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PATENTS

Madras High Court seeks trial in attempt to settle longstanding dispute concerning a patent claiming an invention to augment kidney function¹

A patent infringement suit was filed before the High Court of Madras ('Court') by Centaur Pharmaceuticals Pvt. Ltd. and Kibow Biotech Inc. ('Plaintiffs') against La Renon Health Care Pvt. Ltd. and Stanford Laboratories Pvt. Ltd. ('Defendants').

One of the Plaintiffs, Centaur Pharmaceuticals Pvt. was an exclusive licensee of the patented invention that augmented kidney function ('Impugned Patent') which was granted to Kibow Biotech Inc. The Impugned Patent was sold under the brand name 'Renadyil'. The Plaintiffs alleged that the infringing products namely, 'Cudo', 'Cudo Forte', and/or 'Probigress' of the Defendants, used the same strain of probiotic bacterium, i.e. 'Streptococcus thermophilus' which dissolved in the same bowel area as the Impugned Patent having the same purpose. In response to the allegations, the Defendants argued that their product 'Cudo Forte', not only contained 'Streptococcus thermophiles' but also contained two other bacteria namely, 'Lactobacillus acidophilus' and 'Bifidobacterium longum' whose colony forming units were much higher than that used in the Impugned Patent. The

Defendants, while relying on Section 3(c), Section 3(e) and Section 3(j) of the Patents Act, 1970, argued that 'Streptococcus thermophiles' is a commonly available bacteria, therefore, there can be no claim for a patent in the Impugned Patent of the Plaintiffs.

Interestingly, the Defendants, prior to the present suit had filed an application of revocation of the Plaintiffs Impugned Patent before the Intellectual Property Appellate Board ('IPAB') which was subsequently rejected. Also, a writ petition was filed before the Court which too was unsuccessful. Further, a special leave petition was also filed by the Defendants before the Supreme Court wherein the Defendants suffered an order of dismissal.

The Court noted that the task of distinguishing beneficial bacteria (as that of the Plaintiffs) from the non-beneficial bacteria requires research to determine the required colony forming units, and which cannot be discovered overnight. Nevertheless, the Court was of the opinion that a trial was necessary to determine how both parties made their discoveries centering on 'Streptococcus thermophiles' as a probiotic bacterium which can be used for alleviating the pain of persons who suffer from kidney related disease(s). The Court held that since the Plaintiffs claim has been successfully upheld by the IPAB, the Court, and the Supreme Court, the balance of convenience lies in the favor of the Plaintiffs

¹ [Centaur Pharmaceuticals Pvt. Ltd & Anr v. La Renon Health Care Pvt. Limited & Anr](#)

and accordingly the Court ordered an interim injunction restraining the Defendants from manufacturing, selling its products till the conclusion of the trial and the disposal of the suit.

Supreme Court contemplates mandatory licensing of Covid-19 drugs and vaccines²

The Supreme Court ('Court') while taking *suo moto* cognizance of the distribution of essential supplies and services during the Covid-19 pandemic, enlisted the flexibilities with respect to Compulsory Licensing of patented drugs and vaccines to tackle the vaccine requirements in an equitable and expedient manner.

In line with the international treaties and agreements such as the Trade Related Aspects of Intellectual Property Rights Agreement and the Doha Declaration, the Indian Patent law provides for Compulsory Licensing in circumstances of national emergency and extreme urgency. As a result, the Court urged the Central Government to take action as per the following provisions of the Patents Act, 1970:

- Section 92 of the Patents Act, 1970 envisages the grant of Compulsory License wherein once a national emergency is declared and the relevant patents are notified, any person interested in manufacturing the drug can make an application to the Controller of Patents for the grant of a Compulsory License with

respect to the said drug. As a result, the Patent Holder of the Drug or Vaccine would be compensated accordingly.

- Section 100 of the Patents Act, 1970 provides for the Central Government to authorize certain companies to use any patents for the "purpose of the government". This would pave the way for pharmaceutical companies to manufacture the vaccine while the royalty would be negotiated by the Central Government.
- Section 102 of the Patents Act, 1970 provides for the Central Government to acquire the patents from a Patent Holder, whereby the High Court may reasonably fix the royalty that has to be paid to the Patent Holder in the event pricing negotiations fail with the Central Government.
- Notably, the Central Government is also permitted to revoke a patent in public interest under Section 102 of the Patent Act, 1970.

The Court observed that the extent of the application of the abovementioned possibilities is something that the Central Government would have to decide by way of policy decisions.

TRADEMARK

Delhi HC dismisses suit for infringement against ITC's 'Farmlite Digestive Biscuits'³

² [Suo Motu Writ Petition \(Civil\) No. 3 of 2021](#)

³ [Britannia Industries Ltd. v. ITC Ltd. & Ors.](#)

The Delhi High Court ('Court'), in a suit filed by Britannia Industries Ltd. ('Plaintiff'), dismissed allegations of passing off and infringement, against ITC Ltd. ('Defendant'), under the Trade Marks Act, 1999.



The Defendant did not have any registered trademark in respect of the impugned packaging. The Court however noted that the Plaintiff registered its entire packaging as a trademark under Class 30, but did not have any separate registration for the 'red' and 'yellow' color combination, even though such colour combinations are registrable under the Trade Marks Act, 1999.

The Plaintiff argued that the overall appearance of the Defendant's packaging was confusingly and deceptively similar to the packaging of the Plaintiff's product. It was further contended that the Plaintiff's biscuits are usually stocked together with the Defendant's biscuits in stores thereby creating 'initial interest confusion' amongst the general class of consumers.

The Court observed that in order to constitute infringement under Section 29 of the Trade Marks Act, 1999 the similarity

between the marks must either be 'deceptive' or 'confusing'. Notably, to establish deceptive similarity one is required to prove the intent of the Defendant, however, this may not be the case while proving confusing similarity.

Further, the Court enlisted significant dissimilarities between the packaging of the products of the Plaintiff and the Defendant, including its visual features and the class of consumers of the respective products. The Court noted that the Defendant's '5- Seed Digestive Farmlite Biscuits' containing flaxseeds, watermelon seeds, chia seeds, pumpkin seeds and sunflower seeds, demands a different clientele, one with health-conscious households who consume such seeds. For them, the Defendant's products are non-substitutable and have its own distinct identity, separate from the digestive biscuits of the Plaintiff.

The Court also observed that affixing the brand's name on the body of the biscuit and representing wheat and grains on the packet of the digestive biscuits, is a matter of common industry practice which serve to discredit the Plaintiff's allegation of deceptive similarity.

Accordingly, the Court dismissed the allegation of the Plaintiff stating that the similarities between the packaging of the parties' biscuits are insufficient to render the packaging of the Defendant confusing or deceptively similar to that of the Plaintiff.

Delhi High Court upholds the principle of prior use in an infringement suit⁴

KBM Foods Pvt. Ltd. ('Plaintiff') had filed the suit seeking permanent injunction against Sachin Gupta ('Defendant') from using its trademark and trade dress along with the mark 'GAI CHAAP' and 'COW' device ('Impugned Trademarks') with respect to the Plaintiff's products i.e. spices. In the present case, the Plaintiff, through its predecessors, had been using the Impugned Trademarks since 1969 and had subsequently made slight changes to its label and trade dress and applied for a separate registration while claiming use with respect to the modified trade dress since 2013.

The Plaintiff argued that the Defendant, with a mala fide intent illegally secured the registration of the trademark 'GCMC' and 'COW' device dated April 21, 2017 on 'proposed to be used' basis.



In response, the Defendant denied all allegations advanced by the Plaintiff and

further contended that the Plaintiff by affixing the letter '@' on its trademark 'KBM GAI CHAAP' used on the packaging has committed an offence of falsely representing a trademark as registered under Section 107 of the Trade Marks Act, 1999. The Defendant also argued that it too had secured trademark registrations with respect to its label in 2017.

The Court while observing that there was infringing similarity on part of the trademarks of the parties, opined that the Defendant's registration of trademarks was not held to be a valid defense against any passing off action. The Court noted that prior use generates goodwill in the market and a later user cannot misrepresent its business as that of the prior holder. Hence, any goodwill generated by the Defendant, in the present case, is because of the dishonest adoption of the trademarks subsequent to the Plaintiff's adoption of the trademarks. With respect to the contentions of false representation on part of the Plaintiff, the Court observed that a court may only take cognizance with respect to such acts when a complaint is submitted in writing by the Registrar or its Authorized Officer. The Court while rejecting the defense held that, the Defendant was unable to show that it had taken any legal action against the misrepresentation done by the Plaintiff under Section 115 of the Trade Marks Act, 1999 despite having the knowledge of the

⁴ [KBM Foods Pvt. Ltd. v. Sachin Gupta](#)

misrepresentation even before the infringement suit was filed against him.

Accordingly, the Court issued an interim order, till the disposal of the suit, restraining the Defendant and its associates against marketing, selling, offering for sale or advertising its goods using the Impugned Trademarks.

Bengaluru Court dismisses suit for injunction based on insufficient evidence ⁵

In a suit for permanent injunction, the District Court of Bengaluru ('Court') dismissed the Plaintiff's allegation of passing off and infringement of trademarks and copyright, for lack of evidence in support of its claim. M/s Sri.Lakshmi Srinivasa Agro Foods ('Plaintiff') was engaged in the business of manufacturing and marketing of Sortex Buhler Rice under the brand name 'Lakshmi Srinivasa Brand' with the portrait of Goddess Lakshmi and Lord Srinivasa on the gunny bags of their products. The Plaintiff claimed that Ravi Enterprises ('Defendant') started marketing the Sorted Buhler Rice since 2008 under the name and style 'Sree Lakshmi Srinivasa Gold' with the same portrait of Goddess Lakshmi and Lord Srinivasa on the gunny bags of their products, which was deceptively similar to the trademarks and copyright adopted by the Plaintiff.

The Court observed that the Defendant had obtained registration of its mark on 30 April, 2014, nearly two years before the Plaintiff

had secured registration with respect to its mark, 'Lakshmi Srinivasa Brand'. The Court also noted that despite claiming loss in profits due to the alleged infringement, the Plaintiff was unable to produce any books of account pertaining to the sales turnover of the relevant years and the loss in profit due to drop in price of the paddy. Even the gunny bags supplied by the Plaintiff failed to indicate any portrait of Goddess Lakshmi and Lord Srinivasa with the brand name as pleaded by the Plaintiff. The Plaintiff also failed to submit evidence with respect to its trademark registration and was insufficiently relying on the statement made by a common wholesale dealer of the Plaintiff. Accordingly, the Court dismissed the suit and directed the Plaintiff to pay cost of the suit to the Defendant.

The Delhi High Court upholds non-exclusivity over the mark 'Pe'⁶

The Delhi High Court ('Court') refused to grant a permanent injunction in a trademark infringement suit instituted by Phonepe Private Limited ('Plaintiff') against EZY Services ('Defendant') for the use of word 'Pe' in its trademark 'Bharat Pe'. The Plaintiff claimed that, the suffix of its registered trademark, 'Pe' is a translation of the Devanagari letter, 'पे', which is an innovative and fanciful adaptation by the Plaintiff.

⁵ [Sri.Lakshmi Srinivasa Agro Food v. Ravi Enterprises and Ors.](#)

⁶ [Phonepe Private Limited v. EZY Services & Anr.](#)

Conversely, the Defendant argued that the Plaintiff did not have any trademark rights on the word 'Pe' in order to seek the relief of injunction. Reliance was placed on Section 15 and Section 17 of the Trade Marks Act, 1999, to state that competing trademarks should not be dissected, but have to be compared as a whole. Accordingly, the Defendants pointed out that the trademarks 'Phone Pe' and 'Bharat Pe' mark were visually, phonetically and structurally different when viewed as a whole. Notably, the Defendant stated that several other companies such as Google Pay, WhatsApp Pay etc. are also currently employing the term 'Pay' as it is descriptive in nature. The Court observed that 'Phone Pe' and 'Bharat Pe' are both composite marks; therefore, the trademarks cannot be dissected and 'Pe' being a misspelling of the word 'Pay', does not change the legal position that the word is descriptive, and no individual shall be permitted to claim proprietary rights over the same. The Court also rejected the Plaintiff's submission that the word 'Pe' has an acquired secondary meaning for the Plaintiff to claim exclusivity over it. Notably, the Court opined that exclusivity may be claimed over a descriptive part of a mark wherein the part has attained distinctiveness through means of extensive use and has resulted in the mark becoming identified exclusively with goods or services of the claiming exclusivity. This often requires members of the public

testifying to that effect which is a matter of trial and evidence.

Accordingly, the Court held that the Plaintiff cannot claim exclusivity solely over the suffix 'Pe', as no infringement can be claimed on the basis of the parts of a registered trademark.

GENERAL

Tribunal Reforms (Rationalization and Conditions of Service) Ordinance 2021 comes into force⁷

The Central Government, on April 4, 2021, notified the Tribunal Reforms (Rationalization and Conditions of Service) Ordinance 2021 ('Ordinance'). The Ordinance has discontinued the functioning of the Intellectual Property Appellate board ('IPAB'). Accordingly, the following provisions have been made with respect to the appellate procedure against original orders under the following Acts:

- i. **Patents Act, 1970** – Any petition for revocation or rectification of a registered patent or any appeal made against a decision, order, direction made under the Patents Act, 1970 shall now lie before the High Court.
- ii. **Trade Marks Act, 1999** – Any appeal against the order of Registrar of Trademarks shall lie before the High Court. Similarly, a petition for removal of trademark from the register shall now be

⁷ [The Tribunal Reforms \(Rationalisation and Conditions of Service\) Ordinance 2021](#)

made before the Registrar of Trademarks or the High Court, as the case may be.

iii. **Geographical Indications of Goods (Registration and Protection) Act, 1999 –**

Any appeal against the order of Registrar shall lie before the High Court. Similarly, any petition for cancelling or altering the details of a registration shall lie before the Registrar or the High court.

iv. **Protection of Plant Varieties and Farmers Rights Act, 2001 –**

Any appeal against the order or decision of the Authority or Registrar relating to registration of a variety, or any claim for benefit sharing, or revocation of compulsory license or modification of any compulsory license or payment of compensation made under the Protection of Plant Varieties and Farmers' Right Act, 2001, shall be preferred before the High Court.

v. **Copyrights Act, 1957 –** Disputes relating to term, ownership, licensing etc. of the original works under the Copyright Act, 1957 will be determined by the Commercial Courts. Any appeal against an order of the Registrar of Copyrights or petition for rectification will lie before the High Court.

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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@singhania.in or ipp@singhania.in or connect with our team:



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