

# **INTELLECTUAL PROPERTY RIGHTS LAW**

## **I. TRADEMARK LAW**

### **Trademark Act, 1999**

- a. Meaning and Essentials of Trademark**
- b. Classification of Goods and Services**
- c. Registrar of Trademarks and Registered User**
- d. Grounds of Refusal of Registration (Section 9 & 11)- Absolute & Relative Grounds**
- e. Procedure of registration of Trademarks**
- f. Infringement and Passing Off of Trademarks**
- g. Trade Dress & Color Combination and Dilution/Tarnishment of Trademark**

### **a. MEANING AND ESSENTIALS OF TRADEMARK:**

A customer is deceived if he buys a product believing it to have originated from a certain source, when actually it is not and later he finds such a product to be inappropriate or substandard. Thereby both the consumer and the seller suffer in some way. The interests of both the parties can be saved if there is some definite symbol attached to the commodity distinguishing it from that of the other. Such a symbol is called a trademark. The trademark is a property right and the law protects such a right.

<sup>1</sup>

A trademark is a visual representation attached to the goods for the purpose of indicating their trade origin.

For example, the trademark 'NIKE' distinguishes the goods of Nike Company from that of say, 'PUMA'.

Section 2(1)(m) of the Trademark Act, 1999 defines mark as:

"mark" includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

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<sup>1</sup>*Firm koonerji Bechari Lal v. Firm Adam Hazi Pir Mohammed*, AIR 1944 Sind 21.

Section 2(1)(zb) defines ‘Trademark as "trade mark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colors.

The essentials of trademark therefore are:

- a. Trademark must be a mark that includes a brand, heading, device, name, label, ticket, signature, word, letter, numeral, shape of goods, packaging, color combinations.
- b. It must be capable of being represented graphically,
- c. It must be capable of distinguishing the goods & services of one person to that of another i.e., distinctiveness. In *Imperial Tobacco Co. v. Registrar Trademarks*<sup>2</sup>, it was observed to mean that ‘some quality in the trademark which earmarks the goods to be distinct from that of other producers of such goods’. E.g., the term ‘Apple’ is not distinct for Apples (descriptive) but is distinctive for computers.
- d. It must be used or proposed/intended to be used for goods or services.
- e. Such a use should be for the purpose of drawing a connection in the course of trade between goods & services and some persons having the right either as a proprietor or a permitted user to use the mark.
- f. It may include shape of goods (for eg., packaging and color combinations (for ex. NIVEA’s color combination of blue and white is a trademark) also.

#### **b. Classification of Goods and Services**

##### **CLASSIFICATION OF GOODS & SERVICES:**

For the purpose of registration, all the possible goods and services can be classified amongst 44 classes based on their type. This is also known as the NICE Classification of goods and services given by WIPO.

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<sup>2</sup> AIR 1977 Cal 413 at 422, Para 30

### c. Registrar of trademarks and Registered User

#### **REGISTRAR AND TRADEMARK REGISTRY**

Established in the year 1940, the Trade Marks Registry that is currently administered by the Trade Marks Act, 1999. It is a facilitator as it provides both resources and information on the various matters relating to trademarks in our country. Majorly, the objective of the trademark is not only to register the trademarks but also to protect the trademark for both goods and services from fraudulent acts involving the use of the mark. The utmost important function of the Registry is the registry of trademarks which would ultimately qualify for registration under this Act. A registered Trademark is simply a bundle of privileged rights granted to the registered owner.

#### **USE OF REGISTERED TRADEMARK**

In order to express a particular aspect of the intellectual property registration, various symbols like <sup>TM</sup>, R and C are often used along with a trademark or copyright. Given below is a list of a few commonly used symbols:

##### **<sup>TM</sup> – TM Symbol ©**

This symbol of <sup>TM</sup> is used when the trademark registry receives a trademark application. This particular symbol is used to signify the fact that a particular trademark application exists with respect to a particular trademark and in turn, it serves as a warning for both infringers as well as counter-fitters.

**#This symbol can be used with any common law**

##### **SM Symbol**

The Service Mark or SM is a particular symbol that is used along with the trademark applications that are filed under class 35-45. A few applicants opt to use the <sup>TM</sup> symbol for a trademark application filed under class 1-34 and on the other hand SM for the trademark is filed under the classes 35-45. Thus, it can be concluded that using both the <sup>TM</sup> symbol for all the classes as well as the SM symbol for the varied trademark application under the 35-45 class are acceptable.

## ® – R Symbol

The ® symbol can be used next to the trademark by an applicant once the trademark has been registered. The ® symbol is significant as it is indicative that the particular trademark is registered and in turn, it enjoys safety under the trademark law from infringement. It is unlawful to use the ® symbol simply after filing the trademark application and without acquiring the trademark registration.

**#This symbol can only be used by a registered trademark in India**

## ©- C Symbol

The given symbol stands for copyright and it is a reserved right notice. It states that any work such as videography, artwork, books, photography, literary work etc. cannot be simply copied in case it has a copyright mark. The given symbol is used along with the copyright holder's name and the first publications year. It has been observed that in a few countries, the use of the © symbol is mandatory in order to claim the protection of copyright. On the other hand, the Berne Convention makes the use of the © symbol mandatory and as our country is a member of this convention, the use of this symbol is mandatory.

## **FUNCTIONS OF A TRADEMARK ARE AS FOLLOWS:**

- A trademark not just identifies the service but also its source
- It guarantees the quality of a product/service
- The product/service is advertised with the help of a trademark

## **WHAT DOES THE REGISTER OF A TRADEMARK CONTAIN?**

The register is maintained in electronic form and it contains details like: the category of services/goods for which the trademark is registered inclusive of the particulars affecting the scope of its registration; the address of the entrepreneur; particulars of his trade along with description about the proprietor.

The registration of a trademark provides a monopoly to the owners in his particular territory. A trademark simply allows its owner to prevent unauthorized use of his mark as per his product/service. It is always a test to judge the consequences if the consumer

is bemused with the identity or source or origin of the product. Infringement of registered trademarks leads to legal suits.

**d. GROUNDS OF REFUSAL OF REGISTRATION (Section 9 & 11)-  
ABSOLUTE & RELATIVE GROUNDS**

The grounds for refusing registration of a trademark are divided into 2 categories:

- a. Absolute Grounds of refusal- based on the objections based on the mark itself – Section 9 of the Trade Marks Act, 1999
- b. Relative Grounds of Refusal- based on the conflicts of the third-party rights- Section 11 of the Trade Marks Act, 1999

**ABSOLUTE GROUNDS OF REFUSAL** – Section 9 of the Trade Marks Act, 1999

Section 9 prohibits the following kinds of trademarks to be registered:

1. **Which are devoid of distinctive character [Sec 9(1)(a)]-**

“Trademarks which are devoid of any distinctive character, that is to say, not capable of distinguishing the good or services of one person from those of another person.”

This section prohibits the trademarks which are devoid of any distinctive character, i.e., not capable of distinguishing the goods & services of one person to that of the other. Distinctiveness can be understood as ‘some quality in the trademark that earmarks the goods so marked as distinct from those of other products of such goods.’<sup>3</sup>

Distinctiveness can be of 2 types- Inherent distinctiveness

Acquired Distinctiveness- (Discussed later)

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<sup>3</sup>*Imperial Tobacco Co. of India Ltd. v. Registrar of Trademarks*, AIR 1977 Cal 413.

Distinctiveness, though a necessary condition, is not by itself a sufficient condition. The applicant's chance to success in such a registration would largely depend upon whether other traders/public in the ordinary course of business & without any improper

motive desire to use the same mark. That is why, words like 'India' 'Simla' 'Mysore' 'Janta' 'Perfection' are un-registrable.

In a landmark case of *Eastman Photographic Materials Co. Ltd*, Lord Shand observed that '**There must be invention and not just an appearance of invention**'.<sup>4</sup>

An invented or coined or fanciful word is that which is new and not present in the dictionary, eg., Kodak for camera<sup>5</sup>; MRP for repair outfits<sup>6</sup>. Invented words are considered inherently distinctive and are entitled to high degree of protection, thereby easy to register.

## **II. DESCRIPTIVE, LAUDATORY MARKS PROHIBITED [Sec 9(1)(b)]-**

(b) Trademarks which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service.

This section prohibits the following marks to be registered

- a. Which designates KIND- Kind would include the name of marks which would indicate the size or type of good its been used for, or the obvious generic descriptions of the goods which is infact the only or commonly method of describing them. For example, expressions like large, small, extra large all depict kind and are unregistrable.

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<sup>4</sup>*The Eastman Photographic Materials Co. Ltd. v. Controller General of Patents, Designs and Trademarks*, 1898 AC 571.

<sup>5</sup>*Eastman v. John Griffiths*, (1898) 15 RPC 105.

<sup>6</sup>*Kurian & Associates v. Malhotra Retrading Products*, (2006) 32 PTC 839.

- b. Which designate QUALITY- Laudatory words such as GOOD, PERFECT, BEST, BETTER are not registrable, since all traders have right to use these words for advertisement.
- c. Which designate QUANTITY- Any mark which depicts the obviously used quantity of a product would not be registrable. For example, 250cc commonly used on motor vehicles will not be registrable. However, where numerical marks which are not descriptive or otherwise objectionable, may be registered.
- d. Which designate the intended purpose- The words which refer to the purpose of goods and services it is used for are not registrable. For eg. Slim, fit for slimming entities/gymnasiums are not registrable.
- e. Which designate Value- Words pertaining to the value of goods and services are not registrable. Eg. BUY TWO GET 50% OFF, BUY ONE GET ONE FREE.
- f. Which designate time of production or the time of rendering service- Words and phrases such as SAME DAY DELIVERY, 24 HOUR DELIVERY, SUMMER 2006 unregistrable.
- g. **Geographical origin/name/word-** The geographical name of a place is prohibited from being registered as a trademark. The purpose of a trademark is to denote the origin of goods from a particular trader and not from a particular geographical place. The geographical name would lead the consumer to believe that goods originate from that place and thus creating deception and confusion.  
The names of mountains, rivers, valleys are therefore unregistrable unless there is a clear evidence of their distinctiveness.

Geographical terms & words in common use to designate a locality, country or a section of country cannot be monopolized as trademarks, but a geographical name not used in the geographical sense to denote the place of origin but used in an arbitrary, fanciful manner may be sustained as a valid trademark. For eg. HIMALAYA, may be registered in respect of a face cream, but would not be registered for coffee.

In India there are 28 Indian Products registered with the Geographical Indications Registry (GI). Some of them are Darjeeling Tea, Pochampally Ikat (Andhra Pradesh), Kancheepuram Silk (Tamil Nadu).

Landmark Cases for Geographical Indication:

**Imperial Tobacco Company v. Registrar of Trademarks**<sup>7</sup>- In this case the applicant sought registration of the word SIMLA with a label of snow clad mountains in 1963 on the basis of acquired distinctiveness. But was however denied registration.

h. Surnames & Personal names- Surnames and Personal names are not registrable since they are common and frequently occurring names which are neither distinctiveness not can distinguish the goods & services of one person to that of other in the same trade having the same name. However, with ample proof of its acquired distinctiveness, it can be registered.

### **III. MARKS THAT HAVE BECOME EXCLUSIVELY GENERIC OR COMMON TO TRADE- Sec 9(1)(c)**

The trademarks which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade.

Section 9(1)(c) of the act provides that the trademark which consists of the marks or indications which have become customary in the current language or in the bona fide and established practice of trade shall not be registered because these marks have now become over the years synonymous to the goods or the service in relation to which they are used. In other words, they have become generic words that are common to trade and they no longer can be associated to one person's goods and services. For example, marks like XEROX, THERMOS, ASPIRIN, ESCALATOR were ones trademarks, but over the time its excessive use have made them generic. Thus the owners actually take great pains to prevent the marks to become generic.

In a landmark case of ***SBL Limited v. Himalaya Drug Company***<sup>8</sup>, the Delhi High Court held that nobody can claim exclusive rights to use any word or abbreviation or acronym that has become *publici juris*.

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<sup>7</sup> AIR 1977 Cal. 413).

<sup>8</sup> 1997 PTC (17) 550.

**IV. Acquired Distinctiveness (Proviso of Section 9)**- when inspite of the absence of sufficient distinguishing characteristics in the mark itself, distinctiveness can be acquired by appropriate use, thereby overcoming a negative quality in the mark, it is acquired distinctiveness. How far such mark has acquired distinctiveness will depend

upon the extent of user, nature of goods and the degree of inherent distinctiveness of the mark itself. In other words, a descriptive word may still be registered if it can be shown that on the date of application, the mark has in fact acquired distinctive character as a result of the use made of it.

IV. **Other Prohibitions (Section 9(2) and 9(3))**- The following marks shall not be registered as trademarks-

- a. In case it causes confusion and deceives the public
- b. In case it contains any matter that hurts the religious sentiments of any class of Indian citizens
- c. Comprises of obscene and scandalous matter
- d. Its use is prohibited under the Emblems & Names (Prevention of Improper Use) Act, 1950
- e. In case the trademark consists exclusively of the shape of goods which results from the nature of goods themselves
- f. In case the trademark consists exclusively of the shape of goods which is necessary to obtain a technical result
- g. In case the trademark consists exclusively of the shape which gives substantial value to the goods.

### **RELATIVE GROUNDS OF REFUSAL- SECTION 11 OF THE TRADEMARKS ACT, 1999**

Section 11 broadly intends to prohibit the registration of such trademarks that are either identical or deceptively similar to a previously existing trademark in order to avoid confusion amongst the consumers of average intelligence.

Section 11(1) lays down that a mark shall not be registered as a trademark if there is a likelihood of confusion caused to the public including the likelihood of association with an earlier trademark by virtue of its identity with the earlier trademark and similarity of goods and services to the earlier trademark; or by virtue of its similarity to the earlier trademark and identity or similarity to its goods and services.

Section 11(3) further states that a trademark shall not be registered if its use is liable to be prevented by virtue of any law especially the law of passing off protecting an unregistered trademark in the course of trade or its use in India is liable to be prevented by virtue of the law of copyright.

Section 11(4) is a proviso which states that nothing in this section shall prevent such a registration in case the proprietor of the earlier trademark consents to the registration of the later trademark, the same shall be registered by the registrar.

Section 11(5) further states that a trademark shall not be refused registration on the above grounds unless objection on one or more of these grounds are raised in the opposition proceedings.

5 basic guidelines can/should be applied to all the trademarks while judging similar and identical trademarks. These are-

- a. The marks should be compared as a whole and should not be split up or dissected.
- b. Imperfect recollection must be considered
- c. The idea of the mark is important.
- d. The look and sound of the mark must be considered.
- e. The trade channels of the respective goods and services must be taken in account.

### **WELL-KNOWN TRADEMARKS**

There are a number of trademarks that have established their identity with respect to the goods and services they represent. Such marks are known as well-known trademarks.

Section 2(1)(zg) defines a well-known trademark as follows:

"well-known trade mark" in relation to any goods or service, means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first mentioned goods or services.

Section 9 while enunciating the principle of distinctiveness, categorically provides that a trademark shall not be refused registration if before the date of application for registration it has acquired distinctiveness as a result of use made of it or is a well known trademark.

There are many provisions of the Section 11 that touch upon the concept of well known trademarks.

Section 11(2) states that A trade mark which –

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor.

Shall not be registered if or to the extent the earlier trade mark is a well-known trade mark in India and use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

This is the principle of law of unfair competition. For eg. SONY which is a well-known trademark cannot be registered by facial creams by any other trader.

Section 11(5) provides for the rule that, no registration of a trademark shall be refused on any such ground of well-known trademark [Sec 11(2)] as an *ex officio* action of the Registry, but will only be on the basis of an opposition proceeding enacted by the proprietor of the earlier trademark (well-known trademark)

Section 11(6) to Section 11(9) enunciates the various factors used for determining whether a trademark is a well-known trademark. These factors are:

- Knowledge or recognition of trademark amongst the public as a result of promotion of trademark.
- Duration, extent and geographical area of the use of trademark.
- Duration, extent and geographical area of advertising, publicity, presentations, exhibitions of goods and services of these trademarks.
- Registrations and Publications of registrations of the trademarks.
- Record of successful enforcement of the rights in that trademark.

The Registrar shall also consider:

- The number of actual or potential consumers of goods and services,
- The number of persons involved in the distribution of goods and services.
- Business circles dealing in goods and services.

The following factors are not required for determining the well-known trademarks [Section 11(9)]. A trademark may be well known even if:

- It has not been used in India
- It has not been registered in India,
- Its application for registration has not been filed in India.
- It is not well known in India to a public at large.

Thus, a trademark can be well known if it satisfies section 11(6) to section 11(8) and without fulfilling section 11(9). But presence of the items in section 11(9) will help trademark that more they are possessed, more likely is that mark would be well known.

Section 11(10) states that a Registrar shall protect a well-known trademark against identical and similar trademarks and shall also take into account the bad faith involved either of the applicant or the opponent while considering an application for registration or opposition proceedings.

Section 11 (11) protects such trademarks which have been registered and adopted in good faith and honestly inspite of them being similar to or identical to a well-known trademark. This section attempts to grant immunity to trademarks of honest and

concurrent use. The time for praying removal or other relief against such a trademark is limited to five years by virtue of Section 33.

Landmark Case of Honest and Concurrent Use and Well-Known Trademark-

**Carrefour v. Subburaman & Ors. 2007 (35) PTC 225-** elaborate in a para this case

CARREFOUR, which claims to be a society anonymous, organized under the laws of France and considered to be one of the largest retailers, has come up with the Suit C.S. No. 73 of 2007 praying for

(a) a permanent injunction restraining the Defendants from manufacturing, marketing, selling, exporting, offering for sale or advertising, any product under the trademark "CARREFOUR" or from using the same as a trade name thereby infringing the trade mark "CARREFOUR"

(b) a permanent injunction restraining the Defendants from manufacturing, marketing, selling, exporting, offering for sale or advertising, any product under the trademark "C" logo or from using the same as a trade name thereby infringing the trade mark "CARREFOUR"

(c) a permanent injunction restraining the Defendants from printing the "C" logo or reproducing the logo on any product or service and from using the same as an artistic work

(d) a permanent injunction restraining the Defendants from manufacturing, marketing, selling, exporting, offering for sale or advertising, any product bearing the trademark "CARREFOUR" or deceptive variation thereof

(e) a permanent injunction restraining the Defendants from manufacturing, marketing, selling, exporting, offering for sale or advertising, any product bearing the trademark "C" logo or deceptive variation thereof

(f) a permanent injunction restraining the Defendants from using the Plaintiffs trademark/name "CARREFOUR" or any other formative mark singularly or in conjunction with any other word deceptively similar as a domain name or website address or electronic mail identity

(g) directing the Defendants to surrender to the Plaintiff for destruction, all stocks bearing the impugned trade mark "CARREFOUR" and "C" logo including, packages,

strips, labels, dies and blocks etc. and (h) directing the Defendants to pay damages of Rs. 20,00,000.

**e. PROCEDURE OF REGISTRATION OF TRADEMARKS AND DURATION [SECTION 18 TO SECTION 26 OF TMA,1999; RULES**

**Step 1: APPLICATION FOR REGISTRATION**

Section 18 prescribes the mode & place of application of a trademark registration and the outcomes that may be followed by the application.

Sec 18(1)& (2): The process for the registration of a trademark commences with the filing of an application. Such an application should be made by the proprietor of the trademark, in the prescribed manner, containing the relevant particulars (such as full name of the proprietor, description of goods and services, place of business, nationality, class and more) in writing. A single application may also be filed involving multiple classes of goods & service (Multi class application).

Sec 18(3) & (4): Place of application: The application shall be filed in the concerned trademark registry in whose jurisdiction the principal place of business of the proprietor falls into. In case of joint proprietors, the application shall be filed in jurisdiction of the registry where the principal place of business of the applicant whose name appears first in the application will be considered. In cases where the applicants do not carry business in India, the application shall be filed in the Registry within whose jurisdiction the place mentioned in the 'address of service' in India is situated.

Sec 18(4) & (5): Upon submission of the application for registration of trademark, there can be any of the following outcomes:

- a. The application may be accepted absolutely i.e., as it is.
- b. The application will be refused/rejected (upon recording the grounds in writing)
- c. The application will be accepted, subject to some amendments and modifications (upon recording the grounds in writing).
- d. Where the application was accepted in error (section 19)

In this case, the registrar may withdraw the application once registered, in case he is satisfied either of the following circumstances-

- a. that the application was accepted in error,
- b. that the application should have been registered subject to some conditions and limitations or additional conditions & limitations.

The registrar shall send a communication to the effect of amendment within two months and the applicant has to respond or comply. In case he fails to respond, the application will stand to be withdrawn. In case the applicant complies, then he either amends the application or he asks for a hearing, following which a decision is taken and orders are passed.

#### Step 2: CLASSIFICATION OF GOODS AND SERVICES:

There are 44 classes as per the NICE Classification of goods and services out of which 34 are for goods and 10 are for services. The application shall be made in any of these classes.

Step 3: ISSUANCE OF THE EXAMINERS REPORT: After the application for registration is submitted, the registrar shall issue an Examiners Report highlighting the preliminary objections in the application. Such objections may be on the grounds of absolute refusal (Section 9) relative grounds of refusal (Section 11) or any other amendment/requirements to be complied with. The reply to examiners report has to be filed within 3 months of receipt thereof (1 month extension of time).

#### Step 4: ADVERTISEMENT OF THE APPLICATION (SECTION 20)

Once the application of trademark is accepted either absolutely, or after making the amendments as suggested by the registrar (Examination report), the registrar shall cause the trademark to be advertised in the Public gazette/journal for public notice in the prescribed manner.

Where an application has been advertised before acceptance or where after advertisement of an application (i) an error in the application has been corrected; or (ii)

the application has been permitted to be amended under section 22, the Registrar may cause the application to be re-advertised.

#### Step 5: OPPOSITION TO REGISTRATION (SECTION 21)

This section prescribes that during or within 4 months of the advertisement or re-advertisement of the application in the trademark journal, any person of the public may in a prescribed manner and upon the payment of the prescribe fee, oppose the registration of such a trademark by serving a ‘Notice of Opposition’ to the Registrar against it.

Section 21(1) enables the Registrar to permit the filing of an extension application beyond the 3 months period but within such further period not extending 1 month in aggregate.<sup>9</sup>

The Registrar shall then serve a copy of such a notice to the applicant, who then in turn within 2 months (non-extendable) shall furnish a reply to such a notice (Counter Statement) in the prescribed manner to the registrar and the registrar shall forward it to the opponent.

Thereafter, the Registrar shall then invite any evidence from the opponent (in favor of opposition) and applicant (in favor of the application) and upon the perusal thereof and after hearing both the parties shall decide accordingly whether to register such an trademark or not.

#### Step 6: REGISTRATION (SECTION 23)

The Registrar shall register the trademark in case the application has been accepted and-

- a. has not been opposed
- b. or has been opposed and the opposition has been decided favorably within 18 months from the date of application.

Also, the trademark shall stand registered as from the date of its application.

The Registrar shall also issue the Registration Certificate

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<sup>9</sup>*Rajarappa Steels Pvt. Ltd. v. Kamdhenu Ispat Ltd.* 2006 (32) PTC 670 (Reg.)

DURATION OF TRADEMARK REGISTRATION (Section 25)- The life of a trademark registration is for a period of ten years from the date of application. It can be renewed for another period of ten years from the date of expiration and upon the payment of the prescribed renewal fees.

#### Step 7: REMOVAL AND RESTORATION OF TRADEMARK

In case the renewal is not affected in the prescribed time and the conditions have not been complied with, the Registrar may remove the trademark from the register. However, the Registrar shall not remove the trademark if the prescribed renewal application is made with the prescribed fee & surcharge within 6 months of the date of expiration of the trademark. Where the trademark has been removed from the register for non-payment of the prescribed fee, the Registrar shall, after six months and within one year from the expiration of the registration, upon payment of prescribed & late fee and upon consideration may renew the trademark back for another 10 years.

#### PRIOR USE TRADEMARK- SECTION 26

This section further upholds the doctrine of prior use trademark. It states that where a trademark has been removed from the register for the failure to pay the renewal fees, it shall nevertheless, for the purpose of any application for registration of another trademark during one year next after the date of the removal, be deemed to be a trademark already on the register, except in the following cases:

- a. where the tribunal is satisfied that there has been no *bonafide* use of such a 'removed' trademark 2 years prior to the date of its removal.
- b. Where the tribunal is satisfied that no deception will be caused by the use of the applied trademark and the removed trademark.

#### **f. INFRINGEMENT AND PASSING OFF OF TRADEMARKS**

##### **1. RIGHTS CONFERRED BY REGISTRATION OF TRADEMARKS**

a. Section 27- No action for infringement of unregistered trademark- This section simply states that a proprietor of an unregistered trademark is not entitled to institute any proceedings or suit in the court of law, to prevent or to recover damages for the infringement of its unregistered trademark. It bars any unregistered trademark to sue for infringement of its trademark. However, this section recognizes the common law rights of the trademark owner to take action against any person for passing off goods as the goods of another person or as services provided by another person or the remedies thereof.

b. Section 28- Rights conferred by registration

This section provides the proprietor of a registered trademark the exclusive right to use the same in relation to the goods or services in respect of which it is registered.

Limitation- However, such an exclusive right to use shall be subject to any conditions or limitations that were imposed on its registration. For example, a trademark of a detergent is registered in India subject to imposition of territorial restrictions on its use. Therefore, the proprietor of such a trademark cannot bring a suit for infringement where the same trademark for the same goods is used in a foreign country.

Also, in addition to the exclusive right to use the trademark, the owner also has the right to bring a suit for infringement in the court of law and obtain reliefs such as Injunction, Rendition of accounts, Damages, Undertaking etc., against the infringing party.

Limitation-The registration of a trademark will not entitle the proprietor to bring infringement action against another registered proprietor of identical or similar trademark. Both the persons will have the same rights as against each other as he were the sole registered proprietor. For eg. There are 2 trademarks LOREAL and LORNELL and both are registered. This provision prohibits the proprietor of any of these trademarks to bring an infringement suit against another.

For eg. There are 2 trademarks by the name of LUX & MUX both registered for soaps and associated goods. Now, this provision prohibits LUX from instituting a case of infringement against MUX.

### c. Section 30- Limits on effect of Registered trademark

While Section 28 enunciates the rights that a trademark registration confers, there are allied limitations to such rights as well.

## **INFRINGEMENT OF REGISTERED TRADEMARKS**

Section 29(1) states that a registered trademark is said to be infringed when a person other than the registered proprietor, uses in the course of trade the same mark or an identical mark in relation to the same goods and services for which the former is registered.

In order to bring a suit of infringement it is mandatory for the plaintiff's trademark to be REGISTERED. No action for infringement can be brought against unregistered trademark.

### ESSENTIALS OF INFRINGEMENT- Section 29(1):

- a. The plaintiff's mark is registered.
- b. The use is by a person other than the registered proprietor or a permitted user.
- c. Such a use is in the course of trade. Such a use must be in the written/printed form. Oral use doesn't constitute use of the mark.
- d. The trademark must be seen as a whole. That is, if the infringer uses the essential features of the registered trademark and makes any alterations or additions so as to closely resemble to the original trademark, the same would constitute infringement.
- e. The use must be in relation to the goods and services for which it is registered; except in case of a well-known trademark and if it is likely to cause confusion amongst the public [29(2) and 29(4)].

The onus to prove infringement of a registered mark, deception amongst the public rests on the plaintiff.

The question whether or not there is an infringement of a registered trademark within the meaning of section 29 of the Act, depends on the following questions: -

- Whether or not the defendant's act comes within the scope of section 29 of the Act, and
- Whether the defendant's act comes within the exception mentioned in section 30 of the Act.

Section 29(2) to 29(9) elucidates the various CIRCUMSTANCES/FORMS which constitute infringement by the defendant. The same been explained as under:

A. Infringement where there is a likelihood of confusion amongst the public [Section 29(2)]

This sub-section focuses on the part where a person who is not the registered proprietor of the trademark (or who has authorization to use the mark) uses the trademark in such a way so as to cause confusion amongst the public that his trademark is same or somehow associated to such a trademark. This may happen in the following ways:

- a. where the infringing trademark is identical to the registered trademark and the goods/services for which it is registered are also similar;  
for example, there is a registered trademark NIKE in class 25 (for fashion goods-clothing, footwear and headgear).  
Infringer uses the trademark NIKE for jewelry items which is also somewhat related to fashion.
- b. where the infringing trademark is similar to the registered trademark and the goods/services are identical/similar;  
for example, there is a registered trademark NIKE in class 25 (for fashion goods-clothing, footwear and headgear)  
Infringer uses the trademark HIKE for sport shoes or jewelry items which is identical to or similar to the former's goods and services.
- c. where infringing trademark is identical to the registered trademark and the goods/services for which it is registered is also identical.  
for example, there is a registered trademark NIKE in class 25 (for fashion goods-clothing, footwear and headgear)  
Infringer uses the trademark NIKE for sport shoes or t-shirts i.e., same goods.

In this case where the trademark and goods are both exactly same to that of the registered trademark, the court will be forced to presume that it causes confusion and deception amongst the public and wants to take advantage of the established goodwill of such a trademark- Section 29(3).

In a Landmark case of *Esscov. Mascot*<sup>10</sup>, the Delhi High Court the question of similarity between two trademarks and the likelihood of confusion that it leads shall be decided by considering several factors such:

- the nature of marks, i.e., whether they are words, personal names, geographical names, device
- degree of similarity i.e., phonetic, visual and idea
- class of purchasers who are likely to buy the goods
- mode of purchase
- other circumstances.

B. Infringement where the registered trademark is a Well-Known trademark in India  
[Section 29(4)]

In this case, the infringement will be deemed to have caused even where the goods and services of the infringer is different or substantially different from that of the registered trademark owner. However, such a trademark should be identical or similar to that of the registered trademark. This section protects the interests of well-known registered trademark, where such a trademark has a considerable reputation in India on the basis of its extensive use and popularity.

For example, a trademark like PATANJALI for cosmetics, ayurvedic medicines, food items etc. is considered to be a well-known registered trademark in India. In case a person adopts trademarks such as GATANJALI or PATANJALI for furniture and home décor, it will be considered infringement and as taking advantage of the established goodwill of PATANJALI to show its association to it somehow.

C. Infringement by using a registered trademark as a part of his trade and on his business material- Section 29(5), 29(6), 29(7)-

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<sup>10</sup> AIR 1982 Del, 308 at 311.

A registered trademark is infringed if a person uses such a trademark in any of the following manner:

- As his trade name or a part of his trade name, or the name of his business concern;
- Affixes it to his goods or packaging & labeling material;
- Offers the goods affixed by trademark for sale in any manner;
- Imports or exports goods affixed by the trademark in any manner;
- Uses it on his business material, papers, stationery, advertising etc.

D. Infringement by Advertising- Section 29(8)-Comparative Advertising

Infringement may also be caused by the advertising of the registered trademark in case such as advertising hurts the reputation of the mark in any manner, is detrimental to the distinctive nature of the trademark; or is contrary to the honest practices in the industrial and commercial matters. This is called comparative advertising. Such are the advertisements where the goods or services of one trader is compared with the goods or services of another trader. Comparative advertising is a technique by which a product is compared with a competitive product with the intent of proving its superiority.<sup>11</sup>

For example, I an advertisement by SURF EXCEL to showcase its effectiveness in removal of cloth stains, it cannot show the goods of TIDE as being less effective in his advertisement as it will hurt TIDE's reputation. SURF EXCEL will be said to have infringed TIDE's rights.

In a landmark case of *Dabur India Ltd. v. Colgate Palmolive, 2004 (29) PTC 401 (Del)* the plaintiff alleged infringement by way of disparaging advertisement. The plaintiff released an advertisement stating that 'Lal DantManjan tooth powders are detrimental to dental health and in particular damaging to tooth enamel' which was indirectly defaming the product of Dabur India. The Court granted an injunction against Colgate from telecasting the impugned commercial advertisement.

E. Infringement by Spoken Words and Visual Representation- Section 29(9)-

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<sup>11</sup> Lee, Comparative Advertising, Commercial Disparagement and False Advertising, Trademark Reporter, 71 (1981) 620.

This sub section states that infringement of a registered trademark may also be caused by spoken words or visual representation<sup>12</sup>.

### **LANDMARK CASES OF INFRINGEMENT**

1. **Parle Product v. J.P. & Co. AIR 1972 SC 1359:**

The plaintiffs were the owners of the trademark ‘Parle Gluco Biscuits’ and also the wrapper with a particular color theme and with the picture of a girl carrying a pail of water along with cows and hens in the background of a farm-house. This trademark was immensely popular in the marketplace and had acquired considerable reputation.

The defendants had adopted and stated selling biscuits in a wrapper which was deceptively similar to that of the plaintiff with words ‘Glucose Biscuits’ written on the wrapper.

The trial court and the high court dismissed the suit. However Supreme Court ruled against the defendants. It held that the wrapper of the defendants was indeed deceptively similar to that of the plaintiff’s and thereby infringing to its registered trademark rights. The purchaser is ought to be confused if both the biscuit packets were placed in front of him in a shop and may associate defendants’ goods to be that of plaintiffs.

2. **Pepsico Inc. v. Hindustan Coca Cola &Ors. (2001) PTC 699 (Del)**

In this case the Delhi High Court examined whether use of a registered trademark by the competitor in a comparative derogatory advertisement constitute infringement.

In this case the plaintiff was the registered owner of the trademark PEPSI as also of the slogan “YehDilMaange More’ for aerated drinks. The defendants aired an advertisement for its product Coca Cola in such a manner demonstrating the plaintiff’s product as ‘*bacchonwali drink*’ thereby making it derogatory for the plaintiff. The High Court ruled in favor of the plaintiff and observed that such comparative advertising indeed effect the rights of the plaintiff and thereby would constitute infringement under section 29 of the Act.

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<sup>12</sup>*S.M. Dyechem Ltd v. Cadbury (India) Ltd.*, AIR 2000 SC 2114.

### 3. Other landmark cases of infringement

- *DurgaDuttv.Navratna Pharmaceutical Laboratories* (AIR 1965 SCC 980)
- *M/s S.M. Dyechem Ltd. v. M/s Cadbury (India) Ltd.* (AIR 2000 SC 2114)
- *Cadilla Health Care Ltd. v.Cadila Pharmaceuticals Ltd.* (2001 IPLR 87 (SCC))
- *Balkrishna Hatcheries v.Nandos International Ltd.* 2007 (35) PTC (Bom)

### PROCEDURE AND PERIOD OF LIMITATION

The procedure as laid down in the Code of Civil procedure, 1908 will be followed in the disposal of the suit. The period of limitation is 3 years from the date of infringement for instituting proceedings. Where the infringement is of continuing nature, a new course of action shall arise every time infringement or passing off occurs such as every time the infringer sells infringing goods a new period of limitation shall arise.

### LIMITS ON THE EFFECT OF REGISTERED TRADEMARK- Section 30 (needs editing)

This section offers exceptions to the law of infringement by stating the acts which will not constitute infringement. The same are briefly explained as under:

- 30(1)- where the use is in accordance with honest practices in industrial and commercial matters; where the use is not detrimental to the distinctive character of the registered mark.
- 30(2)- Where the use of the registered trademark is in relation to indicate the kind, quality, intended purpose, quantity, value etc. of the goods and services. For ex. Marks such as PERFECT, BEST, 100gms. Etc.
- In cases where the plaintiff's trademark is registered subject to certain limitations and conditions and the use is made within the scope of such conditions which are not applicable to the registered trademark. For eg. if a trademark is registered subject to the region of India except Kashmir and the defendant uses the mark in Kashmir, the same would not constitute infringement.
- 30(3)- where the defendant uses the goods or service conforming to the permitted use to which the registered proprietor has agreed to.

- 30(4)- where the use is made in such a manner where neither the purpose nor the effect of the use of the registered trademark is to indicate a connection in the course of trade between the defendant and the plaintiff's goods.
- 30(5)- Where the defendant's trademark is also a registered trademark, the use thereof will not constitute infringement.

The original registration of the trademark and its all subsequent assignments/transmissions shall be prima facie evidence of its validity in all legal proceedings. Therefore, Registration of a trademark is the prima facie evidence of its validity (Section 31).

#### Effect of Acquiescence of a subsequent registration- Section 33

This section enunciates the effect of acquiescence by an earlier trademark as regards the existence of a subsequent registered trademark. If the proprietor of an earlier registered trademark for a continuous period of five years impliedly consent to the use and existence of a subsequent conflicting registered trademark, it cannot thereafter contest its validity or oppose the same in the court of law, unless he can prove that the registration of subsequent trademark was not obtained in good faith.

#### PASSING OFF

The law of passing off is based on common law and is a form of a tortious action. The Trade Marks Act, 1999 doesn't specifically define or touch on the subject of passing off, however, its certain references have been given in sections 27(2), 134(i)(c) and 135 of the act.

The sole object of this law is to protect the goodwill and reputation of a business from encroachment by dishonest competitors. Its based on the principle that '*nobody has any right to represent his goods as the goods of somebody else*'. Such an action is to restrain the defendants from passing off its goods or services to the public as that of the plaintiffs. Such an action is not only to preserve the reputation of the plaintiff but also to safeguard the public from deception.

The Supreme Court of India has defined the term passing off in *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd*<sup>13</sup> as ‘passing-off is said to be species of unfair trade competition or of actionable unfair trading by which one person, through deception attempts to obtain an economic benefit of the reputation, which other has established for himself in a particular trade or business. The action is regarded as an action for deceit.’ The most common form of passing off is imitating the appearance or get-up of the plaintiff’s goods and selling them under same or similar trade names. For example, using the mark ‘Depso dent’ for tooth paste in a similar get-up to pass it off as ‘Pepsodent’.

In order to bring an action for passing off, unlike infringement, Registration of the mark is not required. Passing off actions are primarily based upon the goodwill, user and reputation of the mark even if the same has not been registered. Action of passing off and infringement is mostly combined in the same suit to claim reliefs.

### **PRE-REQUISITES OF A PASSING-OFF ACTION**

As evaluated from various English and Indian cases, the plaintiff may consider following as the broad requirements for bringing a passing-off action:

- **Reputation-** The plaintiff must be able to establish that his trademark/tradename/business has a considerable goodwill and reputation amongst his customers and the public at large. Such an action is normally available to the owner of a distinctive trademark and the person who, if the word or name is an invented one, invents & uses it. In case the defendants also claim to have invented the same/similar name, the one with the prior user is likely to succeed. Goodwill may be established by way of his long user of the mark, extensive advertisements, sales volumes, publications, awards etc. The public must be identifying and associating to his goods.
- **Misrepresentation/Deception-** The plaintiff must be able to establish that the defendants good or services of the defendants is causing confusion amongst the public

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<sup>13</sup> AIR 2001 SC 1952.

leading them to believe that they are actually that of plaintiff's goods. Such a misrepresentation may be intentional or unintentional.

- Damage- The plaintiff must establish that by defendant's such passing off action, he has suffered actual damage of goodwill or business or is likely to suffer such damage in future (*QuiaTimet*).

The above pre-requisites have been rightly enunciated by various judges such as by Lord Diplock in *Erven WarninkBeslotenVennootschapv. J. Townend& Sons (Hull) Ltd.*<sup>14</sup>; by Lord Oliver in *Reckitt & Coleman Products Ltd. v. Borden Inc.*<sup>15</sup> and in *Harrodasv. Harrodian School*<sup>16</sup>.

These three elements of passing off action have been rightly approved by Indian Courts as well in various landmark decisions such as *Baker Hughes Ltd. v. HirooKhushalani*, (2000) 102 Comp Cas 203 (del) and *Laxmikant V. Patel v.Chetanbhat Shah*, AIR 2002 SC 275.

## **REMEDIES AGAINST INFRINGEMENT OF TRADEMARK- SECTION 135**

Following procedural remedies are available against the infringement of a registered trademark or against passing off.

### A. Civil Remedies

In this case, the aggrieved party can file a civil suit in the court of law (court not lower than a District Court) seeking reliefs such as interim/permanent/ex-parte injunction, rendition of accounts and profits, damages, undertakings, Anton Pillar Orders, delivery of infringing labels/marks, destruction of goods etc. In civil proceedings the plaintiff seeks relief for himself.

### B. Criminal Proceedings

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<sup>14</sup> [1979] AC 731 at p. 742.

<sup>15</sup> [1990] 1 All ER 873.

<sup>16</sup> (1996) RPC 698 at 713.

A criminal complaint may also be made with the Magistrate and the Police Officials against the person causing infringement. In criminal proceedings the main object is to punish the infringer.

Both civil and criminal proceedings may be initiated simultaneously.

### C. Administrative Proceedings

Administrative Proceedings comprise of proceedings, which can be undertaken by the Trademarks Registry while evaluating trademark applications and oppositions. The Trade Marks Registry has well within its power to decline registration to infringing trademarks and conduct due diligence.

No order for damages will be passed in cases of infringement and passing off if the court is satisfied that-

- at the time the alleged infringer commenced to use the trademark he was unaware and had no reasonable grounds for believing that the plaintiff's mark was on the register or in use;
- and when he became aware of such an existence nature of plaintiff's right in the mark, he forthwith ceased to use the trademark complained of.

### **JURISDICTION FOR INFRINGEMENT AND PASSING OFF – SECTION 134 OF THE TRADE MARKS ACT & SECTION 62(2) OF THE COPYRIGHT ACT**

Section 134 of the Trademarks Act and Section 62(2) of the Copyright Act clearly provides that the lowest forum for instituting infringement and passing off proceedings is District Court. Such a Court will be the one in whose local limits the person or persons instituting the suit (Plaintiff) actually & voluntarily reside or carries on business or personally works for gain. This section clearly shows that a deliberate departure has been made from Sec 20 of the Code of Civil Procedure, 1908, to enable the plaintiff to sue the one who has infringed his trademark/copyright in a Court within whose local limits he resides or works as against that of the defendant.

DISTINCTION BETWEEN PASSING OFF & INFRINGEMENT

<u>INFRINGEMENT</u>	<u>PASSING-OFF</u>
Action for infringement is a statutory remedy	Action for passing-off is a common law remedy.
The gist of an infringement action is to provide remedy to the registered trademark owner against the vindication of the exclusive right to use the trademark in relation to his goods.	Passing-off is a remedy against an action for deceit whereby a person passes off his goods as that of the plaintiff by dishonestly attempting to use the former's goodwill and reputation.
Registration of the trademark is mandatory; Use of the trademark by the plaintiff is optional.	Use of the trademark by the plaintiff is mandatory; registration is optional.
The plaintiff must establish that the defendant is using his trademark in the course of trade.	The plaintiff needn't establish that the defendant is using his trademark in the course of trade. A close phonetic, visual similarity between the 2 trademarks may establish the violation of plaintiff's rights.
Use of the mark by the defendant may or may not cause damage or injury to plaintiff.	Damage is mandatory for bringing a passing-off action.

**g. TRADE DRESS & COLOR COMBINATION and DILUTION OR TARNISHMENT OF TRADEMARK**

TRADE DRESS & COLOR COMBINATION

Trade Dress is the arrangement of distinguishing and identifiable characteristics connects to a product or service which is intended to make the source of such a product or service distinct from another and to promote sale and popularity. Such characteristics include the entire get up of the product, packaging, labeling, slogans,

lettering style/font, graphics, business literature, establishment designing, the varied color combinations used, logo, devices and their unique designing and placement, shape of the product and anything else that is used to distinguish it from that of others. A trade dress represents the entire image of the product or service.

For example, the packaging of PEPSI consisting of color combinations of Blue, red and white along with its round logo and its slogan 'YehDilMaange More' all consist of its Trade Dress. Any layman can make out from far that such a dress belongs to PEPSI and associates it to its product.

In a landmark case of *Colgate Palmolive Company v. Anchor Health and Beauty Care, 2003 (27) PTC 478*, the Delhi High Court held that the similarities of trade dress of two same or similar products amounted to passing off. In this case, although the trade names were distinct and un similar i.e., COLGATE & ANCHOR but the color combination and the overall get up of ANCHOR was similar and confusing to that of COLGATE & both the products were in respect of tooth powder consisting of 1/3<sup>rd</sup> RED color and 2/3<sup>rd</sup> WHITE. The court observed that " May be, no party can have monopoly over a particular color, but if there is substantial reproduction of the color combination in the similar order wither on the container or the packaging which over the period of time has been imprinted upon the minds of customers it certainly is liable to cause not only confusion but also dilution of distinctiveness of color combination"

In another landmark case of *N. Ranga Rao v. Anil Garg, 2006 (32) PTC 15 Del*, the court ruled against the defendants for infringement of the trade dress of plaintiff. In this case the plaintiff was a firm engaged in the manufacture of incense sticks under the name of 'LIA' and the defendants started selling his product by the name of 'DIA' and similar packaging, color combinations and logos. The Court granted permanent injunction in favor of the plaintiff.

#### DOCTRINE OF TRADEMARK DILUTION

Dilution of a trademark is attached to the presumption that the relevant customers start associating the trademark with a new and different source of goods and services. Dilution of a trademark greatly affects the distinctiveness of a trademark and reduces its value. It is one of the unfair trade practices.

The doctrine of dilution was taken up in a landmark case of *ITC Limited v. Philip Morris Products S.A. & Ors.*<sup>17</sup>, wherein the plaintiff owned ‘Welcome Group “W” Namaste logo’ and the defendants owned ‘Philip Marlboro inverted M logo’ to its Marlboro brand of cigarettes in India. ITC Limited claimed that such a use of inverted M logo on cigarettes by the defendants diluted its Welcome Group W logo.

The Delhi High Court ruled against the plaintiff and dismissed its plea by stating that ITC never used W trademark on cigarettes and that’s the goods were totally non-similar and therefore the dilution cause of action cannot survive. Further it observed the following essential features are to be satisfied to establish dilution:

- ‘the impugned mark is identical or similar to the senior mark,
- the senior or injured mark has a reputation in India,
- the use of impugned mark is without due cause,
- the use of impugned mark amounts to taking unfair advantage of, or is detrimental to, the distinctive character or reputation of the registered trademark.’

#### Dilution by Tarnishment

This is a kind of dilution which impairs the distinctive quality of a trademark of a senior user. The object of such a dilution by tarnishment is to degrade or tarnish the distinctive quality of the mark. For such a dilution to apply, the trademark should be a well-known, reputed and popular trademark. In this case, there is no need to establish the likelihood of confusion as to source, association and connection.

For eg. If a person releases an ad line ‘Drink Cocaine’ in the same font, coloring style and packaging as ‘Coca Cola’ the same will amount to dilution by tarnishment.

#### EXHAUSTION OF INTELLECTUAL PROPERTY RIGHTS- PARALELL TRADE

Generally, the IPR’s contained in goods and services are exhausted once the same are put in the marketplace for sale by the proprietor. That is to say, once its owner sells the trademarked/copyrights/patented product in the market, the owner cannot control its further sale or resale and distribution or re-distribution. This principle is called the

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<sup>17</sup> 2010 (42) PTC 572 (Del).

principle of exhaustion off IPR or parallel trade and is accepted in all countries within their national jurisdictions. Likewise, parallel trade of goods and services is legal in India [Section 30(3)] as long as the goods are not counterfeits and have not been changed or impaired [Section 30(4)] and the re-seller puts a disclaimer saying that no warranty/guarantee related to the goods is given by the original seller. Section 30(3) of the Trade Marks Act, 1999 gives such a right to parallel trade and Section 30(4) lays down the exception to this rule as stated above.

The landmark case discussing parallel trade was *Kapil Wadhwa v. Samsung Electronics Ltd.*<sup>18</sup> whereby the Samsung filed a suit against infringement of its trademark whereby the defendants were importing Samsung printers from Korea and re-selling in India and thereby affecting the sales of Samsung Ltd. Although the Single Judge of the Delhi High Court granted an injunction in favor of the company, however the division bench of the Delhi High Court after careful perusal of Sections 29, 30, 30(3) and 30(4) of the act overruled the order and upheld the right of Kapil Wadhwa to resell the goods subject to the following conditions:

- that the goods should not be counterfeits,
- the goods have not been impaired or changed in quality
- that the defendants should properly display in their showrooms that the goods have been imported from abroad
- that the defendants should put disclaimers stating that the original company shall not owe the customers any warranty quo the goods and shall not offer any after-sale services.

## II. COPYRIGHT LAW

### II. Indian Copyright Act, 1957

- Introduction- Meaning of Copyright & Pre-requisites of Copyright
- Works in which Copyright subsists: Literary, Artistic, Musical, Dramatic works, Cinematographic films, sound recordings, works of architecture
- Performer's and Broadcaster's Rights
- Registration of copyright, ownership authorship and term of copyright, Jurisdiction
- Infringement of Copyright
- Contract of Service vs. Contract for Service
- Assignment of Copyright

<sup>18</sup> 194 (2012) DLT 23.

## a. INTRODUCTION AND BASICS OF COPYRIGHT LAW

### MEANING OF COPYRIGHT

Copyright is an inherent right which a person has in his own work involving his intellectual/creative skill and labor. It is an intangible right in his intellectual property. According to the Oxford English Dictionary, Copyright is an exclusive right given by law for a certain term of years to an author, composer, etc. (or his assignee) to print, publish and sell copies of his original work.

Section 14 of the Copyright Act, 1957 defines copyright in the following manner:

“For the purposes of this Act, "copyright" means the exclusive right subject to the provisions of this Act, to do or authorize the doing of any of the following acts in respect of a work or any substantial part thereof, namely :-

a. in the case of a literary, dramatic or musical work not being a computer programme,-

i. to reproduce the work in any material form including the storing of it in any medium by electronic means,

ii. to issue copies of the work to the public not being copies already in circulation,

iii. to perform the work in public, or communicate it to the public,

iv. to make any cinematograph film or sound recording in respect of the work,

v. to make any translation of the work

vi. to make any adaptation of the work

vii. to do, in relation to a translation or an adaptation of the work, any of the acts specified in relation to the work in sub clauses (I) to (vi)

b. in the case of a computer programme-

i. to do any of the acts specified in clause (a)

ii. to sell or give on hire, or offer for sale or hire, any copy of the computer programme, regardless of whether such copy has been sold or given on hire on earlier occasions

c. in the case of an artistic work,-

- i. to reproduce the work in any material form including depiction in three dimensions of a two dimensional work or in two dimensions of a three dimensional work,
- ii. to issue copies of the work to the public not being copies already in circulation
- iii. to issue copies of the work to the public not being copies already in circulation
- iv. to include the work in any cinematograph film,
- v. to make any adaptation of the work
- vi. to do in relation to an adaptation of the work any of the acts specified in relation to the work in sub clauses (i) to (iv)

d. in the case of a cinematograph film-

- i. To make a copy of the film, including a photograph of any image forming part thereof.
- ii. To sell or give on hire, or offer for sale or hire, any copy of the film, regardless of whether such copy has been sold or given on hire on earlier occasions.
- iii. To communicate the film to the public

e. in the case of a sound recording-

- i. to make any other sound recording embodying it,
- ii. to sell or give on hire, or offer for sale or hire, any copy of the sound recording regardless of whether such copy has been sold or given on hire on earlier occasions,
- iii. to communicate the sound recording to the public

**Explanation** - For the purposes of this section, a copy which has been sold once shall be deemed to be a copy already in circulation.”

Copyright, as the name suggests is the ‘monopoly right given to the person to copy (imitate/reproduce) his work’. This right further includes right to translate, make copies, store in any form, publicly perform or communicate, make sound recordings and films etc. subject to the kind of work created (artistic or literary or cinematograph etc.). A copyright is the right to stop others from exploiting the work without consent of the owner of copyright. The object behind this law is to encourage the authors, composers, artists to create more original high-quality works by rewarding them with the exclusive right to deal with in any way they desire for a limited period of time.

Copyright is not a single right and consists of a bundle of multiple rights for the same work. For ex. In case of a book written by an author (literary work) copyright comprises in its right to reproduce, translate, make copies, adapt, abridge and to enact it by way of a public performance. The Copyright law is governed by The Copyright Act, 1957 and the Copyright Rules, 2013, which elucidates its various aspects such as the kind of works protected, term of copyright, first ownership of copyright, Composition and powers of the Copyright Office and Copyright Board, registration and infringement of Copyright etc.

Registration of Copyright is not mandatory in India. Copyright subsists in all the published and unpublished original work and its comes into existence as soon as the work is created. However, it is advisable to get the Copyright registered and get the Certificate issued, since it provides a prima facie evidence of its ownership in case of dispute. Copyright is a member of the Berne Convention, 1886 and the Universal Copyright Convention. 1951. Therefore, copyright protection given in the member states of these two conventions are recognized in India.

#### PRE-REQUISITES OF COPYRIGHT

- A. SUBJECT-MATTER- It is mandatory that the author must have bestowed sufficient skill, labor, judgment or capital while creating the original work in order to get copyright protection. The quality of work is totally unimportant i.e., whether it is senseless or inaccurate as long as it is original. Also, the author only has monopoly in the work and not its 'subject matter'. Another person can develop another work with the same subject matter.
- B. COPYRIGHT PROTECTS THE FORM AND NOT IDEA- Copyright protects various categories of works which have been translated in the material form. No such protection (inherent or acquired) is available to work which is only 'thought of' and not created as such. Even communication of such an idea will not give such a person any right unless there is an agreement to that effect (ex. in business organizations).

In *Donoghue v. Allied Newspapers Ltd.*<sup>19</sup> it was stated that a person may have a brilliant idea for a story or for a picture but if he communicates that idea to an artist or play-writer then the production which is the result of the communication is the copyright of the person who has clothed the idea in a form and the owner of the idea has no right in the product.

### GENERAL PRINCIPLES GOVERNING COPYRIGHT LAW

Following are a few principles, which will prove to be handy while learning more about copyright law-

- ☐ There are three questions which are to be considered in order to determine whether copyright protection should be accorded to a particular work or not. These are-
  - Whether the work is original?
  - Whether there is evidence that sufficient amount of skill and labor has been invested while developing the work?
  - Whether the work is being considered as a whole or not?- That is, any work must be seen as a whole and should not be dissected into parts which thereafter is being tested for copyright protection.
- ☐ The Supreme Court in *R.G. Anand v. Delux Films*<sup>20</sup>, laid down that the surest test to determine whether there is a copyright violation is to see if the reader, spectator, or the viewer finds one work a copy of the other.
- ☐ In the same *R.G. Anand case*, Supreme Court further declared that there can be no copyright in an idea, subject matter, themes, plots or historical or legendary facts.
- ☐ A work that is worth copying is worth protecting.<sup>21</sup>
- ☐ Copyright law doesn't apply to live events such as concerts, sport events etc.
- ☐ Copyright is an inherent right, which subsists, in an original work. Registration of copyright is optional. In a leading case of *NavSahitya Prakash v. Anand Kumar*<sup>22</sup>, it was held that registration is only optional. Registration serves the purpose of being *prima facie* proof of possession of copyright by the person.

### **b. WORKS IN WHICH COPYRIGHT SUBSISTS- SECTION 13**

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<sup>19</sup> (1937)3 All ER 503.

<sup>20</sup> AIR 1978 SC 1613.

<sup>21</sup> *Univ. of London Press v. Univ. Tutorial Press*, (1916) 2 Ch 609.

<sup>22</sup> AIR 1981 All 200.

Section 13 states the various categories of copyrightable works. These are:

- a. Original Literary work including computer programs
- b. Original Musical and Dramatic work
- c. Original Artistic work
- d. Cinematographic films
- e. Sound recordings
- f. Works of Architecture

Section 13 (2) provides additional conditions to be satisfied by works (except foreign works). It states “Copyright shall not subsist in any work unless-

- i. in the case of published work, the work is first published in India, or where the work is first published outside India, the author is at the date of such publication, or in a case where the author was dead at that date, was at the time of his death, a citizen of India,
- ii. in the case of an unpublished work other than a work of architecture, the author is at the date of making of the work a citizen of India or domiciled in India, and
- iii. in the case of a work of architecture, the work is located in India

These conditions shall not apply to foreign works or works of international organizations (Sections 40 & 41). In the case of a work of joint authorship, the conditions conferring copyright specified in this sub section shall be satisfied by all the authors of the work.

Thus, where the work is first published in India, copyright subsists in India irrespective of the nationality of the author. Where the work is first published outside India, Copyright subsists if the author is a citizen of India. In case of unpublished work, the author must be citizen of India or domiciled in India. In case of foreign work or foreign Authors published outside, copyright protection will be accorded due to India being a member of the Berne Convention and Universal Copyright Order.

### ORIGINAL LITERARY WORKS

By original literary work it is meant that the work must be novel in its expression i.e., in its writing and printing. The idea may not be unique or the material which the author used to create the work may not be new, however, its expression must be original. In a landmark case of *MacMillan and Co. Ltd. v. K&J Cooper*<sup>23</sup> the committee observed

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<sup>23</sup> AIR 1924 PC 75.

that “the question is not whether the material which are used are entirely new and had never been used before or even that they have never be used for the purpose, but the true question is whether the same plan, arrangement and combination of materials have been used before for the same purpose or for any other purpose. If they are not, the plaintiff has the right to copyright, even if he may have gathered hints of his plan and arrangement from existing used sources.”

The copyright protects the labor, skill and capital, which a person has expended on a ‘work’ to give it some character and not the raw material which he used while developing it. Thus, raw material may be pre-used and not novel but the end product should be original. Also, it must be noted that literary work need not be of literary quality. That is, any work, be it foolish or brilliant, bad or good quality is copyrightable as long as its original and labor has been invested in it.

The holder of copyright in literary work has the following rights as per section 14(a)-

- (i) to reproduce the work in any material form including the storing of it in any medium by electronic means;
- (ii) to issue copies of the work to the public not being copies already in circulation;
- (iii) to perform the work in public, or communicate it to the public;
- (iv) to make any cinematograph film or sound recording in respect of the work; (v) to make any translation of the work;
- (v) to make any adaptation of the work

#### KINDS OF LITERARY WORKS:

Literary work mainly involves any work which has been written in whatever language involving some skill and labor. Some inclusions of literary work are as under:

- a. Adaptation of literary work- Any original adaption of an existing literary work is copyrightable as it is in itself a literary work. Section 2(a) defines ‘adaptation’ in relation to all the works. In relation to literary work, adaption means an original rearrangement or alteration of an existing literary work (for eg. Re-writing books of Mahabharata where the facts are same but arrangement and style is different); or

conversion of the work into a dramatic work by way of performance in public or otherwise (for eg. Making a movie out of a Chetan Bhagat Novel); or any abridgement of the work or any version of the work in which the story or action is conveyed wholly or mainly by means of pictures in a form suitable for reproduction in a book or in a newspaper, magazine or similar periodical (for eg. Writing a review of a movie in a newspaper); all of these are copyrightable as they are literary works in their own rights.

- b. Abridgement of Literary Work- Abridgement basically means to summarize. It is the reproduction of an original literary work in a more concise and precise manner.<sup>24</sup> So a genuine abridgement of a literary work is an original work and thereby is very much copyrightable. (For eg. Making guides of lengthy law books). In a landmark case of *Macmillan and Co. v. K.J. Cooper*<sup>25</sup>, Lord Atkinson observed that “to abridge in the legal sense of the word is to preserve the substance, the essence of the work in language suited to such purpose, language substantially different from that of the original. To make such abridgement requires the exercise of mind, labor skill and judgment brought into play and the result is not merely copying.”
- c. Translation- Original Translation of any literary work into another language is copyrightable if it is original and sufficient skill/labor has been expended in it. It is in itself a literary work. Black’s Law Dictionary defines translation as ‘the reproduction in one language of a book, document or speech in another language.’”
- d. Government Work- Section 2(k) defines government work as a work which is made or published by or under the direction or control of any court, tribunal or other judicial authority in India. The copyright of such government work lies with the Government. Reports of judicial proceedings (judgments and case laws) are government work. However, section 52(1) of the Act provides that such judicial proceedings can be reproduced or published by anyone and the same will NOT amount to infringement.
- e. Head notes of law reports are copyrightable. (Landmark case- *Eastern Book Company v. D.B. Modak*<sup>26</sup>)

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<sup>24</sup> *Govindan v. Gopalakrishna*, AIR 1955 Mad 391.

<sup>25</sup> AIR 1924 PC 75.

<sup>26</sup> (2008) 1 SCC 1.

- f. Historical facts are not copyrightable per se. However, the manner & style in which they are written/presented may be copyrightable if its original.
- g. Letters of any kind such as private letters, commercial letter, government letters are all copyrightable.
- h. Shorthand writer's scripts, questionnaires, catalogues, dictionaries, compilations, directories, computer programmes, television programmes, tambola ticket books, question papers set for examinations, code words are all considered a part of literary work and are thus copyrightable upon the fulfillment of conditions.
- i. Book titles, cartoon titles are not copyrightable per se. A passing-off action may be brought against them but not of copyright.
- j. A lecture will be considered as a subject matter of copyright only if it is reduced in writing.

#### ORIGINAL DRAMATIC WORKS

As stated in section 13(1)(a) copyright subsists in original dramatic works. In order to qualify as dramatic work, its important that the work must involve action and movement. Dramatic work is any work of action capable of being performed in front of audience with or without words or music. Section 2(h) of the Act provides that dramatic work includes any piece of recitation, choreographic work or entertainment in dumb show, the scenic arrangement or acting form of which is fixed in writing or otherwise but does not include a cinematograph film.

From this definition it is apparent that any choreography, recitation or scenic performance must be REDUCED IN WRITING in order to qualify for copyright protection.

In a landmark case of *Institute for Inner Studies v. Charlotte Anderson*<sup>27</sup> the question arose before the Delhi High Court whether the *Asanas* of Yoga qualify for copyright protection? The Court stated that “on a careful understanding of the concept of dramatic work, it could be concluded that the arts and exercises like Yoga, Pranic Healing Technique or daily routine exercises though appeared to be choreographic work but they were as a matter of fact not a choreographic work”<sup>28</sup>.

In another case *Indian Express (Bombay) Pvt. Ltd. v. Dr. JagmohanMundhara*,<sup>29</sup> the defendants made a film and a stage play of a series of articles that were published in the newspaper. The Plaintiff sued them for infringement of copyright in dramatic work. The central theme of the articles was an autobiographical account of a woman involved in flesh trade, while the stage play and film emphasized upon human bondage of particularly Indian women. The court ruled in favor of the defendants that such a stage play and movie did not constitute infringement.

The holder of copyright in dramatic work has the following rights as per section 14(a)-

- to reproduce the work in any material form including the storing of it in any medium by electronic means;
- to issue copies of the work to the public not being copies already in circulation;
- to perform the work in public, or communicate it to the public;
- to make any cinematograph film or sound recording in respect of the work; (v) to make any translation of the work;
- to make any adaptation of the work

### ORIGINAL MUSICAL WORK

Copyright subsists in original musical work. Section 2(p) of the Act defines musical work as “a work consisting of music and includes any graphical notation of such work but does not include any words or any action, intended to be sung, spoken or

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<sup>27</sup> 2014(57) PTC 228(Del).

<sup>28</sup> *Id.* at p. 303.

<sup>29</sup> AIR 1985 Bom 229.

performed with music. By this definition, it is clear that musical work will include any harmony or *notation* of such harmony. In order to qualify for copyright, the musical work should be original and should be reduced in WRITING. Music was different from sound i.e. music only meant what were musical notes which were found on paper or other writing medium, and not what was heard.<sup>30</sup>

That is, adaption of the original musical work is also copyrightable. By adaptation in this relation, it is meant, alteration, re-arrangement or addition of accompaniments, new harmonies, rhythms to the old or existing musical work will also be copyrightable and will not be considered infringement. For ex. making of remixes of an old version of music is allowed (upon the consent of the composer).

It is to be noted that a SONG holds no copyright *per se*. A song comprises of the lyrics and the music. For the lyrics, copyright subsists with the original author who writes them down and for the music, the original composer who composes the harmonies.

In a landmark case of *Indian Performing Right Society Ltd. v. Super Cassette Industries Ltd.*,<sup>31</sup> Justice Krishna Iyer observed “copyrighted music is not the soulful tune, the superb singing, the glorious voice or the wonderful rendering. It is the melody or harmony reduced to print, writing or graphic form. The Indian music lovers throng to listen and be enthralled or enchanted by the nada brahma, the sweet concord of sounds, the raga, the bhava, the layaad the sublime or exciting singing.”

Section 2(d) states that the ‘composer’ will be considered as the author of such a musical work for the purpose of copyright.

The holder of copyright in dramatic work has the following rights as per section 14(a)-

- to reproduce the work in any material form including the storing of it in any medium by electronic means;
- to issue copies of the work to the public not being copies already in circulation;

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<sup>30</sup>*Star India Pvt. Ltd. v. Piyush Agarwal*, 2014 (58) PTC 169 (Del) at p. 179.

<sup>31</sup> (1977) 2 SCC 820 at p. 834.

- to perform the work in public, or communicate it to the public;
- to make any cinematograph film or sound recording in respect of the work; (v) to make any translation of the work;
- to make any adaptation of the work

### ORIGINAL ARTISTIC WORK

According to section 2(c)“artistic work” means,—

- (i) a painting, a sculpture, a drawing (including a diagram, map, chart or plan), an engraving or a photograph, whether or not any such work possesses artistic quality;
- (ii) a [work of architecture]; and
- (iii) any other work of artistic craftsmanship;

As stated earlier, adaptation of original artistic work is also copyrightable i.e., alteration or rearrangement of such work; or conversion of the artistic work into dramatic work by way of performance in public or otherwise.<sup>32</sup>

As per the above section, following fall within the purview of artistic work:

- Paintings- Aesthetics of painting are irrelevant and it will nevertheless be copyrightable provided it is original. Facial makeup does not fall under the purview of painting.
- Sculpture- A sculpture is a three-dimensional representation of an idea/work made from a variety of materials such as stone/wood/clay/metal and similar materials. It has been defined under Section 2(za) of the Act.
- Drawings- Drawings are considered to be artistic work and copyright protection cannot be denied to it based on its simplicity. However, se of sufficient skill, labor must be apparent from such drawings.

Drawings also include maps, diagrams, charts or plans. It also includes mechanical, engineering and industrial drawings. Copyright subsists in all these drawing variants. Cases of copyright infringements of industrial drawings are very common and popular.

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<sup>32</sup> Section 2(a)(ii) and Section 2(a)(v).

- Photograph- A photograph is entitled to copyright protection as long as it's the original work of the author and shows some skill and labor. In this case skill will be apparent from the pose captured, its setting and moment.
- Engravings- As per section 2 (i) “engravings include etchings, lithographs, woodcuts, prints and other similar works not being photographs”. Although the engraver is mostly a copyist, however in order to engrave a certain work requires considerable skill of such engraver. Therefore, copyright individually subsists in his work.
- Works of Architecture- Section 2 (b) defines works of architecture as “any building or structure having an artistic character or design or any model of such a building or structure. “As stated in the definition, in order to attain copyright protection, it is important for the work of architecture to possess artistic quality and not just labor and skill. This is not the case of other artistic works. Also, work of architecture not only comprises of the structure, but also its model.

Section 2(d) states that the ‘artist’ will be considered as the author of such artistic work for the purpose of copyright. As regards photographs, the person taking the photograph will be considered as the author.

The holder of copyright in dramatic work has the following rights as per section 14(c)-

- to reproduce the work in any material form including—
  - (A) the storing of it in any medium by electronic or other means; or
  - (B) depiction in three-dimensions of a two-dimensional work; or
  - (C) depiction in two-dimensions of a three-dimensional work;
- to communicate the work to the public;
- to issue copies of the work to the public not being copies already in circulation;
- to include the work in any cinematograph film;
- to make any adaptation of the work;

### CINEMATOGRAPH FILMS

Section 13(1)(b) of the act provides for copyright protection of Cinematograph films. The Copyright Act, 1957 defines cinematograph films to mean “any work of visual recording and includes sound recording accompanying such visual recording and the expression ‘cinematograph’ shall be construed as including any work produced by any process analogous to cinematography including video films.”<sup>33</sup> Visual Recording means “the recording in any medium, by any method including the storing of it by any electronic means, of moving images or of the representations thereof, from which they can be perceived, reproduced or communicated by any method.”<sup>34</sup> Sound Recording means “a recording of sounds from which such sounds may be produced regardless of the medium on which such recording is made or the method by which the sounds are produced.”<sup>35</sup>

Section 2(d) states that the ‘producer’ will be considered as the author of such cinematograph film and sound recording for the purpose of copyright.

It is important to note that unlike literary, dramatic, musical and artistic works, the statute doesn’t explicitly provide that cinematograph films need to be original. A television serial or a film (such as a documentary) may be based upon a real life incident. However, Section 13(3) doesn’t provide that the major part of such a film must not be copyright infringement.

The holder of copyright in a cinematograph film has the following rights as per section 14(d)-

- to make a copy of the film, including-
  - (A) a photograph of any image forming part thereof; or
  - (B) storing of it in any medium by electronic or other means;
- to sell or give on commercial rental or offer for sale or for such rental, any copy of the film;
- to communicate the film to the public

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<sup>33</sup> Section 2(f) of the Copyright Act, 1957.

<sup>34</sup> Section 2(xxa) of the Copyright Act, 1957.

<sup>35</sup> Section 2(xx) of the Copyright Act, 1957.

The holder of copyright in a sound recording has the following rights as per section 14(e)-

- to make any other sound recording embodying it including storing of it in any medium by electronic or other means
- to sell or give on commercial rental or offer for sale or for such rental, any copy of the sound recording;
- to communicate the sound recording to the public.

When the author or lyrical work (literary) and the composer of sound tracks (musical) decide to include their work in the film of a producer, their respective works become a part of the cinematograph films and a distinct copyright is created as a whole.

### **c. Performers & Broadcasters Rights**

**PERFORMER'S RIGHTS (Section 38)**- As regards the actors/artists who perform in a cinematograph film are not protected by the copyright held by the film as a whole. Their rights are governed under the provisions of 'performers rights' prescribed under Section 38 of the Copyright (Amendment) Act, 1994. A performer under this section includes an acrobat, musician, singer, actor, juggler, snake charmer, a person delivering lecture or any other person who makes a performance. Performer's right subsists for a period of 25 years. A performer has the following rights-

- a. to make sound recording or visual recording of their performance;
- b. to reproduce a sound record or visual record of their performance;
- c. to broadcast the performance;
- d. to communicate the performance in public.

There is no copyright in 'live events' but where the live events include the performance of any performers the broadcasting of and sound recording of such live events cannot be done without the permission of such performers.

### **RIGHTS OF BROADCASTING ORGANISATIONS (Section 37 & 39)**-

Section 37 of The Copyright (Amendment) Act, 1994 has provided for 'Broadcasting Reproduction Right' to the broadcasting organizations such as Television and Radio as regards copyright infringement. It states that every broadcasting organization will have such reproduction rights for a period of 25 years. For ex. a particular Indian TV Soap owned by a particular channel cannot be shown (in part or full) by any other channel without the consent of such a broadcaster. Some of such infringing acts done without the consent of owner are-

- Re-broadcasting the broadcast;
- Causing the broadcast to be seen and heard in public upon payment of fees;
- Making sound or video recording of such broadcast; or making its reproductions.
- Selling or hiring to the public such a sound or video recording.

Section 39 provides such acts which do not constitute infringement. These are-

- Making sound or video recordings for private use or for *bona fide* purposes such as teaching or research;
- The use consistent with fair dealing of excerpts of broadcast in the reporting of the current events or for *bona fide* review or research.
- Such acts with necessary adaptations & modifications, which do not constitute infringement of copyright under Sec 52.

#### **d. REGISTRATION & INFRINGEMENT OF COPYRIGHT**

As briefly stated before, unlike trademarks and patents registration of copyright is totally optional and it is not the deciding factor as regards its ownership and rights. Copyright subsists in every work immediately from the time it is created. The benefit of registering a copyright is that in case of any dispute as regards its authorship or otherwise, registration in one's name raises a presumption as regards ownership in favor of the applicant. No provision in the Act deprives the author of his rights merely on the grounds of non-registration of his work.<sup>36</sup> The Delhi High Court in *Rajesh*

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<sup>36</sup>*Nav SahityaPrakashv. Anand Kumar*, AIR 1981 All 200.

*Masrani v. Tahiliani Design Pvt. Ltd.*,<sup>37</sup> also observed that the suit for damages for infringement of copyright, the registration is not compulsory for claiming copyright under Copyright Act, 1957.

The procedure for Registration is provided under Rule 16 of Chapter VI, Copyright Rules, 1958. A single application of copyright must relate to a single work and be filed in the prescribed manner upon payment of the prescribed fee in triplicate.

The procedure for registration in practical circumstances varies as regards the kind of work. In case of Artistic work, the application for registration has to be first filed in the Trademark Office in order to obtain the 'No Objection Certificate' from it; and thereafter such a NOC is filed in the Copyright Office to obtain the Registration Certificate. A speedy procedure to this effect is also available in case of time shortage. However, for Literary, Dramatic, Musical, Cinematograph works and Sound Recordings, the procedure is relatively simpler. Kindly refer to the slides as regards the procedure for copyright registration.

#### e. **INFRINGEMENT OF COPYRIGHT**

Section 51 of the Copyright Act, 1957 provides for infringement of copyright. Such a provision has been provided to safeguard the interest of the right holder so that he can continue to innovate. Section 52 provides a few exceptions to the rule of infringement whereby the public has been given certain rights in the work of such an author as 'permitted uses. Section 51 states as under:

“ Copyright in a work shall be deemed to be infringed-

a. when any person, without a license granted by the owner of the Copyright or the Registrar of Copyrights under this Act or in contravention of the conditions of a license so granted or of any conditions imposed by a competent authority under this Act-

i. does anything, the exclusive right to do which is by this Act conferred upon the owner of the copyright, or

ii. permits for profit any place to be used for the communication of the work to the public where such communication constitutes an infringement of the copyright in the

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<sup>37</sup> AIR 2009 Del 44.

work, unless he was not aware and had no reasonable ground for believing that such communication to the public would be an infringement of copyright, or]

b). when any person-

- i. make for sale on hire, or sells or lets for hire, or by way of trade displays or offers for sale or hire, or
- ii. distributes either for the purposes of trade or to such an extent as to affect prejudicially the owner of the copyright, or
- iii. by way of trade exhibits in public, or
- iv. imports into India, any infringing copies of the work:

Provided that nothing in such clause (iv) shall apply to the import of one copy of any work for the private and domestic use of the importer.

**Explanation** – For the purposes of this section, the reproduction of a literary, dramatic, musical or artistic work in the form of a cinematograph film shall be deemed to be an "infringing copy".

#### EXPLANATION OF SECTION 51

Section 51 comprises of two parts, sub-section (a) and sub-section (b).

Sub-Section 51(a)- These are regarded as the primary acts of infringement. When any person does anything or causes anything to be done without the leave and license of the owner of copyright as regards his work, he is said to have infringed his rights. For ex. If any person issues or authorizes to issue infringing copies of another's work without license in a way so as to prejudice the business of the real owner, he shall be liable for infringement. Section 51(a)(ii) state that copyright will be deemed infringed even when any person without permission from the owner permits for profits the use of his place for communication of the work to public. In this case the essential thing to be noted is that the place should be used for profits and not domestic use to amount to infringement. The place can be of any kind. It can be a public place, library, personal property, stadium<sup>38</sup>, anything. This section further states that such an act of space usage must be intentional in order to be a party to infringement. In case a person was not aware or had no reasonable grounds of believing that his place is being used for

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<sup>38</sup>*Indian Performing Right Society Ltd. v. Gauhati Town Club*, 2014 (58) PTC 513 (Del) at p.516.

infringing goods he shall not be held accountable. In a leading old case of **S.K.**

**Dutt v. Law Book Co.**,<sup>39</sup> the Allahabad High Court observed that “the infringement comes in only when it can be shown that someone has, instead of utilizing the available sources to originate his works, appropriated the labors of another by resorting to a slavish copy of mere colorable imitation thereof. The ‘*animus furandi*’, that is, an intention to take from another for purposes of saving labor, is one of the important ingredients to be found against a defendant before he can, in a suit under the Copyright Act, be damnified”.

A work is usually said to be infringed if it is copied. Copying may be of the following kinds:

- **Direct Copying-** Colorable imitation of an existing work is known as direct copying. This happens when an existing work is reproduced into a new work. It is impractical to suggest what should be the degree of resemblance between both the works. Such resemblance may vary from case to case and has to be seen objectively from the point of view of the reader/viewer. The conclusion must depend really on the effect produced upon the mind by a study of the picture, and of that which is alleged to be a copy of it, or at least of its design<sup>40</sup>.
- **Indirect Copying-** Indirect copying happens when one form of work is copied into another form. For ex. if a novel is converted into a movie without the consent of the author, indirect infringement happens. However, reverse engineering of an existing work in order to know its components and process in order to come up with an entirely new work is not considered infringement.<sup>41</sup>
- **Subconscious Copying-** Copying may occur subconsciously where a person reads, sees or hears a work, forgets about it but then reproduces it, genuinely believing it to be his own.<sup>42</sup> Proof of such a copying depends upon a number of elements such as degree of familiarity to prior work etc.

**Sub-Section 51(b)-** This second part of Section, further elaborates the domain of ‘infringement of copyright’. It states that any person is said to have infringed a

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<sup>39</sup> AIR 1954 All 570.

<sup>40</sup> *K.S. Gita v. Vision Time India Pvt. Ltd.*, 2011 (45) PTC 393 (Mad) (DB) at p. 398.

<sup>41</sup> *J.C. Bamford Excavators Limited v. Action Construction Equipment Limited*, 2006 (33) PTC 161 (Del.).

<sup>42</sup> *Francis Day v. Bron*, (1963) CH. 587.

copyright when he makes for sale or hires, or sells or lets for hire, or by way of trade displays or offers for sale or hire, or distributes or exhibits in public or imports for commercial use the infringing copies of the work. This section makes selling, hiring, displaying, importing and exhibiting of infringing goods for commercial use an offence. However, import of one copy of any work for the private and domestic use of importer is allowed.<sup>43</sup> In *J.N. Bagga v. All India Reporter Ltd.*,<sup>44</sup> the Bombay High Court observed that if a book is displayed in the showcase of a shop, undoubtedly it is display by way of trade and thereby infringement. The Court further observed another point i.e., mere making of an infringing work is not an offence *per se* as per section 51(b). It is the making of sale or hire that is an offence. In *Penguin Books Ltd., v. India Book Distributors*,<sup>45</sup> The Delhi HC stated that importation of infringing copies into of a work without the consent of the owner located in India is an offence even though the owner in another country of the copyright has consented. That is in America, the impugned infringing goods were lawfully published, but they cannot cross the Indian borders without infringing the copyright of the exclusive licensee. The term ‘infringing copy’ has been defined under section 2(m) of the Copyright Act, 1957 as regards different works.

A passing off action is also maintainable under copyright law like in trademark law. The Division Bench of Delhi High Court has observed in a leading case that a passing off action will be maintainable in a copyright suit also whereby the claim is not based on infringement of copyright but the damage of reputation and goodwill if the plaintiff by deceit and misrepresentation<sup>46</sup> (for example by false advertising). One such illustration is a leading case of *Bharati Cellular Ltd. v. Jai Distillers P Ltd.*,<sup>47</sup> In this case the plaintiff was the proprietor of the copyright label “AirTel” and the defendants adopted the identical label on its whiskey bottles with exact same style and color scheme. The court held that the defendants were passing off the goods of the plaintiff and passed a restraining order against them.

### THINGS TO REMEMBER FOR COPYRIGHT INFRINGEMENT

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<sup>43</sup> Section 51(b) of the Copyright Act, 1957.

<sup>44</sup> AIR 1969 Bom 302.

<sup>45</sup> AIR 1985 Delhi 29.

<sup>46</sup> *Time Warner Entertainment Company v. RPG Netcom*, 2007 (34) PTC 668 (Del) (DB) at p. 675.

<sup>47</sup> 2006 (33) PTC 220 (Bom).

- Infringement occurs even if the new work is not the exact reproduction of the prior work, but there is a substantial part of it which has been copied. Such a ‘substantial part’ is a question of fact and varies from case to case. It can be judged by only a third person who reads/sees both works together to judge whether they are similar or not.
- Infringement only occurs with respect to ‘work’ and not with respect to ideas or plots or themes.
- In order to prove infringement, the plaintiff must prove that the defendant has copied from his work. In other words, causal connection between the works of the plaintiff and defendant must be established.

The Copyright Board has very technically discussed infringement of the copyright in the case *Hindustan Pencils Ltd. v. Alpha Cottage Industrials*,<sup>48</sup> concerning the popular ‘Natraj Pencils’. In this case the similarity was claimed in the get up and color combination of the pencils of the petitioners and respondents. While the similarities were very apparent, the dissimilarities were very minor and it was held that the registration of the artistic work of the respondents would injure the goodwill of the petitioners and thereby it was ruled in favor of the petitioners.

#### STATUTORY EXCEPTIONS TO INFRINGEMENT- SECTION 52

This section provides such acts that do not constitute infringement of copyright. The constitutional intent behind providing for such exceptions was to strike a balance between author’s rights as well as public interest. These exceptions generally include such uses or reproduction, adaption & translation thereof, wherein the work is used for private study & research.

Section 52 lists the acts which do not constitute infringement of copyright. These are:

1. A fair dealing with literary, dramatic, musical or artistic work not being a computer programme for the purposes of private use including research, criticism or review, making copies of computer programme for certain purposes, reporting current events

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<sup>48</sup> 2001 PTC 504 Goa (CB).

in newspapers & magazines or by broadcasting or in a cinematograph film or by means of photographs.

2. Reproduction of judicial proceedings & reports thereof, reproduction exclusively for the use of members of legislature, reproduction (artistic work excluded) in a certified copy supplied in accordance with law.
3. Reading or recitation in public of extracts of literary or dramatic work.
4. Publication in a collection for the use in educational institutions in certain circumstances.
5. Reproduction by teacher or pupil in the course of instructions in certain circumstances.
6. Performance in the course of activities of educational institutions in certain circumstances.
7. The making of sound recording in respect of any literary, dramatic or musical work, if-
  - I. No alterations shall be made which have not been made previously by or with the consent of the owner of rights, or which are not reasonably necessary for the adaptation of the work for the purpose of making the sound recording;
  - II. The sound recordings shall not be issued in any form of packaging or with any label which is likely to mislead or confuse the public as to their identity;
  - III. No such sound recording shall be made until the expiration of two calendar years after the end of the year in which the first sound recording of the work was made;
  - IV. The person making such sound recordings shall allow the owner of rights or his duly authorized agent or representative to inspect all records and books of account relating to such sound recording:

Provided further that if a complaint brought before the Copyright Board to the effect that the owner of rights has not been paid in full for any sound recordings purporting to be made in pursuance of this clause, the Copyright Board is, prima facie, satisfied that the complaint is genuine, it may pass an order *ex parte* directing the person making further copies and, after holding such inquiry as it considers necessary, make such further order as it may deem fit, including an order for payment of royalty.
8. The causing of sound recording to be heard in public utilizing it in an enclosed room or in clubs in certain circumstances.
9. Performance in an amateur club given to a non-paying audience or for religious institutions.

10. Reproduction in newspaper and magazine of an article on current economic, political, social or religious topics in certain circumstances.
11. Publication in newspapers or magazines a report of a lecture delivered in public.
12. Making a maximum of three copies for the use of a public library.
13. Reproduction of unpublished work kept in a museum or library for the purpose of research or study.
14. Reproduction or publication of any matter published in official Gazette or reports of Government Commissions/Committees or other bodies appointed by Government.
15. Reproduction of any judgment or order of Court, tribunal or other Judicial authority not prohibited from publication.
16. Production or publication of a translation of Acts or Legislature or Rules.
17. Making or publishing of a painting, drawing or photographs of a work of architecture.
18. Making or publishing of a painting, drawings, or photographs or engraving or sculpture or other artistic work permanently situate in a public place.
19. Inclusion in a cinematograph film of any artistic work permanently situate in a public place and other artistic work by way of background or incidental to the principal matter represented in the film.
20. Reproduction for the purpose of research or private study or with the view to publication of an unpublished literary, dramatic or musical works kept in a library, museum or other institution to which the public has access.

The provision of this clause shall apply only if such reproduction is made at a time more than 60 years from the date of the death of the author.

The period which was 50 years in the 1957 Act has been amended to 60 years by the Copyright (Amendment) Act, 1999.

The exceptions to infringement listed under section 52(1) in relation to literary, dramatic, musical or artistic work will apply also in relation to any translation or adaption of such work.

Section 52(aa) provides exceptions with regard to computer programmes. It states that the following acts do not constitute infringement:

- A. The making of copies or adaptations of a computer programme by the lawful possessor of a copy of such computer programme from such cope-
  - in order to utilize the computer programme for the purpose it was supplied for; or
  - to make back-up copies as temporary protection from loss or damage.

- B. The doing of any act necessary to obtain information essential for operating inter-operability of an independently created computer programme.
- C. The observation study or test of function of the computer programme.
- D. Making of copies or adaptations of computer programmes for personal or non-commercial use. Eg. Saving of work on Microsoft word for protection from loss.

In a leading case of *Academy of General Education, Manipal v. B. MalliniMallya*<sup>49</sup> the Supreme Court set aside an injunction granted by the High Court against the appellants on the grounds that Section 52 provides for certain acts which do not constitute infringement. The issue was centered around a new form of 'Yakshagana dance' form which was developed by a person 'K' in the capacity of a Director of the Appellant. K, in its Will assigned the rights with respect to literary and artistic work in its copyright to the respondent. The appellant without the consent of the respondent performed the given dance in New Delhi. The respondent filed a suit for infringement in the District Court, which ruled in its favor. The High Court also upheld the decision of the District ruled and dismissed the appellant's appeal. Thereafter the Supreme Court reversed the order of the High Court citing Section 52 of the Act and ruled in favor of the Appellants.

### **REMEDIES AGAINST INFRINGEMENT OF COPYRIGHTS**

There are three kinds of remedies which are available with the plaintiff against the infringement of his copyright:

- a. CIVIL REMEDIES- Section 55 of the Copyright Act recognizes the civil remedies which are available to the plaintiff. These remedies include:
  - Interlocutory injunction- These are the temporary injunctions which the court gives against the defendants for the use of infringing goods by them. The plaintiff prays for such a relief to immediately protect their copyright. Such orders are either given *vide ex-partecourt* proceedings (i.e., without the presence of the defendants) or where both parties are heard. In order to get such a relief where the other side is not being heard as

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<sup>49</sup> (2009) 4 SCC 256.

well, the plaintiff must have a very strong case *per se*. He has to satisfy the court by establishing the following grounds:

- there is a *prima facie* case against the defendants i.e., the use of the infringing work is apparent on the face of it.
- The plaintiff has a considerable amount of goodwill and reputation. This is shown by way of documentary evidence such as advertisements, sales invoices, wide presence etc.
- The plaintiff's work is duly registered. If it is not registered, the plaintiff must show that his work has a long prior user, generally prior than the defendants.
- The balance of convenience is in favor of the plaintiff. That is, if the injunction is granted, the amount of relief that the plaintiff will get is more than the loss that the defendants will suffer.
- That the refusal to grant interim injunction will cause irreparable injury to the plaintiff and his entity.

The Supreme Court through various judgments has established these principles. One such leading case was *Shiv Kumar Chadha v. Municipal Corporation of Delhi*, (1993) 3 SCC 161.

- Anton Pillar Order- In these cases, the court may grant *ex-parte* orders, upon the application of the plaintiff accompanied by an attorney, to enter the premises of the defendants and make an inspection of the documents, infringing goods etc. and either remove them or seal them and declare it as court property. A court commissioner also accompanies such actions.

John Doe Orders- The Court has the power to restrain the parties other than the ones who have been impleaded in the suit and who are suspicious of infringing the goods of the plaintiff. These orders are therefore against unknown persons who have allegedly committed a crime but whose identity is not known. These orders are also known as 'Ashok Kumar Orders' where Ashok Kumar signifies the unknown entities.

- Permanent Injunction
- Damages
- Account of profits
- Rendition of Accounts

- b. CRIMINAL REMEDIES- In extreme circumstances, the plaintiff can file a complaint with the magistrate not inferior than Presidency Magistrate or Magistrate of the First Class, praying for initiating a search and seizure action (raid) on the premises of the defendants accompanied with filing of FIR and imprisonment of the accused along with fine. Sections 63, 63A and 63B specify the quantum of imprisonment along with fine depending upon the extent of infringement, the basic being imprisonment of minimum 6 months up to 3 years and fin between Rs. 50,000 up to Rs. 1 lakh.
- c. SEARCH AND SEIZURE ACTIONS- There are three modes by which a search and seizure action of infringing goods can be initiated at the premises of the accused infringer. There are-
- Upon the appointment of Local Commissioner by Civil Court- As discussed before, the court on being satisfied by the plaintiff, may direct a legal action to be taken under the supervision of the court (by appointment of a local commissioner) at the premises of the alleged offender and the infringing goods be sealed as court property.
  - Upon making a complaint with the Magistrate- As discussed, the complainant can make a complaint with the Magistrate (not lower than the Magistrate of the first Class) regarding the infringement and thereafter the Magistrate may direct the police authorities to conduct a raid seizing infringing goods, arresting the accused and lodging a FIR (Section 63).
  - Upon making a complaint with the Police- The complainant can also file a complaint with the police in whose jurisdiction the accused is operating to conduct a search and seizure action upon the accused. Thereafter, the police shall conduct a legal action and seize the infringing goods. FIR shall be filed and accused may be arrested. (Section 64)
- It should be noted that in order to take any aforesaid action by any authority, the aggrieved must first satisfy them about his rights in the copyrighted work.

### **JURISDICTION (SECTION 62)**

“(1) Every suit or other civil proceeding arising under this Chapter in respect of the infringement of copyright in any work or the infringement of any other right conferred by this Act shall be instituted in the district court having jurisdiction.

(2) For the purpose of sub-section (1), a "district court having jurisdiction" shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908),

or any other law for the time being in force, include a district court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or other proceeding or, where there are more than one such persons, any of them actually and voluntarily resides or carries on business or personally works for gain”

Thus, in copyright infringement matters, cases can also be filed in a court in whose jurisdiction the plaintiff resides or carries on business.

In a landmark case of *Dhodha House & Patel Field Marshal Industries v. S.K. Maingi & P.M. Diesel Ltd.*,<sup>50</sup> the issue of jurisdiction was rightly discussed in IPR violation matters. It was finally held that ‘the plaintiff having no branch office at Delhi, was not entitled to invoke the jurisdiction of courts at Delhi.

#### 4. MISCELLANEOUS

##### OWNERSHIP AND AUTHORSHIP OF COPYRIGHT

Section 17 of the Copyright Act, 1957 clearly states that except otherwise provided, the AUTHOR of any work will be the first and true owner of the copyright contained therein. The person who will be considered ‘author’ of different works has been stated under section 2(d) of the act. It states that-

“author” means, —

- (i) in relation to a literary or dramatic work, the author of the work;
- (ii) in relation to a musical work, the composer;
- (iii) in relation to an artistic work other than a photograph, the artist;
- (iv) in relation to a photograph, the person taking the photograph;
- (v) in relation to a cinematograph film or sound recording, the producer; and
- (vi) in relation to any literary, dramatic, musical or artistic work which is computer-generated, the person who causes the work to be created.

There are however, a few exceptions to the general rule provided under Section 17. These exceptions are mainly based upon the rule of ‘contract of service’ wherein the author being an employee of an entity creates such original copyrightable work in his course of employment or upon the instructions of the employer. In such a case, the

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<sup>50</sup> AIR 2006 SC 730.

copyright shall belong to the employer. The provisions of these exceptions are stated as under:

- (a) in the case of a literary, dramatic or artistic work made by the author in the course of his employment by the proprietor of a newspaper, magazine or similar periodical under a contract of service or apprenticeship, for the purpose of publication in a newspaper, magazine or similar periodical, the said proprietor shall, in the absence of any agreement to the contrary, be the first owner of the copyright in the work in so far as the copyright relates to the publication of the work in any newspaper, magazine or similar periodical, or to the reproduction of the work for the purpose of its being so published, but in all other respects the author shall be the first owner of the copyright in the work;
- (b) subject to the provisions of clause (a), in the case of a photograph taken, or a painting or portrait drawn, or an engraving or a cinematograph film made, for a valuable consideration at the instance of any person, such person shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein;
- (c) in the case of a work made in the course of the author's employment under a contract of service or apprenticeship, to which clause (a) or clause (b) does not apply, the employer shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein;

[(cc) in the case of any address or speech delivered in public, the person who has delivered such address or speech or if such person has delivered such address or speech on behalf of any other person, such other person shall be the first owner of the copyright therein notwithstanding that the person who delivers such address or speech, or, as the case may be, the person on whose behalf such address or speech is delivered, is employed by any other person who arranges such address or speech or on whose behalf or premises such address or speech is delivered;]

- (d) in the case of a Government work, Government shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein;

[(dd) in the case of a work made or first published by or under the direction or control of any public undertaking, such public undertaking shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein.]

(e) in the case of a work to which the provisions of section 41 apply, the international organization concerned shall be the first owner of the copyright therein.

[Provided that in case of any work incorporated in a cinematograph work, nothing contained in clauses (b) and (c) shall affect the right of the author in the work referred to in clause (a) of sub-section (1) of section 13.]

(An apprentice is a student or a trainee or an intern)

### **f.Contract of Service v. Contract for Service**

#### **Difference between a CONTRACT OF SERVICE AND CONTRACT FOR SERVICE**

Copyright belongs to the employer is case of Contract of Service. That is, if the author of a work is working under the direction and control of the employer, the first owner of copyright shall be the owner.

However, in case of a Contract for Service, the employer hires the author as an independent contractor and leaves it up to him the manner in which he should do the work. For ex. an architect constructing a particular building. In this case the copyright belongs to the author and not the owner.

### **TERM OF COPYRIGHT**

Term of copyright is determined keeping in mind both the interest of the author as well that of the public. Copyright Act provides various provisions wherein the term of copyright for different works is specified. The same are as under:

- For literary, dramatic, musical & artistic work (Section 22)- 60 years
- For anonymous & pseudonymous works (Section 23)- 60 years
- For posthumous works (Section 24)- 60 years
- For photographs (Section 25)- 60 years
- For cinematograph films (Section 26)- 60 years

- For sound recordings (Section 27)- 60 years
- For Government works/public undertakings (Section 28)- 60 years
- For works of international organizations (Section 29)- 60 years
- For Broadcast reproduction rights [Section 37(2)]- 25 years
- For Performer's right [Section 38(2)]- 25 years

### **g. ASSIGNMENT OF COPYRIGHT**

Sections 18, 19 and 19A provide for the rules concerning assignment of copyright and the mode in which it has to be affected.

Section 18 states that the owner of copyright (i.e. the author) may assign his rights in existing or future work (when it comes into existence) either wholly, partly, for whatever specified term. It also states that no such assignment will be applied to such mode of exploitation of the work which was not in existence at the time of agreement of assignment. Also, this section forbids such contracts between the author of literary, musical work included in cinematograph film or sound recording and the assign, to waive or assign his rights to receive royalties of the copyright except to the author's legal heirs and copyright societies.

Section 19 provides for the mode of assignment. It provides for the following:

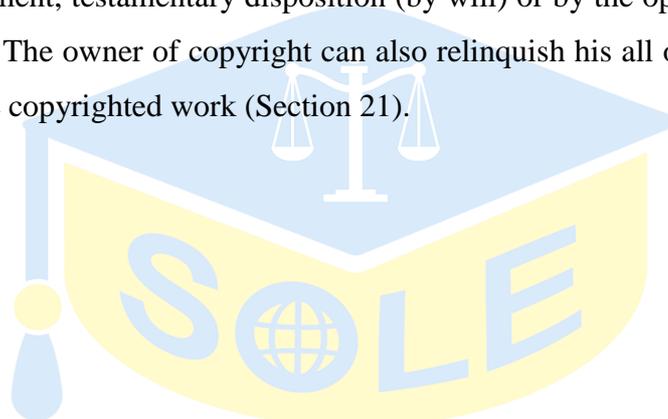
- Every assignment should be in writing and duly signed by the assignor or his authorized agent.
- Assignment must specify the rights assigned, duration and territorial extent of such assignment. Where there is no duration specified, it shall be deemed to be 5 years from date of assignment. And where no territorial extent is specified, it shall be deemed to be within India.
- The assignment must specify the amount to royalty or any other consideration to be payable to the author or his legal heirs, including terms relating to its revision, extension and termination.

- Where the assignee does not exercise the rights assigned to him, within a period of one year from the date of assignment, the assignment in respect of such rights shall be deemed to have lapsed unless otherwise specified in the assignment.

The above requisites shall not apply to assignments arrived into before the enactment of The Copyright (Amendment) Act, 1994.

Section 19A provides that any dispute arising between the assignor and the assignee shall be decided by the Appellate Copyright Board. These disputes may be as regards royalty or violation of any terms of the agreement or where the assignor has applied to the board for revocation of the assignment.

Copyright is kind of a personal movable property of the author. It can be transferred either by assignment, testamentary disposition (by will) or by the operation of law i.e., the owner dies. The owner of copyright can also relinquish his all or any of his rights comprised in the copyrighted work (Section 21).



### III. PATENT LAW- The Patents Act, 1970

#### **The Patent Act, 1970**

- Introduction- Meaning and Types of Patents**
- Pre-requisites for obtaining Patents- Novelty, Inventive Step, Industrial Application**
- Non- Patentable Inventions**
- Product and Process Patents**
- Compulsory Licensing**
- Procedure for Grant of Patent- Application for patent, Specifications (Provisional/Complete Specification), Publication, Examination, Amendment/Division of Application, Opposition Proceedings (Post Grant/Pre-Grant), Grant of Patent**
- Rights of Patentee (Sec 48)**
- Infringement of Patents - Doctrine of Pith & Marrow, Action for Infringement, Reliefs available in suit for infringement, Revocation of Patent**

#### **a. Introduction- Meaning and Types of Patents**

### Meaning of Patent:

The Patent Act, 1970 doesn't explicitly defines the term Patent. Section 2(1)(m) simply states that the Patent is the 'Patent for any invention granted under this Act.' Patent may be understood as an exclusive right granted to a person to make use, exercise and vend his invention for a limited period of time (20 years) and upon disclosing the complete specifications of his invention. It is kind of a privilege granted by the Government to the inventor (patentee) to monopolize his invention for a limited period of time which is 20 years, after which such an invention will come in the public domain. Patent is a non-renewable right. Patent is a kind of intellectual property right of a person. This right of the patentee also involves his right to sell a part/whole of his patent or license it or assign it to another entity.

Patent law recognizes the exclusive right of the patentee to derive commercial advantage of his invention. The object behind granting such a right is to 'encourage scientific research new technology and industrial progress. It stimulates new inventions of commercial utility' as stated by the Supreme Court in the landmark case of *Biswanath Prasad RadheyShyamv. Hindustan Metal Industries, (1979) 2 SCC 511*.

### **b. Pre-requisites for Obtaining Patent**

A Patent can be obtained only for an invention. Section 2(1)(j) of the Act defines invention as: 'invention means a new product or process involving an inventive step capable of industrial application.' Thus, from the definition following pre-requisites of patentability can be drawn:

#### I. NOVELTY (NEW INVENTION)

Novelty is the first prime essential to the grant of patent. Any invention to be patented has to be absolutely new or novel as regards the prior art (prior knowledge) or anticipation of the prior art anywhere in the world. That is to say, such a technology should be outside the public domain as on the date of filing of the patent application.

Prior art is all information knowledge relating to the invention as on the date of patent application. This includes any kind of publication or demonstration of the invention in exhibitions, fares, conferences, oral description & explanation in public forum. All this spoil its novelty.

The Court has rightly stated in the landmark case of *F. Hoffman-La Roche Ltd. v. Cipla Ltd.*,<sup>51</sup> that whether an alleged invention involved novelty and an inventive step was a mixed question of law and fact, depending largely upon the circumstances of the case.

### Exceptions

However, in case such a publication/demonstration is at exhibitions notified by the Central Govt. in the official gazette, invention shall not be anticipated for a period of 12 months. Thus, a patent application can be filed within such a buffer period of 12 months. Prior art will not be anticipated when the invention was published without the consent of the inventor and the patent application is thereafter filed by him within a reasonable time. Knowledge of invention by a small group of people bound by confidentiality contracts shall not anticipate invention.

## 2. INVENTIVE STEP

Section 2(1)(ja) of the Act defines Inventive step as ‘inventive step means a feature of an invention that involves technical advance as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art.’ Inventive step basically means that the invention should be technically superior to the existing technology and a non-obvious one in the existing state of affairs. As per its definition 2 conditions have to be met to prove inventive step:

- Invention should involve technical advance or economic significance or both
- The invention should be non-obvious to the persons skilled in the existing art.

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<sup>51</sup> 2016 (65) PTC 1 (Del) (DB), p. 16.

- A. Technical advance- This means that an invention will be patentable if it involves a new and useful ‘manner of manufacture’ or method of production. Technical advance can be either in the process of manufacture or the end product also. Whether or not an invention has technical advance can be proved by way of a ‘vendibility test’. An invention involves a useful manner of manufacture if (i) it results in the production of vendible product; (ii) improves or restores a former condition of a vendible product (iii) preserves from deterioration some vendible product. Vendible product means a saleable product. For eg. Method for producing light or generating electricity cannot be patented as light and electricity are not vendible products.

In *CTR Manufacturing Industries Limited v. Sergi Transformer Explosion Prevention Technologies Pvt. Ltd.*<sup>52</sup> the court stated that the degree of inventiveness is irrelevant. Slight alterations and improvements may yield dramatically important results and might be the result of very great ingenuity.

- B. Economic significance- This means that the invention must be of some use to the mankind. Even though an invention may be novel and totally non-obvious but is of no economic or human use that it can't be patented.
- C. Non-obviousness of an invention-The invention should be such which is non-obvious to the man skilled in the art of the subject matter. If such a skilled person can easily combine prior art references and make the invention without using his imagination and inventive mind then the invention will simply be an obvious one.

### 3. INDUSTRIAL APPLICATION

This is the final condition of patentability. Any invention must be of commercial utility (including social benefit) and one should be able to use it in one or more industry. Section 2(ac) of the Act states that an invention is capable of industrial application if it can be made and used in an industry. Also, such an invention should have the feature of being replicated number of times. For eg. A simple pen is of no industrial use if it cant be produced repeatedly.

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<sup>52</sup> 2016 (65) PTC 262 (Bom), p. 288.

c. **NON-PATENTABLE INVENTIONS- Sections 3 and 4 of Patents Act**

As per Section 3 of the Act, following inventions are non-patentable:

1. Inventions which are frivolous or against the well established natural laws [Sec 3(a)]- Frivolous inventions would mean something that is already existing for eg. A camera which on's and off's on its own. A machine giving output without input is non-patentable as its against the natural laws.
2. Inventions whose use is contrary to the public order, morality or injurious to human life or plant life or animal life in any manner[3(b)]- for eg. Manufacturing devices to commit suicide are non-patentable.
3. Discovery of a scientific principle or any living or non-living substances in nature [3(c)]- Any scientific principle is per se not patentable. For eg. Principle of gravity, pythagorus theorem etc. However, a principle coupled with an inventive method of affecting it can be patented.
4. New Form, New Property or New Use of a Known Substance [3(d)]- The mere discovery of a new form of a known substance which doesn't result in the enhancement of the efficacy of that substance or the mere discovery of a new property or a new use of a known substance or the mere use of a known process, machine or apparatus unless such a known process results in a new product or employs atleast one new reactant is non-patentable.

Explanation- For the purposes of this clause, salts, esters, ethers, polymorphs, metabolites, pure form, particle size, isomers, mixtures of isomers, complexes, combinations and other derivatives of known substance shall be considered to be the same substance, unless they differ significantly in properties with regard to efficacy.

This section makes the following non-patentable:

- Discovery of a new form of a known substance which doesn't enhance its efficacy
- Discovery of a new property of a known substance
- Discovery of a new use of a known substance
- Discovery of a mere use of known process, machine or apparatus unless such a known process results on a new product or employs atleast one new reactant.

Efficacy may be shown by showing improved effect in comparison with the original substance through objective scientific evidence. For eg., if existence of calcium in carbonate form is known, then its discovery in sulphate form will not be patentable unless calcium in sulphate form has an improved effect as that of its carbonate form.

In the landmark case of *Novartis AG v. Union of India*<sup>53</sup> the Supreme Court discussed the concept of efficacy in detail. It stated that ‘efficacy is the ability to produce a desired or intended result’. The test of efficacy will vary depending upon the function, utility and purpose of the substance in question and other circumstances. In case of pharmaceutical field, efficacy would mean therapeutic efficacy. In Novartis Case, the Madras High Court denied patent protection to the company which claimed to have made a substantial change to an already patented medicine so that the medicine would be easily absorbed by the human body. The court denied the patent on the ground of ‘inventiveness’. READ THE NOVARTIS CASE AND THE SUPREME COURT DECISION. STATE THE FACTS AND DECREE.

5. Mere Admixture [Sec 3(e)]- a substance obtained by a mere admixture resulting only in aggregation of the properties of the components thereof or a process for producing such substance-
6. Mere arrangement and re-arrangement of devices[Sec 3(f)]- Mere compilation of known devices with known working cannot be patentable as long as they are not interdependent on each other. For eg. Combing hair and blow drying it together cannot be patented. However, blow-drying along with combing by the same device may be patentable as they are interdependent.
7. Methods of Agriculture and Horticulture are not patentable[S3(h)].
8. Medical methods and treatments are not patentable [S3(i)]- for eg., a process for treating a malignant heart artery blockade cannot be patented. However, equipment’s, implements and substances used to treat a medical condition may be patented. For eg., a specific hearing aid device may be patented.
9. Plants and Animals of any kind except micro-organisms is not patentable[S 3(j)].

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<sup>53</sup> 2013 (54) PTC 1 (SC) at p. 76-77.

10. Mathematical Algorithms and Computer programs [S 3(k)]- A mathematical or business method or a computer programme per se is not patentable- for ex. Mathematical methods such as addition, subtraction, integers, unitary method etc. are per se not patentable. Business methods such as selling articles by participating in exhibitions is also not patentable. Computable programmes are not patentable other than its technical application to industry or in combination with hardware. However the same can be protected under the Copyright law.
11. Copyrightable works [S 3(l)]
12. Mental Act and method of playing game [S3 (m)]
13. Presentations [S 3(n)]
14. Integrated Circuits [S 3(o)]- Topography of integrated circuits is not patentable.
15. Traditional Knowledge [S 3(p)]- Traditional knowledge is the knowledge which is available with the Indian communities from generations and over a long period of time, being passed on and practiced ever since. For ex. Use of turmeric to heal wounds and weakness is a part of the traditional knowledge of India and is thereby not patentable. However, an invention which is based on the traditional knowledge might be patentable. For ex. An ointment for curing wounds made up of turmeric and many other medicinal ingredients may however be patentable.

Landmark case as regards the traditional knowledge is that of *Dhanpat Seth and Ors. v. Nil Kamal Plastic Grates Ltd.*, [2008 (36) PTC 123 (H.P.)(D.B.)]. In this case the patent had been granted to the plaintiff for the manufacture of the device used for manually carrying the agricultural produce in the hilly area which is durable and viable. However, this patent was opposed on the grounds that it was the duplication of traditional knowledge of 'kilta' which was very similar to that of the subject matter and therefore no invention was involved. The patent was denied to the plaintiff.

16. Inventions relating to Atomic Energy not patentable- [Sec 4]

#### **d. PRODUCT AND PROCESS PATENTS**

There are 2 types of Patents, Product Patents and Process Patents. Patent may be granted for the end inventive product produced by one or more alternate processes; or the inventive process by which an article or substance is produced. However for obtaining patent for such a product or process, the same should be novel, involving an inventive step and capable of industrial application.

In India, before the amendment of 2005 to the patents act, the granting of process patents were more common than the product patents. Section 5 of the Patent Act, 1970 (Before 2005 amendment) stated that for food, pharmaceuticals and chemicals only 'process patents' should be granted as product patents would be undesirable. Due to such a provision, more 'process patents' were granted and allowed products patented elsewhere in the world to be easily reverse engineered by the domestic (generic) companies and sold in India, due to lack of patent protection. This weekend the pharmaceutical patent protection in India for foreign companies and allowed domestic companies to manufacture their goods easily by reverse engineering at a much cheaper cost. Reverse Engineering is a process used to study or analyze a device in order to learn details of design, construction, and operation, perhaps to produce a copy or an improved version. For eg., life saving drugs for cancer, tumors, HIV AIDS were available at cheaper costs at the expense of foreign pharmaceutical companies.

TRIPs Agreement favored product patents and made India in 1995 to sign an agreement for promoting product patents also in the field of medicine and chemicals, thereby leading to the amendment of the Patent Act in 2005. It was of the view that such product patents would encourage Research and Development in India and would protect the products of the international pharma companies also. However, this would also mean that such lifesaving drugs would then be available to the normal consumer at a much higher rate than usual (if the generic companies were eliminated), which was also not in favor of public interest.

Thus, in light of the above discussion, several mechanisms under law were provided for drawing a middle path which would increase medical reachability to the normal consumer (by makes goods affordable) without prejudicing the patent protection rights. Some of these mechanisms are:

e. **COMPULSORY LICENSING (Sec 82 to 98)**

Compulsory license is a license granted by the government to a third party to manufacture, sell or work the patent invention without the permission of the patent holder. Compulsory license is granted to those patents whereby the public interest is not served or which impedes the protection of public health or national industrial

progress especially in those cases where crucial goods are not available at a reasonable price to consumers.

- h. Drug price control by the government is another way to control prices of patented medicines.
- i. Pre-grant oppositions also prevent the grant of patents to life-saving drugs and other indispensable goods.
- j. Encouraging drug donations by permitting tax savings to companies.

#### **f. PROCEDURE FOR THE GRANT OF PATENT**

The procedure for the grant of patent involves the following steps broadly:

- a. Filing of the application (including provisional/complete specifications)
- b. Publication of the application
- c. Examination of Application and Filing of Response thereto.
- d. Amendment/Division of Application as advised.
- e. Pre-grant oppositions proceedings may be filed
- f. Grant of Patent
- g. Post Grant Opposition Proceedings.

The patentee files a patent application in a prescribed form, upon the payment of a prescribed fee at the Indian Patent Office. The application is accompanied by the provisional or complete specification. Thereafter, the examiner examines the application and directs the patentee to respond to its various objections concerning the merits of the alleged invention, file the requisite documents and amend or divide its application as required. Once the requirements of the examiner are met, the Controller of Patents will then cause the application to be published in the government gazette which will be open to public oppositions for a stipulated period. Thereafter the patent is granted. Even after the grant of patent, the same will again be published in the government gazette for post grant oppositions.

It is to be noted that the rights of a patent applicant will start from the date of publication (and not application) before the grant.

## APPLICATION OF PATENT

According to Sec 6 following persons are entitled to apply for patent-

- a. the person claiming to be the true and first inventor of the patent
- b. by the assignee of the person claiming to be the true and first inventor of patents
- c. by the legal representative of any deceased person who was entitled to apply immediately before his death.

Such an application can be made either alone or jointly by the entitled person.

True and First Inventor is a person who conceived or made the invention and was the first one to apply patent for it. Such a claim to be the true and first inventor of a patent must be filed and is a mandatory requirement for the purpose of applying for patent (Sec 28). This term denoted the true and first inventor in the world. Following persons will not be considered to be the true and first inventor-

- a. Sec 2(y) states that the true and first inventor doesn't include either the first importer of the invention in India or the person to whom the invention is first communicated from outside India. Thus, if an invention is made outside India, there cannot possibly be a true and first inventor in India, even though he got the know-how of the invention or was the first one to apply patent in India.
- b. In case 2 people have independently developed an invention, the person who applies first for patent will be considered the true and first inventor, even though the other might have made it earlier in the point of time.
- c. A person who finances an invention but has no role in developing it will not be considered a true and first inventor.<sup>54</sup>
- d. A person who has just mooted or communicated the idea but hasn't developed the invention cannot be a true and first inventor.
- e. A firm or a company cannot be the true and first inventor, but can only be assignees.
- f. If there is a contract between the employer and the employee, then the employer will be the true and first inventor.

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<sup>54</sup>*V.B. Mohammed Ibrahim v. Alfred Schafraneck*, MANU/KA/0061/1960.

### Contents and Form of Application- Sec 7

This section states that the application for filing patent must be for an invention only and in the prescribed form to be filed in the patent office.

Every application shall state that the applicant is the true and first owner and has in his possession the invention. In case of an assignee, the applicant must provide the proof of his right to make the application. Every such application shall be accompanied with the provisional and complete specification.

### PROVISIONAL AND COMPLETE SPECIFICATION-

Sections 9 and 10 of the act provide for the timeline of filing the specifications with the Controller of Patents and the Contents that should be contained therein.

### Contents of Specifications (Sec 10)-

- Every specification (provisional or complete) must thoroughly describe the invention
- It shall offer a relevant title indicating the subject-matter to which the invention relates.
- The Controller may direct that the application be supplemented by drawings, models or samples that illustrates the invention clearly.
- Every complete specification must clearly describe the invention along with its operation or method of performance.
- Every complete specification must disclose the best method of performing the invention.
- Every complete specification must define the scope of protection claimed.
- Every complete specification must provide any necessary technical information.
- A declaration as regards the inventorship of the invention shall be furnished in the prescribed form with the complete specification or within a prescribed period.
- A complete specification may also include additions or developments made to the invention which were formerly described in the provisional specification.

If the application contains a biological material which cannot be explained by drawings or models or abstract or technically, then application shall be completed by depositing such a biological material to an international depository authority under the Budapest Treaty. Following contains should be fulfilled in such a case:

- a. the material should be deposited along with the filing of the patent application.

- b. All the characteristics and details of such a material should be properly identified and be indicated in the specification along with the name and address of the depository and the date and number of the deposit.
- c. The access to such a material shall be available to the depository institution only after the date of application of patent in India
- d. The source, geographical origin must be disclosed in the specification.

### Claim

A Claim is the most important part of the specification. It alone defines the monopoly right which the inventor seeks to exercise and the patentee is under a statutory obligation to state in the claim distinctly and clearly that what is the invention that he wants to protect.

### Priority Date- Section 11

Priority Date is the most important date for the invention. It is the date from which the patentee claims his invention. The Novelty/Newness of the invention is recognized by this date with reference to the existing state of knowledge.

There shall be a priority date for each claim of a complete specification. In other words, priority date is fixed only once the complete specification is filed.

Section 11 lays down detailed rules for fixing priority date in different case scenarios. Section 11 states the following instances:

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### Amendment of Specification

It is possible to amend the application and specification or any other document related thereto before the Controller of Patents, Appellate Board and High Court. Following sections state the instances of amendment:

- Section 15 states that the Controller may refuse the application or direct it to be amended, in case he is dissatisfied as regards its particulars or requirements.
- Section 57 of the act lays down the rules for amendment of application & specification. It states that the application for amendment should be made in the prescribed form before the Controller and shall state the nature of proposed amendment, give

particulars and reasons for change. The Controller shall not pass any order allowing or refusing amendment in case any suit is pending before a court for infringement of the patent or any proceeding is pending before the High Court for its revocation. It is possible to file an application of amendment of the priority date of claim as well. In case the amendment is to be made for a patent which has been granted, such an amendment may be published.

- Section 58 states that in cases where proceedings of revocation of patent are pending before the Appellate Court or the High Court, the Court may allow the complete specification of the patentee to be amended subject to conditions instead of declaring it invalid.
- Section 59 provides that No amendment of an application for a patent or specification shall be made except by way of a disclaimer, correction or explanation; and no amendment shall be allowed except for the purpose of incorporation of actual fact; and no amendment would be allowed if the effect of such amendment would claim and describe matter not in substance shown in the specification prior to amendment and would be out of its scope.

#### PUBLICATION OF APPLICATION- SECTION 11A

This section states that any application of patent will be only open to the public by way of publication upon the expiry of the prescribed period (which is 18 months as per Rule 24 of the Patent Rules, 2003 from the date of filing or the priority date whichever is earlier). The applicant may however, request the Controller to publish his application before the expiry of the prescribed period. Every application has to be published except in the following cases:

- Where in an application where the secrecy direction is imposed- This will however, be published after the expiry of such a secrecy direction or the prescribed period;
- Where the application has been abandoned under Section 9(1);
- Where the application has been withdrawn 3 months prior to the specified period.

Contents- The publication of every application should include the following-

- a. Date and Number of applications,
- b. Name and Address of the Applicant,
- c. An abstract,
- d. Specification and Drawings (upon request to the Controller),

- e. The Biological Material has to be made available by the Depository Institution to the public.

On and from the date of publication, the applicant will have the same rights and privileges as if the patent has been granted.

## EXAMINATION OF APPLICATION

### Request for Examination (Sec 11B)-

A request for examination to the Controller has to be made by the applicant in the prescribed form within the prescribed period (within 36 months from the date of application or the priority date whichever is earlier- Rule 24B) after the publication of the application. This is a mandatory requirement. If the Request is not made, the application will stand withdrawn.

Examination (Sec 12)- Once the request has been made, the Controller of Patents will then examine the application, specification and other documents thereto and shall issue a report within a prescribed time to its effect. The Controller shall examine the following matters in detail:

- Whether the application, specification and other related documents comply to the necessary requirement;
- Whether there is a lawful ground of objection to the grant of patent to application in question;
- The result of investigations made under Section 13;
- Or any other matter which may be prescribed.

### Anticipation (Sec 13)-

This section aims at ensuring that the invention, which is applied for patent protection is not devoid of novelty and has, not be anticipated before. That is, the examiner commits an investigation to see that the invention has not fallen into the public domain. The investigation is done in the following manner:

- a. The specifications of the applications filed for patent in India are analyzed to see the mention of the subject matter of the present application in any manner, which were

filed after 1<sup>st</sup> January, 1912 and before the date filing of the applicant's complete specification.

- b. Any other document published in any manner, in India or elsewhere before the date of the applicant's complete specification.

Such a report has to be furnished by the examiner to the Controller within 1 month or maximum within 3 months of time.

In case the Controller's report is adverse and according to him the application, specification and the documents are to be amended to be in accordance to the law, the Controller shall first communicate the errors and objections to the applicant and shall appoint a just hearing for him before disposing off his application (Sec 14). After the hearing, if the Controller is still satisfied that the documents are non-compliant with the legal provisions, he may refuse the application or direct for its amendment as necessary (Sec 15).

Power of Controller in case of Anticipation (Sec 18)- This section provides the Controller with the power to refuse the grant of patent to the applicant in cases of anticipation unless he shows to the satisfaction of the Controller that the date of claim of his complete specification is not later to the date on which the relevant document was published or he amends his complete specification to the satisfaction of the Controller.

#### Exception to anticipation (Sec 29 to Sec 34)

Following are the exception to the rule of anticipation:

- a. Sec 29- Previous Publication- Where the invention has been published without the consent of the applicant;
- b. Sec 30- Previous Communication to Government
- c. Sec 31- Public display – Mention of the invention in a paper by a learned society or its display in an exhibition with or without the consent of the first and true inventor shall not be considered as anticipation if the first and true inventor or any person deriving

title from him files an application for patent not later than 12 months from the opening date of the exhibition or the learned society.

- d. Sec 32- Public working of the invention- In cases where the invention has been publicly worked within one year of its priority date for the purpose of reasonable trial only and it was reasonably necessary by the patentee or the applicant or by anyone with the consent of the patentee or the applicant.
- e. Sec 33- In case the publication has been affected after filing of the provisional specification.

### AMENDMENT/DIVISION OF APPLICATION

Section 16 discusses the Division of Application –If the applicant of a patent application desires or in order to waive the objections made by the Controller during examination that his complete specification relates to more than one invention, he may divide his application and file an additional application to that effect, before the grant of patent. Along with such additional application, he shall have to file another complete specification which should not be beyond the scope of the first complete specification. The Controller may even require the original complete specification to be amended. The additional application and specification shall have the priority date of the original application.

The Controller upon the request of the applicant, may amend the date and postdate his application to such a date as requested by him. However, such a date should not be later than six-months from the date of making the request (Sec 17).

### OPPOSITION PROCEEDINGS TO THE GRANT OF PATENT- SECTION 25

Section 25 provides for two kinds of Opposition Proceedings that can be instituted-

PRE-GRANT OPPOSITION- Where an application for patent has been published but has not been granted, any person institute opposition proceedings against the grant of such a patent by way of filing a notice in writing, with the Controller. Rule 55 states that the Notice of Opposition shall be filed in Form 7 in duplicate with the Controller. Any person may file such an opposition. The opponent can claim any of the following

grounds:

- A. the applicant for the patent has wrongfully obtained the invention or any part thereof from him or from a person under or through whom he claims. Such a case happens where there are more than one inventor developing or working on an invention and one of them files a patent in his name alone.
- B. There has been a prior publication of the invention in any Indian specification or document in India or elsewhere in the world, before the priority date of the subject invention.
- C. The invention has been the subject matter of a prior claim in an application which is prior in time than the applicant's claim.
- D. the invention was publicly known or publicly used in India before the priority date of that claim.
- E. the invention is obvious and clearly does not involve any inventive step
- F. The subject matter is not an invention within the meaning of this Act, or is not patentable under this Act
- G. the complete specification does not sufficiently and clearly describe the invention or the method by which it is to be performed
- H. Failure to disclose information relating to the application filed in a foreign country.
- I. in case of a convention application, the application is not made within twelve months from the date of the first application for protection for the invention made in a convention country by the applicant or a person from whom he derives title
- J. the complete specification does not disclose or wrongly mentions the source or geographical origin of biological material used for the invention
- K. the invention so far as claimed in any claim of the complete specification is anticipated having regard to the knowledge, oral or otherwise, available within any local or indigenous community in India or elsewhere,

POST-GRANT OPPOSITION- Such an opposition is filed after the grant of patent but before the expiry of one year from the date of publication of grant of a patent. Unlike the pre-grant oppositions, such an opposition can only be filed by the 'person

aggrieved' by the grant of patent and not any person. The opponent has to furnish a notice in writing stating his grounds of opposition to the Controller.

Grounds of Post- Grant opposition are the same as the Pre-Grant Opposition.

Upon the receipt of such a notice, the Controller shall give a notice to the patentee and constitute a Board of Opposition who will deliberate upon the proceedings. Both the parties shall be given an opportunity of being heard and their documents will be thoroughly analyzed. The Opposition Board shall then give its recommendations to the Controller, who will then pass relevant orders as to granting, amending or refusing the patent in question.

### LANDMARK CASES

#### **1. Indian Network for People Living with HIV/AIDS (Petitioner) v. Union of India (Respondent) MANU/TN/1217/2008 Mad (DB)**

The Petitioner, Indian Network for People Living with HIV/AIDS was a society which provided help to HIV Patients. It opposed patent applications vide a pre-grant opposition under Section 25(1) of Patent Act applied by a company, F. Hoffman-La Roche for developing a drug used to treat CMC retinas. The Controller of Patent, in spite of the opposition so filed by the petitioner, granted a patent to the Company without appointing any hearing. The Petitioner thereby moved to the Madras High Court for revocation of patent and to be given an opportunity of being heard. The Madras High Court, finally set aside the Patent so granted and held that the Petitioner have a right to hearing under the Patent Act.

#### **2. Neon Laboratories Pvt Ltd. (Petitioner) v. Troikka Pharma Limited (Respondent), 2011 (45) PTC 357 (Bom)**

Both the Petitioner and Respondents are pharmaceutical companies engaged in the manufacturing, distributing of various pharmaceutical product. The Respondent, Troikka Pharma filed a Patent application under no. 96/MUM/2005 for developing and launching an infection named Diclofenac (Dynapnar). The Petitioners opposed this application. The Controller nevertheless, granted patent to the Respondent without hearing the Petitioner. Neon Lab moved to the High Court and filed a writ petition

under Article 226 of Constitution for its right to be heard. The High Court ruled in favor of the Petitioner and revoked the granted patent.

### **3. M/s UCB Farchim SA v. M/s CiplaLtd. (MANU/DE/0297/2010)**

In this matter, the question was whether an applied lies before the IPAB against orders of Controller of Patents in pre-grant oppositions even though there is no such explicit provision in the Patent Act. A writ petition was filed on this issue before the Delhi High Court. The Court held that the refusal of a pre-grant opposition by a Controller is not appealable before the Appellate Board, however and order of refusal of a patent application by the Controller is appealable before the IPAB and therefore the rejection of a patent application by the Controller in a pre-grant stage is appealable to the IPAB.

### **GRANT OF PATENT**

Section 43 provides that once the Patent Application is found to be in order for the grant of patent and neither was it refused by the Controller at any stage by virtue of the power vested in him nor is it in contravention to the provisions of this, the Controller shall grant the patent as expeditiously as possible to the applicant/applicants, affix a seal of his office to the grant and enter the date of the grant in the register. Thereafter he shall publish the fact that the patent has been granted and the application, specification and any other documents shall be open to public inspection and record.

Date of Patent- Every patent shall be dated as of the date on which the application for patent was filed (Sec 45).

Form, Extent and effect of Patent (Sec 46)- Every patent shall be in the prescribed form and shall have effect throughout INDIA. A patent shall be granted for one invention only.

Grant of Patents to be subject to conditions (Sec 47)- All Patent rights granted in India will be subject to the following conditions-

- a. Any machine, apparatus or article in respect of which patent is granted may be imported or manufactured by government for its own use only, for ex. A patented drug may be imported or made by the govt. for distribution in government hospitals.
- b. any process in respect of which patent is granted may be used by the government for its own use only.
- c. Any machine, apparatus or a process in respect of which patent is granted may be made or used by anyone merely for the purpose of research and experiment including imparting of instructions to pupils.
- d. In case of a patent granted for a medicine or drug, the medicine or drug may be imported by the government for its own use or for distribution in any dispensary or hospital maintained by it.

Term of Patent (Sec 53)-This section lays down that, after the commencement of the Patents (Amendment) Act, 2002, the term of every patent which has not expired and has not ceased to have effect shall be twenty years from the date of filing of the patent application.

#### **g. Rights of Patentee (Sec 48)**

Patent is a statutory right given to the grantee to exclusively deal in his invention. He can prevent others from dealing in the patented invention in any manner. The patentee has a monopoly right on his invention. It may be a product or a process. Furthermore, he can exploit, license, assign, surrender the patent in exchange of any consideration.

Section 48 elucidates this exclusive right granted to the patentee. It states that the grantee can prevent parties, who do not have his consent from making, using, offering for sale, selling or importing the patented product or process in India in any manner. Thus, following rights are granted to the Patentee:

- a. Right to exploit the patent
- b. Right to License

- c. Right to Assign
- d. Right to Surrender the Patent
- e. Right to sue for infringement of Patent.

#### Limitations to the Rights of Patentee (Exceptions):

Along with the rights, there are also a few exceptions to the exclusive right granted to the patentee. The same are:

- a. Government use of Patent
- b. Compulsory Licenses
- c. Use of invention for defense purposes
- d. Revocation for non-working patents
- e. Limitation on restored patents.

#### **h. INFRINGEMENT OF PATENTS**

Patent grants the monopoly right to the patentee to exclusively use the invention i.e., to make, distribute or sell the invention in India. The patentee also has the right to assign, license or sell some or all his rights. Infringement happens when any person other than the patentee uses such an invention for his commercial advantage without the consent of the patentee. Infringement may be as regards the use of product in case of product patents and use of the method in case of process patents without the consent.

The main factor for determining whether there is an infringement of the patent rights depends upon the extent or the scope of monopoly right conferred by the patent to an invention. Such a scope can be made out by the specification contained in the patent application. If any action falls out of such a scope, it shall constitute infringement.

#### DOCTRINE OF PITH AND MARROW (Importance of Construction of Claims by the patentee)-

Doctrine of Pith and Marrow is based of the principle of ‘infringement by equivalence.’ Infringement may be literal or equivalent. A product or process will be considered to be infringed if the basic essence of the invention is similar i.e, if its

essential features are similar and only few non-essential features are substituted.

The essence of this doctrine is that while judging a case for infringement, the Court shouldn't detect the absolute similarity between the two inventions, but it is to see whether the two inventions are substantially the same. If the pith and marrow of the invention is taken and reproduced in the infringed article even by incorporating a colorable imitation of it, infringement has occurred.

The construction of proper claims or specification is very important. The patentee must claim all the essential features of his invention in it. This is so because in order to constitute infringement the infringing article must have each and every essential feature of the article in his article. Even if he omits some non-essential feature, it will constitute infringement. However, in case the patentee misses out some essential features from his claim, the infringer may make use of them and the same wouldn't constitute infringement.

In *Macdonald v. Fraser*<sup>55</sup>, Fraser patented an apparatus for smoke testing, the main features of which were similar to that of Macdonald's, who had an earlier patent; except that an air pump was substituted with bellows. Fraser was held liable for infringement as the pith and marrow of his invention was similar to that of Macdonald's except slight unimportant variations.

Following methods would definitely constitute infringement:

- a. Colorable imitation of an invention/Immaterial variations- i.e., where the infringer makes slight variations but includes the essential features of a patented invention.

In the case of *Young & Beilby v. Hermand Oil Coy*<sup>56</sup>, Y & B were the owner of patents relating to the manufacturing of mineral oil, distilling of shale and other oil yielding minerals. They granted a license to the defendants H. Coy, wherein the later paid royalty to Y & B in certain retorts. Later, the defendants further erected some other retorts and refused to pay royalties to plaintiff. The plaintiff brought a case of patent

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<sup>55</sup> 10 RPC 386.

<sup>56</sup> 9 RPC 373.

infringement on the ground of colorable imitation of its invention by the defendants. After losing before the Lord Ordinary and Inner House, the plaintiff brought an appeal to the House of Lord which allowed the same stating that there has been a patent infringement by the defendant and ruling in favor of Y & B.

- b. Mechanical equivalents- When the infringer uses mere substitutes of the features in order to arrive at the same result for the same purpose would constitute infringement. In *Hayward v. Pavement Light Coy*<sup>57</sup>, the plaintiff had obtained a patent for ‘Improvements in pavement lights’ with the main object of diverting the rays of light in different rooms by using glass moldings. The defendants also made use of such glass moulds to create a curve for the same purpose. The defendants were held to be infringing plaintiff’s goods.
- c. Chemical Equivalents- Use of chemical equivalents would constitute infringement in case such an equivalent was known at the time the specification of the patentee was filed. However, in case the equivalent is absolutely new and was unknown at the time of filing of the specification, the same wouldn’t constitute infringement.
- d. Combination Claims- Any invention is a combination of number of integers (parts) acting in combination with one another in a particular sequential manner. If the number and kind of integers and combination thereof, is substantially similar to that of the patentee, it will constitute infringement. In *Tucker v. Kaye*<sup>58</sup>, the plaintiff obtained a patent for ‘improvements in locks’ and sued the defendants for infringement. The defendants alleged the invalidity of patent on the grounds that it was devoid of novelty and subject matter. K claimed that the mechanism patented by T was known prior to filing of the patent. The plaintiff described his invention as of making locks without projecting or protruding bolts, whereas the defendants had projecting bolts. Finally, it was held by the court that there was no infringement by Kaye.

### ACTION FOR INFRINGEMENT

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<sup>57</sup> 1 RPC 207.

<sup>58</sup> 8 RPC 230

Whenever the monopoly rights of the patentee are violated in any way, an action for infringement may be brought by him to secure his patent.

Section 104- Jurisdiction- This section states that any suit for infringement of a patent or for a declaration shall be filed in a court not lower than a District Court. In cases where the defendant files a counterclaim against the plaintiff praying for revocation of the patent, the District Court shall cease to have the power to adjudicate and such a revocation case shall be put up before the High Court.<sup>59</sup> The burden of proof in case of infringement matter shall lie on the defendant (Section 104A).

Section 105 relates to suits for declaration as to non-infringement. This section states that the Court has the power to make a declaration as to non-infringement where a person claims that the use by him of any process, making or sale of any article would not constitute infringement against a patentee of that product or process. Such a person has to request for an acknowledgement of non-infringement from the patentee in writing describing his product or process in detail. If the patentee refuses to give such an acknowledgment, the aggrieved person may institute such a suit for declaration.

The procedure followed in suits for infringement is governed by the provisions of the Code of Civil Procedure, 1908. The period of limitation is three years from the date of infringement. No prior notice is to be supplied to the defendant before instituting a suit for infringement. The Court will itself issue a notice if it deems fit.

Only the persons who have a right in patent can sue for infringement. Such persons include the patentee, assignee of patent, exclusive licensee of patent, compulsory licensee of patent, co-owners of patent and any other person who has a right in any manner as per the terms of his contract.

Defences that may be claimed by the Defendant in a suit for infringement- Section-107

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<sup>59</sup>*Lambda Eastern Telecommunication v. Acme Tele-Power Private Ltd.*, AIR 2008 Uttr 38.

This section provides that all the grounds advocating revocation of patent (Sec 64) can be claimed by the defendant in a suit for infringement against him as defences.

These are:

- a. That the patentee is not entitled to be granted a patent or to sue for infringement.
- b. That there has been no infringement by the defendant or any threat or intention to infringe.
- c. That the invention was claimed in a prior complete specification of an earlier priority date than the patent;
- d. That the patent was wrongfully obtained;
- e. That the subject matter of the claim is not an invention.
- f. That the invention so claimed is not novel;
- g. That the invention so claimed is obvious and doesn't involve any inventive step.
- h. That the invention is not useful and doesn't have an industrial application.
- i. That the Complete Specification doesn't sufficiently describe the invention and its method of operation.
- j. That the scope of the Complete Specification is not clearly defined.  
That the invention so claimed has been secretly used in India before the priority date of the Claim.
- k. That the Complete Specification doesn't disclose or wrongfully mentions the source or geographical origin of the biological material used in the invention.
- l. That the invention so claimed has been anticipated and its knowledge is available within any local or indigenous community in India or elsewhere.
- m. That there was a leave or license, express or implied to use the invention in any way.
- n. Act complained of falls within the scope of innocent infringement, that is where the defendant wasn't aware of the plaintiff's invention.
- o. Estoppel- This principle is based upon the previous conduct of the patentee. It suggests that if the patentee has previously acted in any manner that shows his express or implied acceptance to the infringement acts of the alleged infringer, he cannot have a case against him. For eg. If the patentee has assigned his patent to an assignor legally, then he cannot go back and deny it or allege that the assignor has infringed his patent.  
Res-judicata- This principle of res-judicata is means that if a matter has been previously acted upon judicially between the same parties with the same cause of action and subject matter cannot be re-opened or re-adjudicated. However, if there is a

change in the parties or the subject matter or the cause of action, this defense cannot be taken.

### RELIEFS AVAILABLE IN SUIT FOR INFRINGEMENT- Section 108

Section 108 of the Act provides for the relief that can be claimed by the patentee when he brings an action for infringement. They are:

1. INJUNCTION- Injunction is an order of the court prohibiting a party from doing some specified act or commanding them to undo a wrong or injury. It is a preventive and protective remedy. The injunctions may be of the following kinds:
  - a. TEMPORARY/INTERIM INJUNCTIONS- Such injunctions are granted during the pendency of the case and are in effect only for a specified time or until further court orders as regards its reversal. These orders may be granted at any time during the proceedings upon the satisfaction of the following principles as laid down by the High Court and the Supreme Court-
    - It must be shown that the plaintiff has a prima facie case in his favor. This is based upon the merits of his patent. Whether its patent is new or old, its validity and expiry, whether there is undoubtedly an infringement
    - And that the plaintiff has suffered and will suffer an irreparable loss in case the injunction is not granted.

These principles have been rightly laid down by the Madras High Court in the case of ***Wockhardt Ltd. v. Hetero Drugs Ltd., (2006) 32 PTC 65*** and by the Supreme Court of India in the case of ***Morgan Stanley Mutual Fund v.Kartick Das, (1994) 4 SCC 225***. The principles on which such an interlocutory injunction is granted is the same as provided under Order XXXIX rules 1 and 2 of the Code of Civil Procedure, 1908.

- b. PERMANENT INJUNCTION- Such injunctions are granted at the termination of the trial and are final. These can only be disputed in appeals.
2. DAMAGES AND ACCOUNT OF PROFITS
3. SEIZURE AND FORFEITURE OF INFRINGING GOODS.

## REVOCAION OF PATENT – Section 64

As stated above, Section 64 of the Act provides for the grounds of revocation of an already granted patent. The grounds (in brief) are as under:

- a. the subject invention has been claimed in any claim of the complete specification of an earlier priority date;
- b. the patentee was not entitled to obtain the patent;
- c. patent was wrongfully obtained in contravention of the rights of the petitioner;
- d. the subject invention doesn't fall within the meaning of the term 'invention' of this act;
- e. the claimed invention lacks novelty

except that no account shall be taken of a personal document or a secret trial or use [64(2)(a)];

- f. the claimed invention is not useful i.e., it lacks industrial application

except that in cases of process patents, importation of the product made of the claimed process abroad will be considered its use [64(2)(b)];

- g. the complete specification is insufficient and improperly drafted and presented. It doesn't clearly describe the invention, its method of application and working;
- h. the scope is undefined or ambiguous;
- i. patent was obtained by false representation or suggestion
- j. the claimed invention was already being used secretly in India before the priority date of the claim

except, it was for the purpose of experiment or reasonable trial only[3(a)]

or the use was by the Government [3(b)];

- k. the complete specification doesn't disclose or wrongly mentions the source or geographical origin of the biological material used in the invention.

64(2)-The patent may be revoked by the High Court upon the petition of the Central Government if the Central Government is satisfied that the patentee has failed to comply with its request to used its invention for the purposes of the government.

Also, if a compulsory license has been placed on the invention of the patentee and yet he fails to make the patent available to the public at a reasonable price, it may be revoked.

In case a patent has been granted for an invention relating to atomic energy, it will be revoked because any grant of such a patent is barred (Section 65).

#### IV. DESIGNS LAW

##### **Indian Designs Act, 2000**

**a. Definition and Meaning- Section 2(d) of the Designs Act, 2000**

**b. Pre-requisites for Design Registration**

**c. Procedure for Registration of a design**

**d. Rights Conferred by Registration of a Design**

**e. Copyright in Registered Designs, Duration & Lapsed Designs**

**f. Piracy of Registered Designs, Remedies**

##### **a. Definition and Meaning**

This field of Intellectual property Rights protects the aesthetic features of an article and has nothing to do with its functionality and technicality. In order to promote the marketability of an article it is important that such an article must be appealing to the eye of the consumer. Design law thereby focuses on protecting such aesthetics so that it encourages the people working in the manufacturing and industrial sectors to create more such designs and promotes research. Thus, from the perspective of IPR law, industrial design refers only to the ornamental features of a product. The Designs Act, 2000 provides for the legislation governing industrial designs in India.

##### Definition and Meaning- Section 2(d) of the Designs Act, 2000

As per Section 2(d) –

"design" means only the features of shape, configuration, pattern, ornament or composition of lines or colors applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye;

but does not include-

- i. any mode or principle of construction;
- ii. anything which is in substance a mere mechanical device;
- iii. any trade mark;
- iv. any property mark as defined in section 479 of the Indian Penal Code;
- v. any artistic work as defined in clause (c) of section 2 of the Copyright Act, 1957.

The above definition clearly states what is considered to be a 'design' and what is not. It is clear that Design Act protects only the features of shape, configuration, colors etc. of a product and not the product itself. Also, such an article may be either two-dimensional or three-dimensional or may be created by whatever means. For an article to qualify for a design registration should be judged solely by the eye and it need not have any artistic or functional quality. In a reported case of *Parle Products Private Limited v. Surya Food & Agro Limited*,<sup>60</sup> the court clearly stated that the main concern to judge was what the finished article was to look like and not what it did. In *Escorts Construction Equipment Ltd. v. Action Construction Equipment Pvt. Ltd.*<sup>61</sup>, the various parts of a crane were made in a particular shape to perform some inter-related function. There was nothing ornamental about the shape of such parts. The court therefore held that since the shape of these parts were being judged by their mechanical function and not by their appearance and therefore they are non-registrable under Designs Act.

#### **b. PRE-REQUISITES FOR DESIGN REGISTRATION**

Section 4 of the Designs Act provides for the prohibitions of registration of certain designs. This in a way suggests what are essentials for a particular design to qualify for registration. These essentials are:

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<sup>60</sup> 2009 (40) PTC 638 (Mad.) (DB) at p. 648.

<sup>61</sup> AIR 1999 Delhi 73.

1. Designs should be New and Original- A design should be completely original, new and novel. That is it is invented or created and was hitherto unknown. Also, if a design has been already used on a different article but has never been used on the article applied for registration, it will still be considered novel for the subject article. For eg. If a particular design has been used on utensils but has never been used on door knobs, such door knobs are registrable. It may be a known design, but it must have been applied to a particular article for the first time. Such a design must not have been published. In *Bharat Glass Tube Limited v. Gopal Glass Works Limited*,<sup>62</sup> the Supreme Court held that “the expression ‘new or original’ appearing in section 4 means that the design which has been registered has not been published anywhere or it has been made known to the public. This expression means that it has been invented for the first time or it has not been reproduced by anyone.
2. Designs should not have been published and disclosed to the public- The design will be rendered unregistrable if it has been disclosed to the public anywhere in India or outside in tangible form or by use prior to the filing or the priority date. The expression ‘tangible form’ refers to a specific physical form given to an article and not just the ability to convert the same in a physical form. In *National Trading Co. v. Monica Chawla*<sup>63</sup>, the court observed that if the design is disclosed to any individual member of the public who is not under the obligation to keep it a secret, it would constitute publication and would deny registrability. There are however the following exceptions to this rule:
  - a. Disclosure of Designs by the Proprietor to someone in GOOD FAITH (Section 16).
  - b. Display of Designs in exhibitions (Section 21)- Display of designs in exhibitions may not be regarded as publication provided that the exhibitor gives the Controller General of Patents, Designs and Trademarks a prior notice of such display and an application for registration of such designs is made within 6 months from the date of first exhibiting.
3. The Designs must have a commercial identity, that is, they should be capable of being sold separately and not used as a part/component of another article.
4. Designs must not contain any scandalous and Obscene Matter.
5. Designs must not be contrary to public morality.

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<sup>62</sup> 2008 (37) PTC 1 (SC).

<sup>63</sup> Air 1994 DEL 309.

### **c. PROCEDURE FOR REGISTRATION OF A DESIGN**

The Procedure for design registration is very similar to that of Trademarks and Copyrights with very few differences. A fresh design application takes on an average, approximately 6-8 months of time to get registered. Such application is filed and is adjudicated by the Controller General of Trademarks, Patents and Designs. Following are the steps involved-

1. **Application for Registration (Section 5)**- The applicant must file an application for the registration of design in the prescribed form accompanied with the representation sheet (depicting the pattern to be registered, the class it falls under and description of goods for which he seeks to register & use) and prescribed fee with the Controller General. The Controller presides in four Patent Offices situated in Delhi, Mumbai, Chennai and Kolkata. The Controller may refuse to register any particular design for reasons recorded and the aggrieved may appeal to the High Court against such an order. The date of application of the design shall be regarded as its date of registration. There are 31 Design Classes along with a misc. class 99 which are described in the third schedule of the Design Rules 2001. A single application pertains to a single class.
2. **Examination (Section 6)**- Unlike trademarks, the examination process is not much technical in designs. However, the Controller shall examine the applicant's application on his end to check whether the applied design confers with the basic pre-requisites of a valid design; such as the test of novelty, public disclosures, similarity to a previously applied design, whether its moral and doesn't contain anything obscene. If it is found that the design is already previously registered in someone else's name, the same may be registered in applicant's name only if he becomes the registered proprietor of such existing design. If the design qualifies, the Controller shall proceed to register it and if not, the Controller shall furnish a report alongwith his concerns to the applicant who has to reply to it within 3 months from the date of receipt.
3. **Registration**- In case the applicant satisfies the Controller regarding the merits of the Design, he shall proceed to register the same.

4. Publication of Design (Section 7)- After registration, the Controller shall cause the design to be published in a prescribed manner in the official gazette for public inspection/objections as regards the same.
5. Grant of Registration Certificate (Section 9)- The Controller shall then grant a certificate of registration of the design when the design is registered.

**d. RIGHTS CONFERRED BY REGISTRATION OF A DESIGN**

Registration of a design confers the following rights on the registered proprietor of a design-

- a. the exclusive right for the purpose of sale to apply the design to any article in any class in which the design is registered;
- b. the exclusive right to import for the purposes of sale of any article belonging to the class in which the design is registered and having applied to it that design;
- c. the exclusive right to publish or expose any article in any class of foods in which the design is registered to which such design is applied.<sup>64</sup>

**e. COPYRIGHT IN REGISTERED DESIGNS, DURATION AND LAPSED DESIGNS (Section 11, 12, 13, 14)**

Proprietors of registered designs have a copyright to use the subject design on articles which it is registered in. Such a copyright is distinct from the one discussed under the Copyright Act. Section 2(c) of the Designs Act, 2000 defines 'Copyright' as 'the exclusive right to apply a design to any article in any class in which the design is registered.' In a leading case of *Parle Products Private Limited v. Surya Food & Agro Limited*,<sup>65</sup> the Court observed that 'the Designs Act, unlike the Copyright Act, gave monopoly protection in the strict sense of the word rather than mere protection against copying as under the Copyright Act and though there was an area of overlap between the two Acts, they did not give coterminous protection as regards the subject matter.

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<sup>64</sup> Section 22.

<sup>65</sup> 2009 (40) PTC 638 (Mad.) (DB) at p. 648.

Section 11 discusses the duration of validity of registered designs. It states that copyright in a design shall subsist with the registered owner for a period of 10 years from the date of its registration. Thereafter, within one year of the expiration of such a period, of the owner so desires, should file an application along with prescribed fee with the Controller for its renewal. It shall be renewed for a period of 5 years after which the design will fall in the public domain. This suggests that the maximum life of registration of a design is 15 years.

Section 12 & 13 discusses the restoration of lapsed designs and the procedure to be followed for the same. A design is said to have lapsed if the owner has failed to file an application for renewal on time. In such a case, the owner may apply to the Controller for its restoration within one year from the date of such a lapse upon payment of the late fee and upon furnishing a proper statement stating the reasons for such a lapse. Upon consideration of such reasons the Controller may restore the registration of the subject design.

Section 14 talks about the rights of the proprietors of lapsed designs. The Controller, before awarding similar rights as proprietors of registered designs to that of restored designs must consider whether the rights of any new applicants have accrued within the period of restoration of former designs. He shall award such rights as he deems fit after analysis and subject to conditions.

#### **f. PIRACY OF REGISTERED DESIGNS- SECTION 22**

A registered design is said to be pirated or infringed if a person uses it, in any of the below ways without the consent of the owner or registered proprietor. Section 22 (1) states that:

“During the existence of copyright in any design it shall not be lawful for any person-

- (a) for the purpose of sale to apply or cause to be applied to any article in any class of articles in which the design is registered, the design or any fraudulent or obvious imitation thereof, except with the license or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied; or
- (b) to import for the purposes of sale, without the consent of the registered proprietor, any article belonging to the class in which the design has been registered, and having applied to it the design or any fraudulent or obvious imitation thereof; or
- (c) knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article in any class of articles in which the design is registered without the consent of the registered proprietor, to publish or expose or cause to be published or exposed for sale that article.”

That is to say that it is unlawful to sell or import for the purpose of sale or publish or expose for sale any article bearing the infringed registered design or an obvious/fraudulent imitation thereof without the consent or license of the registered proprietor. Any act of aforesaid piracy shall only be committed during the existence of copyright in any design.

In a leading case contended in the Bombay High Court, *Whirlpool of India Ltd. v. Videocon Industries Ltd.*,<sup>66</sup> the court stated that small dissimilarities doesn't eliminate the liability of the defendants. That is, by merely using different color schemes and ornamentations but imitating the basic shape, configuration and distinguishing characteristics thereof, the registered design of the plaintiff was infringed and his rights violated. The defendant had imitated the striking and novel factor of the plaintiff's designs, which factor could be referred as “capricious”.

- A. Piracy Essentials:
- B. The design must be registered i.e., there should be an existence of copyright in the design.
- C. Acts of piracy should have been done for the purpose of effecting sale and not for private use. For eg. import of a handbag with fake design for personal use shall not constitute piracy; whereas, import of 1000 pieces of handbags with fake designs for effecting sale in the market shall amount to piracy.

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<sup>66</sup> 2012 (52) PTC 209 (Bom) at p. 223.

- D. The forbidden acts have been done in relation to any article in any class of goods in which the design is registered and not in relation to other class of good.
- E. Piracy is not limited to exact copy of the design being applied on an article without owner's consent but also includes fraudulent or obvious imitation thereof. An obvious imitation is something, which is very closely similar to the original design and is immediately apparent to the eye looking at both of them together. Fraudulent imitation is less obvious and comes to light upon closely perceiving both the designs together.

### REMEDIES AGAINST DESIGN PIRACY

Section 22(2) provides for two alternative remedies to the proprietor of the registered design against the infringement thereof. It is important to note that the plaintiff has the option of available one other the either remedies and not both.<sup>67</sup> These are:

- Damages [Section 22(2)(a)]- The infringer shall be liable to pay damages to the sum of Rs. 25,000 (for contravention recoverable as contract debt) and not exceeding Rs. 50,000.
- Suit for Injunction [Section 22(2)(b)]-The Plaintiff is entitled to file a suit in a Court with requisite jurisdiction for recover of damages, injunction (interim/permanent/ex-parte), rendition of accounts, destruction of goods bearing infringing designs. In such a case the court will award the amount of damages to be paid by the defendant.

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<sup>67</sup>*Calico Printers Association Ltd.v. Goshu Kabushiki Kaisha Ltd.*, AIR 1936 Bom 408.

- *Surbhi Aggarwal*  
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*Thankyou*

