV. TRADE SECRETS**

- **Burlington Home Shopping Pvt. Ltd. v. Rajnish Chibber & Anr; 1995 PTC (15) 278**

The Delhi High Court decided that the compilation of a customer database/list qualified as a trade secret, in addition to warranting protection under copyright laws.

- **John Richard Brady and Ors. vs. Chemical Process Equipments Pvt. Ltd. AIR 1987 Del 372 (John Richard Brady Case)**

The Delhi High Court invoked a wider equitable jurisdiction and awarded injunction even in the absence of a contract. The plaintiff invented a "Fodder production Unit" (FPU) and for indigenous production of the same sought supply of thermal panels from the defendant; and in that process shared technical material, detailed know-how, drawings and specifications with the defendant concerning the FPU. An agreement was set out between the parties for the supply of specialized thermal panels but later the plaintiffs after discovering the inability of the defendants to supply the required thermal panels did not place any order. The plaintiffs after learning about the defendant's FPU preferred a suit alleging misappropriation of know-how information, drawings, designs and specifications disclosed to defendants.

- **General Electric Company vs. Mr. Jebasingh Nelson; CS(OS) 3061 of 2012 before the High Court of Delhi**

The Delhi High Court passed interim injunctions against ex-employees of the Plaintiff Company from disclosing to third parties any confidential information and trade secrets acquired during the course of their employment with the Plaintiff Company or otherwise belonging to the Plaintiff Company and not falling in public domain.

#### **V. OTHER LANDMARK CASES**

- **I. DuPont De Nemours vs. Jagdish Jain - Order dated April 24, 2014 in IA No.5231/2013**

**ALTERED VIDEO-CONFERENCING RULE** (Of the plaintiff for recording of the evidence of the witnesses of the plaintiff by video conferencing). The Hon'ble Judge pushed the envelope with regards to recording of evidence through video -conferencing and laid down the following enhanced guidelines:

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- (1) Presence of embassy official/notary public unnecessary during videoconferencing if the witnesses have furnished a photographic proof of their identity to the Court and to the opposite counsel;
- (2) Video camera at the destination of the witness should capture the entire room in which the witness is deposing and there should be none else in the room, not even any table in front of the witness' chair or any reading material;
- (3) The witnesses must make their statement at a neutral venue and not their home or office, preferably a Chamber of Commerce and a certificate to the said effect to be furnished to the Court and the opposite counsel;
- (4) The Court commissioner has the power to stop the recording of evidence should the witnesses be found to be indulging in any unfair practice.

- **LSDSS v. The State of Karnataka, WP (C) No. 19061 of 2015 before the High Court of Karnataka, order dated 25th July 2016**

The writ petition concerns the unfortunate young children who are suffering from Lysosomal Storage Disorders, which require treatment modality in the form of Enzyme Replacement therapy but the treatment is costly. The Hon'ble Court passed an interim order on 8th June 2016 directing the medical authorities in the Indira Gandhi Institute of Child Health to provide medical treatment to the patients suffering from said disease. On 25th July 2016, the Court has directed the Respondent No. 3 to comply with the interim order dated 08.06.2016 and to provide treatment to all children who come to the institute. The Chief Justice made it clear that money issues could always be discussed later, but the Government in compliance with the order must provide care to the children.

- **M/s AZ Tech (India) & Anr. V. M/s Intex Technologies (India) Ltd. & Anr., SLP No. 18892/2017-**

Vide order dated **31<sup>st</sup> July 2017** the Hon'ble Supreme Court directed the Registrar General of the Delhi High Court to report to the Court about the total number of pending IPR suits, divided into different categories, in the Delhi High Court; stage of each suit; and also the period for which injunction/interim orders held/holding the field in each of the such suits. The Registrar General of the Delhi High Court was also directed to indicate to the Court what, according to the High Court, would be a reasonable way of ensuring the speedy disposal of the suits involving intellectual property rights which are presently pending. Thereafter on **16<sup>th</sup> August, 2017** when the matter was listed, the Hon'ble Supreme Court declined to interfere and directed that the suit be disposed of as expeditiously as possible. That further

the findings in the orders of the learned Single Judge and the Division Bench will not be taken into account at the time of consideration of the suits on merits. Further, the Hon'ble Supreme Court recognized that the order is an effort on part of the Judiciary as an institution to work out ways and means to dispose of long pending contested civil suits throughout the country for which purpose the Delhi High Court and, particularly, the IPR matters has been taken as the yardstick. The Hon'ble Court further directed that the Delhi High Court have to work out ways and means for effective disposal of the IPR matters before it so that a model for disposal of civil suits can be culled out from the ways and means adopted by the Delhi High Court which can form the basis of an uniform action plan for the rest of the country. And for the aforesaid objective, the Hon'ble Supreme Court directed the Registrar General of the Delhi High Court to submit periodical reports of the work done in this regard- the first one being within sixty days.

### VI. OTHER IP RELATED DEVELOPMENTS

- **National IPR Policy**

In a very significant development, the National IPR Policy was released by the Govt. on May 23. The policy along with the slogan 'Creative India, Innovative India' has targeted on several objective including practical implementation of those objectives. These aim to create a visionary statement on having a holistic balanced IPR system, creativity and innovation, namely creativity and innovation.

- **Patent (Amendment) Rules, 2016**

These Rules, 2016 were notified and came into force on May 16, bringing out positive amendments to the Patent Rules, 2003, including reduction of time for filing response to first examination report from 12 months to 6 months, refund of 90% of fees upon application withdrawal before first statement of objection and refund of excess fee paid and various other changes.

- **Copyright and Semiconductors brought under DIPP**

In an important move, the Government has now transferred the administration of Copyright Act from the HRD Ministry and that of Semiconductor Integrated Circuits Layout-Design Act from the IT Ministry to DIPP. This would allow all IP offices under the control of DIPP, having control over the Patent and Designs Office and Trade Marks and Geographical Indications Registry.

- **New computer related inventions (CRI) examination guidelines** – The Patent Office has evoked the 2015 guidelines on examination of (CRI) and issued a new set of guidelines on February 19 that are in line with the provisions of the Patents Act. These guidelines have set out a clear procedure for determining the patentability of a CRI with examples and acknowledged that a CRI would fall under clauses (k), (l), (m) or (n) of Section 3 of the Patents Act.

## WAY FORWARD

### I. UNDERSTANDING THE COMMERCIAL COURTS, COMMERCIAL DIVISION AND COMMERCIAL APPELLATE DIVISION OF HIGH COURTS ACT, 2015

#### a. Meaning of commercial disputes

The Commercial Courts Act defines a commercial dispute to include any dispute related to transactions between merchants, bankers, financiers, traders, etc. Such transactions deal with mercantile documents, partnership agreements, and *intellectual property rights*, insurance, etc.<sup>25</sup> Furthermore, being categorized as commercial disputes also requires the 'specified value' of the suit as being more than 1 crore.<sup>26</sup>

#### b. Establishment of Commercial Courts

Commercial Courts and Commercial Divisions have been mandated to be established under the jurisdiction of each High Court, in consultation with respective State Governments.<sup>27</sup> However, as Commercial Courts are courts of first instance, they cannot be established within the territory of the jurisdiction of those High Courts which have been empowered with original jurisdiction.<sup>28</sup> Such High Courts include those at Delhi, Mumbai, Kolkata and Madras.

In such cases, Commercial Divisions (which can have multiple benches) are set up in those High Courts to adjudicate disputes that meet the criteria of 'commercial disputes' as defined under the Act.

Appeals from decisions of the Commercial Courts/ Divisions are heard before the 'Commercial Appellate Divisions', which are set up in respective High Courts.

#### c. Jurisdiction of Commercial Courts

Those disputes whose subject matter has been valued at over INR 1 crore are categorized as commercial disputes. In case of Commercial Courts, the dispute is required to arise entirely out of the territory of the State, where the Court has territorial jurisdiction.<sup>29</sup>

<sup>25</sup> Section 2(c), *The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015*.

<sup>26</sup> Section 2 (i), *The Commercial Courts, Commercial Division and Commercial Appellate Division of High Court Act, 2015*

<sup>27</sup> Section 3, *The Commercial Courts, Commercial Division and Commercial Appellate Division of High Court Act, 2015*

<sup>28</sup> Proviso, Section 3 (1), *The Commercial Courts, Commercial Division and Commercial Appellate Division of High Court Act, 2015*

<sup>29</sup> Section 6, *The Commercial Courts, Commercial Division and Commercial Appellate Division of High Court Act, 2015*

In the case of Commercial Divisions of High Courts, an exception has been made for Intellectual Property disputes which had been filed before High Courts of original jurisdiction before the Act was brought into force. If they were pending adjudication at the time when the Act was introduced, then even if they were not valued at INR 1 crore, they would still be retained before the Commercial Divisions of the said High Court itself.<sup>30</sup>

**d. Transfer of cases to subordinate District Courts**

When the Ordinance was first brought into force, Section 7 permitted only those commercial disputes to be heard by Commercial Divisions, which were filed before the Ordinance was brought into force, i.e. October 23, 2015.<sup>31</sup>

The Delhi High Court was the first to appoint commercial divisions through an appropriate administrative notification. However, the notification stipulated that all commercial disputes which were valued below INR 1 crore, and those pending adjudication before the Delhi High Court were to be transferred to subordinate District Courts. This had created a massive pandemonium amongst litigants in IP disputes, because a transfer would have reset the progress made in each suit. Furthermore, the loss of the Delhi High Court as the forum for adjudication also would have resulted in the lost opportunity to contest disputes before a very experienced and IP savvy Court.

**e. Request for stay on the transfer of IP cases**

In a very swift move, writ petitions were filed by concerned litigants to highlight the arbitrariness of the Delhi High Court's notification. The first such petition was *Vifor International Limited v. The High Court of Delhi*, W.P. (C) No. 11035 of 2015.

Within days of the writ petition being filed, the Delhi High Court had granted an interim stay on the transfer of IP cases which were valued at below INR 1 crore. Furthermore, the Court also held that litigants were free to file appropriate applications in such suits, in order to increase the valuation of the suits to INR 1 crore or above.<sup>32</sup>

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<sup>30</sup> Proviso, Section 7, *The Commercial Courts, Commercial Division and Commercial Appellate Division of High Court Act, 2015*

<sup>31</sup> Provision, Section 7, *The Commercial Courts, Commercial Division and Commercial Appellate Division of High Court Ordinance, 2015*

<sup>32</sup> Order dated December 03, 2015 in *Vifor International Limited v. The High Court of Delhi*, W.P. (C) No. 11035 of 2015 before the High Court of Delhi

## a) THE BRINGING INTO FORCE OF THE COMMERCIAL COURTS ACT

Shortly after the interim stay being awarded, the Parliament was seated for its winter session. The Commercial Courts Ordinance was debated upon and was ratified officially to be approved as a statute on December 31, 2015.

The Act made one subtle, yet important amendment to the proviso to Section 7. This provision was now allowing all IP disputes which were filed or pending before relevant High Courts to be necessarily entertained by Commercial Divisions of the High Court.

This crucial amendment, when read along with the 78<sup>th</sup> Report submitted to the Rajya Sabha by the Department-Related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice made it crystal clear that the legislature had the following intention:

- (i) IP disputes, regardless of their respective valuation(s) were required to be retained before respective High Courts, in case they were filed before the Commercial Courts Act, 2015 was brought into effect;
- (ii) All IP disputes filed after the Commercial Courts Act, 2015 was brought into force, were required to be valued at INR 1 crore or above, in order to be heard before the Commercial Divisions of High Courts.

This fact was also observed by the Delhi High Court in *Guinness World Records Limited vs Sababbi Manga*<sup>33</sup>, before it ordered for the concerned suit to be transferred back to the High Court from a subordinate District Court.

### (i) Changing the manner in which disputes are litigated

The greatest factor contained in the Commercial Courts Act, 2015 is the amendments that it has made to several provisions of the Code of Civil Procedure, 1908 [CPC]. It was a common grievance amongst litigants, litigators and members of the judiciary alike that procedural rules in the CPC should cater to changing times.

Since commercial disputes involve huge monetary stakes and quick turnaround solutions, procedural norms which ensure quick adjudication were the need of the hour. The Commercial Courts Act, 2015 makes important changes to the Code of Civil Procedure, 1908 to ensure just that.

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<sup>33</sup> Order dated February 15, 2016 in CS(OS) No.1180/2011 before the High Court of Delhi

A brief description of the changes made to the CPC are as follows:

**(i) Fixed timeline to file written statements**

The amended Order VIII Rule 1 of the CPC now allows for a maximum period of 120 days within which a Defendant can file its written statement. Earlier, the Court had the discretion to allow the Defendants to file written statements even after a period of 120 days had expired.

**(ii) Case Management Hearings**

The Act introduces a new provision in the form of Order XVA to the CPC. This provision governs 'case management hearings'. This provision dictates that once issues have been framed in a suit, the Court can fix strict time-lines within which evidence affidavits need to be filed<sup>34</sup>; written submissions are to be filed<sup>35</sup>; arguments need to be concluded<sup>36</sup> and limiting the time for such arguments.<sup>37</sup>

Most importantly, the Court is also empowered to fix a time limit within which cross examination is required to be concluded<sup>38</sup>. Where required, the Court can also direct that trial take place on a day to day basis as well.<sup>39</sup>

**(iii) Summary Judgments**

The newly introduced Order XIII-A to the CPC allows parties to file an application requesting that the Court pronounce judgement in their favor, even before the trial is concluded in the dispute. In order to secure victory at an early stage, a litigant is required to establish that *inter alia* the opposite party has no real prospect of succeeding in establishing its claim.

This provision has gone a long way in ensuring that disputes are adjudicated in their finality by Commercial Courts, without prolonging the dispute to stages such as trial, final arguments. Litigants have been invoking this provision successfully in order to secure positive results, without having to contest a suit over a long period of time.

**b) BENEFITS OF THE COMMERCIAL COURTS VIS A VIS. INTELLECTUAL PROPERTY LAW**

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<sup>34</sup> Order XVA, Rule 2 (c), The Code of Civil Procedure, 1908

<sup>35</sup> Order XVA, Rule 2 (e), The Code of Civil Procedure, 1908

<sup>36</sup> Order XVA, Rule 2 (f), The Code of Civil Procedure, 1908

<sup>37</sup> Order XVA, Rule 2 (g), The Code of Civil Procedure, 1908

<sup>38</sup> Order XVA, Rule 3, The Code of Civil Procedure, 1908

<sup>39</sup> Order XVA, Rule 4, The Code of Civil Procedure, 1908

**i. Expertise in Intellectual Property Matters**

- a) As stated earlier, specialized benches comprising of persons seasoned in the field of Intellectual Property would only make decision making an easier process for the judiciary, as the issues at hand wouldn't be considered as complex *per se* by an expert in the field
- b) This will eventually also lead to a homogenous development of the jurisprudence surrounding Intellectual Property Law.

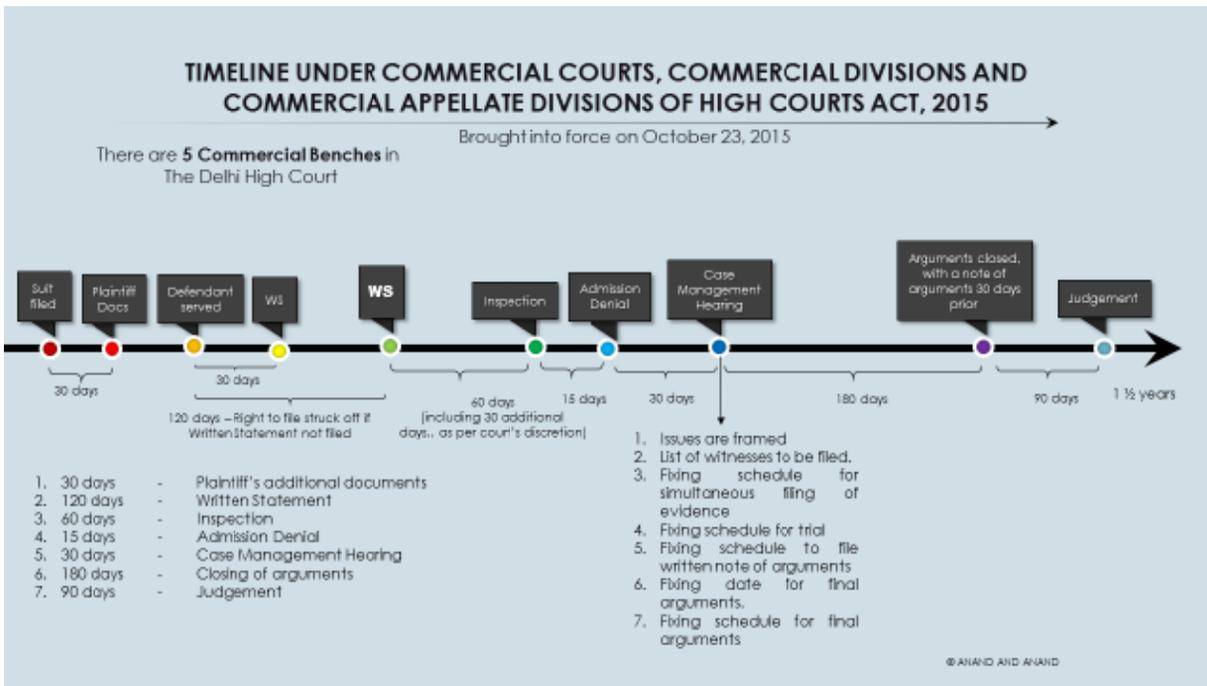
**ii. Efficacy in Adjudication**

- a) The Commercial Court Act mandates the provision of necessary infrastructural facilities to Commercial Courts as well as Commercial Divisions established within respective High Courts, in order to render better assistance to the Courts.
- b) The digitization of Courts and their facilities will also ease the administrative process in commercial courts.
- c) Such measures and reduction of inordinate delay in the progress of matters would also lead to reduction of costs to the parties.

**iii. Speedy Disposal of Matters**

- a) Recognizing the importance of speedy disposal of commercial matters, the Act mandates striking off the right of a Defendant to file his Written Statement after a period of 120 days from being served with the summons. Not only will this deter parties from causing inordinate delay in the progress of matters, but it would also lead to a quick disposal of matters.

The strict timeline that the Commercial Courts Act, 2015 makes applicable to all commercial disputes is best depicted through the chart below:



## II. REVIVAL OF IPAB AND COPYRIGHT BOARD

### a) INTELLECTUAL PROPERTY APPELLATE BOARD (IPAB)

#### A. Introduction and Composition of IPAB:

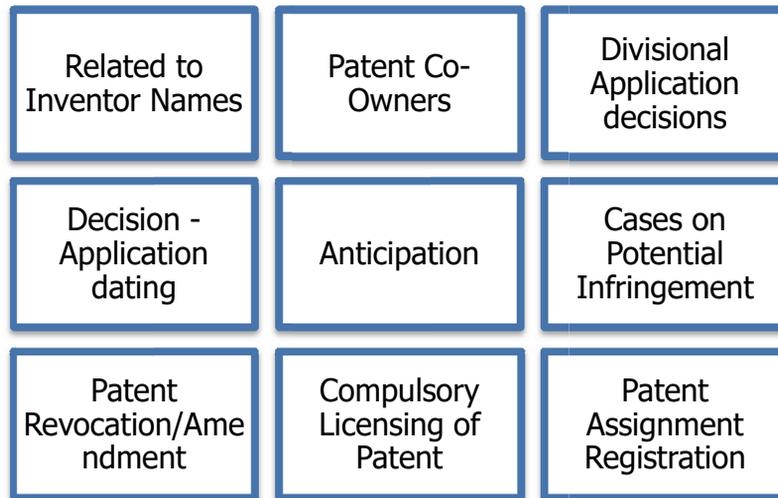
The Government of India constituted the Intellectual Property Appellate Board ('IPAB') on September 15, 2003 to hear and adjudicate appeals against the decisions of the Registrar under the Indian Trade Marks Act, 1999 and the Indian Geographical Indications of Goods (Registration and Protection) Act, 1999.

With the constant growth of Intellectual Property Laws all across India, the IPAB since April 2, 2007 decided to extend its jurisdiction to Patent laws under the Indian Patents Act, 1970 to adjudicate appeals from various decisions, directions or orders made by the Patent Controller. Moreover *vide* notification in 2009, the IPAB has been an authority adjudicating pending appeals from the Indian High Court under the Patents Act, 1970.

The IPAB has its headquarters at Chennai. The Registry at Chennai covers the jurisdiction of Chennai, Mumbai, Kolkata and Ahmadabad. A Registry cum Bench is located at New Delhi which covers the jurisdiction of New Delhi. The Circuit Bench sittings are held at Ahmadabad, Kolkata and Mumbai in addition to Chennai and New Delhi.

**B. JURISDICTION OF THE IPAB**

The IPAB has been vested with the Appellate Jurisdiction against the decision of the Controller General of Patents and Central Government or matters pertaining/decisions related to:



**C. EXCLUSIVE JURISDICTION OF IPAB:**

- Moreover, IPAB is the prime authority to exercise its powers on proceedings arising from an appeal against a decision or order of the Controller. All the cases pertaining to the revocation of patent, apart from a counter-claim in an infringement suit including rectification of register pending before the High Courts in India, can be transferred to IPAB.
- *Exception:* However, in any infringement suit for counter-claim, the High Court shall continue to retain jurisdiction a competent authority to precede over the matter.
- The Controller General of Patent has the authority to appear and the right to be heard in any legal proceedings before the IPAB seeking alteration/rectification of register under the practice grounds of the Patent office or any legal claims proceedings concerning the Controller’s authority to grant/ament any un-opposed patent application.

**A. LIMITATION:** It is essential that any appeal from the decision of the Controller must be made within a scope of three months from the date of the decision/order or as per the permission granted by IPAB.

**B. JUDICIAL REVIEW:**

- Any judicial review of an order or any judgment given by the IPAB is under judicial superintendence over the decision of all subordinate courts and tribunals under Article 227 of the Constitution of India;

## EVOLVING LANDSCAPE OF IP LITIGATION IN INDIA AND THE WAY FORWARD

- The High Court within whose territorial jurisdiction the IPAB is sitting while issuing its order will be the exercising authority of judicial superintendence;
- However, as permitted under Article 136 of the Constitution of India, the Supreme Court has the power to exercise its discretion and grant special leave to any appeal from any judgment, determination, decree, sentence or any order a cause or matter passed by any court/tribunal in India.

### **Exceptions to the Jurisdiction:**

- i. The IPAB (Procedure) Rules, 2003 permits the IPAB to exempt orders and decisions passed by the Central Government of India concerning inventions pertaining to defense purposes, matters of high secrecy, national integrity, national security, in respect of such inventions, revocation of the patent is contrary to prejudicial to public interest or pertaining to atomic energy, from the purview of appeal to IPAB;
- ii. Moreover, any order from the Controller granting an extension of time under any provision of the Patents Act, 1970.

### ***D. FUNCTIONS OF THE IPAB (Deciding appeals from the Indian Patent and Trademark Office, determining the validity or otherwise of granted patents and trademarks)***

The powers and procedure laid down for IPAB are in consonance and similar with the powers and procedures enshrined under Section 92 of the Trademarks Act,1999, as follows:

- i. IPAB is not bound by the procedure laid down under the Code of Civil Procedure, 1908 and is guided by the principles of Natural Justice;
- ii. The IPAB has the power to regulate its own proceedings including administrative decisions such as time, place;
- iii. The Appellate Board has the similar powers as the civil court under the Code of Civil Procedure, 1908 as:
  - a. Receiving and recording of evidence;
  - b. Issuing commission for witness examination;
  - c. Requisitioning any public record;
  - d. Or any other matter as may be permitted.
- iv. The IPAB shall be deemed to function as a civil court for all purposes of prosecution for contempt of lawful authority of public servants for offences related to documents under the evidence stated under Section 195 of the Criminal Procedure Code, 1973;

## EVOLVING LANDSCAPE OF IP LITIGATION IN INDIA AND THE WAY FORWARD

- v. In furtherance of the offences, the IPAB has the power to exercise and punish any person who gives false evidence, inflicts hurt intentionally or interrupts any public servant in the judicial proceeding<sup>40</sup>.
- vi. The Chairman of the IPAB has additional powers to transfer cases from one bench of the appellate board to the another under the powers granted by virtue of the Patents Act, 1970<sup>41</sup>.

### ***E. PRESENT SITUATION OF IPAB INDIA:***

A Madras High Court bench headed by Justice Sanjay Kishen Kaul has declared the critical provisions of the Trademarks Act providing for the establishment of the IPAB (Intellectual Property Appellate Board) as unconstitutional. In January, 2011, High Court admitted a PIL<sup>42</sup> challenging the following:

- a) The qualification criteria of the members being appointed to (IPAB); in particular the objection was against the appointment of bureaucrats with no judicial or litigation experience as judicial members;
- b) The manner of appointment of IPAB members, especially the composition of the selection committee; in particular the selection committee was stacked with members of the executive with the judiciary having only nominal representation.

The fundamental basis of the PIL was the judgment of a Constitution Bench of the Supreme Court in the case of *R. Gandhi v. Union of India* [(2010) 11 SCC 1]. In this case the Supreme Court had struck down some of the provisions providing for the National Company Law Tribunal (NCLT). Since the IPAB was structured on the same lines as the NCLT, it was highly likely that the Madras High Court would strike down several of the offending provisions of the Trade Marks Act, 1999. At present the IPAB, has been headless for over a year now after the last chairperson retired.

## **b) COPYRIGHT BOARD**

### ***A. INTRODUCTION AND INCEPTION OF THE COPYRIGHT BOARD***

The Copyright Board is a quasi-judicial body which was constituted in September, 1958. It is a body constituted by the Central Government to discharge certain judicial functions governed under the Copyright Act, 1957.

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<sup>40</sup> Section 117-B of the Patents Act, 1970

<sup>41</sup> Section 117-B of the Patents Act, 1970

<sup>42</sup> *Shamnad Basheer v. Union of India* - W.P. 1256 of 2011

The prime objective as stated under the Statement of Objects and Reasons of the Copyright Act, 1957, the Board was set up with a purpose to determine reasonableness of rates or royalties, consider applications for general licenses and assessment of compensation.

It is entrusted with the task of adjudication of disputes pertaining to registration of copyright, assignment of copyright, grant of licenses with respect of works withheld from public, unpublished Indian works, production and publication of translations and works, including cases from other miscellaneous matters instituted under the Copyright Act, 1957.

### ***B. JURISDICTION:***

- The Copyright Board has the power to regulate its own procedures including allotting places and timings of the sittings of the hearings, governed and subject to the Copyright Rules, 1958;
- The Rules permit the Board to hear any proceeding instituted before or within the zone in which the person instituting the proceedings actually and voluntarily resides, carries on business of personally works for gain.
- The territory of India in order to encompass the wide jurisdiction has been divided into five zones namely the – Northern Zone, Central Zone, Eastern Zone, Western Zone, Southern Zone;

### ***C. LIMITATION:***

- An order of the Registrar may be appealed within a period of 3 months against any decision or order of the Board;
- An order of the Registrar may be appealed within a period of 3 months to the High Court;
- There lies no appeal against the order of the Copyright Board for the determination of any issue arising from the copyright term in other countries;
- The Copyright Board has no power to determine the existence of any infringement of a copyright;

### ***D. COMPOSITION OF THE COPYRIGHT BOARD:***

- The Copyright Board consists of a chairman and along with 14 other members.
- Duration of office: 5 Years and can be subsequently appointed on expiry of the tenure.
- Qualifications:
  - i. The chairman of the copyright board must be a person who is or has been judge of a High Court or is qualified for appointment as a judge of a High Court. There is no qualification mentioned about the members of the Board
  - ii. The Registrar of Copyright plays a very pivotal role including all secretarial functions of the copyright board;

## EVOLVING LANDSCAPE OF IP LITIGATION IN INDIA AND THE WAY FORWARD

- iii. The Registrar of the Copyright is the authority under Section 9 of the Act who is the officer of the Copyright Office;
- iv. The Registrar of Copyright has powers similar to a Civil Court including passing any order of payment of money is deemed and executed as a decree of a Civil Court.

### ***E. FUNCTIONS OF THE COPYRIGHT BOARD:***

The Copyright Board is vested with the following functions, as enumerated in brief below:

Publication issue	Determination of Copyright Issues	Settlement of assignment of copyright related disputes
Grant - compulsory licenses for Indian work	Grant - compulsory licenses to publish the unpublished work	Grant - compulsory licenses to reproduce and publish literary, scientific or artistic works

### **A. POWERS OF THE COPYRIGHT BOARD**

The Registrar of Copyright and the Copyright Board have the powers of a civil court in respect of the following matters:

- i. Summoning & enforcing the attendance of any person and examining him on oath (this jurisdiction extends to the whole of India)
- ii. Requiring the discovery and production of any document;
- iii. Receiving evidence on affidavit;
- iv. Issuing commission for the examination of witnesses and document;
- v. Requisitioning any public record or copy thereof from any court or office;
- vi. Any other matter which may be prescribed.

### **B. WAY FORWARD – Merger of IPAB Board and Copyright, will it solve the problem?**

Under the backdrop of the Annual Money Bill passed by the Revenue Department, Ministry of Finance, Government of India on April 01, 2017, the Finance Act under its initiative to reduce the number of the existing tribunals, has decided to merge the Copyright Board and the Intellectual Property Appellate Board.

The Bill aims to amend the existing Copyright Act such as to enable transfer of certain functions under the Copyright Board to IPAB, which presently deals only with matters relating to trademarks, patents and geographical indications. It further seeks to makes an amendment to the rules pertaining

to qualifications, appointment and other terms of service of the members of IPAB as provided under the Trade Marks Act.

### CHALLENGES / GAPS IN THE PRESENT SCENARIO

Intellectual Property law in India has seen tremendous growth in the past few years. The Indian Judiciary has delivered several landmark decisions in each field of IP. The Legislature has introduced the Commercial Court Act, 2015, which also prioritizes the adjudication of commercial disputes, including IP disputes, and ensures their adjudication through specialized forums.

#### I. Global Intellectual Property Rankings

There are areas of the Indian IP regime that require improvement. Despite the gains that Indian IP law has made, the perception of the merits of the regime at the global stage is a little different. India ranked 37<sup>th</sup> out of 38 countries in the Global Intellectual Property Index (GIPC) in 2016<sup>43</sup>, while it ranked 43<sup>rd</sup> out of 45 countries on the Global Innovation Index (GII) in 2017.

The Special 301 Report published by the USTR<sup>44</sup> highlights the following areas of concern:

- **Copyright and Piracy**

- (i) The existence of a high rate of video piracy and cam-cording;
- (ii) The lack of swift notice-and-take-down procedures in light of exemption from liability given to online commercial portals (intermediaries)<sup>45</sup>

- **Trademarks**

- (i) Delays in prosecution and opposition proceedings in trademarks offices;
- (ii) The prevalence of massive counterfeiting across a variety of markets;
- (iii) The lack of a strong infrastructure for enforcement measures;

- **Trade Secrets**

- (i) The lack of adequate measures for protection against theft of confidential information;
- (ii) The difficulty in claiming damages in litigation;

- **Patents**

- (i) The higher threshold to patentability raised by section 3 (d) of the Patents Act, 1970, relating to incremental innovations;
- (ii) The existence of multiple proceedings over the same issue of patent validity through pre-grant and post-grant opposition options<sup>46</sup>;

<sup>43</sup> U.S. Chamber International IP Index, *Infinite Possibilities*, [4<sup>th</sup> ed., February 2016], available at [http://www.theglobalipcenter.com/wp-content/themes/gipc/map-index/assets/pdf/2016/GIPC\\_Index\\_2016\\_Final.pdf](http://www.theglobalipcenter.com/wp-content/themes/gipc/map-index/assets/pdf/2016/GIPC_Index_2016_Final.pdf)

<sup>44</sup> U.S. Chamber International IP Index, *Infinite Possibilities*, [4<sup>th</sup> ed., February 2016], available at [http://www.theglobalipcenter.com/wp-content/themes/gipc/map-index/assets/pdf/2016/GIPC\\_Index\\_2016\\_Final.pdf](http://www.theglobalipcenter.com/wp-content/themes/gipc/map-index/assets/pdf/2016/GIPC_Index_2016_Final.pdf)

<sup>45</sup> *Shreya Singhal v. Union of India*, WRIT PETITION (CRIMINAL) NO.167 OF 2012, Judgement dated March 24, 2015, The Supreme Court of India

However, the (GIPC) for India also highlighted the key areas of strength for India in the year 2017 as follows:

- i. The government of India has continued to make positive statements during 2015 on the need to introduce a strong IP environment;
- ii. Various Ex officio powers introduced in 2007 for the Deputy and Assistant Commissioners of Customs. Key Areas of Improvement;
- iii. Further, steps to be taken towards effective application and enforcement of civil remedies and criminal penalties against patent infringements.

### II. AREAS WHERE IMPROVEMENT IS WARRANTED

The assessment of India's IP regime in the abovementioned reports is not necessarily accurate. For instance, it does not factor into account the fact that the Indian judiciary has adopted several measures and interpreted the law in such a manner, that it protects and enforces IP rights adequately.

- **General practices in litigation**

**(i) Delay in disposal of suits**

Intellectual property disputes require quick resolution, at least on an interim basis. Stages of trial, final arguments and proclamation of a decision on merits involve a substantial amount of time. A large amount of disputes lose steam at the interim stage and the subject matter often becomes moot by the time the suit enters the stage of trial.

The Indian judiciary needs to adopt and implement the provisions and strict timelines prescribed in the Commercial Courts Act, 2015 in order to be resolve disputes in a short amount of time. While the Commercial Courts Act, 2015 has recently been implemented, the impact that it is making to the disposal of suits in India remains to be seen on a pan-India basis.

**(ii) Rise in frivolous challenges to jurisdiction in suits for trademark and copyright infringement**

The issue of jurisdiction has shot up to the top as being one of the most pressing issues in IP litigation in the last few years. Recent decisions have prescribed stricter rules for a rights holder to institute a lawsuit before a Court where the rights holder resides / carries on business. This has led us to take a few steps back from the position where the legislature had intended to place right holders at.

Provisions of section 134 (2) of the Trade Marks Act, 1999 and section 62 (2) of the Copyright Act, 1975 were specifically enacted to enable the right holder to file a suit before the Court in its

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<sup>46</sup> Section 25, The Patents ACT, 1970

home turf. The intention was to not have the rights holder approach a far-away court to enforce rights against an entity which was in violation of its rights.

In the past few years, it has almost become a norm for Defendants to challenge the jurisdiction of the Court hearing a trademark or copyright infringement dispute. As a result, Courts necessarily delve into the question of determining whether they are vested with the requisite jurisdiction to hear the dispute in the first place.

While this query might be important in certain cases, unnecessary challenges to jurisdiction need to be dealt with by Courts without expenditure of much time. This will also help the judiciary to increase its disposal rate.

- **Trademarks**

- (i) There needs to be clarity in the law on parallel importation.<sup>47</sup>
- (ii) Delay in prosecution, opposition and rectification of trademarks needs to be reduced.

- **Copyright**

- (i) Loss of copyright protection on articles registrable under Design law (but where registration was not secured) upon production of more than 50 articles<sup>48</sup> needs to be done away with.
- (ii) Intermediaries must be placed with a higher responsibility to de-list infringing content, when they have been notified by relevant rights holders.

- **Patents**

- (iii) A procedure for post grant oppositions<sup>49</sup> for a patent, even if it has beaten a pre-grant opposition must be eradicated;
- (iv) The restraints on patentability of inventions imposed by section 3 (d) and section 3 (k) must be addressed;
- (v) The grant of compulsory licenses must depend upon meeting stricter thresholds;
- (vi) Prima-facie validity of granted patents can be considered;
- (vii) Patent term extensions must be facilitated;
- (viii) Disclosure requirements for working of a patent, its international prosecution and consequences of its non-compliance must be relaxed;

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<sup>47</sup> Section 30, Trade Marks Act, 1999

<sup>48</sup> Section 15 (2), Copyright Act, 1957

<sup>49</sup> Section 25 (2), Patents Act, 1970



## Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded in 1895, India's premier business association has over 8000 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 200,000 enterprises from around 240 national and regional sectoral industry bodies.

CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, healthcare, education, livelihood, diversity management, skill development, empowerment of women, and water, to name a few.

The CII theme for 2016-17, Building National Competitiveness, emphasizes Industry's role in partnering Government to accelerate competitiveness across sectors, with sustained global competitiveness as the goal. The focus is on six key enablers: Human Development; Corporate Integrity and Good Citizenship; Ease of Doing Business; Innovation and Technical Capability; Sustainability; and Integration with the World.

With 66 offices, including 9 Centres of Excellence, in India, and 9 overseas offices in Australia, Bahrain, China, Egypt, France, Germany, Singapore, UK, and USA, as well as institutional partnerships with 320 counterpart organizations in 106 countries, CII serves as a reference point for Indian industry and the international business community.

### Confederation of Indian Industry

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Reach us via our Membership Helpline: 00-91-11-435 46244 / 00-91-99104 46244  
CII Helpline Toll free No: 1800-103-1244



Andhra Pradesh Technology Development & Promotion Centre (APTDC) has been established in the year 2000, under the joint participation of Government of Andhra Pradesh (the then state before bifurcation), CII and Technology Information, Forecasting and Assessment Council (TIFAC) as a one stop shop for Technology Development & Promotion, Technology up-gradation and induction of new technologies as a unique model in the country.

APTDC is incorporated as a Society. An apex Governing Body, Chaired by the Secretary of the Department of Science & Technology, Govt. of India and consisting of members from Govt. of India, Govt. of AP, Govt. of Telangana, TIFAC, and CII guide, monitor and control the operations of the Centre and lay down policy guidelines and resolve policy issues.

APTDC is the country's first IP Facilitation Centre offering end to end IPR facilitation services to all stakeholders across the country. It has recently completed almost 17 years of excellence in IP facilitation services and has emerged as one of the nodal agencies in the country for Promotion and Protection of GI

products in state of AP, Telangana and Country. APTDC has facilitated filing of more than 28 GI products since Pochampally being the first GI in textile sector. APTDC has facilitated filing of most number of GI's in the country.

The Centre emphasized on creating & promoting an effective Intellectual Property Ecosystem in the State through Conferences, Training Programs and providing Counseling, Advisory & Facilitation services including drafting, filing and prosecution of Patents, Trademarks, Industrial Designs, Copyrights, Geographical Indications, and other related services. APTDC provides user friendly environment, linking support and guidance from Global Experts and Government in promoting industrial growth.

### **IP Activities Undertaken by APTDC**

#### **IP TRAINING | IP CAPACITY | BUILDING | IP PROTECTION & FACILITATION**

The Centre has played a vital role in building an IP ecosystem among Industry, Academia, R&D and Government of Andhra Pradesh & Telangana. The state being the Pharma capital of India with a strong hub of software Industry along with world class R&D Institutes makes it a prime destination for Innovation and IPR driven investments and APTDC has been playing a key role in this unique set up.

APTDC is currently working on a number of innovative projects as follows:

- Organizing National & International Conferences in Intellectual Property Rights to promote IPR among stakeholders.
- Specialized Training Programs in IPR to discuss on emerging and relevant issues.
- Intellectual Property Rights Facilitation Services to Industry, Government and Individual Innovators
- Intellectual Property Audit for MSMEs
- Modern Technologies for Agriculture
- Development and promotion of value added bamboo products
- Technology Audit & Handholding for Capability Building in select sectors

### **Andhra Pradesh Technology Development and Promotion Centre**

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Anand and Anand is a full service IP law firm and a one stop shop for all issues related to IP and allied areas. With offices based in New Delhi, Noida, Mumbai and Chennai, and a workforce over 300 people including 100 lawyers, it has a very strong infrastructure in prosecution of patents, trademarks, copyright, IP commercialization, licensing etc.

Each individual at the firm is extremely passionate about the promulgation and strengthening of Intellectual Property law. From an avid love of the arts, to delving deep into questions of science and modern technology, professionals at Anand and Anand strive not only to understand and implement the law in the present, but also predict challenges for the future on a routine basis. The growth of the firm has been synonymous with the growth of Intellectual Property law in India, be it inside Courts or inside administrative tribunals deciding the fate of copyright, trademark, patent applications.

The firm has led the campaign for Intellectual Property litigation in an increasingly globalized and commercialized India. The firm has been responsible for the introduction of well-recognized foreign principles of law to India and blend them uniquely to the country's socio-cultural atmosphere. Some of the prominent developments include the introduction of and familiarization with Anton Piller orders (HMV case), Norwich Pharmacol orders (Philips case), Mareva Injunctions (Hollywood Cigarettes case), orders forming confidentiality clubs to protect proprietary information, recognizing moral rights of artists (Amarnath Sehgal case). Furthermore, the firm has added to the development of IP jurisprudence in India through landmark judgments in the form of the one of the first final judgments in contested litigation over infringement of patents [Merck v. Glenmark; Roche v. Cipla] ; the law on territorial jurisdiction in the internet age [WWE v. Reshma]; India's first framing case (TATA diamonds case); first order under The Hague Convention (AstraZeneca case).

The firm actively contributes to the development of IP law by raising awareness amongst students and members of the general public alike. From hosting the Raj Anand Moot Court Competition dedicated to IP law, to participating in various seminars and workshops in collaboration with leading institutions, the firm is dedicated to ensuring the strengthening of Indian IP. Such awareness initiatives have also been part of numerous judicial orders such as the installation of free spittoons in the Delhi High Court and nearby areas (by a wrongdoer implicated in a case concerning *chewing tobacco*), the supply of free sunglasses to the Blind Relief Association (by a counterfeiter of Ray-Ban sunglasses), the supply of clothes to an orphanage as opposed to the usual order of their destruction (by a counterfeiter of Ralph Lauren apparel).

The firm is certain that the dissemination of knowledge regarding the practice of IP law, as well as the increasing sensitization amongst persons for the valuable rights of other entities will help strengthen Indian IP by leaps and bounds.



