



2021

MARCH ISSUE



WIPO- World IP Day 2021 and IP Initiatives of Singhania & Partners

The theme **"IP & SMEs: Taking Your Ideas to Market"** for World Intellectual Property Day- 2021 has been declared by World Intellectual Property Organization (WIPO). The aim is to encourage innovation among SMEs with a focus on IP Protection, thus generating value for their businesses.

In order to take this drive further, Singhania & Partners LLP initiated **"Small Scale Zone-2021"** and **"Women Claim-2021"** in the best interest of applicants/entities, particularly, small-scale businesses, start-ups, research institutes, universities and women innovators/applicants with regard to IP Services, in India.

Please write at ipp@singhanian.in or iptm@singhanian.in to know more about "Small Scale Zone-2021" and "Women Claim-2021".

PATENTS

TVS Motor Company Secures Patent Registration¹

The Intellectual Property Appellate Board ('IPAB') directed the Controller of Patents and Designs ('Respondent') to grant a patent to TVS Motor Company Limited ('Appellant') for an invention related to anti-roll bar which helps in improving bending stiffness and enhances the safety and stability of vehicle without transferring shock forces to the chassis.

Previously, the Respondent passed an order refusing grant of the patent on the grounds of lack of novelty when compared with cited prior art. While passing the order the IPAB concluded that the cited prior art, though relating to anti-roll bar only, has differential features when compared with the invention of the Appellant, thereby making the Appellant's invention distinguishable.

Therefore, the cited prior art is similar but not an identical document. Moreover, the IPAB held that a prior art is considered as anticipatory if all the features of the invention under examination are present in the cited prior art document. In the present case, the same was held to be not true and accordingly the IPAB set aside the refusal order of the Respondent and directed the Respondent to grant the patent after the filing of the amended claim sets by the Appellant as directed by the IPAB.

TRADEMARK

STIMULIV vs. STIMULET – Bombay High Court Mulls Infringing Similarity between Two Registered Marks²

Franco Indian Pharmaceuticals Pvt. Ltd. ('Plaintiff') filed an infringement suit against Corona Remedies Pvt. Ltd. ('Defendant') for unauthorized passing-off of the Plaintiff's

¹ [TVS Motor Company Ltd. v. The Controller of Patents & Designs](#)

² [Franco Indian Pharmaceuticals Pvt. Ltd. v. Corona Remedies Pvt. Ltd.](#)

mark "STIMULIV" by open advertisement of the registered mark "STIMULET" by the Defendant.

The counsel for the Defendant argued that the products of the parties are different as the one sold by the Defendant is an allopathic preparation for the treatment of breast cancer or infertility, while the Plaintiff's formulation is Ayurvedic used as liver supplement. Additionally, while relying on Section 28 (3) of the Trade Marks Act, 1999, the Defendant argued that when there are two registered proprietors of trademarks which are identical, neither party shall have the exclusive right to use their mark against the other.

The Bombay High Court ('Court') applied two distinct approaches while assessing the deceptive similarity:

- One with respect to the common perception upon seeing the marks; and
- Second based on the Defendants conduct.

On the first account, the Court noted that because of the niche segregation in goods of the parties, even the slightest amount of confusion shall not be permitted.

On the second account, the Court noted that the moment the Defendant sought the registration of the mark "STIMULET" there was an implicit acceptance that the mark as a whole is distinctive and capable of being distinguished, therefore the Defendant could not have argued that the word "STIMUL" is common to the trade. Resultantly, the Court

observed that the two marks are deceptively similar.

The Court observed that when there is a conflict between two registered proprietors, the evaluation of rights in common law was essential to enable the Court to determine whose rights were better and superior. In view of the same, the Court noted that the registration and the use of the Plaintiff's mark is greater by at least two decades coupled with the fact that its sales are incomparably higher than that of the Defendant. Thus, an injunction order was issued against the Defendant for usage in the mark 'STIMULET'.

Ex-parte interim injunction issued against the mark "CINEFONES"³

While issuing an ad-interim injunction against the use of the mark 'CINEFONES', the Bombay High Court ('Court') observed that Cinefones Systems ('Defendant') attempted to pass off the trademark of Cinefones ('Plaintiff') as a whole and also illicitly put to use the Plaintiff's label on which it has copyright protection. The Plaintiff has been using the mark 'CINEFONES' since 1947 for audio-visual equipment including projectors, screens, etc. which was subsequently registered in 1979 under Class 9 for cinematographic hardware products.

Peculiarly, the Plaintiff used to carry on its business from a rented premise till 1992 post which the landlord let the premise out to the Defendant. Thereafter, the Defendant began to advertise its goods basis the

³ [Cinefones v. Cinefones System & Anr.](#)

Plaintiff's billboard over the same premise. The Court observed that the Plaintiff had previously filed opposition and rectification proceedings against the marks of the Defendant and hence the Defendant not only had constructive but actual notice of the Plaintiff's prior registration. The Court issued an ex-parte ad-interim injunction against the Defendant restraining them from advertising the mark 'CINEFONES' in any manner.

Himalaya Drug Company Secures a Win for IP Protection⁴

The Himalaya Drug Company and others ('Plaintiff'), filed a suit before the High Court of Delhi ('Court') seeking injunction against the infringement by Ashok Kumar & others ('Defendant'). The Defendant was involved in infringement of the 150 registered trademarks "HIMALAYA" across multiple class and 82 domain names of the Plaintiff. Since 1930, the Plaintiff had registered rights in the trademark for Medicinal, Ayurvedic and Pharmaceutical preparations.

The Plaintiff claimed that their logo constituted original artistic work under the Copyright Act, 1957. The Plaintiff further contended that the Defendant is conducting fraudulent activities by offering 'Business Opportunities' and distributorship of the Plaintiff's products through its rogue websites like <www.himalayapharmaci.in>. Despite operating over seven websites, the Court noted that the exact identity of the

Defendant could not be ascertained. Notably the plaint also contained information regarding emails, pamphlets, franchisee application forms, fraudulent franchisee agreements, products lists, etc. of the Defendant, using the logo of the Plaintiff. The Court further observed that the total investment sought by the Defendant on its website for franchising, ranges from INR 10,00,000 to INR 20,00,000. Surprisingly, each of the fraudulent distributorship agreements executed by the Defendant were signed by Mr. Philippe Haydon, who was the retired Chief Executive Officer (CEO) of the Plaintiff. Though the registrant detail of the domain names of the Defendant were inaccessible even by the private investigator of the Plaintiff.

Accordingly, the Court was of the opinion that the Defendant illegally sought to capitalize the goodwill of the Plaintiff without any due authorization, and further issued an ad interim injunction restraining the Defendant from using the impugned trademarks or the domain names of the Plaintiff in any manner. The Court also ordered the bank(s) of the Defendant to not allow any withdrawals from their accounts(s) save and except with the leave of the Court.

Larsen & Toubro Wins a Suit for Trademark Infringement⁵

Larsen and Toubro ('Plaintiff') filed a suit for permanent injunction against Radheshyam Singh and Pradeep Jain ('Defendant') for

⁴ [The Himalaya Drug Company & Ors v. Ashok Kumar & Ors](#)

⁵ [Larsen Toubro Limited v. Radheshyam Singh](#)

infringement and passing off the trademarks, copyright, and rendition of account for using the trademarks "Larsen & Toubro", "Larsen", "Toubro", "L&T", "LT", "LT", "LK", "GIC/GIC" in relation to the products of the Defendant i.e. analog time switches, electrical and electronics goods and other allied/related products. The Plaintiff learnt about the Defendant's use of the marks in January 2017. Notably, the Plaintiff's registered intellectual property were openly, continuously and extensively used by the Plaintiff since 1938.

A District Court of Delhi ('Court'), relying on Section 29 (3) of the Trade Marks Act, 1999, stated that the Court shall presume that the use of a registered trademark by a person who is neither the registered proprietor nor a permissive user is likely to cause confusion regarding the association of the registered trademarks in context of identity of goods or services, on part of the public. Agreeing with the finding of the Ld. Commissioner appointed by the Court, the Court permanently restrained the Defendant from using the trademarks "Larsen & Toubro", "L & T", "LT", "LT", "LK" and "GIC/GIC" and/or any other word/mark deceptively/confusingly/phonetically similar as part of their business for selling, distributing or promoting any products whatsoever.

Additionally, the Court also awarded exemplary and punitive damages of INR 1,00,000 to be paid by both Defendant jointly and severally. Further, as the Defendant was not present and no specific

evidence was led for rendition of accounts, the said relief, sought by the Plaintiff was not granted by the Court.

Decathlon Files for Trademark Infringement against Pentathlon



It has been reported that Decathlon has recently filed a trademark infringement suit against Pentathlon before a Delhi District Court ('Court'). Decathlon has pleaded that Pentathlon has blatantly engaged in various trademark infringement acts against their brand namely:

- Passing off of their tag line i.e. 'Sports for all, All for sports';
- Using the same color scheme of trademarks;
- Using the name Pentathlon which is similar to Decathlon;
- Caused irreparable losses due to large stores of Pentathlon in Delhi NCR.

The basis of all these contentions is that there is an intention to use the valued reputation of Decathlon in India for wrongful gains. The matter is presently *sub-judice* and yet to be heard by the Court.

COPYRIGHT

Registration not Mandatory under Copyright Act to Seek Relief⁶

The Bombay High Court ('Court') reaffirmed that registration is not mandatory to seek relief for infringement of copyright under Section 51 of the Copyright Act, 1957.



The infringement suit was filed by Sanjay Soya Pvt. Ltd. ('Plaintiff') for infringement of copyright by Narayni Trading Company ('Defendant') for using the trade dress and label of the Plaintiff for its soybean edible oil products. Upon establishing that the label of the Defendant was confusingly, deceptively and strikingly similar to that of the Plaintiff, the Court noted that given the product popularity of the Plaintiff, it is impossible for the Defendant to have been unaware of the Plaintiff's market presence.

The Court, thereafter, proceeded on the question of whether registration of copyright is mandatory before a person can claim relief, civil or criminal, under the Copyright law of India. Relying on a large body of decisions of various courts, the Court held that the provisions of the Copyright Act, 1957

gives a range of rights and privileges to the first owner of a copyright without requiring prior registration, and hence it is important to preserve and protect the principle that an unregistered author shall be allowed to seek relief.

The Court further opined that an artistic work may receive both trademark registration as a label and copyright protection as an artistic work but while the former requires registration to sustain a suit for infringement, the latter does not. This is because trademark law provides for possibilities of concurrent users, joint proprietors or two or more registered proprietors of very similar marks and so not every suit instituted by a registered proprietor of a trademark yields a decree of infringement.

Accordingly, the Court allowed the interim application and further issued an order of cost of INR 400, 230 against the Defendant.

Copyright Rules 2021 notified⁷

The Department for Promotion of Industry and Internal Trade (DPIIT) on March 30, 2021 notified the Copyright (Amendment) Rules, 2021 ('Amendment'). Some of the key provisions of the Amendment are as follows:

- **Appellate Board for Copyright** – The Amendment seeks to replace the previously existing 'Copyright Board' with an 'Appellate Board'. The Chairman and other members of the Appellate Board shall be appointed as per the provisions of the Trade Marks Act, 1999. (However,

⁶ [Sanjay Soya Pvt Ltd v. Narayani Trading Company](#)

⁷ [Copyright Rules \(Amendment\) 2021](#)

the Central government of India by way of the Tribunals Reforms (Rationalization and Conditions of Service) Ordinance, 2021 ('Ordinance') has abolished the Intellectual Property Appellate Board as mentioned in the Copyright (Amendment) Rules, 2021. The Ordinance was made effective on April 04, 2021.)

- **Copyright Society** – In order to increase accountability, the Amendment introduces a traceable system for collection and distribution of royalties in instances wherein the authors cannot be located or identified. A Copyright Society will be required to publish, on its website at the end of every quarter, information pertaining to the title of the work, name of the authors and any other information relevant for identifying the right holder. Additionally, a Copyright Society will also be required to draw up and make public a special report known as the 'Annual Transparency Report' for each financial year containing information regarding the activities in the financial year, number of refusals to grant a license, amount of royalties collected, the total royalties paid to the authors, the total number of administrative deductions made from the royalties collected, the amount deducted for the activities conducted under the welfare scheme of Copyright Society and the amounts received from and paid to foreign societies or organizations.

- **Fee** – The Amendment also states that where a fee is payable in respect of filing of a document with the Copyright Office and where the document is filed without such fee or with insufficient fee, such document shall be deemed not to have been filed for the purposes.
- **Copyright Application for computer programmes** – The Amendment states that every application for registration of computer programme shall be accompanied by at least the first and last 10 pages of the source code, or the entire source code if the same is less than 20 pages without any blocked or redacted portions.

GENERAL

Offences under Trademarks and Copyright Law held non-bailable⁸

The Bombay High Court ('Court') while rejecting an anticipatory bail application, held that offences under Section 63 of the Copyright Act, 1957 (offence for infringement of copyrights) and Section 103 of the Trade Marks Act, 1999 (offence for falsifying of trademarks) are non-bailable offences. The Court while relying on the provisions of the Code of Criminal Procedure, 1973 held that offences other than those stated under the Indian Penal Code, 1970 which are punishable for three years and upwards are cognizable and non-bailable offences. Since, Section 63 of the

⁸ [Piyush Subhashbhai Ranipa v. The State of Maharashtra](#)

Copyright Act, 1957 and Section 103 of Trade Marks Act, 1999, provides for a sentence of up to three years (including a full sentence of three years), the offences would invariably become non-bailable in nature. Additionally, the Court held that seeking the opinion of the Registrar of Trademarks before search and seizure of the infringing goods is not mandatory, as the accused had not just used a mark which was similar to the informant company's trademark but had simply used the trademark of the informant company mentioning the application number under which the trademark was registered in favour of the informant's company. Accordingly, the Court held that no relief of anticipatory bail could be granted to the accused.

Bombay High Court orders harmonious construction of IPR Rules and Customs Clearance provisions⁹

In the present case the Petitioner NBU Bearings Pvt. Ltd. had filed 6 bills of entry with the Customs Authority and asserted before the Bombay High Court ('Court') that without issuing any order of confiscation under the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007 ('IPR Rules'), the Customs Authority had suspended clearance of its goods imported from China worth INR 23,139,233, all bearing the petitioner's registered trademark "TR". Upon investigation, it was noted that a 'system alert' was raised by one of the

respondents stating that the said goods were suspected of infringing intellectual property rights due to which the goods of the petitioner were confiscated. Notably, Rule 7 of the IPR Rules provide for suspension of clearance of goods when there is a 'reasonable belief' that the imported goods are suspected of infringing intellectual property rights.

The counsel for the Petitioner argued that while the procedural safeguards were not implemented, the Petitioner has been litigating with the informant for ownership of the right to use the trademark / trade name "TR" before the Delhi High Court and the right of either party over the mark "TR" has not yet been established by a court of law.

The Court observed that for any goods to be called as 'infringing the intellectual property rights' under the IPR Rules, there must be breach of intellectual property laws under the respective statute.

Additionally, Section 53 of the Copyright Act, 1957, casts a legal duty on the Customs Authority to release the goods and no longer treat them as prohibited goods if the right holder i.e. the person raising the 'system alert' does not produce an order from a court having jurisdiction as to the temporary or permanent disposal of the goods within 14 days from the date of detention.

Accordingly, the Court held that without any such order from a civil court, it is inappropriate for the Customs Authority to withhold/detain the consignment beyond the prescribed 14 days. Merely based on the

⁹ [NBU Bearings Pvt. Ltd. & Anr v. Union of India & Ors](#)

information of an informant by depositing the requisite amount of security with the Customs Authority while raising the 'system alert', cannot be a reason for the Customs Authority to treat the imported goods as prohibited especially when the importer of the goods has also placed the requisite authorisations with respect to the intellectual property rights, on record.

More importantly, the Court noted that the ownership and entitlement of the mark "TR" is admittedly pending before the Delhi High Court along with the Bombay High Court and there has been no finality in ownership. Accordingly, the Court ordered for the release of the imported goods of the Petitioner vide the bills of entry subject to the Petitioner executing such bond with such surety or security and other conditions as may be specified in the bond in accordance with the law.

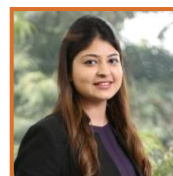
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However, should you have any queries, require any assistance, or clarifications, with regard to anything contained in this newsletter please feel free to contact us at iptm@singhanian.in or ipp@singhanian.in or connect with our team:



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About Us

Singhanian & Partners LLP (est. 1999) is one of the leading full-service law firms in India headquartered in New Delhi and branch offices in Bangalore and Hyderabad. We are recommended by Chambers and Partners, Legal 500 and Asialaw in different practice areas. The firm provides legal services in Intellectual Property, Corporate and Commercial, Mergers & Acquisitions, Dispute Resolution (Litigation & Arbitration), Employment, Infrastructure and Project Finance.

We at Singhanian & Partners advise and assist clients on Intellectual Property comprising trademarks, patents, copyright, designs, geographical indicators, plant varieties, by creating an awareness and redefining what Intellectual Property can do for their business. Our core expertise lies in hand holding clients from the time they conceive an idea, identifying the IP in it, advise on commercialisation and strategies for protecting the IP.

Our team comprises of qualified and seasoned attorneys, technical experts in areas such as life sciences, pharmaceuticals, electronics, engineering, and investigators, who maintain client IP portfolio, perform IP audits to enhance the commercial benefits, assist in identifying infringers, and obtain injunctive relief.